

ASSEMBLY, No. 2219

STATE OF NEW JERSEY 213th LEGISLATURE

INTRODUCED FEBRUARY 25, 2008

Sponsored by:

Assemblywoman ALISON LITTELL MCHOSE

District 24 (Sussex, Hunterdon and Morris)

Assemblywoman MARCIA A. KARROW

District 23 (Warren and Hunterdon)

Co-Sponsored by:

Assemblyman Chiusano

SYNOPSIS

Revises definition of religious employer in statute concerning insurance coverage of prescription female contraceptives.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning insurance coverage for prescribed
2 contraceptives and amending P.L.2005, c.251.

3

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

6

7 1. Section 1 of P.L.2005, c.251 (C.17:48-6ee) is amended to
8 read as follows:

9 1. A hospital service corporation that provides hospital or
10 medical expense benefits for expenses incurred in the purchase of
11 outpatient prescription drugs under a contract shall provide
12 coverage under every such contract delivered, issued, executed or
13 renewed in this State or approved for issuance or renewal in this
14 State by the Commissioner of Banking and Insurance, on or after
15 the effective date of this act, for expenses incurred in the purchase
16 of prescription female contraceptives. For the purposes of this
17 section, "prescription female contraceptives" means any drug or
18 device used for contraception by a female, which is approved by the
19 federal Food and Drug Administration for that purpose, that can
20 only be purchased in this State with a prescription written by a
21 health care professional licensed or authorized to write
22 prescriptions, and includes, but is not limited to, birth control pills
23 and diaphragms.

24 A religious employer may request, and a hospital service
25 corporation shall grant, an exclusion under the contract for the
26 coverage required by this section if the required coverage conflicts
27 with the religious employer's bona fide religious beliefs and
28 practices. A religious employer that obtains such an exclusion shall
29 provide written notice thereof to prospective subscribers and
30 subscribers. The provisions of this section shall not be construed as
31 authorizing a hospital service corporation to exclude coverage for
32 prescription drugs that are prescribed for reasons other than
33 contraceptive purposes or for prescription female contraceptives
34 that are necessary to preserve the life or health of a subscriber. For
35 the purposes of this section, "religious employer" means an
36 employer that is a church, convention or association of churches or
37 **[an elementary or secondary school that is controlled, operated or**
38 **principally supported by] any group or entity, including, but not**
39 **limited to, an elementary or secondary school, institution of higher**
40 **education, health care facility or charitable organization, which is**
41 **operated, supervised, or controlled by or in connection with**
42 **church or by a convention or association of churches as defined in**
43 **26 U.S.C.s.3121(w)(3)(A), and that qualifies as a tax-exempt**
44 **organization under 26 U.S.C.s.501(c)(3).**

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.

1 The benefits shall be provided to the same extent as for any other
2 outpatient prescription drug under the contract.

3 This section shall apply to those contracts in which the hospital
4 service corporation has reserved the right to change the premium.
5 (cf: P.L.2005, c.251, s.1)

6
7 2. Section 2 of P.L.2005, c.251 (C.17:48A-7bb) is amended to
8 read as follows:

9 2. A medical service corporation that provides hospital or
10 medical expense benefits for expenses incurred in the purchase of
11 outpatient prescription drugs under a contract shall provide
12 coverage under every such contract delivered, issued, executed or
13 renewed in this State or approved for issuance or renewal in this
14 State by the Commissioner of Banking and Insurance, on or after
15 the effective date of this act, for expenses incurred in the purchase
16 of prescription female contraceptives. For the purposes of this
17 section, "prescription female contraceptives" means any drug or
18 device used for contraception by a female, which is approved by the
19 federal Food and Drug Administration for that purpose, that can
20 only be purchased in this State with a prescription written by a
21 health care professional licensed or authorized to write
22 prescriptions, and includes, but is not limited to, birth control pills
23 and diaphragms.

