

**SENATE, No. 3802**

**STATE OF NEW JERSEY**  
**218th LEGISLATURE**

INTRODUCED MAY 30, 2019

**Sponsored by:**

**Senator NELLIE POU**

**District 35 (Bergen and Passaic)**

**Senator LORETTA WEINBERG**

**District 37 (Bergen)**

**SYNOPSIS**

Requires continuation of health benefits dependent coverage until child turns 26 years of age.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT concerning enrollment of adult children for health  
2 insurance coverage and amending P.L.1995, c.288.

3

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

6

7 1. Section 1 of P.L.1995, c.288 (C.17:48-6.15) is amended to  
8 read as follows:

9 1. a. A hospital service corporation contract which provides  
10 hospital or medical expense benefits under which dependent  
11 coverage is available shall continue to make that coverage available  
12 for an adult child until the child turns 26 years of age. A contract  
13 shall not deny coverage for a subscriber's child on the grounds that:

14 (1) The child was born out of wedlock;

15 (2) The child is not claimed as a dependent on the subscriber's  
16 federal tax return; **[or]**

17 (3) The child does not reside with the subscriber or in the  
18 hospital service corporation's service area, provided that, in the case  
19 of a managed care plan, the child complies with the terms and  
20 conditions of the contract with respect to the use of specified  
21 providers;

22 (4) The child is married;

23 (5) The child has or adopts a child; or

24 (6) The child starts or leaves school.

25 b. If a child has coverage through a hospital service corporation  
26 contract of a noncustodial parent, the hospital service corporation  
27 shall:

28 (1) Provide such information to the custodial parent as may be  
29 necessary for the child to obtain benefits through the child's  
30 noncustodial parent's coverage;

31 (2) Permit the custodial parent, or the health care provider with  
32 the authorization of the custodial parent, to submit claims for  
33 covered services without the approval of the noncustodial parent;  
34 and

35 (3) Make payments on claims submitted in accordance with  
36 paragraph (2) of this subsection directly to the custodial parent, the  
37 health care provider or the Division of Medical Assistance and  
38 Health Services in the Department of Human Services which  
39 administers the State Medicaid program, as appropriate.

40 c. When a parent who is the subscriber is eligible for  
41 dependent coverage and is required by a court or administrative  
42 order to provide health insurance coverage for his child, the hospital  
43 service corporation shall:

44 (1) Permit the parent to enroll his child as a dependent, without  
45 regard to any enrollment season restrictions;

**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 (2) Permit the child's other parent, or the Division of Medical  
2 Assistance and Health Services as the State Medicaid agency or the  
3 Division of Family Development as the State IV-D agency, in the  
4 Department of Human Services, to enroll the child under the  
5 contract if the parent who is the subscriber fails to enroll the child;  
6 and

7 (3) Not terminate coverage of the child unless the parent who is  
8 the subscriber provides the hospital service corporation with  
9 satisfactory written evidence that: the court or administrative order  
10 is no longer in effect; or the child is or will be enrolled in a  
11 comparable health benefits plan whose coverage will be effective  
12 on the date of the termination of coverage.

13 (cf: P.L.1995, c.288, s.1)

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15 2. Section 3 of P.L.1995, c.288 (C.17:48A-7.10) is amended to  
16 read as follows:

17 3. a. A medical service corporation contract which provides  
18 hospital or medical expense benefits under which dependent  
19 coverage is available shall continue to make that coverage available  
20 for an adult child until the child turns 26 years of age. A contract  
21 shall not deny coverage for a subscriber's child on the grounds that:

22 (1) The child was born out of wedlock;

23 (2) The child is not claimed as a dependent on the subscriber's  
24 federal tax return; **【or】**

25 (3) The child does not reside with the subscriber or in the  
26 medical service corporation's service area, provided that, in the case  
27 of a managed care plan, the child complies with the terms and  
28 conditions of the contract with respect to the use of specified  
29 providers;

30 (4) The child is married;

31 (5) The child has or adopts a child; or

32 (6) The child starts or leaves school.

