

ASSEMBLY, No. 1343

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman DANIEL R. BENSON

District 14 (Mercer and Middlesex)

Assemblyman RAJ MUKHERJI

District 33 (Hudson)

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SYNOPSIS

Requires health insurance coverage for certain amino acid-based elemental formulas.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** concerning health benefits coverage for amino acid-based
2 elemental formulas, and supplementing Titles 17, 26, and 52 of
3 the Revised Statutes and Title 17B of the New Jersey Statutes.

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

7
8 1. A hospital service corporation which provides hospital or
9 medical expense benefits under a contract that is delivered, issued,
10 executed, or renewed in this State 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 benefits under the contract for expenses incurred for the purchase
14 and administration of amino acid-based elemental formulas,
15 regardless of delivery method, for the treatment of an eosinophilic
16 disorder that has been determined by the covered patient's
17 physician to be medically necessary. The coverage may be subject
18 to utilization review, including periodic review, of the continued
19 medical necessity of the formula.

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

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

25
26 2. A medical service corporation which provides hospital or
27 medical expense benefits under a contract that is delivered, issued,
28 executed, or renewed in this State or approved for issuance or
29 renewal in this State by the Commissioner of Banking and
30 Insurance, on or after the effective date of this act, shall provide
31 benefits under the contract for expenses incurred for the purchase
32 and administration of amino acid-based elemental formulas,
33 regardless of delivery method, for the treatment of an eosinophilic
34 disorder that has been determined by the covered patient's
35 physician to be medically necessary. The coverage may be subject
36 to utilization review, including periodic review, of the continued
37 medical necessity of the formula.

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

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

43
44 3. A health service corporation which provides hospital or
45 medical expense benefits under a contract that is delivered, issued,
46 executed, or renewed in this State or approved for issuance or
47 renewal in this State by the Commissioner of Banking and
48 Insurance, on or after the effective date of this act, shall provide

1 benefits under the contract for expenses incurred for the purchase
2 and administration of amino acid-based elemental formulas,
3 regardless of delivery method, for the treatment of an eosinophilic
4 disorder that has been determined by the covered patient's
5 physician to be medically necessary. The coverage may be subject
6 to utilization review, including periodic review, of the continued
7 medical necessity of the formula.

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

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

13
14 4. An individual health insurer which provides hospital or
15 medical expense benefits under a policy that is delivered, issued,
16 executed, or renewed in this State or approved for issuance or
17 renewal in this State by the Commissioner of Banking and
18 Insurance, on or after the effective date of this act, shall provide
19 benefits under the policy for expenses incurred for the purchase and
20 administration of amino acid-based elemental formulas, regardless
21 of delivery method, for the treatment of an eosinophilic disorder
22 that has been determined by the covered patient's physician to be
23 medically necessary. The coverage may be subject to utilization
24 review, including periodic review, of the continued medical
25 necessity of the formula.

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

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

30
31 5. A group health insurer which provides hospital or medical
32 expense benefits under a policy that is delivered, issued, executed,
33 or renewed in this State or approved for issuance or renewal in this
34 State by the Commissioner of Banking and Insurance, on or after
35 the effective date of this act, shall provide benefits under the policy
36 for expenses incurred for the purchase and administration of amino
37 acid-based elemental formulas, regardless of delivery method, for
38 the treatment of an eosinophilic disorder that has been determined
39 by the covered patient's physician to be medically necessary. The
40 coverage may be subject to utilization review, including periodic
41 review, of the continued medical necessity of the formula.

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

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

46
47 6. A certificate of authority to establish and operate a health
48 maintenance organization in this State shall not be issued or

1 continued on or after the effective date of this act by the
2 Commissioner of Banking and Insurance unless the health
3 maintenance organization provides health care services in the
4 purchase and administration of amino acid-based elemental
5 formulas, regardless of delivery method, for the treatment of an
6 eosinophilic disorder that has been determined by the covered
7 patient's physician to be medically necessary. The coverage may
8 be subject to utilization review, including periodic review, of the
9 continued medical necessity of the formula.

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

12 The provisions of this section shall apply to those contracts for
13 health care services by health maintenance organizations under
14 which the health maintenance organization has reserved the right to
15 change the schedule of charges for enrollee coverage.

