

ASSEMBLY, No. 2238

STATE OF NEW JERSEY 216th LEGISLATURE

INTRODUCED JANUARY 27, 2014

Sponsored by:

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District 9 (Atlantic, Burlington and Ocean)

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District 9 (Atlantic, Burlington and Ocean)

SYNOPSIS

“Breann’s Law” requires health insurers, the State Health Benefits Program and NJ FamilyCare to provide “out of network” coverage for children with catastrophic illnesses.

CURRENT VERSION OF TEXT

As introduced.



1 **AN ACT** concerning health benefits coverage for children diagnosed
2 with catastrophic illnesses under certain circumstances and
3 designated as Breann's Law, and supplementing various parts of
4 the statutory law.

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

8
9 1. a. As used in this section:

10 "Catastrophic illness" means an acute or prolonged illness
11 usually considered to be life-threatening or with the threat of
12 serious residual disability.

13 "Child" means a dependent child pursuant to the specific terms
14 of the applicable contract.

15 "Network" means one or more providers that participate in a
16 selective contracting arrangement with a hospital service
17 corporation.

18 "Selective contracting arrangement" means an arrangement in
19 which a hospital service corporation participates in selective
20 contracting with one or more providers, and which arrangement
21 contains reasonable benefit differentials, including, but not limited
22 to, predetermined fee or reimbursement rates for covered benefits
23 applicable to participating and nonparticipating providers.

24 b. A hospital service corporation contract that provides hospital
25 or medical expense benefits and is delivered, issued, executed or
26 renewed in this State pursuant to P.L.1938, c.366 (C.17:48-1 et
27 seq.), or approved for issuance or renewal in this State by the
28 Commissioner of Banking and Insurance, on or after the effective
29 date of this act, shall provide coverage for health care services
30 provided by an out-of-network provider, if those services are
31 provided to a child who is diagnosed with a catastrophic illness, as
32 defined in subsection a. of this section, and the aforementioned
33 services were performed on the basis of a referral from an in-
34 network provider.

35 c. The benefits required by subsection b. of this section shall
36 be provided to the same extent as for any other condition for which
37 benefits are provided in-network under the contract.

38 d. This section shall apply to those hospital service corporation
39 contracts in which the hospital service corporation has reserved the
40 right to change the premium.

41
42 2. a. As used in this section:

43 "Catastrophic illness" means an acute or prolonged illness
44 usually considered to be life-threatening or with the threat of
45 serious residual disability.

46 "Child" means a dependent child pursuant to the specific terms
47 of the applicable contract.

48 "Network" means one or more providers that participate in a

1 selective contracting arrangement with a medical service
2 corporation.

3 “Selective contracting arrangement” means an arrangement in
4 which a medical service corporation participates in selective
5 contracting with one or more providers, and which arrangement
6 contains reasonable benefit differentials, including, but not limited
7 to, predetermined fee or reimbursement rates for covered benefits
8 applicable to participating and nonparticipating providers.

9 b. A medical service corporation contract that provides hospital
10 or medical expense benefits and is delivered, issued, executed or
11 renewed in this State pursuant to P.L.1940, c.74 (C.17:48A-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 health care services
15 provided by an out-of-network provider, if those services are
16 provided to a child who is diagnosed with a catastrophic illness, as
17 defined in subsection a. of this section, and the aforementioned
18 services were performed on the basis of a referral from an in-
19 network provider.

20 c. The benefits required by subsection b. of this section shall
21 be provided to the same extent as for any other condition for which
22 benefits are provided in-network under the contract.

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

26

27 3. a. As used in this section:

28 "Catastrophic illness" means an acute or prolonged illness
29 usually considered to be life-threatening or with the threat of
30 serious residual disability.

31 "Child" means a dependent child pursuant to the specific terms
32 of the applicable contract.

33 "Network" means one or more providers that participate in a
34 selective contracting arrangement with a health service corporation.

35 “Selective contracting arrangement” means an arrangement in
36 which a health service corporation participates in selective
37 contracting with one or more providers, and which arrangement
38 contains reasonable benefit differentials, including, but not limited
39 to, predetermined fee or reimbursement rates for covered benefits
40 applicable to participating and nonparticipating providers.

41 b. A health service corporation contract that provides hospital
42 or medical expense benefits and is delivered, issued, executed or
43 renewed in this State pursuant to P.L.1985, c.236 (C.17:48E-1 et
44 seq.), or approved for issuance or renewal in this State by the
45 Commissioner of Banking and Insurance, on or after the effective
46 date of this act, shall provide coverage for health care services
47 provided by an out-of-network provider, if those services are
48 provided to a child who is diagnosed with a catastrophic illness, as

1 defined in subsection a. of this section, and the aforementioned
2 services were performed on the basis of a referral from an in-
3 network provider.