33 b. If a child has coverage through a medical service corporation  
34 contract of a noncustodial parent, the medical service corporation  
35 shall:

36 (1) Provide such information to the custodial parent as may be  
37 necessary for the child to obtain benefits through the child's  
38 noncustodial parent's coverage;

39 (2) Permit the custodial parent, or the health care provider with  
40 the authorization of the custodial parent, to submit claims for  
41 covered services without the approval of the noncustodial parent;  
42 and

43 (3) Make payments on claims submitted in accordance with  
44 paragraph (2) of this subsection directly to the custodial parent, the  
45 health care provider or the Division of Medical Assistance and  
46 Health Services in the Department of Human Services which  
47 administers the State Medicaid program, as appropriate.

1 c. When a parent who is the subscriber is eligible for  
2 dependent coverage and is required by a court or administrative  
3 order to provide health insurance coverage for his child, the medical  
4 service corporation shall:

5 (1) Permit the parent to enroll his child as a dependent, without  
6 regard to any enrollment season restrictions;

7 (2) Permit the child's other parent, or the Division of Medical  
8 Assistance and Health Services as the State Medicaid agency or the  
9 Division of Family Development as the State IV-D agency, in the  
10 Department of Human Services, to enroll the child under the  
11 contract if the parent who is the subscriber fails to enroll the child;  
12 and

13 (3) Not terminate coverage of the child unless the parent who is  
14 the subscriber provides the medical service corporation with  
15 satisfactory written evidence that: the court or administrative order  
16 is no longer in effect; or the child is or will be enrolled in a  
17 comparable health benefits plan whose coverage will be effective  
18 on the date of the termination of coverage.

19 (cf: P.L.1995, c.288, s.3)

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21 3. Section 5 of P.L.1995, c.288 (C.17:48E-32.1) is amended to  
22 read as follows:

23 5. a. A health service corporation contract which provides  
24 hospital or medical expense benefits under which dependent  
25 coverage is available shall continue to make that coverage available  
26 for an adult child until the child turns 26 years of age. A contract  
27 shall not deny coverage for a subscriber's child on the grounds that:

28 (1) The child was born out of wedlock;

29 (2) The child is not claimed as a dependent on the subscriber's  
30 federal tax return; **[or]**

31 (3) The child does not reside with the subscriber or in the health  
32 service corporation's service area, provided that, in the case of a  
33 managed care plan, the child complies with the terms and  
34 conditions of the contract with respect to the use of specified  
35 providers;

36 (4) The child is married;

37 (5) The child has or adopts a child; or

38 (6) The child starts or leaves school.

39 b. If a child has coverage through a health service corporation  
40 contract of a noncustodial parent, the health service corporation  
41 shall:

42 (1) Provide such information to the custodial parent as may be  
43 necessary for the child to obtain benefits through the child's  
44 noncustodial parent's coverage;

45 (2) Permit the custodial parent, or the health care provider with  
46 the authorization of the custodial parent, to submit claims for  
47 covered services without the approval of the noncustodial parent;  
48 and

1 (3) Make payments on claims submitted in accordance with  
2 paragraph (2) of this subsection directly to the custodial parent, the  
3 health care provider or the Division of Medical Assistance and  
4 Health Services in the Department of Human Services which  
5 administers the State Medicaid program, as appropriate.

6 c. When a parent who is the subscriber is eligible for  
7 dependent coverage and is required by a court or administrative  
8 order to provide health insurance coverage for his child, the health  
9 service corporation shall:

10 (1) Permit the parent to enroll his child as a dependent, without  
11 regard to any enrollment season restrictions;

12 (2) Permit the child's other parent, or the Division of Medical  
13 Assistance and Health Services as the State Medicaid agency or the  
14 Division of Family Development as the State IV-D agency, in the  
15 Department of Human Services, to enroll the child under the  
16 contract if the parent who is the subscriber fails to enroll the child;  
17 and

18 (3) Not terminate coverage of the child unless the parent who is  
19 the subscriber provides the health service corporation with  
20 satisfactory written evidence that: the court or administrative order  
21 is no longer in effect; or the child is or will be enrolled in a  
22 comparable health benefits plan whose coverage will be effective  
23 on the date of the termination of coverage.

