

ASSEMBLY, No. 1931

STATE OF NEW JERSEY 213th LEGISLATURE

INTRODUCED JANUARY 28, 2008

Sponsored by:

Assemblyman HERB CONAWAY, JR.

District 7 (Burlington and Camden)

SYNOPSIS

Requires managed care plans to cover treatment of overweight and obesity in adults on fee-for-service basis.

CURRENT VERSION OF TEXT

As introduced.



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2

1 AN ACT concerning health care coverage for treatment of
2 overweight and obesity, supplementing P.L.1997, c.192
3 (C.26:2S-1 et seq.) and revising parts of the statutory law.
4

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

8 1. A carrier which offers a managed care plan that provides
9 benefits or health care services, as applicable, for adult overweight
10 and obesity assessment and treatment services shall provide
11 payment to a participating health care provider on a fee-for-service
12 basis for weight loss and weight maintenance therapy services for a
13 covered person or enrollee, as applicable, if the services conform
14 with: the "Clinical Guidelines on the Identification, Evaluation, and
15 Treatment of Overweight and Obesity in Adults" evidence report
16 developed by the Expert Panel on the Identification, Evaluation, and
17 Treatment of Overweight and Obesity in Adults convened by the
18 National Heart, Lung, and Blood Institute in cooperation with The
19 National Institute of Diabetes and Digestive and Kidney Diseases
20 and released in September 1998; or any subsequent modification
21 thereof.
22

23 2. Notwithstanding the provisions of chapter 26 of Title 17B of
24 the New Jersey Statutes to the contrary, no policy shall be
25 delivered, issued, executed or renewed on or after the effective date
26 of P.L. , c. (C.) (pending before the Legislature as this bill)
27 unless the policy meets the requirements of section 1 of
28 P.L. , c. (C.) (pending before the Legislature as this bill) and
29 the regulations adopted thereto. The provisions of this section shall
30 apply to all policies in which the insurer has reserved the right to
31 change the premium.
32

33 3. Notwithstanding the provisions of chapter 27 of Title 17B of
34 the New Jersey Statutes to the contrary, no policy shall be
35 delivered, issued, executed or renewed on or after the effective date
36 of P.L. , c. (C.) (pending before the Legislature as this bill)
37 unless the policy meets the requirements of section 1 of
38 P.L. , c. (C.) (pending before the Legislature as this bill) and
39 the regulations adopted thereto. The provisions of this section shall
40 apply to all policies in which the insurer has reserved the right to
41 change the premium.
42

43 4. Notwithstanding the provisions of P.L.1992, c.162
44 (C.17B:27A-17 et seq.) to the contrary, no policy or contract shall
45 be delivered, issued, executed or renewed on or after the effective
46 date of P.L. , c. (C.) (pending before the Legislature as this bill)
47 unless the policy or contract meets the requirements of section 1 of
48 P.L. , c. (C.) (pending before the Legislature as this bill) and

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1 the regulations adopted thereto. The provisions of this section shall
2 apply to all policies or contracts in which the carrier has reserved
3 the right to change the premium.

4
5 5. Notwithstanding the provisions of P.L.1992, c.161
6 (C.17B:27A-2 et seq.) to the contrary, no policy or contract shall be
7 delivered, issued, executed or renewed on or after the effective date
8 of P.L. , c. (C.) (pending before the Legislature as this bill)
9 unless the policy or contract meets the requirements of section 1 of
10 P.L. , c. (C.) (pending before the Legislature as this bill) and
11 the regulations adopted thereto. The provisions of this section shall
12 apply to all policies or contracts in which the carrier has reserved
13 the right to change the premium.

14
15 6. Notwithstanding the provisions of P.L.1938, c.366 (C.17:48-1
16 et seq.) to the contrary, no contract shall be delivered, issued,
17 executed or renewed on or after the effective date of
18 P.L. , c. (C.) (pending before the Legislature as this bill)
19 unless the contract meets the requirements of section 1 of
20 P.L. , c. (C.) (pending before the Legislature as this bill) and
21 the regulations adopted thereto. The provisions of this section shall
22 apply to all contracts in which the hospital service corporation has
23 reserved the right to change the premium.

24
25 7. Notwithstanding the provisions of P.L.1940, c.74 (C.17:48A-
26 1 et seq.) to the contrary, no contract shall be delivered, issued,
27 executed or renewed on or after the effective date of
28 P.L. , c. (C.) (pending before the Legislature as this bill)
29 unless the contract meets the requirements of section 1 of
30 P.L. , c. (C.) (pending before the Legislature as this bill) and
31 the regulations adopted thereto. The provisions of this section shall
32 apply to all contracts in which the medical service corporation has
33 reserved the right to change the premium.

