

# ASSEMBLY, No. 1508

## STATE OF NEW JERSEY 217th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2016 SESSION

**Sponsored by:**

**Assemblyman JOHN F. MCKEON**

**District 27 (Essex and Morris)**

**Assemblywoman JOANN DOWNEY**

**District 11 (Monmouth)**

**Assemblyman ROBERT AUTH**

**District 39 (Bergen and Passaic)**

**Co-Sponsored by:**

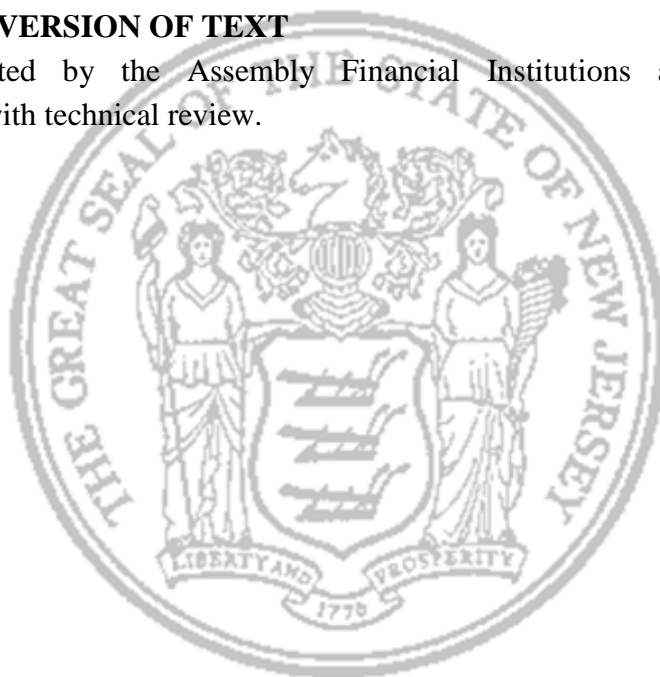
**Assemblywoman Pinkin**

**SYNOPSIS**

Requires health insurers and State Health Benefits Commission to provide coverage for posttraumatic stress disorder under same conditions as other sickness.

**CURRENT VERSION OF TEXT**

As reported by the Assembly Financial Institutions and Insurance Committee with technical review.



(Sponsorship Updated As Of: 5/12/2017)

1 AN ACT concerning health insurance benefits for posttraumatic  
2 stress disorder and amending P.L.1999, c.106, P.L.1961, c.49,  
3 and P.L.1999, c.441.

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

7  
8 1. Section 1 of P.L.1999, c.106 (C.17:48-6v) is amended to  
9 read as follows:

10 1. a. Every individual and group hospital service corporation  
11 contract that provides hospital or medical expense benefits and is  
12 delivered, issued, executed or renewed in this State pursuant to  
13 P.L.1938, c.366 (C.17:48-1 et seq.), or approved for issuance or  
14 renewal in this State by the Commissioner of Banking and  
15 Insurance, on or after the effective date of this act shall provide  
16 coverage for biologically-based mental illness and posttraumatic  
17 stress disorder under the same terms and conditions as provided for  
18 any other sickness under the contract.

19 "Biologically-based mental illness" means a mental or nervous  
20 condition that is caused by a biological disorder of the brain and  
21 results in a clinically significant or psychological syndrome or  
22 pattern that substantially limits the functioning of the person with  
23 the illness, including but not limited to, schizophrenia,  
24 schizoaffective disorder, major depressive disorder, bipolar  
25 disorder, paranoia and other psychotic disorders, obsessive-  
26 compulsive disorder, panic disorder and pervasive developmental  
27 disorder or autism.

28 "Posttraumatic stress disorder" means the anxiety disorder  
29 described in the most recent edition of the Diagnostic and Statistical  
30 Manual of Mental Disorders.

31 "Same terms and conditions" means that the hospital service  
32 corporation cannot apply different copayments, deductibles or  
33 benefit limits to biologically-based mental **[health]**illness or  
34 posttraumatic stress disorder benefits than those applied to other  
35 medical or surgical benefits.

36 b. Nothing in this section shall be construed to change the  
37 manner in which a hospital service corporation determines:

38 (1) whether a mental health care service meets the medical  
39 necessity standard as established by the hospital service  
40 corporation; or

41 (2) which providers shall be entitled to reimbursement for  
42 providing services for mental illness or posttraumatic stress disorder  
43 under the contract.

44 c. The provisions of this section shall apply to all contracts in

**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.

1 which the hospital service corporation has reserved the right to  
2 change the premium.

