

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4048

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 18, 2023

The Assembly Appropriations Committee reports favorably and with committee amendments Assembly Bill No. 4048.

This bill, which amends P.L.2008, c.126, “Grace’s Law,” removes the specification that health insurers (health, hospital, and medical service corporations, commercial individual and group health insurers, health maintenance organizations, health benefits plans issued pursuant to the New Jersey Individual Health Coverage and Small Employer Health Benefits Programs, the State Health Benefits Program, and the NJ FamilyCare Program) provide coverage for expenses incurred in the purchase of a hearing aid only for covered persons who are 15 years old or younger, and providing instead that they provide coverage for those expenses for covered persons who are 21 year old or younger. The bill allows a health insurer to limit the coverage of a hearing aid to \$2,500 per hearing aid for each hearing-impaired ear every 60 months.

The bill also requires that benefits provide coverage of the cost of treatment related to cochlear implants, including procedures for the implantation of cochlear devices and costs for any parts, attachments, or accessories of the device, including replacement of obsolete external cochlear implant processors.

In addition, the bill supplements P.L.2007, c.103 (C.52:14-17.46.1 et seq.) to require the School Employees’ Health Benefits Commission to ensure that every contract purchased by the commission meets the same requirements for hearing aid and cochlear implant coverage as “Grace’s Law.”

As amended and reported by the committee, Assembly Bill No. 4048 is identical to Senate Bill No. 2535 (1R), which was also amended and reported by the committee on this date.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

- 1) limit the benefit provided for in the bill to \$2,500 per hearing aid for each hearing impaired ear every 60 months;
- 2) include coverage for replacement of obsolete external cochlear implant processors under the cost of treatment related to cochlear implants; and

3) remove, from each section, the provision requiring a contract to cover a part, attachment, or accessory when purchased from an out-of-network provider, if the contract does not have a provider in its network to provide the part, attachment or accessory, and to impose cost sharing as if the out-of-network provider were part of the provider network.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that providing health benefits coverage for hearing aids and cochlear implants for 16 to 21 year olds would result in an annual State expenditure increase ranging from \$0.1 million to \$0.7 million and an annual local expenditure increase ranging from \$0.1 million to \$1.1 million. The OLS anticipates the costs would likely fall toward the lower end of the range.

The bill permits a limit on the benefits provided to \$2,500 per hearing aid for each hearing-impaired ear every 60 months. The OLS notes that if the State Health Benefits Commission and School Employees' Health Benefits Commission choose the limit the health benefits, the cost will be lower. The OLS is not able to predict the benefit limitations that will be adopted.