

ASSEMBLY, No. 3759

STATE OF NEW JERSEY 211th LEGISLATURE

INTRODUCED FEBRUARY 7, 2005

Sponsored by:

Assemblyman NEIL M. COHEN

District 20 (Union)

Assemblyman GORDON M. JOHNSON

District 37 (Bergen)

Assemblywoman LORETTA WEINBERG

District 37 (Bergen)

Assemblyman PATRICK DIEGNAN, JR.

District 18 (Middlesex)

Co-Sponsored by:

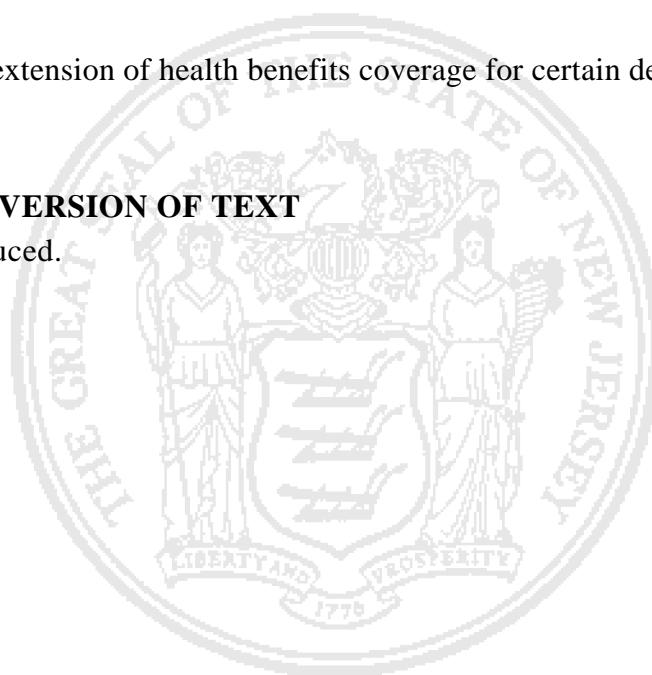
Assemblyman Manzo

SYNOPSIS

Requires extension of health benefits coverage for certain dependents up to age 30.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 2/15/2005)

1 AN ACT concerning extended health benefits coverage for certain
2 dependents 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. An individual or group hospital service corporation contract that
8 provides hospital or medical expense benefits that is delivered, issued,
9 executed or renewed in this State pursuant to P.L.1938, c.366
10 (C.17:48-1 et seq.), or approved for issuance or renewal in this State
11 by the Commissioner of Banking and Insurance on or after the
12 effective date of this act, under which coverage of a dependent
13 terminates at a specified age, shall, at the option of the insured,
14 continue to provide coverage to a dependent of the insured beyond
15 that specified age, provided that the dependent is under the age of 30
16 and has no dependent of his or her own. The hospital service
17 corporation may assess the insured an additional premium, and a
18 service charge not to exceed 3% of the premium, for the coverage for
19 the dependent, if the insured elects the coverage required to be offered
20 by the hospital service corporation pursuant to this section.

21 The provisions of this section shall apply to all contracts in which
22 the hospital service corporation has reserved the right to change the
23 premium.

24
25 2. An individual or group medical service corporation contract that
26 provides hospital or medical expense benefits that is delivered, issued,
27 executed or renewed in this State pursuant to P.L.1940, c.74
28 (C.17:48A-1 et seq.), or approved for issuance or renewal in this State
29 by the Commissioner of Banking and Insurance on or after the
30 effective date of this act, under which coverage of a dependent
31 terminates at a specified age, shall, at the option of the insured,
32 continue to provide coverage to a dependent of the insured beyond
33 that specified age, provided that the dependent is under the age of 30
34 and has no dependent of his or her own. The medical service
35 corporation may assess the insured an additional premium, and a
36 service charge not to exceed 3% of the premium, for the coverage for
37 the dependent, if the insured elects the coverage required to be offered
38 by the medical service corporation pursuant to this section.

