ASSEMBLY, No. 1123

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:
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SYNOPSIS

Requires health benefits coverage of hearing aids for all ages.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.

(Sponsorship Updated As Of: 10/8/2020)

AN ACT requiring health benefits coverage for hearing aids for all ages, amending P.L.2008, c.126 and supplementing P.L.2007, c.103 (C 52:14-17.46).

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

1. Section 2 of P.L.2008, c.126 (C.17:48-6gg) is amended to read as follows:

2. A hospital service corporation contract that provides hospital and medical expense benefits and is delivered, issued, executed or renewed in this State pursuant to P.L.1938, c.366 (C.17:48-1 et seq.), or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance, on or after the effective date of this act, shall provide coverage for medically necessary expenses incurred in the purchase of a hearing aid for a covered person **[**15 years of age or younger,**]** as provided in this section.

A hospital service corporation contract shall provide coverage that includes the purchase of a hearing aid for each ear, when medically necessary and as prescribed or recommended by a licensed physician or audiologist. A hospital service corporation may limit the benefit provided in this section to $1,000 per hearing aid for each hearing-impaired ear every 24 months. A covered person may choose a hearing aid that is priced higher than the benefit payable under this section and may pay the difference between the price of the hearing aid and the benefit payable under this section, without financial or contractual penalty to the provider of the hearing aid.

The benefits shall be provided to the same extent as for any other condition under the contract.

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

(cf: P.L.2008, c.126, s.2)

2. Section 3 of P.L.2008, c.126 (C.17:48A-7dd) is amended to read as follows:

3. A medical service corporation contract that provides hospital and medical expense benefits and is delivered, issued, executed or renewed in this State pursuant to P.L.1940, c.74 (C.17:48A-1 et seq.), or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance, on or after the effective date of this act, shall provide coverage for medically necessary expenses incurred in the purchase of a hearing aid for a covered person **[**15 years of age or younger,**]** as provided in this section.

A medical service corporation contract shall provide coverage that includes the purchase of a hearing aid for each ear, when

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 <u>thus</u> is new matter.

medically necessary and as prescribed or recommended by a licensed physician or audiologist. A medical service corporation may limit the benefit provided in this section to $1,000 per hearing aid for each hearing-impaired ear every 24 months. A covered person may choose a hearing aid that is priced higher than the benefit payable under this section and may pay the difference between the price of the hearing aid and the benefit payable under this section, without financial or contractual penalty to the provider of the hearing aid.

The benefits shall be provided to the same extent as for any other condition under the contract.

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

(cf: P.L.2008, c.126, s.3)

3. Section 4 of P.L.2008, c.126 (C.17:48E-35.31) is amended to read as follows:

4. A health service corporation contract that provides hospital and medical expense benefits and is delivered, issued, executed or renewed in this State pursuant to P.L.1985, c.236 (C.17:48E-1 et al.), or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance, on or after the effective date of this act, shall provide coverage for medically necessary expenses incurred in the purchase of a hearing aid for a covered person **[**15 years of age or younger,**]** as provided in this section.

A health service corporation contract shall provide coverage that includes the purchase of a hearing aid for each ear, when medically necessary and as prescribed or recommended by a licensed physician or audiologist. A health service corporation may limit the benefit provided in this section to $1,000 per hearing aid for each hearing-impaired ear every 24 months. A covered person may choose a hearing aid that is priced higher than the benefit payable under this section and may pay the difference between the price of the hearing aid and the benefit payable under this section, without financial or contractual penalty to the provider of the hearing aid.

The benefits shall be provided to the same extent as for any other condition under the contract.

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

(cf: P.L.2008, c.126, s.4)

4. Section 5 of P.L.2008, c.126 (C.17B:26-2.1aa) is amended to read as follows:

5. An individual health insurance policy that provides hospital and medical expense benefits and is delivered, issued, executed or

renewed in this State pursuant to chapter 26 of Title 17B of the New Jersey Statutes, or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance, on or after the effective date of this act, shall provide coverage for medically necessary expenses incurred in the purchase of a hearing aid for a covered person [15 years of age or younger,] as provided in this section.