3 (cf: P.L.1999, c.106, s.1)

4  
5 2. Section 2 of P.L.1999, c.106 (C.17:48A-7u) is amended to  
6 read as follows:

7 2. a. Every individual and group medical service corporation  
8 contract that provides hospital or medical expense benefits that is  
9 delivered, issued, executed or renewed in this State pursuant to  
10 P.L.1940, c.74 (C.17:48A-1 et seq.), or approved for issuance or  
11 renewal in this State by the Commissioner of Banking and  
12 Insurance, on or after the effective date of this act shall provide  
13 coverage for biologically-based mental illness and posttraumatic  
14 stress disorder under the same terms and conditions as provided for  
15 any other sickness under the contract.

16 "Biologically-based mental illness" means a mental or nervous  
17 condition that is caused by a biological disorder of the brain and  
18 results in a clinically significant or psychological syndrome or  
19 pattern that substantially limits the functioning of the person with  
20 the illness, including but not limited to, schizophrenia,  
21 schizoaffective disorder, major depressive disorder, bipolar  
22 disorder, paranoia and other psychotic disorders, obsessive-  
23 compulsive disorder, panic disorder and pervasive developmental  
24 disorder or autism.

25 "Posttraumatic stress disorder" means the anxiety disorder  
26 described in the most recent edition of the Diagnostic and Statistical  
27 Manual of Mental Disorders.

28 "Same terms and conditions" means that the medical service  
29 corporation cannot apply different copayments, deductibles or  
30 benefit limits to biologically-based mental **【health】** illness or  
31 posttraumatic stress disorder benefits than those applied to other  
32 medical or surgical benefits.

33 b. Nothing in this section shall be construed to change the  
34 manner in which a medical service corporation determines:

35 (1) whether a mental health care service meets the medical  
36 necessity standard as established by the medical service  
37 corporation; or

38 (2) which providers shall be entitled to reimbursement for  
39 providing services for mental illness or posttraumatic distress order  
40 under the contract.

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

44 (cf: P.L.1999, c.106, s.2)

45  
46 3. Section 3 of P.L.1999, c.106 (C.17:48E-35.20) is amended  
47 to read as follows:

48 3. a. Every individual and group health service corporation

1 contract that provides hospital or medical expense benefits and is  
2 delivered, issued, executed or renewed in this State pursuant to  
3 P.L.1985, c.236 (C.17:48E-1 et seq.), or approved for issuance or  
4 renewal in this State by the Commissioner of Banking and  
5 Insurance, on or after the effective date of this act shall provide  
6 coverage for biologically-based mental illness and posttraumatic  
7 stress disorder under the same terms and conditions as provided for  
8 any other sickness under the contract.

9 "Biologically-based mental illness" means a mental or nervous  
10 condition that is caused by a biological disorder of the brain and  
11 results in a clinically significant or psychological syndrome or  
12 pattern that substantially limits the functioning of the person with  
13 the illness, including but not limited to, schizophrenia,  
14 schizoaffective disorder, major depressive disorder, bipolar  
15 disorder, paranoia and other psychotic disorders, obsessive-  
16 compulsive disorder, panic disorder and pervasive developmental  
17 disorder or autism.

18 "Posttraumatic stress disorder" means the anxiety disorder  
19 described in the most recent edition of the Diagnostic and Statistical  
20 Manual of Mental Disorders.

21 "Same terms and conditions" means that the health service  
22 corporation cannot apply different copayments, deductibles or  
23 benefit limits to biologically-based mental **[health]** illness or  
24 posttraumatic stress disorder benefits than those applied to other  
25 medical or surgical benefits.

26 b. Nothing in this section shall be construed to change the  
27 manner in which the health service corporation determines:

28 (1) whether a mental health care service meets the medical  
29 necessity standard as established by the health service corporation;  
30 or

31 (2) which providers shall be entitled to reimbursement for  
32 providing services for mental illness or posttraumatic stress disorder  
33 under the contract.

34 c. The provisions of this section shall apply to all contracts in  
35 which the health service corporation has reserved the right to  
36 change the premium.