39 The provisions of this section shall apply to all contracts in which
40 the medical service corporation has reserved the right to change the
41 premium.

42
43 3. An individual or group health service corporation contract that
44 provides hospital or medical expense benefits that is delivered, issued,
45 executed or renewed in this State pursuant to P.L.1985, c.236
46 (C.17:48E-1 et seq.), or approved for issuance or renewal in this State

1 by the Commissioner of Banking and Insurance on or after the
2 effective date of this act, under which coverage of a dependent
3 terminates at a specified age, shall, at the option of the insured,
4 continue to provide coverage to a dependent of the insured beyond
5 that specified age, provided that the dependent is under the age of 30
6 and has no dependent of his or her own. The health service
7 corporation may assess the insured an additional premium, and a
8 service charge not to exceed 3% of the premium, for the coverage for
9 the dependent, if the insured elects the coverage required to be offered
10 by the health service corporation pursuant to this section.

11 The provisions of this section shall apply to all contracts in which
12 the health service corporation has reserved the right to change the
13 premium.

14

15 4. An individual health insurance policy that provides hospital or
16 medical expense benefits that is delivered, issued, executed or renewed
17 in this State pursuant to chapter 26 of Title 17B of the New Jersey
18 Statutes, or approved for issuance or renewal in this State by the
19 Commissioner of Banking and Insurance on or after the effective date
20 of this act, shall, at the option of the insured, continue to provide
21 coverage to a dependent of the insured beyond that specified age,
22 provided that the dependent is under the age of 30 and has no
23 dependent of his or her own. The insurer may assess the insured an
24 additional premium, and a service charge not to exceed 3% of the
25 premium, for the coverage for the dependent, if the insured elects the
26 coverage required to be offered by the insurer pursuant to this section.

27 The provisions of this section shall apply to all policies in which the
28 insurer has reserved the right to change the premium.

29

30 5. A group health insurance policy that provides hospital or
31 medical expense benefits that is delivered, issued, executed or renewed
32 in this State pursuant to chapter 27 of Title 17B of the New Jersey
33 Statutes, or approved for issuance or renewal in this State by the
34 Commissioner of Banking and Insurance on or after the effective date
35 of this act, under which coverage of a dependent terminates at a
36 specified age, shall, at the option of the insured, continue to provide
37 coverage to a dependent of the insured beyond that specified age,
38 provided that the dependent is under the age of 30 and has no
39 dependent of his or her own. The insurer may assess the insured an
40 additional premium, and a service charge not to exceed 3% of the
41 premium, for the coverage for the dependent, if the insured elects the
42 coverage required to be offered by the insurer pursuant to this section.

43 The provisions of this section shall apply to all policies in which the
44 insurer has reserved the right to change the premium.

45

46 6. An individual health benefits plan that provides hospital or
47 medical expense benefits that is delivered, issued, executed or renewed

1 in this State pursuant to P.L.1992, c.161 (C.17B:27A-2 et seq.) or
2 approved for issuance or renewal in this State by the Commissioner of
3 Banking and Insurance on or after the effective date of this act, under
4 which coverage of a dependent terminates at a specified age, shall, at
5 the option of the insured, continue to provide coverage to a dependent
6 of the insured beyond that specified age, provided that the dependent
7 is under the age of 30 and has no dependent of his or her own. The
8 carrier may assess the insured an additional premium, and a service
9 charge not to exceed 3% of the premium, for the coverage for the
10 dependent, if the insured elects the coverage required to be offered by
11 the carrier pursuant to this section.

12 The provisions of this section shall apply to all individual health
13 benefits plans in which the carrier has reserved the right to change the
14 premium.