24 A religious employer may request, and a medical service
25 corporation shall grant, an exclusion under the contract for the
26 coverage required by this section if the required coverage conflicts
27 with the religious employer's bona fide religious beliefs and
28 practices. A religious employer that obtains such an exclusion shall
29 provide written notice thereof to prospective subscribers and
30 subscribers. The provisions of this section shall not be construed as
31 authorizing a medical service corporation to exclude coverage for
32 prescription drugs that are prescribed for reasons other than
33 contraceptive purposes or for prescription female contraceptives
34 that are necessary to preserve the life or health of a subscriber. For
35 the purposes of this section, "religious employer" means an
36 employer that is a church, convention or association of churches or
37 **【an elementary or secondary school that is controlled, operated or**
38 **principally supported by】** any group or entity, including, but not
39 limited to, an elementary or secondary school, institution of higher
40 education, health care facility or charitable organization, which is
41 operated, supervised, or controlled by or in connection with a
42 church or by a convention or association of churches as defined in
43 26 U.S.C.s.3121(w)(3)(A), and that qualifies as a tax-exempt
44 organization under 26 U.S.C.s.501(c)(3).

45 The benefits shall be provided to the same extent as for any other
46 outpatient prescription drug under the contract.

47 This section shall apply to those contracts in which the medical

1 service corporation has reserved the right to change the premium.
2 (cf: P.L.2005, c.251, s.2)

3

4 3. Section 3 of P.L.2005, c.251 (C.17:48E-35.29) is amended to
5 read as follows:

6 3. A health service corporation that provides hospital or medical
7 expense benefits for expenses incurred in the purchase of outpatient
8 prescription drugs under a contract shall provide coverage under
9 every such contract delivered, issued, executed or renewed in this
10 State or approved for issuance or renewal in this State by the
11 Commissioner of Banking and Insurance, on or after the effective
12 date of this act, for expenses incurred in the purchase of
13 prescription female contraceptives. For the purposes of this section,
14 "prescription female contraceptives" means any drug or device used
15 for contraception by a female, which is approved by the federal
16 Food and Drug Administration for that purpose, that can only be
17 purchased in this State with a prescription written by a health care
18 professional licensed or authorized to write prescriptions, and
19 includes, but is not limited to, birth control pills and diaphragms.

20 A religious employer may request, and a health service
21 corporation shall grant, an exclusion under the contract for the
22 coverage required by this section if the required coverage conflicts
23 with the religious employer's bona fide religious beliefs and
24 practices. A religious employer that obtains such an exclusion shall
25 provide written notice thereof to prospective subscribers and
26 subscribers. The provisions of this section shall not be construed as
27 authorizing a health service corporation to exclude coverage for
28 prescription drugs that are prescribed for reasons other than
29 contraceptive purposes or for prescription female contraceptives
30 that are necessary to preserve the life or health of a subscriber. For
31 the purposes of this section, "religious employer" means an
32 employer that is a church, convention or association of churches or
33 **【an elementary or secondary school that is controlled, operated or**
34 **principally supported by】** any group or entity, including, but not
35 limited to, an elementary or secondary school, institution of higher
36 education, health care facility or charitable organization, which is
37 operated, supervised, or controlled by or in connection with
38 a church or by a convention or association of churches as defined in
39 26 U.S.C.s.3121(w)(3)(A), and that qualifies as a tax-exempt
40 organization under 26 U.S.C.s.501(c)(3).

41 The benefits shall be provided to the same extent as for any other
42 outpatient prescription drug under the contract.

43 This section shall apply to those contracts in which the health
44 service corporation has reserved the right to change the premium.
45 (cf: P.L.2005, c.251, s.3)

46

47 4. Section 4 of P.L.2005, c.251 (C.17B:27-46.1ee) is amended
48 to read as follows:

1 4. A group health insurer that provides hospital or medical
2 expense benefits for expenses incurred in the purchase of outpatient
3 prescription drugs under a policy shall provide coverage under
4 every such policy delivered, issued, executed or renewed in this
5 State or approved for issuance or renewal in this State by the
6 Commissioner of Banking and Insurance, on or after the effective
7 date of this act, for expenses incurred in the purchase of
8 prescription female contraceptives. For the purposes of this section,
9 "prescription female contraceptives" means any drug or device used
10 for contraception by a female, which is approved by the federal
11 Food and Drug Administration for that purpose, that can only be
12 purchased in this State with a prescription written by a health care
13 professional licensed or authorized to write prescriptions, and
14 includes, but is not limited to, birth control pills and diaphragms.