37 (cf: P.L.1999, c.106, s.3)

38  
39 4. Section 4 of P.L.1999, c.106 (C.17B:26-2.1s) is amended to  
40 read as follows:

41 4. a. Every individual health insurance policy that provides  
42 hospital or medical expense benefits and is delivered, issued,  
43 executed or renewed in this State pursuant to chapter 26 of Title  
44 17B of the New Jersey Statutes, or approved for issuance or renewal  
45 in this State by the Commissioner of Banking and Insurance, on or  
46 after the effective date of this act shall provide coverage for  
47 biologically-based mental illness and posttraumatic stress disorder  
48 under the same terms and conditions as provided for any other

1 sickness under the contract. "Biologically-based mental illness"  
2 means a mental or nervous condition that is caused by a biological  
3 disorder of the brain and results in a clinically significant or  
4 psychological syndrome or pattern that substantially limits the  
5 functioning of the person with the illness, including but not limited  
6 to, schizophrenia, schizoaffective disorder, major depressive  
7 disorder, bipolar disorder, paranoia and other psychotic disorders,  
8 obsessive-compulsive disorder, panic disorder and pervasive  
9 developmental disorder or autism.

10 "Posttraumatic stress disorder" means the anxiety disorder  
11 described in the most recent edition of the Diagnostic and Statistical  
12 Manual of Mental Disorders.

13 "Same terms and conditions" means that the insurer cannot apply  
14 different copayments, deductibles or benefit limits to biologically-  
15 based mental **【health】** illness or posttraumatic stress disorder  
16 benefits than those applied to other medical or surgical benefits.

17 b. Nothing in this section shall be construed to change the  
18 manner in which the insurer determines:

19 (1) whether a mental health care service meets the medical  
20 necessity standard as established by the insurer; or

21 (2) which providers shall be entitled to reimbursement for  
22 providing services for mental illness or posttraumatic stress disorder  
23 under the policy.

24 c. The provisions of this section shall apply to all policies in  
25 which the insurer has reserved the right to change the premium.  
26 (cf: P.L.1999, c.106, s.4)

27  
28 5. Section 5 of P.L.1999, c.106 (C.17B:27-46.1v) is amended  
29 to read as follows:

30 5. a. Every group health insurance policy that provides  
31 hospital or medical expense benefits and is delivered, issued,  
32 executed or renewed in this State pursuant to chapter 27 of Title  
33 17B of the New Jersey Statutes, or approved for issuance or renewal  
34 in this State by the Commissioner of Banking and Insurance, on or  
35 after the effective date of this act shall provide benefits for  
36 biologically-based mental illness and posttraumatic stress disorder  
37 under the same terms and conditions as provided for any other  
38 sickness under the policy.

39 "Biologically-based mental illness" means a mental or nervous  
40 condition that is caused by a biological disorder of the brain and  
41 results in a clinically significant or psychological syndrome or  
42 pattern that substantially limits the functioning of the person with  
43 the illness, including but not limited to, schizophrenia,  
44 schizoaffective disorder, major depressive disorder, bipolar  
45 disorder, paranoia and other psychotic disorders, obsessive-  
46 compulsive disorder, panic disorder and pervasive developmental  
47 disorder or autism.

48 "Posttraumatic stress disorder" means the anxiety disorder

1 described in the most recent edition of the Diagnostic and Statistical  
2 Manual of Mental Disorders.

3 "Same terms and conditions" means that the insurer cannot apply  
4 different copayments, deductibles or benefit limits to biologically-  
5 based mental **【health】** illness or posttraumatic stress disorder  
6 benefits than those applied to other medical or surgical benefits.

7 b. Nothing in this section shall be construed to change the  
8 manner in which the insurer determines:

9 (1) whether a mental health care service meets the medical  
10 necessity standard as established by the insurer; or

11 (2) which providers shall be entitled to reimbursement for  
12 providing services for mental illness or posttraumatic stress disorder  
13 under the policy.

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

16 (cf: P.L.1999, c.106, s.5)

17  
18 6. Section 6 of P.L.1999, c.106 (C.17B:27A-7.5) is amended to  
19 read as follows:

20 6. a. Every individual health benefits plan that provides  
21 hospital or medical expense benefits and is delivered, issued,  
22 executed or renewed in this State pursuant to P.L.1992, c.161  
23 (C.17B:27A-2 et seq.) or approved for issuance or renewal in this  
24 State on or after the effective date of this act shall provide benefits  
25 for biologically-based mental illness and posttraumatic stress  
26 disorder under the same terms and conditions as provided for any  
27 other sickness under the health benefits plan.

28 "Biologically-based mental illness" means a mental or nervous  
29 condition that is caused by a biological disorder of the brain and  
30 results in a clinically significant or psychological syndrome or  
31 pattern that substantially limits the functioning of the person with  
32 the illness, including but not limited to, schizophrenia,  
33 schizoaffective disorder, major depressive disorder, bipolar  
34 disorder, paranoia and other psychotic disorders, obsessive-  
35 compulsive disorder, panic disorder and pervasive developmental  
36 disorder or autism.

37 "Posttraumatic stress disorder" means the anxiety disorder  
38 described in the most recent edition of the Diagnostic and Statistical  
39 Manual of Mental Disorders.

