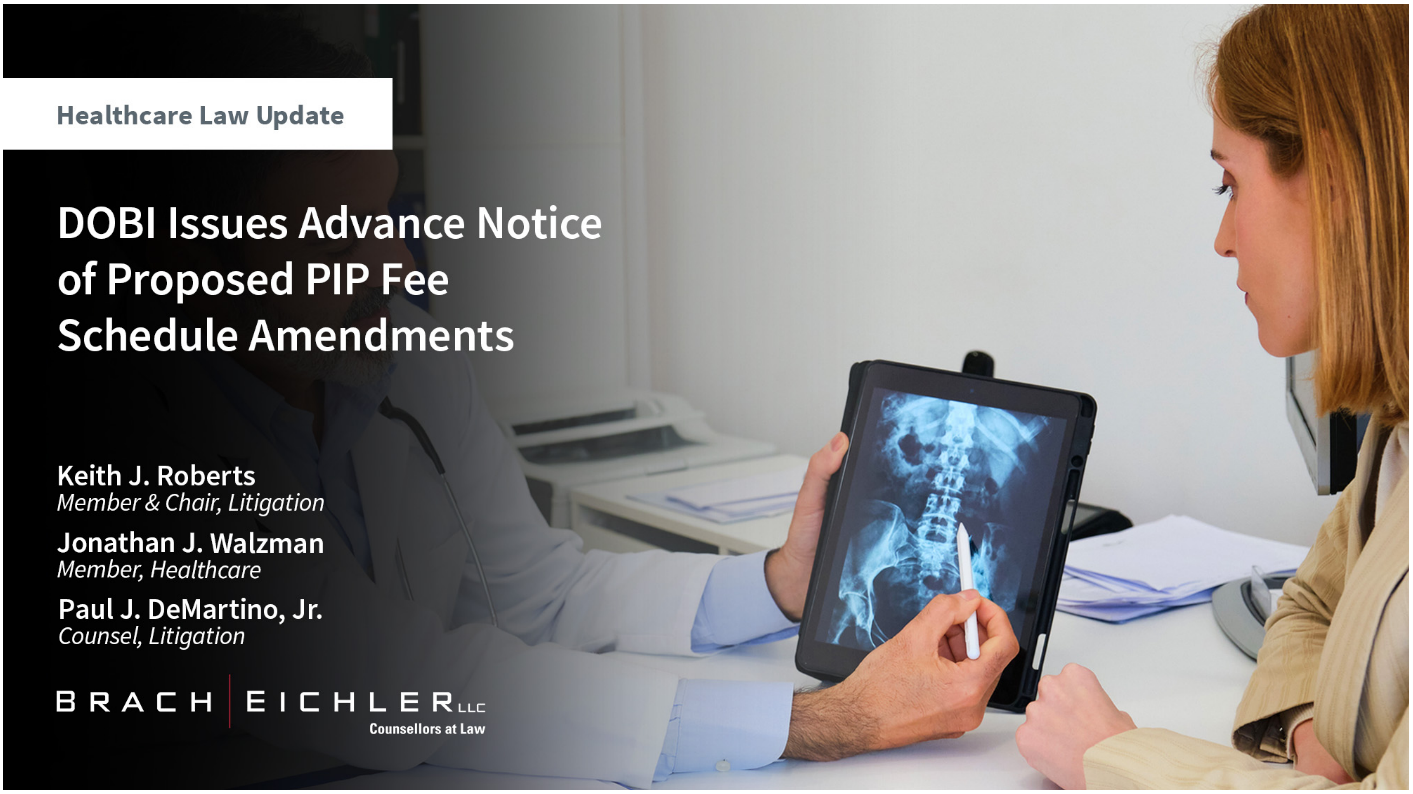
DOBI Issues Advance Notice of Proposed PIP Fee Schedule Amendments



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The New Jersey Department of Banking and Insurance (DOBI) has announced an advance notice of proposed rulemaking aimed at overhauling the Personal Injury Protection (PIP) Medical Fee Schedules under N.J.A.C. 11:3-29. According to DOBI, the current fee schedules, which have not been updated since 2013, are no longer aligned with modern billing practices, coding standards, and reimbursement trends.

To modernize the system, DOBI proposes adopting the 75th percentile of FAIR Health in-network allowed data as the primary benchmark for setting reimbursement rates. Where FAIR Health data is lacking, updated Medicare-based calculations will be used. The proposed changes would also expand reimbursable procedures at ambulatory surgical centers (ASCs), add over 5,000 current CPT, CDT, and HCPCS codes, and eliminate outdated codes. The proposed rule would also include revised definitions, clearer formatting, and updated billing modifiers to streamline claim submissions and reduce disputes.

According to DOBI, these updates are designed to align reimbursement with prevailing market rates and improve administrative efficiency. The proposed amendment is problematic for certain specialties such as orthopedics and spine surgery, which would face significant reductions to reimbursements if the fee schedule uses in-network rates as a benchmark. For example, arthroscopy procedures could face a 17% decrease in reimbursement under the amendment. At this stage, DOBI has only published a notice of proposed rulemaking for the purpose of seeking preliminary input from stakeholders before issuing a formal rule proposal, after which a public comment period will follow. Clients with an interest in PIP claims or medical billing are encouraged to monitor these developments closely.

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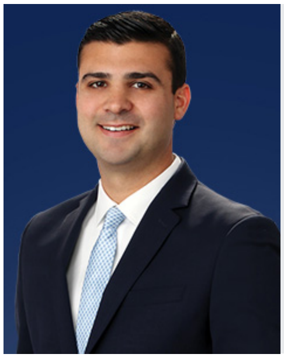

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