4 c. The benefits required by subsection b. of this section shall
5 be provided to the same extent as for any other condition for which
6 benefits are provided in-network under the contract.

7 d. This section shall apply to those health service corporation
8 contracts in which the health service corporation has reserved the
9 right to change the premium.

10

11 4. a. As used in this section:

12 "Catastrophic illness" means an acute or prolonged illness
13 usually considered to be life-threatening or with the threat of
14 serious residual disability.

15 "Child" means a dependent child pursuant to the specific terms
16 of the applicable policy.

17 "Network" means one or more providers that participate in a
18 selective contracting arrangement with an insurer.

19 "Selective contracting arrangement" means an arrangement in
20 which an insurer participates in selective contracting with one or
21 more providers, and which arrangement contains reasonable benefit
22 differentials, including, but not limited to, predetermined fee or
23 reimbursement rates for covered benefits applicable to participating
24 and nonparticipating providers.

25 b. A group health insurance policy that provides hospital or
26 medical expense benefits and is delivered, issued, executed or
27 renewed in this State pursuant to chapter 27 of Title 17B of the New
28 Jersey Statutes, or approved for issuance or renewal in this State by
29 the Commissioner of Banking and Insurance, on or after the
30 effective date of this act, shall provide coverage for health care
31 services provided by an out-of-network provider, if those services
32 are provided to a child who is diagnosed with a catastrophic illness,
33 as defined in subsection a. of this section, and the aforementioned
34 services were performed on the basis of a referral from an in-
35 network provider.

36 c. The benefits required by subsection b. of this section shall
37 be provided to the same extent as for any other condition for which
38 benefits are provided in-network under the policy.

39 d. This section shall apply to those policies in which the insurer
40 has reserved the right to change the premium.

41

42 5. a. As used in this section:

43 "Catastrophic illness" means an acute or prolonged illness
44 usually considered to be life-threatening or with the threat of
45 serious residual disability.

46 "Child" means a dependent child pursuant to the specific terms
47 of the applicable health benefits plan.

48 "Network" means one or more providers that participate in a

1 selective contracting arrangement with a carrier.

2 “Selective contracting arrangement” means an arrangement in
3 which a carrier participates in selective contracting with one or
4 more providers, and which arrangement contains reasonable benefit
5 differentials, including, but not limited to, predetermined fee or
6 reimbursement rates for covered benefits applicable to participating
7 and nonparticipating providers.

8 b. An individual health benefits plan that provides hospital or
9 medical expense benefits and is delivered, issued, executed or
10 renewed in this State pursuant to P.L.1992, c.161 (C.17B:27A-2 et
11 seq.), on or after the effective date of this act, shall provide
12 coverage for health care services provided by an out-of-network
13 provider, if those services are provided to a child who is diagnosed
14 with a catastrophic illness, as defined in subsection a. of this
15 section, and the aforementioned services were performed on the
16 basis of a referral from an in-network provider.

17 c. The benefits required by subsection b. of this section shall
18 be provided to the same extent as for any other condition for which
19 benefits are provided in-network under the health benefits plan.

20 d. This section shall apply to those health benefits plans in
21 which the carrier has reserved the right to change the premium.

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23 6. a. As used in this section:

24 "Catastrophic illness" means an acute or prolonged illness
25 usually considered to be life-threatening or with the threat of
26 serious residual disability.

27 "Child" means a dependent child pursuant to the specific terms
28 of the applicable health benefits plan.

29 "Network" means one or more providers that participate in a
30 selective contracting arrangement with a carrier.

31 “Selective contracting arrangement” means an arrangement in
32 which a carrier participates in selective contracting with one or
33 more providers, and which arrangement contains reasonable benefit
34 differentials, including, but not limited to, predetermined fee or
35 reimbursement rates for covered benefits applicable to participating
36 and nonparticipating providers.

37 b. A small employer health benefits plan that provides hospital
38 or medical expense benefits and is delivered, issued, executed or
39 renewed in this State pursuant to P.L.1992, c.162 (C.17B:27A-17 et
40 seq.), on or after the effective date of this act, shall provide
41 coverage for health care services provided by an out-of-network
42 provider, if those services are provided to a child who is diagnosed
43 with a catastrophic illness, as defined in subsection a. of this
44 section, and the aforementioned services were performed on the
45 basis of a referral from an in-network provider.

46 c. The benefits required by subsection b. of this section shall
47 be provided to the same extent as for any other condition for which
48 benefits are provided in-network under the health benefits plan.

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

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4 7. a. As used in this section:

5 "Catastrophic illness" means an acute or prolonged illness
6 usually considered to be life-threatening or with the threat of
7 serious residual disability.

