

ASSEMBLY, No. 3970

STATE OF NEW JERSEY 214th LEGISLATURE

INTRODUCED MAY 9, 2011

Sponsored by:

Assemblyman CRAIG J. COUGHLIN

District 19 (Middlesex)

SYNOPSIS

Requires health insurers and SHBP to provide certain mental health benefits for eating disorders under same terms and conditions as for other illnesses and diseases.

CURRENT VERSION OF TEXT

As introduced.



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2

1 AN ACT concerning health insurance benefits for eating disorders
2 and amending P.L.1999, c.106 and P.L.1999, c.441.

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.1999, c.106 (C.17:48-6v) is amended to
8 read as follows:

9 1. a. Every individual and group hospital service corporation
10 contract that provides hospital or medical expense benefits and is
11 delivered, issued, executed or renewed in this State pursuant to
12 P.L.1938, c.366 (C.17:48-1 et seq.), or approved for issuance or
13 renewal in this State by the Commissioner of Banking and
14 Insurance, on or after the effective date of this act shall provide
15 coverage for biologically-based mental illness under the same terms
16 and conditions as provided for any other sickness under the
17 contract.

18 "Biologically-based mental illness" means a mental or nervous
19 condition that is caused by a biological disorder of the brain and
20 results in a clinically significant or psychological syndrome or
21 pattern that substantially limits the functioning of the person with
22 the illness, including but not limited to, schizophrenia,
23 schizoaffective disorder, major depressive disorder, bipolar
24 disorder, paranoia and other psychotic disorders, obsessive-
25 compulsive disorder, panic disorder, eating disorders, and pervasive
26 developmental disorder or autism.

27 "Eating disorders" means all eating disorders, including but not
28 limited to, anorexia, bulimia, and binge-eating disorder.

29 "Same terms and conditions" means that the hospital service
30 corporation cannot apply different copayments, deductibles or
31 benefit limits to biologically-based mental health benefits than
32 those applied to other medical or surgical benefits.

33 b. Nothing in this section shall be construed to change the
34 manner in which a hospital service corporation determines:

35 (1) whether a mental health care service meets the medical
36 necessity standard as established by the hospital service
37 corporation; or

38 (2) which providers shall be entitled to reimbursement for
39 providing services for mental illness under the contract.

40 c. The provisions of this section shall apply to all contracts in
41 which the hospital service corporation has reserved the right to
42 change the premium.

43 (cf: P.L.1999, c.106, s.1)

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.

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1 2. Section 2 of P.L.1999, c.106 (C.17:48A-7u) is amended to
2 read as follows:

3 2. a. Every individual and group medical service corporation
4 contract that provides hospital or medical expense benefits that is
5 delivered, issued, executed or renewed in this State pursuant to
6 P.L.1940, c.74 (C.17:48A-1 et seq.), or approved for issuance or
7 renewal in this State by the Commissioner of Banking and
8 Insurance, on or after the effective date of this act shall provide
9 coverage for biologically-based mental illness under the same terms
10 and conditions as provided for any other sickness under the
11 contract.

12 "Biologically-based mental illness" means a mental or nervous
13 condition that is caused by a biological disorder of the brain and
14 results in a clinically significant or psychological syndrome or
15 pattern that substantially limits the functioning of the person with
16 the illness, including but not limited to, schizophrenia,
17 schizoaffective disorder, major depressive disorder, bipolar
18 disorder, paranoia and other psychotic disorders, obsessive-
19 compulsive disorder, panic disorder, eating disorders, and pervasive
20 developmental disorder or autism.

21 "Eating disorders" means all eating disorders, including but not
22 limited to, anorexia, bulimia, and binge-eating disorder.

23 "Same terms and conditions" means that the medical service
24 corporation cannot apply different copayments, deductibles or
25 benefit limits to biologically-based mental health benefits than
26 those applied to other medical or surgical benefits.

27 b. Nothing in this section shall be construed to change the
28 manner in which a medical service corporation determines:

29 (1) whether a mental health care service meets the medical
30 necessity standard as established by the medical service
31 corporation; or

32 (2) which providers shall be entitled to reimbursement for
33 providing services for mental illness under the contract.

34 c. The provisions of this section shall apply to all contracts in
35 which the medical service corporation has reserved the right to
36 change the premium.

37 (cf: P.L.1999, c.106, s.2)

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39 3. Section 3 of P.L.1999, c.106 (C.17:48E-35.20) is amended
40 to read as follows:

41 3. a. Every individual and group health service corporation
42 contract that provides hospital or medical expense benefits and is
43 delivered, issued, executed or renewed in this State pursuant to
44 P.L.1985, c.236 (C.17:48E-1 et seq.), or approved for issuance or
45 renewal in this State by the Commissioner of Banking and
46 Insurance, on or after the effective date of this act shall provide
47 coverage for biologically-based mental illness under the same terms

1 and conditions as provided for any other sickness under the
2 contract.