15 A religious employer may request, and an insurer shall grant, an
16 exclusion under the policy for the coverage required by this section
17 if the required coverage conflicts with the religious employer's bona
18 fide religious beliefs and practices. A religious employer that
19 obtains such an exclusion shall provide written notice thereof to
20 prospective insureds and insureds. The provisions of this section
21 shall not be construed as authorizing an insurer to exclude coverage
22 for prescription drugs that are prescribed for reasons other than
23 contraceptive purposes or for prescription female contraceptives
24 that are necessary to preserve the life or health of an insured. For
25 the purposes of this section, "religious employer" means an
26 employer that is a church, convention or association of churches or
27 **[an elementary or secondary school that is controlled, operated or**
28 **principally supported by] any group or entity, including, but not**
29 **limited to, an elementary or secondary school, institution of higher**
30 **education, health care facility or charitable organization, which is**
31 **operated, supervised, or controlled by or in connection with a**
32 **church or by a convention or association of churches as defined in**
33 **26 U.S.C.s.3121(w)(3)(A), and that qualifies as a tax-exempt**
34 **organization under 26 U.S.C.s.501(c)(3).**

35 The benefits shall be provided to the same extent as for any other
36 outpatient prescription drug under the policy.

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

39 (cf: P.L.2005, c.251, s.4)

40

41 5. Section 5 of P.L.2005, c.251 (C.17B:26-2.1y) is amended to
42 read as follows:

43 5. An individual health insurer that provides hospital or medical
44 expense benefits for expenses incurred in the purchase of outpatient
45 prescription drugs under a policy shall provide coverage under
46 every such policy delivered, issued, executed or renewed in this
47 State or approved for issuance or renewal in this State by the
48 Commissioner of Banking and Insurance, on or after the effective

1 date of this act, for expenses incurred in the purchase of
2 prescription female contraceptives. For the purposes of this section,
3 "prescription female contraceptives" means any drug or device used
4 for contraception by a female, which is approved by the federal
5 Food and Drug Administration for that purpose, that can only be
6 purchased in this State with a prescription written by a health care
7 professional licensed or authorized to write prescriptions, and
8 includes, but is not limited to, birth control pills and diaphragms.

9 A religious employer may request, and an insurer shall grant, an
10 exclusion under the policy for the coverage required by this section
11 if the required coverage conflicts with the religious employer's bona
12 fide religious beliefs and practices. A religious employer that
13 obtains such an exclusion shall provide written notice thereof to
14 prospective insureds and insureds. The provisions of this section
15 shall not be construed as authorizing an insurer to exclude coverage
16 for prescription drugs that are prescribed for reasons other than
17 contraceptive purposes or for prescription female contraceptives
18 that are necessary to preserve the life or health of an insured. For
19 the purposes of this section, "religious employer" means an
20 employer that is a church, convention or association of churches or
21 **[an elementary or secondary school that is controlled, operated or**
22 **principally supported by]** any group or entity, including, but not
23 limited to, an elementary or secondary school, institution of higher
24 education, health care facility or charitable organization, which is
25 operated, supervised, or controlled by or in connection with a
26 church or by a convention or association of churches as defined in
27 26 U.S.C.s.3121(w)(3)(A), and that qualifies as a tax-exempt
28 organization under 26 U.S.C.s.501(c)(3).

29 The benefits shall be provided to the same extent as for any other
30 outpatient prescription drug under the policy.

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

33 (cf: P.L.2005, c.251, s.5)

34
35 6. Section 6 of P.L.2005, c.251 (C.26:2J-4.30) is amended to
36 read as follows:

37 6. A certificate of authority to establish and operate a health
38 maintenance organization in this State shall not be issued or
39 continued on or after the effective date of this act for a health
40 maintenance organization that provides health care services for
41 outpatient prescription drugs under a contract, unless the health
42 maintenance organization also provides health care services for
43 prescription female contraceptives. For the purposes of this section,
44 "prescription female contraceptives" means any drug or device used
45 for contraception by a female, which is approved by the federal
46 Food and Drug Administration for that purpose, that can only be
47 purchased in this State with a prescription written by a health care

1 professional licensed or authorized to write prescriptions, and
2 includes, but is not limited to, birth control pills and diaphragms.

