

Chapter 126, P.L. 2008

(Approved December 30, 2008)

[First Reprint]

SENATE, No. 467

STATE OF NEW JERSEY

213th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2008 SESSION

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(Sponsorship Updated As Of: 12/16/2008)

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SYNOPSIS

"Grace's Law;" requires health insurers, State Health Benefits Program and NJ FamilyCare to provide coverage for hearing aids for covered persons 15 and younger.

CURRENT VERSION OF TEXT

As reported by the Senate Commerce Committee on January 28, 2008, with amendments.

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1 AN ACT concerning health benefits coverage for hearing aids for
2 children and supplementing various parts of the statutory law.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. This act shall be known and may be cited as "Grace's Law."

8

9 2. A hospital service corporation contract that provides hospital
10 and medical expense benefits and is delivered, issued, executed or
11 renewed in this State pursuant to P.L.1938, c.366 (C.17:48-1 et
12 seq.), or approved for issuance or renewal in this State by the
13 Commissioner of Banking and Insurance, on or after the effective
14 date of this act, shall provide coverage for medically necessary
15 expenses incurred in the purchase of a hearing aid for a covered
16 person 15 years of age or younger, as provided in this section.

17 A hospital service corporation contract shall provide coverage
18 that includes the purchase of a hearing aid for each ear, when
19 medically necessary and as prescribed or recommended by a
20 licensed physician or audiologist. A hospital service corporation
21 may limit the benefit provided in this section to \$1,000 per hearing
22 aid for each hearing-impaired ear every 24 months. A covered
23 person may choose a hearing aid that is priced higher than the
24 benefit payable under this section and may pay the difference
25 between the price of the hearing aid and the benefit payable under
26 this section, without financial or contractual penalty to the provider
27 of the hearing aid.

28 The benefits shall be provided to the same extent as for any other
29 condition under the contract.

30 This section shall apply to those hospital service corporation
31 contracts in which the hospital service corporation has reserved the

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SCM committee amendments adopted January 28, 2008.

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1 right to change the premium.

2

3 3. A medical service corporation contract that provides hospital
4 and medical expense benefits and is delivered, issued, executed or
5 renewed in this State pursuant to P.L.1940, c.74 (C.17:48A-1 et
6 seq.), or approved for issuance or renewal in this State by the
7 Commissioner of Banking and Insurance, on or after the effective
8 date of this act, shall provide coverage for medically necessary
9 expenses incurred in the purchase of a hearing aid for a covered
10 person 15 years of age or younger, as provided in this section.

11 A medical service corporation contract shall provide coverage
12 that includes the purchase of a hearing aid for each ear, when
13 medically necessary and as prescribed or recommended by a
14 licensed physician or audiologist. A medical service corporation
15 may limit the benefit provided in this section to \$1,000 per hearing
16 aid for each hearing-impaired ear every 24 months. A covered
17 person may choose a hearing aid that is priced higher than the
18 benefit payable under this section and may pay the difference
19 between the price of the hearing aid and the benefit payable under
20 this section, without financial or contractual penalty to the provider
21 of the hearing aid.

22 The benefits shall be provided to the same extent as for any other
23 condition under the contract.

24 This section shall apply to those medical service corporation
25 contracts in which the medical service corporation has reserved the
26 right to change the premium.

27

28 4. A health service corporation contract that provides hospital
29 and medical expense benefits and is delivered, issued, executed or
30 renewed in this State pursuant to P.L.1985, c.236 (C.17:48E-1 et
31 seq.), or approved for issuance or renewal in this State by the
32 Commissioner of Banking and Insurance, on or after the effective
33 date of this act, shall provide coverage for medically necessary
34 expenses incurred in the purchase of a hearing aid for a covered
35 person 15 years of age or younger, as provided in this section.

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1 A health service corporation contract shall provide coverage that
2 includes the purchase of a hearing aid for each ear, when medically
3 necessary and as prescribed or recommended by a licensed
4 physician or audiologist. A health service corporation may limit the
5 benefit provided in this section to \$1,000 per hearing aid for each
6 hearing-impaired ear every 24 months. A covered person may
7 choose a hearing aid that is priced higher than the benefit payable
8 under this section and may pay the difference between the price of
9 the hearing aid and the benefit payable under this section, without
10 financial or contractual penalty to the provider of the hearing aid.