34
35 8. Notwithstanding the provisions of P.L.1985, c.236 (C.17:48E-
36 1 et seq.) to the contrary, no contract shall be delivered, issued,
37 executed or renewed on or after the effective date of
38 P.L. , c. (C.) (pending before the Legislature as this bill)
39 unless the contract meets the requirements of section 1 of
40 P.L. , c. (C.) (pending before the Legislature as this bill) and
41 the regulations adopted thereto. The provisions of this section shall
42 apply to all contracts in which the health service corporation has
43 reserved the right to change the premium.

44
45 9. Notwithstanding the provisions of P.L.1973, c.337 (C.26:2J-1
46 et seq.) to the contrary, a certificate of authority to establish and
47 operate a health maintenance organization in this State shall not be
48 issued or continued on or after the effective date of

1 P.L. , c. (C.) (pending before the Legislature as this bill)
2 unless the health maintenance organization meets the requirements
3 of section 1 of P.L., c. (C.) (pending before the Legislature as
4 this bill) and the regulations adopted thereto. The provisions of this
5 section shall apply to those contracts for health care services by
6 health maintenance organizations under which the right to change
7 the schedule of charges for enrollee coverage is reserved.

8
9 10. The Commissioner of Health and Senior Services, pursuant
10 to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-
11 1 et seq.), shall adopt regulations to carry out the provisions of
12 section 1 of this act.

13
14 11. This act shall take effect on the 180th day after enactment
15 and shall apply to policies or contracts issued or renewed on or after
16 the effective date.

17
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19 STATEMENT

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21 This bill is intended to exclude certain services provided by
22 managed care plans for the treatment of overweight and obesity in
23 adults from capitated payment arrangements used by those plans to
24 reimburse their network providers.

25 Specifically, the bill requires that a health insurance carrier
26 which offers a managed care plan that provides benefits or health
27 care services, as applicable, for adult overweight and obesity
28 assessment and treatment services provide payment to a
29 participating health care provider on a fee-for-service basis for
30 weight loss and weight maintenance therapy services for a covered
31 person or enrollee, as applicable, if the services conform with: the
32 "Clinical Guidelines on the Identification, Evaluation, and
33 Treatment of Overweight and Obesity in Adults" evidence report
34 developed by the Expert Panel on the Identification, Evaluation, and
35 Treatment of Overweight and Obesity in Adults convened by The
36 National Heart, Lung, and Blood Institute (NHLBI) in cooperation
37 with the National Institute of Diabetes and Digestive and Kidney
38 Diseases and released in September 1998; or any subsequent
39 modification thereof.

40 The requirements of this bill would apply to hospital, medical
41 and health service corporations, commercial individual, small
42 employer and group health insurers, and health maintenance
43 organizations.

44 The bill takes effect on the 180th day after enactment and applies
45 to policies and contracts issued or renewed on or after the effective
46 date.

47 This bill would enhance the quality of care provided by managed
48 care plans for the identification, evaluation and treatment of

1 overweight and obesity in adults by recognizing that, as the 1998
2 NHLBI expert panel report noted: "The literature suggests that
3 weight loss and weight maintenance therapies that provide a greater
4 frequency of contacts between the patient and the practitioner and
5 are provided over the long term should be utilized whenever
6 possible. This can lead to more successful weight loss and weight
7 maintenance." To that end, the bill requires affected insurers to
8 cover the applicable services on a fee-for-service basis in order to
9 make it feasible for participating providers to offer these services
10 on a schedule that will be most effective in meeting the therapeutic
11 objectives of this treatment.

12 This bill seeks to address a public health problem that has
13 reached epidemic proportions across the entire United States.
14 According to the federal Centers for Disease Control and
15 Prevention:

- 16 • In 2004, an estimated 66% of adults in this country were either
17 overweight or obese.
- 18 • During the past 20 years, there has been a dramatic increase in
19 obesity nationwide, with 20 states currently reporting obesity
20 prevalence rates of 15-19%, 24 states reporting rates of 20-24%,
21 and one state reporting a rate of over 25%.
- 22 • Overweight and obese persons are at risk for such ailments as high
23 blood pressure, high blood cholesterol, type 2 diabetes, insulin
24 resistance, hyperinsulinemia, coronary heart disease, angina
25 pectoris, congestive heart failure, stroke, gallstones, cholecystitis
26 and cholelithiasis, gout, osteoarthritis, obstructive sleep apnea and
27 respiratory problems, some types of cancer, complications of
28 pregnancy, poor female reproductive health, bladder control
29 problems and psychological disorders.
- 30 • About 200,000 deaths annually are attributable to a sedentary
31 lifestyle.
- 32 • The costs attributable to obesity were \$117 billion in 2000, or 9%
33 of the nation's total health care costs.