40 "Same terms and conditions" means that the plan cannot apply  
41 different copayments, deductibles or benefit limits to biologically-  
42 based mental **【health】** illness or posttraumatic stress disorder  
43 benefits than those applied to other medical or surgical benefits.

44 b. Nothing in this section shall be construed to change the  
45 manner in which the carrier determines:

46 (1) whether a mental health care service meets the medical  
47 necessity standard as established by the carrier; or

48 (2) which providers shall be entitled to reimbursement for

1 providing services for mental illness or posttraumatic stress disorder  
2 under the plan.

3 c. The provisions of this section shall apply to all health  
4 benefits plans in which the carrier has reserved the right to change  
5 the premium.

6 (cf: P.L.1999, c.106, s.6)

7

8 7. Section 7 of P.L.1999, c.106 (C.17B:27A-19.7) is amended  
9 to read as follows:

10 7. a. Every small employer health benefits plan that provides  
11 hospital or medical expense benefits and is delivered, issued,  
12 executed or renewed in this State pursuant to P.L.1992, c.162  
13 (C.17B:27A-17 et seq.) or approved for issuance or renewal in this  
14 State on or after the effective date of this act shall provide benefits  
15 for biologically-based mental illness and posttraumatic stress  
16 disorder under the same terms and conditions as provided for any  
17 other sickness under the health benefits plan.

18 "Biologically-based mental illness" means a mental or nervous  
19 condition that is caused by a biological disorder of the brain and  
20 results in a clinically significant or psychological syndrome or  
21 pattern that substantially limits the functioning of the person with  
22 the illness, including but not limited to, schizophrenia,  
23 schizoaffective disorder, major depressive disorder, bipolar  
24 disorder, paranoia and other psychotic disorders, obsessive-  
25 compulsive disorder, panic disorder and pervasive developmental  
26 disorder or autism.

27 "Posttraumatic stress disorder" means the anxiety disorder  
28 described in the most recent edition of the Diagnostic and Statistical  
29 Manual of Mental Disorders.

30 "Same terms and conditions" means that the plan cannot apply  
31 different copayments, deductibles or benefit limits to biologically-  
32 based mental **[health]** illness or posttraumatic stress disorder  
33 benefits than those applied to other medical or surgical benefits.

34 b. Nothing in this section shall be construed to change the  
35 manner in which the carrier determines:

36 (1) whether a mental health care service meets the medical  
37 necessity standard as established by the carrier; or

38 (2) which providers shall be entitled to reimbursement for  
39 providing services for mental illness or posttraumatic stress disorder  
40 under the health benefits plan.

41 c. The provisions of this section shall apply to all health  
42 benefits plans in which the carrier has reserved the right to change  
43 the premium.

44 (cf: P.L.1999, c.106, s.7)

45

46 8. Section 8 of P.L.1999, c.106 (C.26:2J-4.20) is amended to  
47 read as follows:

48 8. a. Every enrollee agreement delivered, issued, executed or

1 renewed in this State pursuant to P.L.1973, c.337 (C.26:2J-1 et seq.)  
2 or approved for issuance or renewal in this State by the  
3 Commissioner of Health and Senior Services, on or after the  
4 effective date of this act shall provide health care services for  
5 biologically-based mental illness and posttraumatic stress disorder  
6 under the same terms and conditions as provided for any other  
7 sickness under the agreement.

8 "Biologically-based mental illness" means a mental or nervous  
9 condition that is caused by a biological disorder of the brain and  
10 results in a clinically significant or psychological syndrome or  
11 pattern that substantially limits the functioning of the person with  
12 the illness, including but not limited to, schizophrenia,  
13 schizoaffective disorder, major depressive disorder, bipolar  
14 disorder, paranoia and other psychotic disorders, obsessive-  
15 compulsive disorder, panic disorder and pervasive developmental  
16 disorder or autism.

17 "Posttraumatic stress disorder" means the anxiety disorder  
18 described in the most recent edition of the Diagnostic and Statistical  
19 Manual of Mental Disorders.

20 "Same terms and conditions" means that the health maintenance  
21 organization cannot apply different copayments, deductibles or  
22 health care services limits to biologically-based mental **[health]**  
23 illness or posttraumatic stress disorder care services than those  
24 applied to other medical or surgical health care services.

25 b. Nothing in this section shall be construed to change the  
26 manner in which a health maintenance organization determines:

27 (1) whether a mental health care service meets the medical  
28 necessity standard as established by the health maintenance  
29 organization; or

30 (2) which providers shall be entitled to reimbursement or to be  
31 participating providers, as appropriate, for health care services for  
32 mental **[health services]** illness or posttraumatic stress disorder  
33 under the enrollee agreement.