3 A religious employer may request, and a health maintenance
4 organization shall grant, an exclusion under the contract for the
5 health care services required by this section if the required health
6 care services conflict with the religious employer's bona fide
7 religious beliefs and practices. A religious employer that obtains
8 such an exclusion shall provide written notice thereof to prospective
9 enrollees and enrollees. The provisions of this section shall not be
10 construed as authorizing a health maintenance organization to
11 exclude health care services for prescription drugs that are
12 prescribed for reasons other than contraceptive purposes or for
13 prescription female contraceptives that are necessary to preserve the
14 life or health of an enrollee. For the purposes of this section,
15 "religious employer" means an employer that is a church,
16 convention or association of churches or [an elementary or
17 secondary school that is controlled, operated or principally
18 supported by] any group or entity, including, but not limited to, an
19 elementary or secondary school, institution of higher education,
20 health care facility or charitable organization, which is operated,
21 supervised, or controlled by or in connection with a church or by a
22 convention or association of churches as defined in 26
23 U.S.C.s.3121(w)(3)(A), and that qualifies as a tax-exempt
24 organization under 26 U.S.C.s.501(c)(3).

25 The health care services shall be provided to the same extent as
26 for any other outpatient prescription drug under the contract.

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

31 (cf: P.L.2005, c.251, s.6)

32

33 7. Section 7 of P.L.2005, c.251 (C.17B:27A-7.12) is amended to
34 read as follows:

35 7. An individual health benefits plan required pursuant to
36 section 3 of P.L.1992, c.161 (C.17B:27A-4) that provides benefits
37 for expenses incurred in the purchase of outpatient prescription
38 drugs shall provide coverage for expenses incurred in the purchase
39 of prescription female contraceptives. For the purposes of this
40 section, "prescription female contraceptives" means any drug or
41 device used for contraception by a female, which is approved by the
42 federal Food and Drug Administration for that purpose, that can
43 only be purchased in this State with a prescription written by a
44 health care professional licensed or authorized to write
45 prescriptions, and includes, but is not limited to, birth control pills
46 and diaphragms.

47 A religious employer may request, and a carrier shall grant, an
48 exclusion under the health benefits plan for the coverage required

1 by this section if the required coverage conflicts with the religious
2 employer's bona fide religious beliefs and practices. A religious
3 employer that obtains such an exclusion shall provide written notice
4 thereof to prospective covered persons and covered persons. The
5 provisions of this section shall not be construed as authorizing a
6 carrier to exclude coverage for prescription drugs that are
7 prescribed for reasons other than contraceptive purposes or for
8 prescription female contraceptives that are necessary to preserve the
9 life or health of a covered person. For the purposes of this section,
10 "religious employer" means an employer that is a church,
11 convention or association of churches or [an elementary or
12 secondary school that is controlled, operated or principally
13 supported by] any group or entity, including, but not limited to, an
14 elementary or secondary school, institution of higher education,
15 health care facility or charitable organization, which is operated,
16 supervised, or controlled by or in connection with a church or by a
17 convention or association of churches as defined in 26
18 U.S.C.s.3121(w)(3)(A), and that qualifies as a tax-exempt
19 organization under 26 U.S.C.s.501(c)(3).

20 The benefits shall be provided to the same extent as for any other
21 outpatient prescription drug under the health benefits plan.

22 This section shall apply to all individual health benefits plans in
23 which the carrier has reserved the right to change the premium.

24 (cf: P.L.2005, c.251, s.7)

25

26 8. Section 8 of P.L.2005, c.251 (C.17B:27A-19.15) is amended
27 to read as follows:

28 8. A small employer health benefits plan required pursuant to
29 section 3 of P.L.1992, c.162 (C.17B:27A-19) that provides benefits
30 for expenses incurred in the purchase of outpatient prescription
31 drugs shall provide coverage for expenses incurred in the purchase
32 of prescription female contraceptives. For the purposes of this
33 section, "prescription female contraceptives" means any drug or
34 device used for contraception by a female, which is approved by the
35 federal Food and Drug Administration for that purpose, that can
36 only be purchased in this State with a prescription written by a
37 health care professional licensed or authorized to write
38 prescriptions, and includes, but is not limited to, birth control pills
39 and diaphragms.

