



December 26, 2023

The Honorable Phil Murphy
Governor, State of New Jersey
PO Box 001
Trenton, New Jersey 08608

Dear Governor Murphy:

I am writing you today in support of A.4913/S.3133, sponsored by Assemblymen Conaway, Stanley, and Wimberly as well as Senators Johnson and Scutari, which will increase market transparency and efficiency by giving health care providers a choice over how they would like to be paid by insurance carriers by requiring all associated fees with various payment methods to be disclosed to the provider in advance of accepting payment, and enabling a provider the choice on which payment method best suits their practice's needs.

Twenty-three other states have adopted similar legislation and reform on this matter has been promoted by the National Coalition of Insurance Legislators (NCOIL).

Today, health plans and claims processing companies often portray that only available method in which a provider may receive claims payment is through a Virtual Credit Card, when, in fact, federal rules provide that other alternatives must also be offered. Most health care providers are unaware of the fees of virtual credit cards until they process them and feel victim to those costs. What is more, when they attempt to unwind from this payment method health plans often make the process difficult and delayed which results in a needless loss of time and money and harms their ability to focus on patient care and management.

Here in New Jersey, the average dental practice generates \$500,000 to \$1,200,000 in gross revenue a year. What is more, more than 50 percent of practices in New Jersey are solo practitioners. The net fiscal impact on practices inadvertently forced to use virtual credit cards can be seismic.

For a healthcare practice that generates \$1 million per year in claims repayment credit card transaction fees can approach \$50,000 or more annually. Those are funds that cannot be used to hire new employees, pay existing employees more, improve benefit incentives for those employees, nor invest in new equipment to improve a patient's experience or access to care.

This legislation, as proposed, simply states that health care providers can be in a way that best paid fits their business needs - via electronic fund transfer, virtual credit card, or via a good old-fashioned check. Moreover, the language presented to you represents a negotiated agreement between the healthcare provider community and healthcare insurance carriers.

On behalf of the members of the New Jersey Dental Association, I respectfully request that you enact this legislation into law. Thank you for considering my request. As always, I am happy to address any comments, questions or concerns you, or your staff, may have.

Sincerely yours,

James J. Schulz, Jr.

James Schulz, Jr.
Director, Governmental & Public Affairs