34 c. The provisions of this section shall apply to enrollee  
35 agreements in which the health maintenance organization has  
36 reserved the right to change the premium.

37 (cf: P.L.1999, c.106, s.8)

38  
39 9. Section 9 of P.L.1999, c.106 (C.34:11A-15) is amended to  
40 read as follows:

41 9. An employer in this State who provides health benefits  
42 coverage to his employees or their dependents for treatment of  
43 biologically-based mental illness or posttraumatic stress disorder  
44 shall annually, and upon request of an employee at other times  
45 during the year, notify his employees whether the employees'  
46 coverage for treatment of biologically-based mental illness or



1 posttraumatic stress disorder is subject to the requirements of this  
2 act.  
3 (cf: P.L.1999, c.106, s.9)  
4

5 10. Section 5 of P.L.1961, c.49 (C.52:14-17.29) is amended to  
6 read as follows:

7 5. **[(A)]** a. The contract or contracts purchased by the  
8 commission pursuant to subsection b. of section 4 of P.L.1961, c.49  
9 (C.52:14-17.28) shall provide separate coverages or policies as  
10 follows:

11 (1) Basic benefits which shall include:

12 (a) Hospital benefits, including outpatient;

13 (b) Surgical benefits;

14 (c) Inpatient medical benefits;

15 (d) Obstetrical benefits; and

16 (e) Services rendered by an extended care facility or by a home  
17 health agency and for specified medical care visits by a physician  
18 during an eligible period of such services, without regard to  
19 whether the patient has been hospitalized, to the extent and subject  
20 to the conditions and limitations agreed to by the commission and  
21 the carrier or carriers.

22 Basic benefits shall be substantially equivalent to those available  
23 on a group remittance basis to employees of the State and their  
24 dependents under the subscription contracts of the New Jersey  
25 "Blue Cross" and "Blue Shield" Plans. Such basic benefits shall  
26 include benefits for:

27 (i) Additional days of inpatient medical service;

28 (ii) Surgery elsewhere than in a hospital;

29 (iii) X-ray, radioactive isotope therapy and pathology services;

30 (iv) Physical therapy services;

31 (v) Radium or radon therapy services;

32 and the extended basic benefits shall be subject to the same  
33 conditions and limitations, applicable to such benefits, as are set  
34 forth in "Extended Outpatient Hospital Benefits Rider," Form 1500,  
35 71(9-66), and in "Extended Benefit Rider" (as amended), Form MS  
36 7050J(9-66) issued by the New Jersey "Blue Cross" and "Blue  
37 Shield" Plans, respectively, and as the same may be amended or  
38 superseded, subject to filing by the Commissioner of Banking and  
39 Insurance; and

40 (2) Major medical expense benefits which shall provide benefit  
41 payments for reasonable and necessary eligible medical expenses  
42 for hospitalization, surgery, medical treatment and other related  
43 services and supplies to the extent they are not covered by basic  
44 benefits. The commission may, by regulation, determine what types  
45 of services and supplies shall be included as "eligible medical  
46 services" under the major medical expense benefits coverage as  
47 well as those which shall be excluded from or limited under such  
48 coverage. Benefit payments for major medical expense benefits

1 shall be equal to a percentage of the reasonable charges for eligible  
2 medical services incurred by a covered employee or an employee's  
3 covered dependent, during a calendar year as exceed a deductible  
4 for such calendar year of **[\$100.00]** \$100 subject to the maximums  
5 hereinafter provided and to the other terms and conditions  
6 authorized by this act. The percentage shall be 80% of the first  
7 **[\$2,000.00]** \$2,000 of charges for eligible medical services  
8 incurred subsequent to satisfaction of the deductible and 100%  
9 thereafter. There shall be a separate deductible for each calendar  
10 year for (a) each enrolled employee and (b) all enrolled dependents  
11 of such employee. Not more than **[\$1,000,000.00]** \$1,000,000 shall  
12 be paid for major medical expense benefits with respect to any one  
13 person for the entire period of such person's coverage under the  
14 plan, whether continuous or interrupted except that this maximum  
15 may be reapplied to a covered person in amounts not to exceed  
16 **[\$2,000.00]** \$2,000 a year. Maximums of **[\$10,000.00]** \$10,000  
17 per calendar year and **[\$20,000.00]** \$20,000 for the entire period of  
18 the person's coverage under the plan shall apply to eligible expenses  
19 incurred because of mental illness or functional nervous disorders,  
20 and such may be reapplied to a covered person, except as provided  
21 in P.L.1999, c.441 (C.52:14-17.29d et al.) and P.L. , c. (pending  
22 before the Legislature as this bill). The same provisions shall apply  
23 for retired employees and their dependents. Under the conditions  
24 agreed upon by the commission and the carriers as set forth in the  
25 contract, the deductible for a calendar year may be satisfied in  
26 whole or in part by eligible charges incurred during the last three  
27 months of the prior calendar year.