A policy shall provide coverage that includes the purchase of a hearing aid for each ear, when medically necessary and as prescribed or recommended by a licensed physician or audiologist. An insurer may limit the benefit provided in this section to $1,000 per hearing aid for each hearing-impaired ear every 24 months. A covered person may choose a hearing aid that is priced higher than the benefit payable under this section and may pay the difference between the price of the hearing aid and the benefit payable under this section, without financial or contractual penalty to the provider of the hearing aid.

The benefits shall be provided to the same extent as for any other condition under the policy.

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

(cf: P.L.2008, c.126, s.5)

5. Section 6 of P.L.2008, c.126 (C.17B:27-46.1gg) is amended to read as follows:

6. A group health insurance policy that provides hospital and medical expense benefits and is delivered, issued, executed or renewed in this State pursuant to chapter 27 of Title 17B of the New Jersey Statutes, or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance, on or after the effective date of this act, shall provide coverage for medically necessary expenses incurred in the purchase of a hearing aid for a covered person [15 years of age or younger,] as provided in this section.

A policy shall provide coverage that includes the purchase of a hearing aid for each ear, when medically necessary and as prescribed or recommended by a licensed physician or audiologist. An insurer may limit the benefit provided in this section to $1,000 per hearing aid for each hearing-impaired ear every 24 months. A covered person may choose a hearing aid that is priced higher than the benefit payable under this section and may pay the difference between the price of the hearing aid and the benefit payable under this section, without financial or contractual penalty to the provider of the hearing aid.

The benefits shall be provided to the same extent as for any other condition under the policy.

This section shall apply to those policies in which the insurer has

reserved the right to change the premium.
(cf: P.L.2008, c.126, s.6)

6. Section 7 of P.L.2008, c.126 (C.17B:27A-7.14) is amended to read as follows:

7. An individual health benefits plan that provides hospital and medical expense benefits and is delivered, issued, executed or renewed in this State pursuant to P.L.1992, c.161 (C.17B:27A-2 et al.), on or after the effective date of this act, shall provide coverage for medically necessary expenses incurred in the purchase of a hearing aid for a covered person **[**15 years of age or younger,**]** as provided in this section.

A health benefits plan shall provide coverage that includes the purchase of a hearing aid for each ear, when medically necessary and as prescribed or recommended by a licensed physician or audiologist. A carrier may limit the benefit provided in this section to $1,000 per hearing aid for each hearing-impaired ear every 24 months. A covered person may choose a hearing aid that is priced higher than the benefit payable under this section and may pay the difference between the price of the hearing aid and the benefit payable under this section, without financial or contractual penalty to the provider of the hearing aid.

The benefits shall be provided to the same extent as for any other condition under the health benefits plan.

This section shall apply to those health benefits plans in which the carrier has reserved the right to change the premium.
(cf: P.L.2008, c.126, s.7)

7. Section 8 of P.L.2008, c.126 (C.17B:27A-19.18) is amended to read as follows:

8. A small employer health benefits plan that provides hospital and medical expense benefits and is delivered, issued, executed or renewed in this State pursuant to P.L.1992, c.162 (C.17B:27A-17 et seq.), on or after the effective date of this act, shall provide coverage for medically necessary expenses incurred in the purchase of a hearing aid for a covered person **[**15 years of age or younger,**]** as provided in this section.

A health benefits plan shall provide coverage that includes the purchase of a hearing aid for each ear, when medically necessary and as prescribed or recommended by a licensed physician or audiologist. A carrier may limit the benefit provided in this section to $1,000 per hearing aid for each hearing-impaired ear every 24 months. A covered person may choose a hearing aid that is priced higher than the benefit payable under this section and may pay the difference between the price of the hearing aid and the benefit payable under this section, without financial or contractual penalty to the provider of the hearing aid.

The benefits shall be provided to the same extent as for any other condition under the health benefits plan.

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

(cf: P.L.2008, c.126, s.8)

8. Section 9 of P.L.2008, c.126 (C.26:2J-4.32) is amended to read as follows:

9. A health maintenance organization contract for health care services that is delivered, issued, executed or renewed in this State pursuant to P.L.1973, c.337 (C.26:2J-1 et seq.), or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance, on or after the effective date of this act, shall provide health care services for medically necessary expenses incurred in the purchase of a hearing aid for an enrollee **[**15 years of age or younger,**]** as provided in this section.