15

16 7. A small employer health benefits plan that provides hospital or
17 medical expense benefits that is delivered, issued, executed or renewed
18 in this State pursuant to P.L.1992, c.162 (C.17B:27A-17 et seq.) or
19 approved for issuance or renewal in this State by the Commissioner of
20 Banking and Insurance on or after the effective date of this act, under
21 which coverage of a dependent terminates at a specified age, shall, at
22 the option of the insured, continue to provide coverage to a dependent
23 of the insured beyond that specified age, provided that the dependent
24 is under the age of 30 and has no dependent of his or her own. The
25 carrier may assess the insured an additional premium, and a service
26 charge not to exceed 3% of the premium, for the coverage for the
27 dependent, if the insured elects the coverage required to be offered by
28 the carrier pursuant to this section.

29 The provisions of this section shall apply to all small employer
30 health benefits plans in which the carrier has reserved the right to
31 change the premium.

32

33 8. A certificate of authority to establish and operate a health
34 maintenance organization in this State shall not be issued or continued
35 pursuant to P.L.1973, c.337 (C.26:2J-1 et seq.) by the Commissioner
36 of Health and Senior Services on or after the effective date of this act
37 for a health maintenance organization that provides health care
38 services pursuant to a contract, under which coverage of a dependent
39 terminates at a specified age unless the contract provides, at the option
40 of the insured, continued coverage to a dependent of the insured
41 beyond that specified age, provided that the dependent is under the
42 age of 30 and has no dependent of his or her own. The health
43 maintenance organization may assess the enrollee an additional
44 premium, and a service charge not to exceed 3% of the premium, for
45 the coverage for the dependent, if the enrollee elects the coverage
46 required to be offered by the health maintenance organization pursuant
47 to this section.

1 The provisions of this section shall apply to all contracts for health
2 care services by health maintenance organizations under which the
3 right to change the schedule of charges for enrollee coverage is
4 reserved.

5
6 9. The State Health Benefits Commission shall ensure that every
7 contract purchased by the commission on or after the effective date of
8 this act that provides dependent coverage shall not terminate coverage
9 of the unmarried dependent child who has a dependent of his or her
10 own before his or her 30th birthday by reason of his or her age. The
11 cost of coverage pursuant to this section shall be reimbursed by the
12 employee to the New Jersey State Health Benefits Program, in
13 accordance with a rate to be determined by the commission.

14
15 10. This act shall take effect on the 90th day after enactment.

16
17 STATEMENT

18
19 This bill extends up to age 30 the coverage provided to certain
20 dependents under health benefits plans issued by health insurers,
21 including hospital service corporations, medical service corporations,
22 health service corporations, commercial insurers, health maintenance
23 organizations and health benefits plans issued pursuant to the New
24 Jersey Individual Health Coverage Program, the New Jersey Small
25 Employer Health Benefits Program and the New Jersey State Health
26 Benefits Program.

27 Generally, under the majority of health benefits plans, health
28 benefits coverage for a dependent terminates at age 19. The New
29 Jersey State Health Benefits Program provides coverage for certain
30 dependents up to age 23. However, dependents may need coverage
31 past the ages of 19 and 23, as they may be unable to afford their own
32 coverage, given the rising costs of health care coverage.

33 This bill addresses that situation by requiring that insurers extend
34 these benefits, at the option of the insured, to a dependent of the
35 insured, provided that the dependent is under the age of 30 and has no
36 dependents of his or her own. Health benefits plans providing this
37 additional coverage may assess an additional premium to the insured
38 for the coverage, and a service charge not to exceed 3% of the
39 premium.

40 The bill requires the State Health Benefits Commission to ensure
41 that every contract purchased by the commission on or after the
42 effective date of the bill that provides dependent coverage shall not
43 terminate coverage of an unmarried dependent child before his or her
44 30th birthday by reason of his or her age. The public sector employee
45 must reimburse the cost of this coverage to the New Jersey State
46 Health Benefits Program, in accordance with a rate to be determined
47 by the commission.