

[First Reprint]

ASSEMBLY, No. 1571

STATE OF NEW JERSEY
213th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2008 SESSION

Sponsored by:

Assemblyman JOSEPH J. ROBERTS, JR.

District 5 (Camden and Gloucester)

Assemblyman HERB CONAWAY, JR.

District 7 (Burlington and Camden)

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SYNOPSIS

"Grace's Law;" requires health insurers, State Health Benefits Program, and NJ FamilyCare to provide coverage for hearing aids for covered persons 15 and younger.

CURRENT VERSION OF TEXT

As reported by the Assembly Financial Institutions and Insurance Committee on February 25, 2008, with amendments.

(Sponsorship Updated As Of: 12/9/2008)

1 AN ACT concerning health benefits coverage for hearing aids for
2 children and supplementing various parts of the statutory law.

3

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

6

7 1. This act shall be known and may be cited as "Grace's Law."

8

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

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

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

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

33

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

42 A medical service corporation contract shall provide coverage
43 that includes the purchase of a hearing aid for each ear, when
44 medically necessary and as prescribed or recommended by a

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly AFI committee amendments adopted February 25, 2008.

1 licensed physician or audiologist. A medical service corporation
2 may limit the benefit provided in this section to \$1,000 per hearing
3 aid for each hearing-impaired ear every 24 months. A covered
4 person may choose a hearing aid that is priced higher than the
5 benefit payable under this section and may pay the difference
6 between the price of the hearing aid and the benefit payable under
7 this section, without financial or contractual penalty to the provider
8 of the hearing aid.

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

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

14

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

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

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

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

38

39 5. An individual health insurance policy that provides hospital
40 and medical expense benefits and is delivered, issued, executed or
41 renewed in this State pursuant to chapter 26 of Title 17B of the New
42 Jersey Statutes, or approved for issuance or renewal in this State by
43 the Commissioner of Banking and Insurance, on or after the
44 effective date of this act, shall provide coverage for medically
45 necessary expenses incurred in the purchase of a hearing aid for a
46 covered person 15 years of age or younger, as provided in this
47 section.

48 A policy shall provide coverage that includes the purchase of a

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

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

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

14

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

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

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

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

38

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

46 A health benefits plan shall provide coverage that includes the
47 purchase of a hearing aid for each ear, when medically necessary
48 and as prescribed or recommended by a licensed physician or

1 audiologist. A carrier may limit the benefit provided in this section
2 to \$1,000 per hearing aid for each hearing-impaired ear every 24
3 months. A covered person may choose a hearing aid that is priced
4 higher than the benefit payable under this section and may pay the
5 difference between the price of the hearing aid and the benefit
6 payable under this section, without financial or contractual penalty
7 to the provider of the hearing aid.

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

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

12

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

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

30 The benefits shall be provided to the same extent as for any other
31 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 9. A health maintenance organization contract for health care
36 services that is delivered, issued, executed or renewed in this State
37 pursuant to P.L.1973, c.337 (C.26:2J-1 et seq.), or approved for
38 issuance or renewal in this State by the Commissioner of Banking
39 and Insurance, on or after the effective date of this act, shall provide
40 health care services for medically necessary expenses incurred in
41 the purchase of a hearing aid for an enrollee 15 years of age or
42 younger, as provided in this section.

43 The health care services shall include the purchase of a hearing
44 aid for each ear, when medically necessary and as prescribed or
45 recommended by a licensed physician or audiologist. A health
46 maintenance organization may limit the health care services
47 provided in this section to \$1,000 per hearing aid for each hearing-
48 impaired ear every 24 months. An enrollee may choose a hearing

1 aid that is priced higher than the health care services payable under
2 this section and may pay the difference between the price of the
3 hearing aid and the health care services payable under this section,
4 without financial or contractual penalty to the provider of the
5 hearing aid.

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

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

11

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

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

25

26 11. The Commissioner of Human Services shall ensure that
27 every contract for health care services under the NJ FamilyCare
28 Program, P.L. 2005, c.156 (C.30:4J-8 et seq.), entered into on or
29 after the effective date of this act, provides benefits for medically
30 necessary expenses incurred in the purchase of a hearing aid for a
31 covered person 15 years of age or younger, as provided in this
32 section.

33 The benefits shall include the purchase of a hearing aid for each
34 ear, when medically necessary and as prescribed or recommended
35 by a licensed physician or audiologist. The commissioner may limit
36 the benefit provided in this section to \$1,000 per hearing aid for
37 each hearing-impaired ear every 24 months in any of the NJ
38 FamilyCare plans, and may provide, when applicable, that a
39 covered person may choose a hearing aid that is priced higher than
40 the benefit payable under this section and may pay the difference
41 between the price of the hearing aid and the benefit payable under
42 this section, without financial or contractual penalty to the provider
43 of the hearing aid.

44

45 12. This act shall take effect on the '~~30th~~ 90th' day after
46 enactment.