16
17 7. Notwithstanding any other provision of law to the contrary,
18 an individual health benefits plan that is delivered, issued, executed,
19 renewed, or approved for issuance or renewal in this State pursuant
20 to P.L.1992, c.161 (C.17B:27A-2 et seq.), or approved for issuance
21 or renewal in this State by the Commissioner of Banking and
22 Insurance, on or after the effective date of this act, shall provide
23 benefits under the policy for expenses incurred for the purchase and
24 administration of amino acid-based elemental formulas, regardless
25 of delivery method, for the treatment of an eosinophilic disorder
26 that has been determined by the covered patient's physician to be
27 medically necessary. The coverage may be subject to utilization
28 review, including periodic review, of the continued medical
29 necessity of the formula.

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

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

34
35 8. A small employer health benefits plan that provides hospital
36 and medical expense benefits and is delivered, issued, executed, or
37 renewed in this State pursuant to P.L.1992, c.162 (C.17B:27A-17 et
38 seq.), on or after the effective date of this act, shall provide
39 coverage for medically necessary expenses incurred for the
40 purchase and administration of amino acid-based elemental
41 formulas, regardless of delivery method, for the treatment of an
42 eosinophilic disorder that has been determined by the covered
43 patient's physician to be medically necessary. The coverage may
44 be subject to utilization review, including periodic review, of the
45 continued medical necessity of the formula.

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

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

3
4 9. Notwithstanding any other provision of law to the contrary,
5 the State Health Benefits Commission shall ensure that every
6 contract purchased by the commission on or after the effective date
7 of this act that provides hospital or medical expense benefits shall
8 provide benefits under the contract for expenses incurred for the
9 purchase and administration of amino acid-based elemental
10 formulas, regardless of delivery method, for the treatment of an
11 eosinophilic disorder that has been determined by the covered
12 patient's physician to be medically necessary. The coverage may
13 be subject to utilization review, including periodic review, of the
14 continued medical necessity of the formula.

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

17
18 10. The School Employees' Health Benefits Commission shall
19 ensure that every contract purchased by the commission on or after
20 the effective date of this act that provides hospital or medical
21 expense benefits shall provide benefits under the contract for
22 expenses incurred for the purchase and administration of amino
23 acid-based elemental formulas, regardless of delivery method, for
24 the treatment of an eosinophilic disorder that has been determined
25 by the covered patient's physician to be medically necessary. The
26 coverage may be subject to utilization review, including periodic
27 review, of the continued medical necessity of the formula.

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

30
31 11. This act shall take effect on the 120th day following
32 enactment and shall apply to policies or contracts issued or renewed
33 on or after that date.

34 35 36 STATEMENT

37
38 This bill requires certain health insurers (health, hospital, and
39 medical service corporations, commercial individual and group
40 health insurers, health maintenance organizations, the State Health
41 Benefits Program, and the School Employees' Health Benefits
42 Program) to provide health benefits coverage for expenses incurred
43 for the purchase and administration of amino acid-based elemental
44 formulas, regardless of delivery method, for treating eosinophilic
45 disorders that have been determined by a covered patient's
46 physician to be medically necessary.

47 Amino acid-based formulas are complete nutritional formulas
48 used to treat individuals with eosinophilic disorders. Eosinophilic

1 disorders affect children and adults, and are characterized by above-
2 normal amounts of eosinophils, a type of white blood cell that is
3 commonly associated with allergic diseases. Above-normal
4 presence of eosinophils causes inflammation in one or more areas of
5 the digestive system. There is no cure for eosinophilic disorders,
6 but dietary therapy involving strict avoidance of all foods to which
7 a patient is allergic, may alleviate symptoms and prevent further
8 damage to the gastrointestinal tract. For patients who cannot eat any
9 proteins, an elemental amino-acid based formula diet provides the
10 building blocks of protein, which enables them to maintain proper
11 nutrition. Some patients require tube feedings directly into the
12 stomach, while the most severe patients must be fed directly into
13 the blood stream.

14 The bill takes effect on the 120th day following enactment and
15 applies to policies or contracts issued or renewed on or after that
16 date.