11 The benefits shall be provided to the same extent as for any other
12 condition under the contract.

13 This section shall apply to those health service corporation
14 contracts in which the health service corporation has reserved the
15 right to change the premium.

16

17 5. An individual health insurance policy that provides hospital
18 and medical expense benefits and is delivered, issued, executed or
19 renewed in this State pursuant to chapter 26 of Title 17B of the New
20 Jersey Statutes, or approved for issuance or renewal in this State by
21 the Commissioner of Banking and Insurance, on or after the
22 effective date of this act, shall provide coverage for medically
23 necessary expenses incurred in the purchase of a hearing aid for a
24 covered person 15 years of age or younger, as provided in this
25 section.

26 A policy shall provide coverage that includes the purchase of a
27 hearing aid for each ear, when medically necessary and as
28 prescribed or recommended by a licensed physician or audiologist.
29 An insurer may limit the benefit provided in this section to \$1,000
30 per hearing aid for each hearing-impaired ear every 24 months. A
31 covered person may choose a hearing aid that is priced higher than
32 the benefit payable under this section and may pay the difference
33 between the price of the hearing aid and the benefit payable under
34 this section, without financial or contractual penalty to the provider
35 of the hearing aid.

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1 The benefits shall be provided to the same extent as for any other
2 condition under the policy.

3 This section shall apply to those policies in which the insurer has
4 reserved the right to change the premium.

5

6 6. A group health insurance policy that provides hospital and
7 medical expense benefits and is delivered, issued, executed or
8 renewed in this State pursuant to chapter 27 of Title 17B of the New
9 Jersey Statutes, or approved for issuance or renewal in this State by
10 the Commissioner of Banking and Insurance, on or after the
11 effective date of this act, shall provide coverage for medically
12 necessary expenses incurred in the purchase of a hearing aid for a
13 covered person 15 years of age or younger, as provided in this
14 section.

15 A policy shall provide coverage that includes the purchase of a
16 hearing aid for each ear, when medically necessary and as
17 prescribed or recommended by a licensed physician or audiologist.
18 An insurer may limit the benefit provided in this section to \$1,000
19 per hearing aid for each hearing-impaired ear every 24 months. A
20 covered person may choose a hearing aid that is priced higher than
21 the benefit payable under this section and may pay the difference
22 between the price of the hearing aid and the benefit payable under
23 this section, without financial or contractual penalty to the provider
24 of the hearing aid.

25 The benefits shall be provided to the same extent as for any other
26 condition under the policy.

27 This section shall apply to those policies in which the insurer has
28 reserved the right to change the premium.

29

30 7. An individual health benefits plan that provides hospital and
31 medical expense benefits and is delivered, issued, executed or
32 renewed in this State pursuant to P.L.1992, c.161 (C.17B:27A-2 et
33 seq.), on or after the effective date of this act, shall provide
34 coverage for medically necessary expenses incurred in the purchase
35 of a hearing aid for a covered person 15 years of age or younger, as

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1 provided in this section.

2 A health benefits plan shall provide coverage that includes the
3 purchase of a hearing aid for each ear, when medically necessary
4 and as prescribed or recommended by a licensed physician or
5 audiologist. A carrier may limit the benefit provided in this section
6 to \$1,000 per hearing aid for each hearing-impaired ear every 24
7 months. A covered person may choose a hearing aid that is priced
8 higher than the benefit payable under this section and may pay the
9 difference between the price of the hearing aid and the benefit
10 payable under this section, without financial or contractual penalty
11 to the provider of the hearing aid.

12 The benefits shall be provided to the same extent as for any other
13 condition under the health benefits plan.

14 This section shall apply to those health benefits plans in which
15 the carrier has reserved the right to change the premium.