8 "Child" means a dependent child pursuant to the specific terms
9 of the applicable contract.

10 "Network" means one or more providers that participate in a
11 selective contracting arrangement with a health maintenance
12 organization.

13 "Selective contracting arrangement" means an arrangement in
14 which a health maintenance organization participates in selective
15 contracting with one or more providers, and which arrangement
16 contains reasonable benefit differentials, including, but not limited
17 to, predetermined fee or reimbursement rates for covered benefits
18 applicable to participating and nonparticipating providers.

19 b. A health maintenance organization contract for health care
20 services that is delivered, issued, executed or renewed in this State
21 pursuant to P.L.1973, c.337 (C.26:2J-1 et seq.), or approved for
22 issuance or renewal in this State by the Commissioner of Banking
23 and Insurance, on or after the effective date of this act, shall provide
24 coverage for health care services provided by an out-of-network
25 provider, if those services are provided to a child who is diagnosed
26 with a catastrophic illness, as defined in subsection a. of this
27 section, and the aforementioned services were performed on the
28 basis of a referral from an in-network provider.

29 c. The health care services required by subsection b. of this
30 section shall be provided to the same extent as for any other
31 condition for which benefits are provided in-network under the
32 contract.

33 d. This section shall apply to those contracts for health care
34 services under which the right to change the schedule of charges for
35 enrollee coverage is reserved.

36
37 8. a. As used in this section:

38 "Catastrophic illness" means an acute or prolonged illness
39 usually considered to be life-threatening or with the threat of
40 serious residual disability.

41 "Child" means a dependent child pursuant to the specific terms
42 of the applicable contract.

43 "Network" means one or more providers that participate in a
44 selective contracting arrangement with the State Health Benefits
45 Commission.

46 "Selective contracting arrangement" means an arrangement in
47 which the State Health Benefits Commission participates in
48 selective contracting with one or more providers, and which

1 arrangement contains reasonable benefit differentials, including, but
2 not limited to, predetermined fee or reimbursement rates for
3 covered benefits applicable to participating and nonparticipating
4 providers.

5 b. The State Health Benefits Commission shall ensure that
6 every contract purchased by the commission, on or after the
7 effective date of this act that provides hospital or medical expense
8 benefits, shall provide benefits for health care services provided by
9 an out-of-network provider, if those services are provided to a child
10 who is diagnosed with a catastrophic illness, as defined in
11 subsection a. of this section, and the aforementioned services were
12 performed on the basis of a referral from an in-network provider.

13 c. The health care services required by subsection b. of this
14 section shall be provided to the same extent as for any other
15 condition for which benefits are provided in-network under the
16 contract.

17

18 9. a. As used in this section:

19 "Catastrophic illness" means an acute or prolonged illness
20 usually considered to be life-threatening or with the threat of
21 serious residual disability.

22 "Child" means a dependent child pursuant to the specific terms
23 of the applicable coverage contract.

24 "Network" means one or more providers that participate in a
25 selective contracting arrangement with the NJ FamilyCare Program.

26 "Selective contracting arrangement" means an arrangement in
27 which the NJ FamilyCare Program participates in selective
28 contracting with one or more providers, and which arrangement
29 contains reasonable benefit differentials, including, but not limited
30 to, predetermined fee or reimbursement rates for covered benefits
31 applicable to participating and nonparticipating providers.

32 b. The Commissioner of Human Services shall not utilize or
33 establish any contract for health care services under the NJ
34 FamilyCare Program, established pursuant to sections 3 through 5
35 of P.L.2005, c.156 (C.30:4J-10 through C.30:4J-12), after the
36 effective date of this act, unless the contract provides benefits for
37 health care services provided by an out-of-network provider, if
38 those services are provided to a child who is diagnosed with a
39 catastrophic illness, as defined in subsection a. of this section, and
40 the aforementioned services were performed on the basis of a
41 referral from an in-network provider.

42 c. The health care services required by subsection b. of this
43 section shall be provided to the same extent as for any other
44 condition for which benefits are provided in-network under the
45 contract.

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

STATEMENT

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This bill, “Breann’s Law,” is named for Breann LaManna, a young New Jersey girl who was denied “out-of-network” coverage for a life threatening illness. The bill requires health insurers, as well as the State Health Benefits Plan and NJ Family Care, to provide benefits for services provided by an “out-of-network” provider to the same extent as they would be provided if performed in-network, when the services are for a covered child who is suffering from a catastrophic illness, after a referral from an in-network provider. Catastrophic illness, is defined in the bill as an acute or prolonged illness usually considered to be life-threatening or with the threat of serious residual disability.