28 Any service determined by regulation of the commission to be an  
29 "eligible medical service" under the major medical expense benefits  
30 coverage which is performed by a duly licensed practicing  
31 psychologist within the lawful scope of his practice shall be  
32 recognized for reimbursement under the same conditions as would  
33 apply were such service performed by a physician.

34 **[(B)]** b. The contract or contracts purchased by the  
35 commission pursuant to subsection c. of section 4 of P.L.1961, c.49  
36 (C.52:14-17.28) shall include coverage for services and benefits  
37 that are at a level that is equal to or exceeds the level of services  
38 and benefits set forth in this subsection, provided that such services  
39 and benefits shall include only those that are eligible medical  
40 services and not those deemed experimental, investigative or  
41 otherwise not eligible medical services. The determination of  
42 whether services or benefits are eligible medical services shall be  
43 made by the commission consistent with the best interests of the  
44 State and participating employers, employees, and dependents. The  
45 following list of services is not intended to be exclusive or to  
46 require that any limits or exclusions be exceeded.

47 Covered services shall include:

- 1 (1) Physician services, including:
  - 2 (a) Inpatient services, including:
    - 3 (i) medical care including consultations;
    - 4 (ii) surgical services and services related thereto; and
    - 5 (iii) obstetrical services including normal delivery, cesarean
    - 6 section, and abortion.
  - 7 (b) Outpatient/out-of-hospital services, including:
    - 8 (i) office visits for covered services and care;
    - 9 (ii) allergy testing and related diagnostic/therapy services;
    - 10 (iii) dialysis center care;
    - 11 (iv) maternity care;
    - 12 (v) well child care;
    - 13 (vi) child immunizations/lead screening;
    - 14 (vii) routine adult physicals including pap, mammography, and
    - 15 prostate examinations; and
    - 16 (viii) annual routine obstetrical/gynecological exam.
- 17 (2) Hospital services, both inpatient and outpatient, including:
  - 18 (a) room and board;
  - 19 (b) intensive care and other required levels of care;
  - 20 (c) semi-private room;
  - 21 (d) therapy and diagnostic services;
  - 22 (e) surgical services or facilities and treatment related thereto;
  - 23 (f) nursing care;
  - 24 (g) necessary supplies, medicines, and equipment for care; and
  - 25 (h) maternity care and related services.
- 26 (3) Other facility and services, including:
  - 27 (a) approved treatment centers for medical
  - 28 emergency/accidental injury;
  - 29 (b) approved surgical center;
  - 30 (c) hospice;
  - 31 (d) chemotherapy;
  - 32 (e) diagnostic x-ray and lab tests;
  - 33 (f) ambulance;
  - 34 (g) durable medical equipment;
  - 35 (h) prosthetic devices;
  - 36 (i) foot orthotics;
  - 37 (j) diabetic supplies and education; and
  - 38 (k) oxygen and oxygen administration.
- 39 (4) All services for which coverage is required pursuant to
- 40 P.L.1961, c.49 (C.52:14-17.25 et seq.), as amended and
- 41 supplemented. Benefits under the contract or contracts purchased as
- 42 authorized by the State Health Benefits Program shall include those
- 43 for mental health services subject to limits and exclusions
- 44 consistent with the provisions of the New Jersey State Health
- 45 Benefits Program Act.
- 46 **[(C)]** c. The contract or contracts purchased by the commission
- 47 pursuant to subsection c. of section 4 of P.L.1961, c.49 (C.52:14-

1 17.28) shall include the following provisions regarding  
2 reimbursements and payments:

3 (1) In the successor plan, the co-payment for doctor's office  
4 visits shall be \$10 per visit with a maximum out-of-pocket of \$400  
5 per individual and \$1,000 per family for in-network services for  
6 each calendar year. The out-of-network deductible shall be \$100 per  
7 individual and \$250 per family for each calendar year, and the  
8 participant shall receive reimbursement for out-of-network charges  
9 at the rate of 80% of reasonable and customary charges, provided  
10 that the out-of-pocket maximum shall not exceed \$2,000 per  
11 individual and \$5,000 per family for each calendar year.