40 A religious employer may request, and a carrier shall grant, an
41 exclusion under the health benefits plan for the coverage required
42 by this section if the required coverage conflicts with the religious
43 employer's bona fide religious beliefs and practices. A religious
44 employer that obtains such an exclusion shall provide written notice
45 thereof to prospective covered persons and covered persons. The
46 provisions of this section shall not be construed as authorizing a
47 carrier to exclude coverage for prescription drugs that are
48 prescribed for reasons other than contraceptive purposes or for

1 prescription female contraceptives that are necessary to preserve the
2 life or health of a covered person. For the purposes of this section,
3 "religious employer" means an employer that is a church,
4 convention or association of churches or [an elementary or
5 secondary school that is controlled, operated or principally
6 supported by] any group or entity, including, but not limited to, an
7 elementary or secondary school, institution of higher education,
8 health care facility or charitable organization, which is operated,
9 supervised, or controlled by or in connection with a church or by a
10 convention or association of churches as defined in 26
11 U.S.C.s.3121(w)(3)(A), and that qualifies as a tax-exempt
12 organization under 26 U.S.C.s.501(c)(3).

13 The benefits shall be provided to the same extent as for any other
14 outpatient prescription drug under the health benefits plan.

15 This section shall apply to all small employer health benefits
16 plans in which the carrier has reserved the right to change the
17 premium.

18 (cf: P.L.2005, c.251, s.8)

19

20 9. Section 9 of P.L.2005, c.251 (C.17:48F-13.2) is amended to
21 read as follows:

22 9. A prepaid prescription service organization that provides
23 benefits for expenses incurred in the purchase of outpatient
24 prescription drugs under a contract shall provide coverage under
25 every such contract delivered, issued, executed or renewed in this
26 State or approved for issuance or renewal in this State by the
27 Commissioner of Banking and Insurance, on or after the effective
28 date of this act, for expenses incurred in the purchase of
29 prescription female contraceptives. For the purposes of this section,
30 "prescription female contraceptives" means any drug or device used
31 for contraception by a female, which is approved by the federal
32 Food and Drug Administration for that purpose, that can only be
33 purchased in this State with a prescription written by a health care
34 professional licensed or authorized to write prescriptions, and
35 includes, but is not limited to, birth control pills and diaphragms.

36 A religious employer may request, and a prepaid prescription
37 service organization shall grant, an exclusion under the contract for
38 the coverage required by this section if the required coverage
39 conflicts with the religious employer's bona fide religious beliefs
40 and practices. A religious employer that obtains such an exclusion
41 shall provide written notice thereof to prospective enrollees and
42 enrollees. The provisions of this section shall not be construed as
43 authorizing a prepaid prescription service organization to exclude
44 coverage for prescription drugs that are prescribed for reasons other
45 than contraceptive purposes or for prescription female
46 contraceptives that are necessary to preserve the life or health of an
47 enrollee. For the purposes of this section, "religious employer"
48 means an employer that is a church, convention or association of

1 churches or [an elementary or secondary school that is controlled,
2 operated or principally supported by] any group or entity,
3 including, but not limited to, an elementary or secondary school,
4 institution of higher education, health care facility or charitable
5 organization, which is operated, supervised, or controlled by or in
6 connection with a church or by a convention or association of
7 churches as defined in 26 U.S.C.s.3121(w)(3)(A), and that qualifies
8 as a tax-exempt organization under 26 U.S.C.s.501(c)(3).

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

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

14 (cf: P.L.2005, c.251, s.9)

15

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

17

18

19

STATEMENT

20

21 This bill amends P.L.2005, c.251, which is the statute requiring
22 insurers that provide coverage for the purchase of outpatient
23 prescription drugs to cover the purchase of prescription female
24 contraceptives, to revise the definition of "religious employer"
25 contained therein. Under the bill, "religious employer" is defined to
26 mean an employer that is a church, convention or association of
27 churches or any group or entity, including, but not limited to, an
28 elementary or secondary school, institution of higher education,
29 health care facility or charitable organization, which is operated,
30 supervised, or controlled by or in connection with a church or a
31 convention or association of churches as defined in 26
32 U.S.C.s.3121(w)(3)(A), and that qualifies as a tax-exempt
33 organization under 26 U.S.C.s.501(c)(3).