24 (cf: P.L.1995, c.288, s.5)

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26 4. Section 11 of P.L.1995, c.288 (C.17B:27-30.1) is amended  
27 to read as follows:

28 11. a. A policy which provides hospital or medical expense  
29 benefits under which dependent coverage is available shall continue  
30 to make that coverage available for an adult child until the child  
31 turns 26 years of age. A policy shall not deny coverage for an  
32 insured's child on the grounds that:

33 (1) The child was born out of wedlock;

34 (2) The child is not claimed as a dependent on the insured's  
35 federal tax return; **【or】**

36 (3) The child does not reside with the insured or in the insurer's  
37 service area, provided that, in the case of a managed care plan, the  
38 child complies with the terms and conditions of the policy with  
39 respect to the use of specified providers;

40 (4) The child is married;

41 (5) The child has or adopts a child; or

42 (6) The child starts or leaves school.

43 b. If a child has coverage through a health insurance policy of a  
44 noncustodial parent, the insurer shall:

45 (1) Provide such information to the custodial parent as may be  
46 necessary for the child to obtain benefits through the child's  
47 noncustodial parent's coverage;

1 (2) Permit the custodial parent, or the health care provider with  
2 the authorization of the custodial parent, to submit claims for  
3 covered services without the approval of the noncustodial parent;  
4 and

5 (3) Make payments on claims submitted in accordance with  
6 paragraph (2) of this subsection directly to the custodial parent, the  
7 health care provider or the Division of Medical Assistance and  
8 Health Services in the Department of Human Services which  
9 administers the State Medicaid program, as appropriate.

10 c. When a parent who is the insured is eligible for dependent  
11 coverage and is required by a court or administrative order to  
12 provide health insurance coverage for his child, the insurer shall:

13 (1) Permit the parent to enroll his child as a dependent, without  
14 regard to any enrollment season restrictions;

15 (2) Permit the child's other parent, or the Division of Medical  
16 Assistance and Health Services as the State Medicaid agency or the  
17 Division of Family Development as the State IV-D agency, in the  
18 Department of Human Services, to enroll the child under the health  
19 insurance policy if the parent who is the insured fails to enroll the  
20 child; and

21 (3) Not terminate coverage of the child unless the parent who is  
22 the insured provides the insurer with satisfactory written evidence  
23 that: the court or administrative order is no longer in effect; or the  
24 child is or will be enrolled in a comparable health benefits plan  
25 whose coverage will be effective on the date of the termination of  
26 coverage.

27 (cf: P.L.1995, c.288, s.11)

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29 5. Section 15 of P.L.1995, c.288 (C.17B:27-30.3) is amended  
30 to read as follows:

31 15. a. A group health plan as defined in section 607(1) of the  
32 "Employee Retirement Income Security Act of 1974," 29  
33 U.S.C.1167(1) which provides hospital or medical expense benefits  
34 under which dependent coverage is available shall continue to make  
35 that coverage available for an adult child until the child turns 26  
36 years of age. A plan shall not deny coverage for a covered  
37 employee's child on the grounds that:

38 (1) The child was born out of wedlock;

39 (2) The child is not claimed as a dependent on the covered  
40 employee's federal tax return; **[or]**

41 (3) The child does not reside with the covered employee or in  
42 the group health plan's service area, provided that, in the case of a  
43 managed care plan, the child complies with the terms and  
44 conditions of the plan with respect to the use of specified providers;

45 (4) The child is married;

46 (5) The child has or adopts a child; or

47 (6) The child starts or leaves school.

1       b. If a child has coverage through a group health plan of a  
2 noncustodial parent, the plan shall:

3       (1) Provide such information to the custodial parent as may be  
4 necessary for the child to obtain benefits through the child's  
5 noncustodial parent's coverage;

6       (2) Permit the custodial parent, or the health care provider with  
7 the authorization of the custodial parent, to submit claims for  
8 covered services without the approval of the noncustodial parent;  
9 and

10       (3) Make payments on claims submitted in accordance with  
11 paragraph (2) of this subsection directly to the custodial parent, the  
12 health care provider or the Division of Medical Assistance and  
13 Health Services in the Department of Human Services which  
14 administers the State Medicaid program, as appropriate.

15       c. When a parent who is the covered employee is eligible for  
16 dependent coverage and is required by a court or administrative  
17 order to provide health insurance coverage for his child, the group  
18 health plan shall:

19       (1) Permit the parent to enroll his child as a dependent, without  
20 regard to any enrollment season restrictions;

21       (2) Permit the child's other parent, or the Division of Medical  
22 Assistance and Health Services as the State Medicaid agency or the  
23 Division of Family Development as the State IV-D agency, in the  
24 Department of Human Services, to enroll the child under the group  
25 health plan if the parent who is the covered employee fails to enroll  
26 the child; and

27       (3) Not terminate coverage of the child unless the parent who is  
28 the covered employee provides the group health plan with  
29 satisfactory written evidence that: the court or administrative order  
30 is no longer in effect; or the child is or will be enrolled in a  
31 comparable health benefits plan whose coverage will be effective  
32 on the date of the termination of coverage.

