

**SENATE, No. 1692**

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**STATE OF NEW JERSEY**  
**220th LEGISLATURE**

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INTRODUCED FEBRUARY 28, 2022

**Sponsored by:**

**Senator CHRISTOPHER J. CONNORS**  
**District 9 (Atlantic, Burlington and Ocean)**

**Co-Sponsored by:**

**Senator Holzapfel**

**SYNOPSIS**

“Breann’s Law” requires health insurers, SHBP and NJ FamilyCare to provide “out-of-network” coverage for children with catastrophic illnesses.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 3/3/2022)**

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2

1 AN ACT concerning health benefits coverage for children diagnosed  
2 with catastrophic illnesses under certain circumstances and  
3 designated as Breann's Law, and supplementing various parts of  
4 the statutory law.

5

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

8

9 1. a. As used in this section:

10 "Catastrophic illness" means an acute or prolonged illness  
11 usually considered to be life-threatening or with the threat of  
12 serious residual disability.

13 "Child" means a dependent child pursuant to the specific terms  
14 of the applicable contract.

15 "Network" means one or more providers that participate in a  
16 selective contracting arrangement with a hospital service  
17 corporation.

18 "Selective contracting arrangement" means an arrangement in  
19 which a hospital service corporation participates in selective  
20 contracting with one or more providers, and which arrangement  
21 contains reasonable benefit differentials, including, but not limited  
22 to, predetermined fee or reimbursement rates for covered benefits  
23 applicable to participating and nonparticipating providers.

24 b. A hospital service corporation contract that provides hospital  
25 or medical expense benefits and is delivered, issued, executed or  
26 renewed in this State pursuant to P.L.1938, c.366 (C.17:48-1 et  
27 seq.), or approved for issuance or renewal in this State by the  
28 Commissioner of Banking and Insurance, on or after the effective  
29 date of this act, shall provide coverage for health care services  
30 provided by an out-of-network provider, if those services are  
31 provided to a child who is diagnosed with a catastrophic illness, as  
32 defined in subsection a. of this section, and the aforementioned  
33 services were performed on the basis of a referral from an in-  
34 network provider.

35 c. The benefits required by subsection b. of this section shall  
36 be provided to the same extent as for any other condition for which  
37 benefits are provided in-network under the contract.

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

41

42 2. a. As used in this section:

43 "Catastrophic illness" means an acute or prolonged illness  
44 usually considered to be life-threatening or with the threat of  
45 serious residual disability.

46 "Child" means a dependent child pursuant to the specific terms  
47 of the applicable contract.

48 "Network" means one or more providers that participate in a  
49 selective contracting arrangement with a medical service

1 corporation.

2 "Selective contracting arrangement" means an arrangement in  
3 which a medical service corporation participates in selective  
4 contracting with one or more providers, and which arrangement  
5 contains reasonable benefit differentials, including, but not limited  
6 to, predetermined fee or reimbursement rates for covered benefits  
7 applicable to participating and nonparticipating providers.

8 b. A medical service corporation contract that provides hospital  
9 or medical expense benefits and is delivered, issued, executed or  
10 renewed in this State pursuant to P.L.1940, c.74 (C.17:48A-1 et  
11 seq.), or approved for issuance or renewal in this State by the  
12 Commissioner of Banking and Insurance, on or after the effective  
13 date of this act, shall provide coverage for health care services  
14 provided by an out-of-network provider, if those services are  
15 provided to a child who is diagnosed with a catastrophic illness, as  
16 defined in subsection a. of this section, and the aforementioned  
17 services were performed on the basis of a referral from an in-  
18 network provider.

19 c. The benefits required by subsection b. of this section shall  
20 be provided to the same extent as for any other condition for which  
21 benefits are provided in-network under the contract.

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

25

26 3. a. As used in this section:

27 "Catastrophic illness" means an acute or prolonged illness  
28 usually considered to be life-threatening or with the threat of  
29 serious residual disability.

30 "Child" means a dependent child pursuant to the specific terms  
31 of the applicable contract.

32 "Network" means one or more providers that participate in a  
33 selective contracting arrangement with a health service corporation.

34 "Selective contracting arrangement" means an arrangement in  
35 which a health service corporation participates in selective  
36 contracting with one or more providers, and which arrangement  
37 contains reasonable benefit differentials, including, but not limited  
38 to, predetermined fee or reimbursement rates for covered benefits  
39 applicable to participating and nonparticipating providers.

40 b. A health service corporation contract that provides hospital  
41 or medical expense benefits and is delivered, issued, executed or  
42 renewed in this State pursuant to P.L.1985, c.236 (C.17:48E-1 et  
43 seq.), or approved for issuance or renewal in this State by the  
44 Commissioner of Banking and Insurance, on or after the effective  
45 date of this act, shall provide coverage for health care services  
46 provided by an out-of-network provider, if those services are  
47 provided to a child who is diagnosed with a catastrophic illness, as  
48 defined in subsection a. of this section, and the aforementioned  
49 services were performed on the basis of a referral from an in-

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1 network provider.

