

ASSEMBLY FINANCIAL INSTITUTIONS AND INSURANCE
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 289

STATE OF NEW JERSEY

DATED: JUNE 12, 2006

The Assembly Financial Institutions and Insurance Committee reports favorably Assembly Bill No.289.

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 bill 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.

This bill was pre-filed for introduction in the 2006-2007 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.