33 (cf: P.L.1995, c.288, s.15)

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35       6. Section 7 of P.L.1995, c.288 (C.17B:27A-4.1) is amended to  
36 read as follows:

37       7. a. A policy or contract which provides hospital or medical  
38 expense benefits under which dependent coverage is available shall  
39 continue to make that coverage available for an adult child until the  
40 child turns 26 years of age. A policy or contract shall not deny  
41 coverage for a policy or contract holder's child on the grounds that:

42       (1) The child was born out of wedlock;

43       (2) The child is not claimed as a dependent on the policy or  
44 contract holder's federal tax return; **[or]**

45       (3) The child does not reside with the policy or contract holder  
46 or in the carrier's service area, provided that, in the case of a  
47 managed care plan, the child complies with the terms and

1 conditions of the policy or contract with respect to the use of  
2 specified providers;

3 (4) The child is married;

4 (5) The child has or adopts a child; or

5 (6) The child starts or leaves school.

6 b. If a child has coverage through a policy or contract of a  
7 noncustodial parent, the carrier shall:

8 (1) Provide such information to the custodial parent as may be  
9 necessary for the child to obtain benefits through the child's  
10 noncustodial parent's coverage;

11 (2) Permit the custodial parent, or the health care provider with  
12 the authorization of the custodial parent, to submit claims for  
13 covered services without the approval of the noncustodial parent;  
14 and

15 (3) Make payments on claims submitted in accordance with  
16 paragraph (2) of this subsection directly to the custodial parent, the  
17 health care provider or the Division of Medical Assistance and  
18 Health Services in the Department of Human Services which  
19 administers the State Medicaid program, as appropriate.

20 c. When a parent who is the policy or contract holder is eligible  
21 for dependent coverage and is required by a court or administrative  
22 order to provide health insurance coverage for his child, the carrier  
23 shall:

24 (1) Permit the parent to enroll his child as a dependent, without  
25 regard to any enrollment season restrictions;

26 (2) Permit the child's other parent, or the Division of Medical  
27 Assistance and Health Services as the State Medicaid agency or the  
28 Division of Family Development as the State IV-D agency, in the  
29 Department of Human Services, to enroll the child under the policy  
30 or contract if the parent who is the policy or contract holder fails to  
31 enroll the child; and

32 (3) Not terminate coverage of the child unless the parent who is  
33 the policy or contract holder provides the carrier with satisfactory  
34 written evidence that: the court or administrative order is no longer  
35 in effect; or the child is or will be enrolled in a comparable health  
36 benefits plan whose coverage will be effective on the date of the  
37 termination of coverage.

38 (cf: P.L.1995, c.288, s.7)

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40 7. Section 9 of P.L.1995, c.288 (C.17B:27A-18.1) is amended  
41 to read as follows:

42 9. a. A policy or contract which provides hospital or medical  
43 expense benefits under which dependent coverage is available shall  
44 continue to make that coverage available for an adult child until the  
45 child turns 26 years of age. A policy or contract shall not deny  
46 coverage for a covered employee's child on the grounds that:

47 (1) The child was born out of wedlock;