12 (2) In the State managed care plan that is required to be included  
13 in a contract entered into pursuant to subsection c. of section 4 of  
14 P.L.1961, c.49 (C.52:14-17.28), the co-payment for doctor's office  
15 visits shall be \$15 per visit. The participant shall receive  
16 reimbursement for out-of-network charges at the rate of 70% of  
17 reasonable and customary charges. The in-network and out-of-  
18 network limits, exclusions, maximums, and deductibles shall be  
19 substantially equivalent to those in the NJ PLUS plan in effect on  
20 June 30, 2007, with adjustments to that plan pursuant to a binding  
21 collective negotiations agreement or pursuant to action by the  
22 commission, in its sole discretion, to apply such adjustments to  
23 State employees for whom there is no majority representative for  
24 collective negotiations purposes.

25 (3) "Reasonable and customary charges" means charges based  
26 upon the 90th percentile of the usual, customary, and reasonable  
27 (UCR) fee schedule determined by the **【Health Insurance**  
28 **Association of America】** America's Health Insurance Plans or a  
29 similar nationally recognized database of prevailing health care  
30 charges.

31 **【(D)】 d.** Benefits under the contract or contracts purchased as  
32 authorized by this act may be subject to such limitations,  
33 exclusions, or waiting periods as the commission finds to be  
34 necessary or desirable to avoid inequity, unnecessary utilization,  
35 duplication of services or benefits otherwise available, including  
36 coverage afforded under the laws of the United States, such as the  
37 federal Medicare program, or for other reasons.

38 Benefits under the contract or contracts purchased as authorized  
39 by this act shall include those for the treatment of alcoholism where  
40 such treatment is prescribed by a physician and shall also include  
41 treatment while confined in or as an outpatient of a licensed  
42 hospital or residential treatment program which meets minimum  
43 standards of care equivalent to those prescribed by **【the Joint**  
44 **Commission on Hospital Accreditation】** The Joint Commission. No  
45 benefits shall be provided beyond those stipulated in the contracts  
46 held by the State Health Benefits Commission.

1       **[(E)] e.** The rates charged for any contract purchased under  
2 the authority of this act shall reasonably and equitably reflect the  
3 cost of the benefits provided based on principles which in the  
4 judgment of the commission are actuarially sound. The rates  
5 charged shall be determined by the carrier on accepted group rating  
6 principles with due regard to the experience, both past and  
7 contemplated, under the contract. The commission shall have the  
8 right to particularize subgroups for experience purposes and rates.  
9 No increase in rates shall be retroactive.

10       **[(F)] f.** The initial term of any contract purchased by the  
11 commission under the authority of this act shall be for such period  
12 to which the commission and the carrier may agree, but permission  
13 may be made for automatic renewal in the absence of notice of  
14 termination by the commission. Subsequent terms for which any  
15 contract may be renewed as herein provided shall each be limited to  
16 a period not to exceed one year.

17       **[(G)] g.** A contract purchased by the commission pursuant to  
18 subsection b. of section 4 of P.L.1961, c.49 (C.52:14-17.28) shall  
19 contain a provision that if basic benefits or major medical expense  
20 benefits of an employee or of an eligible dependent under the  
21 contract, after having been in effect for at least one month in the  
22 case of basic benefits or at least three months in the case of major  
23 medical expense benefits, is terminated, other than by voluntary  
24 cancellation of enrollment, there shall be a 31-day period following  
25 the effective date of termination during which such employee or  
26 dependent may exercise the option to convert, without evidence of  
27 good health, to converted coverage issued by the carriers on a direct  
28 payment basis. Such converted coverage shall include benefits of  
29 the type classified as "basic benefits" or "major medical expense  
30 benefits" in subsection **[(A)] a.** hereof and shall be equivalent to  
31 the benefits which had been provided when the person was covered  
32 as an employee. The provision shall further stipulate that the  
33 employee or dependent exercising the option to convert shall pay  
34 the full periodic charges for the converted coverage which shall be  
35 subject to such terms and conditions as are normally prescribed by  
36 the carrier for this type of coverage.

37       **[(H)] h.** The commission may purchase a contract or  
38 contracts to provide drug prescription and other health care benefits  
39 or authorize the purchase of a contract or contracts to provide drug  
40 prescription and other health care benefits as may be required to  
41 implement a duly executed collective negotiations agreement or as  
42 may be required to implement a determination by a public employer  
43 to provide such benefit or benefits to employees not included in  
44 collective negotiations units.