2 c. The benefits required by subsection b. of this section shall  
3 be provided to the same extent as for any other condition for which  
4 benefits are provided in-network under the contract.

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

8

9 4. a. As used in this section:

10 "Catastrophic illness" means an acute or prolonged illness  
11 usually considered to be life-threatening or with the threat of  
12 serious residual disability.

13 "Child" means a dependent child pursuant to the specific terms  
14 of the applicable policy.

15 "Network" means one or more providers that participate in a  
16 selective contracting arrangement with an insurer.

17 "Selective contracting arrangement" means an arrangement in  
18 which an insurer participates in selective contracting with one or  
19 more providers, and which arrangement contains reasonable benefit  
20 differentials, including, but not limited to, predetermined fee or  
21 reimbursement rates for covered benefits applicable to participating  
22 and nonparticipating providers.

23 b. A group health insurance policy that provides hospital or  
24 medical expense benefits and is delivered, issued, executed or  
25 renewed in this State pursuant to chapter 27 of Title 17B of the New  
26 Jersey Statutes, or approved for issuance or renewal in this State by  
27 the Commissioner of Banking and Insurance, on or after the  
28 effective date of this act, shall provide coverage for health care  
29 services provided by an out-of-network provider, if those services  
30 are provided to a child who is diagnosed with a catastrophic illness,  
31 as defined in subsection a. of this section, and the aforementioned  
32 services were performed on the basis of a referral from an in-  
33 network provider.

34 c. The benefits required by subsection b. of this section shall  
35 be provided to the same extent as for any other condition for which  
36 benefits are provided in-network under the policy.

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

39

40 5. a. As used in this section:

41 "Catastrophic illness" means an acute or prolonged illness  
42 usually considered to be life-threatening or with the threat of  
43 serious residual disability.

44 "Child" means a dependent child pursuant to the specific terms  
45 of the applicable health benefits plan.

46 "Network" means one or more providers that participate in a  
47 selective contracting arrangement with a carrier.

48 "Selective contracting arrangement" means an arrangement in  
49 which a carrier participates in selective contracting with one or

1 more providers, and which arrangement contains reasonable benefit  
2 differentials, including, but not limited to, predetermined fee or  
3 reimbursement rates for covered benefits applicable to participating  
4 and nonparticipating providers.

5 b. An individual health benefits plan that provides hospital or  
6 medical expense benefits and is delivered, issued, executed or  
7 renewed in this State pursuant to P.L.1992, c.161 (C.17B:27A-2 et  
8 seq.), on or after the effective date of this act, shall provide  
9 coverage for health care services provided by an out-of-network  
10 provider, if those services are provided to a child who is diagnosed  
11 with a catastrophic illness, as defined in subsection a. of this  
12 section, and the aforementioned services were performed on the  
13 basis of a referral from an in-network provider.

14 c. The benefits required by subsection b. of this section shall  
15 be provided to the same extent as for any other condition for which  
16 benefits are provided in-network under the health benefits plan.

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

19

20 6. a. As used in this section:

21 "Catastrophic illness" means an acute or prolonged illness  
22 usually considered to be life-threatening or with the threat of  
23 serious residual disability.

24 "Child" means a dependent child pursuant to the specific terms  
25 of the applicable health benefits plan.

26 "Network" means one or more providers that participate in a  
27 selective contracting arrangement with a carrier.

28 "Selective contracting arrangement" means an arrangement in  
29 which a carrier participates in selective contracting with one or  
30 more providers, and which arrangement contains reasonable benefit  
31 differentials, including, but not limited to, predetermined fee or  
32 reimbursement rates for covered benefits applicable to participating  
33 and nonparticipating providers.

34 b. A small employer health benefits plan that provides hospital  
35 or medical expense benefits and is delivered, issued, executed or  
36 renewed in this State pursuant to P.L.1992, c.162 (C.17B:27A-17 et  
37 seq.), on or after the effective date of this act, shall provide  
38 coverage for health care services provided by an out-of-network  
39 provider, if those services are provided to a child who is diagnosed  
40 with a catastrophic illness, as defined in subsection a. of this  
41 section, and the aforementioned services were performed on the  
42 basis of a referral from an in-network provider.

43 c. The benefits required by subsection b. of this section shall  
44 be provided to the same extent as for any other condition for which  
45 benefits are provided in-network under the health benefits plan.

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

48

49 7. a. As used in this section:

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1 "Catastrophic illness" means an acute or prolonged illness  
2 usually considered to be life-threatening or with the threat of  
3 serious residual disability.