- 1 (2) The child is not claimed as a dependent on the covered  
2 employee's federal tax return; **[or]**
- 3 (3) The child does not reside with the covered employee or in  
4 the carrier's service area, provided that, in the case of a managed  
5 care plan, the child complies with the terms and conditions of the  
6 policy or contract with respect to the use of specified providers;
- 7 (4) The child is married;
- 8 (5) The child has or adopts a child; or
- 9 (6) The child starts or leaves school.
- 10 b. If a child has coverage through a policy or contract of a  
11 noncustodial parent, the carrier shall:
- 12 (1) Provide such information to the custodial parent as may be  
13 necessary for the child to obtain benefits through the child's  
14 noncustodial parent's coverage;
- 15 (2) Permit the custodial parent, or the health care provider with  
16 the authorization of the custodial parent, to submit claims for  
17 covered services without the approval of the noncustodial parent;  
18 and
- 19 (3) Make payments on claims submitted in accordance with  
20 paragraph (2) of this subsection directly to the custodial parent, the  
21 health care provider or the Division of Medical Assistance and  
22 Health Services in the Department of Human Services which  
23 administers the State Medicaid program, as appropriate.
- 24 c. When a parent who is the covered employee is eligible for  
25 dependent coverage and is required by a court or administrative  
26 order to provide health insurance coverage for his child, the carrier  
27 shall:
- 28 (1) Permit the parent to enroll his child as a dependent, without  
29 regard to any enrollment season restrictions;
- 30 (2) Permit the child's other parent, or the Division of Medical  
31 Assistance and Health Services as the State Medicaid agency or the  
32 Division of Family Development as the State IV-D agency, in the  
33 Department of Human Services, to enroll the child under the policy  
34 or contract if the parent who is the covered employee fails to enroll  
35 the child; and
- 36 (3) Not terminate coverage of the child unless the parent who is  
37 the covered employee provides the carrier with satisfactory written  
38 evidence that: the court or administrative order is no longer in  
39 effect; or the child is or will be enrolled in a comparable health  
40 benefits plan whose coverage will be effective on the date of the  
41 termination of coverage.
- 42 (cf: P.L.1995, c.288, s.9)
- 43
- 44 8. Section 13 of P.L.1995, c.288 (C.26:2J-10.1) is amended to  
45 read as follows:
- 46 13. a. A health maintenance organization contract or certificate  
47 in which dependent coverage is available shall continue to make

1 that coverage available for an adult child until the child turns 26  
2 years of age. A contract or certificate shall not deny coverage for  
3 an enrollee's child for health care services on the grounds that:

- 4 (1) The child was born out of wedlock;
- 5 (2) The child is not claimed as a dependent on the enrollee's  
6 federal tax return; **[or]**
- 7 (3) The child does not reside with the enrollee or in the health  
8 maintenance organization's service area, provided that the child  
9 complies with the terms and conditions of the coverage with respect  
10 to the use of specified providers;
- 11 (4) The child is married;
- 12 (5) The child has or adopts a child; or
- 13 (6) The child starts or leaves school.

14 b. If a child has coverage through a health maintenance  
15 organization plan of a noncustodial parent, the health maintenance  
16 organization shall:

17 (1) Provide such information to the custodial parent as may be  
18 necessary for the child to obtain health care services through the  
19 child's noncustodial parent's coverage;

20 (2) Permit the custodial parent, or the health care provider with  
21 the authorization of the custodial parent, to submit claims for health  
22 care services without the approval of the noncustodial parent; and

23 (3) Make payments on claims submitted in accordance with  
24 paragraph (2) of this subsection directly to the custodial parent, the  
25 health care provider or the Division of Medical Assistance and  
26 Health Services in the Department of Human Services which  
27 administers the State Medicaid program, as appropriate.

28 c. When a parent who is the enrollee is eligible for dependent  
29 coverage and is required by a court or administrative order to  
30 provide health insurance coverage for his child, the health  
31 maintenance organization shall:

32 (1) Permit the parent to enroll his child as a dependent, without  
33 regard to any enrollment season restrictions;

34 (2) Permit the child's other parent, or the Division of Medical  
35 Assistance and Health Services as the State Medicaid agency or the  
36 Division of Family Development as the State IV-D agency, in the  
37 Department of Human Services, to enroll the child if the parent who  
38 is the enrollee fails to enroll the child; and

39 (3) Not terminate coverage of the child unless the parent who is  
40 the enrollee provides the health maintenance organization with  
41 satisfactory written evidence that: the court or administrative order  
42 is no longer in effect; or the child is or will be enrolled in a  
43 comparable health benefits plan whose coverage will be effective  
44 on the date of the termination of coverage.

45 (cf: P.L.1995, c.288, s.13)

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

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STATEMENT

This bill requires health insurers (health, hospital and medical service corporations, commercial group health insurers; health maintenance organizations, and health benefits plans issued pursuant to the Individual Health Coverage Program and the Small Employer Health Benefits Program) and group health plans that provide dependent coverage of children to continue to make that coverage available for adult children until the children turn 26 years of age. The bill also provides that health insurers and group health plans may not deny coverage for a covered individual's child on the grounds that the child is married, the child has or adopts a child, or the child starts or leaves school.