The health care services shall include the purchase of a hearing aid for each ear, when medically necessary and as prescribed or recommended by a licensed physician or audiologist. A health maintenance organization may limit the health care services provided in this section to $1,000 per hearing aid for each hearing-impaired ear every 24 months. An enrollee may choose a hearing aid that is priced higher than the health care services payable under this section and may pay the difference between the price of the hearing aid and the health care services payable under this section, without financial or contractual penalty to the provider of the hearing aid.

The health care services shall be provided to the same extent as for any other condition under the contract.

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

(cf: P.L.2008, c.126, s.9)

9. Section 10 of P.L.2008, c.126 (C.52:14-17.29n) is amended to read as follows:

10. The State Health Benefits Commission shall, on or after the effective date of this act, provide benefits for medically necessary expenses incurred in the purchase of a hearing aid for a covered person **[**15 years of age or younger,**]** as provided in this section.

The benefits shall include the purchase of a hearing aid for each ear, when medically necessary and as prescribed or recommended by a licensed physician or audiologist. The commission may limit the benefit provided in this section to $1,000 per hearing aid for each hearing-impaired ear every 24 months. A covered person may choose a hearing aid that is priced higher than the benefit payable under this section and may pay the difference between the price of

the hearing aid and the benefit payable under this section, without financial or contractual penalty to the provider of the hearing aid.
(cf: P.L.2008, c.126, s.10)

10. Section 11 of P.L.2008, c.126 (C.30:4J-12.2) is amended to read as follows:

11. The Commissioner of Human Services shall ensure that every contract for health care services under the NJ FamilyCare Program established pursuant to sections 3 through 5 of P.L.2005, c.156 (C.30:4J-10 through C.30:4J-12), entered into on or after the effective date of this act, provides benefits for medically necessary expenses incurred in the purchase of a hearing aid for a covered person **[**15 years of age or younger,**]** as provided in this section.

The benefits shall include the purchase of a hearing aid for each ear, when medically necessary and as prescribed or recommended by a licensed physician or audiologist. The commissioner may limit the benefit provided in this section to $1,000 per hearing aid for each hearing-impaired ear every 24 months in any of the NJ FamilyCare Program plans, and may provide, when applicable, that a covered person may choose a hearing aid that is priced higher than the benefit payable under this section and may pay the difference between the price of the hearing aid and the benefit payable under this section, without financial or contractual penalty to the provider of the hearing aid.
(cf: P.L.2008, c.126, s.11)

11. (New section) The School Employees' Health Benefits Commission shall ensure that every contract purchased by the commission on or after the effective date of this act provides benefits for medically necessary expenses incurred in the purchase of a hearing aid for a covered person as provided in this section.

The benefits shall include the purchase of a hearing aid for each ear, when medically necessary as prescribed or recommended by a licensed physician or audiologist. The commission may limit the benefit provided in this section to $1,000 per hearing aid for each hearing-impaired ear every 24 months. A covered person may choose a hearing aid that is priced higher than the benefit payable under this section and may pay the difference between the price of the hearing aid and the benefit payable under this section, without financial or contractual penalty to the provider of the hearing aid.

12. This act shall take effect on the 90th day after the date of enactment.

STATEMENT

This bill amends P.L.2008, c.126, "Grace's Law," by removing the specification that health insurers (health, hospital, and medical

service corporations, commercial individual and group health insurers, health maintenance organizations, health benefits plans issued pursuant to the New Jersey Individual Health Coverage and Small Employer Health Benefits Programs, the State Health Benefits Program, and the NJ FamilyCare Program) provide coverage for expenses incurred in the purchase of a hearing aid only for covered persons who are 15 years old or younger. The bill generalizes the requirement so that health insurers must provide these benefits regardless of the covered person's age.

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

The provisions of the bill will take effect 90 days after the date of enactment and will apply to all health benefits plans issued or renewed on or after that date.