4 "Child" means a dependent child pursuant to the specific terms  
5 of the applicable contract.

6 "Network" means one or more providers that participate in a  
7 selective contracting arrangement with a health maintenance  
8 organization.

9 "Selective contracting arrangement" means an arrangement in  
10 which a health maintenance organization participates in selective  
11 contracting with one or more providers, and which arrangement  
12 contains reasonable benefit differentials, including, but not limited  
13 to, predetermined fee or reimbursement rates for covered benefits  
14 applicable to participating and nonparticipating providers.

15 b. A health maintenance organization contract for health care  
16 services that is delivered, issued, executed or renewed in this State  
17 pursuant to P.L.1973, c.337 (C.26:2J-1 et seq.), or approved for  
18 issuance or renewal in this State by the Commissioner of Banking  
19 and Insurance, on or after the effective date of this act, shall provide  
20 coverage for health care services provided by an out-of-network  
21 provider, if those services are provided to a child who is diagnosed  
22 with a catastrophic illness, as defined in subsection a. of this  
23 section, and the aforementioned services were performed on the  
24 basis of a referral from an in-network provider.

25 c. The health care services required by subsection b. of this  
26 section shall be provided to the same extent as for any other  
27 condition for which benefits are provided in-network under the  
28 contract.

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

32

33 8. a. As used in this section:

34 "Catastrophic illness" means an acute or prolonged illness  
35 usually considered to be life-threatening or with the threat of  
36 serious residual disability.

37 "Child" means a dependent child pursuant to the specific terms  
38 of the applicable contract.

39 "Network" means one or more providers that participate in a  
40 selective contracting arrangement with the State Health Benefits  
41 Commission.

42 "Selective contracting arrangement" means an arrangement in  
43 which the State Health Benefits Commission participates in  
44 selective contracting with one or more providers, and which  
45 arrangement contains reasonable benefit differentials, including, but  
46 not limited to, predetermined fee or reimbursement rates for  
47 covered benefits applicable to participating and nonparticipating  
48 providers.

49 b. The State Health Benefits Commission shall ensure that

1 every contract purchased by the commission, on or after the  
2 effective date of this act that provides hospital or medical expense  
3 benefits, shall provide benefits for health care services provided by  
4 an out-of-network provider, if those services are provided to a child  
5 who is diagnosed with a catastrophic illness, as defined in  
6 subsection a. of this section, and the aforementioned services were  
7 performed on the basis of a referral from an in-network provider.

8 c. The health care services required by subsection b. of this  
9 section shall be provided to the same extent as for any other  
10 condition for which benefits are provided in-network under the  
11 contract.

12

13 9. a. As used in this section:

14 "Catastrophic illness" means an acute or prolonged illness  
15 usually considered to be life-threatening or with the threat of  
16 serious residual disability.

17 "Child" means a dependent child pursuant to the specific terms  
18 of the applicable coverage contract.

19 "Network" means one or more providers that participate in a  
20 selective contracting arrangement with the NJ FamilyCare Program.

21 "Selective contracting arrangement" means an arrangement in  
22 which the NJ FamilyCare Program participates in selective  
23 contracting with one or more providers, and which arrangement  
24 contains reasonable benefit differentials, including, but not limited  
25 to, predetermined fee or reimbursement rates for covered benefits  
26 applicable to participating and nonparticipating providers.

27 b. The Commissioner of Human Services shall not utilize or  
28 establish any contract for health care services under the NJ  
29 FamilyCare Program, established pursuant to sections 3 through 5  
30 of P.L.2005, c.156 (C.30:4J-10 through C.30:4J-12), after the  
31 effective date of this act, unless the contract provides benefits for  
32 health care services provided by an out-of-network provider, if  
33 those services are provided to a child who is diagnosed with a  
34 catastrophic illness, as defined in subsection a. of this section, and  
35 the aforementioned services were performed on the basis of a  
36 referral from an in-network provider.

37 c. The health care services required by subsection b. of this  
38 section shall be provided to the same extent as for any other  
39 condition for which benefits are provided in-network under the  
40 contract.

41

42 10. This act shall take effect on the 90th day after enactment.

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#### STATEMENT

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47 This bill, "Breann's Law," is named for Breann LaManna, a  
48 young New Jersey girl who was denied "out-of-network" coverage  
49 for a life threatening illness. The bill requires health insurers, as

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1 well as the State Health Benefits Plan and NJ FamilyCare, to  
2 provide benefits for services provided by an “out-of-network”  
3 provider to the same extent as they would be provided if performed  
4 in-network, when the services are for a covered child who is  
5 suffering from a catastrophic illness, after a referral from an in-  
6 network provider. Catastrophic illness is defined in the bill as an  
7 acute or prolonged illness usually considered to be life-threatening  
8 or with the threat of serious residual disability.