45       **[(I)] i.** The commission shall take action as necessary, in  
46 cooperation with the School Employees' Health Benefits  
47 Commission established pursuant to section 33 of P.L.2007, c.103

1 (C.52:14-17.46.3), to effectuate the purposes of the School  
2 Employees' Health Benefits Program Act as provided in sections 31  
3 through 41 of P.L.2007, c.103 (C.52:14-17.46.1 through C.52:14-  
4 17.46.11) and to enable the School Employees' Health Benefits  
5 Commission to begin providing coverage to participants pursuant to  
6 the School Employees' Health Benefits Program Act as of July 1,  
7 2008.

8 **[(J)]** j. Beginning January 1, 2012, the State Health Benefits  
9 Plan Design Committee shall provide to employees the option to  
10 select one of at least three levels of coverage each for family,  
11 individual, individual and spouse, and individual and dependent, or  
12 equivalent categories, for each plan offered by the program  
13 differentiated by out of pocket costs to employees including co-  
14 payments and deductibles. Notwithstanding any other provision of  
15 law to the contrary, the committee shall have the sole discretion to  
16 set the amounts for maximums, co-pays, deductibles, and other such  
17 participant costs for all plans in the program. The committee shall  
18 also provide for a high deductible health plan that conforms with  
19 Internal Revenue Code Section 223 (26 U.S.C. s.223).

20 There shall be appropriated annually for each State fiscal year,  
21 through the annual appropriations act, such amounts as shall be  
22 necessary as funding by the State as an employer, or as otherwise  
23 required, with regard to employees or retirees who have enrolled in  
24 a high deductible health plan that conforms with Internal Revenue  
25 Code Section 223 (26 U.S.C. s.223).

26 (cf: P.L.2011, c.78, s.47)

27  
28 11. Section 1 of P.L.1999, c.441 (C.52:14-17.29d) is amended  
29 to read as follows:

30 1. As used in this act:

31 "Biologically-based mental illness" means a mental or nervous  
32 condition that is caused by a biological disorder of the brain and  
33 results in a clinically significant or psychological syndrome or  
34 pattern that substantially limits the functioning of the person with  
35 the illness including, but not limited to, schizophrenia,  
36 schizoaffective disorder, major depressive disorder, bipolar  
37 disorder, paranoia and other psychotic disorders, obsessive-  
38 compulsive disorder, panic disorder and pervasive developmental  
39 disorder or autism.

40 "Carrier" means an insurance company, health service  
41 corporation, hospital service corporation, medical service  
42 corporation or health maintenance organization authorized to issue  
43 health benefits plans in this State.

44 "Posttraumatic stress disorder" means the anxiety disorder  
45 described in the most recent edition of the Diagnostic and Statistical  
46 Manual of Mental Disorders.

47 "Same terms and conditions" means that a carrier cannot apply  
48 different copayments, deductibles or benefit limits to biologically-

1 based mental **health** illness or posttraumatic stress disorder  
2 benefits than those applied to other medical or surgical benefits.  
3 (cf: P.L.1999, c.441, s.1)  
4

5 12. Section 2 of P.L.1999, c.441 (C.52:14-17.29e) is amended to  
6 read as follows:

7 2. a. The State Health Benefits Commission shall ensure that  
8 every contract purchased by the commission on or after the  
9 effective date of this act that provides hospital or medical expense  
10 benefits shall provide coverage for biologically-based mental illness  
11 and posttraumatic stress disorder under the same terms and  
12 conditions as provided for any other sickness under the contract.

13 b. Nothing in this section shall be construed to change the  
14 manner in which a carrier determines:

15 (1) whether a mental health care service meets the medical  
16 necessity standard as established by the carrier; or

17 (2) which providers shall be entitled to reimbursement for  
18 providing services for mental illness or posttraumatic stress disorder  
19 under the contract.

20 c. The commission shall provide notice to employees regarding  
21 the coverage required by this section in accordance with this  
22 subsection and regulations promulgated by the Commissioner of  
23 Health **and Senior Services** pursuant to the "Administrative  
24 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.). The notice  
25 shall be in writing and prominently positioned in any literature or  
26 correspondence and shall be transmitted at the earliest of: (1) the  
27 next mailing to the employee; (2) the yearly informational packet  
28 sent to the employee; or (3) July 1, 2000. The commission shall  
29 also ensure that the carrier under contract with the commission,  
30 upon receipt of information that a covered person is receiving  
31 treatment for a biologically-based mental illness or posttraumatic  
32 stress disorder, shall promptly notify that person of the coverage  
33 required by this section.

34 (cf: P.L.1999, c.441, s.2)  
35

36 13. This act shall take effect 90 days after enactment and shall  
37 apply to policies or contracts issued or renewed on or after the  
38 effective date.