ASSEMBLY, No. 1343

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:
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District 14 (Mercer and Middlesex)
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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.

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

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

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

The benefits shall be provided to the same extent as for any other medical 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.

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

The benefits shall be provided to the same extent as for any other medical 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.

3. A health service corporation which provides hospital or medical expense benefits under a contract that is delivered, issued, executed, or renewed in this State 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

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

The benefits shall be provided to the same extent as for any other medical 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.

4. An individual health insurer which provides hospital or medical expense benefits under a policy that is delivered, issued, executed, or renewed in this State 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 benefits under the policy for expenses incurred for the purchase and administration of amino acid-based elemental formulas, regardless of delivery method, for the treatment of an eosinophilic disorder that has been determined by the covered patient's physician to be medically necessary. The coverage may be subject to utilization review, including periodic review, of the continued medical necessity of the formula.

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

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

5. A group health insurer which provides hospital or medical expense benefits under a policy that is delivered, issued, executed, or renewed in this State 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 benefits under the policy for expenses incurred for the purchase and administration of amino acid-based elemental formulas, regardless of delivery method, for the treatment of an eosinophilic disorder that has been determined by the covered patient's physician to be medically necessary. The coverage may be subject to utilization review, including periodic review, of the continued medical necessity of the formula.

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

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

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

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

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

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

7. Notwithstanding any other provision of law to the contrary, an individual health benefits plan that is delivered, issued, executed, renewed, or approved for issuance or renewal in this State pursuant to P.L.1992, c.161 (C.17B:27A-2 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 benefits under the policy for expenses incurred for the purchase and administration of amino acid-based elemental formulas, regardless of delivery method, for the treatment of an eosinophilic disorder that has been determined by the covered patient's physician to be medically necessary. The coverage may be subject to utilization review, including periodic review, of the continued medical necessity of the formula.

The benefits shall be provided to the same extent as for any other medical 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.

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 for the purchase and administration of amino acid-based elemental formulas, regardless of delivery method, for the treatment of an eosinophilic disorder that has been determined by the covered patient's physician to be medically necessary. The coverage may be subject to utilization review, including periodic review, of the continued medical necessity of the formula.

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.

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

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

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

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

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

STATEMENT

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

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

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

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