16

17 8. A small employer health benefits plan that provides hospital
18 and medical expense benefits and is delivered, issued, executed or
19 renewed in this State pursuant to P.L.1992, c.162 (C.17B:27A-17 et
20 seq.), on or after the effective date of this act, shall provide
21 coverage for medically necessary expenses incurred in the purchase
22 of a hearing aid for a covered person 15 years of age or younger, as
23 provided in this section.

24 A health benefits plan shall provide coverage that includes the
25 purchase of a hearing aid for each ear, when medically necessary
26 and as prescribed or recommended by a licensed physician or
27 audiologist. A carrier may limit the benefit provided in this section
28 to \$1,000 per hearing aid for each hearing-impaired ear every 24
29 months. A covered person may choose a hearing aid that is priced
30 higher than the benefit payable under this section and may pay the
31 difference between the price of the hearing aid and the benefit
32 payable under this section, without financial or contractual penalty
33 to the provider of the hearing aid.

34 The benefits shall be provided to the same extent as for any other
35 condition under the health benefits plan.

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1 This section shall apply to those health benefits plans in which
2 the carrier has reserved the right to change the premium.

3

4 9. A health maintenance organization contract for health care
5 services that is delivered, issued, executed or renewed in this State
6 pursuant to P.L.1973, c.337 (C.26:2J-1 et seq.), or approved for
7 issuance or renewal in this State by the Commissioner of Banking
8 and Insurance, on or after the effective date of this act, shall provide
9 health care services for medically necessary expenses incurred in
10 the purchase of a hearing aid for an enrollee 15 years of age or
11 younger, as provided in this section.

12 The health care services shall include the purchase of a hearing
13 aid for each ear, when medically necessary and as prescribed or
14 recommended by a licensed physician or audiologist. A health
15 maintenance organization may limit the health care services
16 provided in this section to \$1,000 per hearing aid for each hearing-
17 impaired ear every 24 months. An enrollee may choose a hearing
18 aid that is priced higher than the health care services payable under
19 this section and may pay the difference between the price of the
20 hearing aid and the health care services payable under this section,
21 without financial or contractual penalty to the provider of the
22 hearing aid.

23 The health care services shall be provided to the same extent as
24 for any other condition under the contract.

25 This section shall apply to those contracts for health care
26 services under which the right to change the schedule of charges for
27 enrollee coverage is reserved.

28

29 10. The State Health Benefits Commission shall, on or after the
30 effective date of this act, provide benefits for medically necessary
31 expenses incurred in the purchase of a hearing aid for a covered
32 person 15 years of age or younger, as provided in this section.

33 The benefits shall include the purchase of a hearing aid for each
34 ear, when medically necessary and as prescribed or recommended
35 by a licensed physician or audiologist. The commission may limit

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1 the benefit provided in this section to \$1,000 per hearing aid for
2 each hearing-impaired ear every 24 months. A covered person may
3 choose a hearing aid that is priced higher than the benefit payable
4 under this section and may pay the difference between the price of
5 the hearing aid and the benefit payable under this section, without
6 financial or contractual penalty to the provider of the hearing aid.
7

8 11. The Commissioner of Human Services shall ensure that
9 every contract for health care services under the NJ FamilyCare
10 Program established pursuant to sections 3 through 5 of P.L.2005,
11 c.156 (C.30:4J-10 through C.30:4J-12), entered into on or after the
12 effective date of this act, provides benefits for medically necessary
13 expenses incurred in the purchase of a hearing aid for a covered
14 person 15 years of age or younger, as provided in this section.

15 The benefits shall include the purchase of a hearing aid for each
16 ear, when medically necessary and as prescribed or recommended
17 by a licensed physician or audiologist. The commissioner may limit
18 the benefit provided in this section to \$1,000 per hearing aid for
19 each hearing-impaired ear every 24 months in any of the NJ
20 FamilyCare Program plans, and may provide, when applicable, that
21 a covered person may choose a hearing aid that is priced higher
22 than the benefit payable under this section and may pay the
23 difference between the price of the hearing aid and the benefit
24 payable under this section, without financial or contractual penalty
25 to the provider of the hearing aid.
26

27 12. This act shall take effect on the '[30th] 90th' day after
28 enactment.