ASSEMBLY, No. 289

STATE OF NEW JERSEY
212th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2006 SESSION

Sponsored by:
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Assemblyman JOSEPH J. ROBERTS, JR.
District 5 (Camden and Gloucester)
Assemblyman CHRISTOPHER "KIP" BATEMAN
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Green, Assemblywoman Stender, Assemblymen Hackett, Wisniewski,
Stanley, Payne, Stack, Chivukula, Gordon, Assemblywomen Voss, Vainieri
Huttle and Assemblyman Conners

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
Introduced Pending Technical Review by Legislative Counsel

(Sponsorship Updated As Of: 6/13/2006)
AN ACT concerning health benefits coverage for hearing aids for children and supplementing various parts of the statutory law.

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

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

2. A hospital service corporation contract that provides hospital and medical expense benefits and is delivered, issued, executed or renewed in this State pursuant to P.L.1938, c.366 (C.17:48-1 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 coverage for medically necessary expenses incurred in the purchase of a hearing aid for a covered person 15 years of age or younger, as provided in this section.

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

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

3. A medical service corporation contract that provides hospital and medical expense benefits and is delivered, issued, executed or renewed in this State pursuant to P.L.1940, c.74 (C.17:48A-1 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 coverage for medically necessary expenses incurred in the purchase of a hearing aid for a covered person 15 years of age or younger, as provided in this section.

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

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

4. A health service corporation contract that provides hospital
and medical expense benefits and is delivered, issued, executed or
renewed in this State pursuant to P.L.1985, c.236 (C.17:48E-1 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 coverage for medically necessary
expenses incurred in the purchase of a hearing aid for a covered
person 15 years of age or younger, as provided in this section.

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

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

5. An individual health insurance policy that provides hospital
and medical expense benefits and is delivered, issued, executed or
renewed in this State pursuant to chapter 26 of Title 17B of the New
Jersey Statutes, 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 coverage for medically
necessary expenses incurred in the purchase of a hearing aid for a
covered person 15 years of age or younger, as provided in this
section.

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

The benefits shall be provided to the same extent as for any other
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 group health insurance policy that provides hospital and
medical expense benefits and is delivered, issued, executed or
renewed in this State pursuant to chapter 27 of Title 17B of the New
Jersey Statutes, 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 coverage for medically
necessary expenses incurred in the purchase of a hearing aid for a
covered person 15 years of age or younger, as provided in this
section.

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

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

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

7. An individual 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.161 (C.17B:27A-2 et
seq.), on or after the effective date of this act, shall provide
coverage for medically necessary expenses incurred in the purchase
of a hearing aid for a covered person 15 years of age or younger, as
provided in this section.

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

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.

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 in the purchase of a hearing aid for a covered person 15 years of age or younger, as provided in this section.

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

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. A health maintenance organization contract for health care services that is delivered, issued, executed or renewed in this State pursuant to P.L.1973, c.337 (C.26:23-1 et seq.), or approved for issuance or renewal in this State by the Commissioner of Health and Senior Services, on or after the effective date of this act, shall provide health care services for medically necessary expenses incurred in the purchase of a hearing aid for an enrollee 15 years of age or younger, as provided in this section.

The health care services shall include the purchase of a hearing aid for each ear, when medically necessary and as prescribed or recommended by a licensed physician or audiologist. A health maintenance organization may limit the health care services provided in this section to $1,000 per hearing aid for each hearing-impaired ear every 24 months. An enrollee may choose a hearing aid that is priced higher than the health care services payable under this section and may pay the difference between the price of the hearing aid and the health care services payable under this section, without financial or contractual penalty to the provider of the
The health care services shall be provided to the same extent as for any other condition under the contract.

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

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

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

11. The Commissioner of Human Services shall ensure that every contract for health care services under the Children's Health Care Coverage Program, P.L.1997, c.272 (C.30:4I-1 et seq.), or the FamilyCare Health Coverage Program, P.L.2000, c.71 (C.30:4J-1 et seq.), entered into on or after the effective date of this act, provides benefits for medically necessary expenses incurred in the purchase of a hearing aid for a covered person 15 years of age or younger, as provided in this section.

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

12. This act shall take effect on the 30th day after enactment.

STATEMENT

This bill, “Grace’s Law,” is named for Grace Gleba, a young girl who was born with a severe hearing impairment. The bill requires hospital, medical and health service corporations,
commercial insurers, health maintenance organizations, health
benefits plans issued pursuant to the New Jersey Individual Health
Coverage and Small Employer Health Benefits Program, the State
Health Benefits Program and the NJ FamilyCare Program to
provide coverage for medically necessary expenses incurred in the
purchase of a hearing aid for covered children 15 years of age or
younger.

The bill provides that the coverage shall include the purchase of
a hearing aid for each ear, when medically necessary and as
prescribed or recommended by a licensed physician or audiologist.
The bill provides that the insurer may limit the benefit to $1,000 per
hearing aid for each hearing-impaired ear every 24 months. The
bill further provides that a covered person may choose a hearing aid
that is priced higher than the benefit payable under this substitute,
and may pay the difference between the price of the hearing aid and
the benefit payable, without financial or contractual penalty to the
provider of the hearing aid.