3 "Biologically-based mental illness" means a mental or nervous
4 condition that is caused by a biological disorder of the brain and
5 results in a clinically significant or psychological syndrome or
6 pattern that substantially limits the functioning of the person with
7 the illness, including but not limited to, schizophrenia,
8 schizoaffective disorder, major depressive disorder, bipolar
9 disorder, paranoia and other psychotic disorders, obsessive-
10 compulsive disorder, panic disorder, eating disorders, and pervasive
11 developmental disorder or autism.

12 "Eating disorders" means all eating disorders, including but not
13 limited to, anorexia, bulimia, and binge-eating disorder.

14 "Same terms and conditions" means that the health service
15 corporation cannot apply different copayments, deductibles or
16 benefit limits to biologically-based mental health benefits than
17 those applied to other medical or surgical benefits.

18 b. Nothing in this section shall be construed to change the
19 manner in which the health service corporation determines:

20 (1) whether a mental health care service meets the medical
21 necessity standard as established by the health service corporation;
22 or

23 (2) which providers shall be entitled to reimbursement for
24 providing services for mental illness under the contract.

25 c. The provisions of this section shall apply to all contracts in
26 which the health service corporation has reserved the right to
27 change the premium.

28 (cf: P.L.1999, c.106, s.3)

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30 4. Section 4 of P.L.1999, c.106 (C.17B:26-2.1s) is amended to
31 read as follows:

32 4. a. Every individual health insurance policy that provides
33 hospital or medical expense benefits and is delivered, issued,
34 executed or renewed in this State pursuant to chapter 26 of Title
35 17B of the New Jersey Statutes, or approved for issuance or renewal
36 in this State by the Commissioner of Banking and Insurance, on or
37 after the effective date of this act shall provide coverage for
38 biologically-based mental illness under the same terms and
39 conditions as provided for any other sickness under the contract.

40 "Biologically-based mental illness" means a mental or nervous
41 condition that is caused by a biological disorder of the brain and
42 results in a clinically significant or psychological syndrome or
43 pattern that substantially limits the functioning of the person with
44 the illness, including but not limited to, schizophrenia,
45 schizoaffective disorder, major depressive disorder, bipolar
46 disorder, paranoia and other psychotic disorders, obsessive-
47 compulsive disorder, panic disorder, eating disorders, and pervasive
48 developmental disorder or autism.

1 “Eating disorders” means all eating disorders, including but not
2 limited to, anorexia, bulimia, and binge-eating disorder.

3 "Same terms and conditions" means that the insurer cannot apply
4 different copayments, deductibles or benefit limits to biologically-
5 based mental health benefits than those applied to other medical or
6 surgical benefits.

7 b. Nothing in this section shall be construed to change the
8 manner in which the insurer determines:

9 (1) whether a mental health care service meets the medical
10 necessity standard as established by the insurer; or

11 (2) which providers shall be entitled to reimbursement for
12 providing services for mental illness under the policy.

13 c. The provisions of this section shall apply to all policies in
14 which the insurer has reserved the right to change the premium.

15 (cf: P.L.1999, c.106, s.4)

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17 5. Section 5 of P.L.1999, c.106 (C.17B:27-46.1v) is amended
18 to read as follows:

19 5. a. Every group health insurance policy that provides
20 hospital or medical expense benefits and is delivered, issued,
21 executed or renewed in this State pursuant to chapter 27 of Title
22 17B of the New Jersey Statutes, or approved for issuance or renewal
23 in this State by the Commissioner of Banking and Insurance, on or
24 after the effective date of this act shall provide benefits for
25 biologically-based mental illness under the same terms and
26 conditions as provided for any other sickness under the policy.

27 "Biologically-based mental illness" means a mental or nervous
28 condition that is caused by a biological disorder of the brain and
29 results in a clinically significant or psychological syndrome or
30 pattern that substantially limits the functioning of the person with
31 the illness, including but not limited to, schizophrenia,
32 schizoaffective disorder, major depressive disorder, bipolar
33 disorder, paranoia and other psychotic disorders, obsessive-
34 compulsive disorder, panic disorder, eating disorders, and pervasive
35 developmental disorder or autism.

36 “Eating disorders” means all eating disorders, including but not
37 limited to, anorexia, bulimia, and binge-eating disorder.

38 "Same terms and conditions" means that the insurer cannot apply
39 different copayments, deductibles or benefit limits to biologically-
40 based mental health benefits than those applied to other medical or
41 surgical benefits.

42 b. Nothing in this section shall be construed to change the
43 manner in which the insurer determines:

44 (1) whether a mental health care service meets the medical
45 necessity standard as established by the insurer; or

46 (2) which providers shall be entitled to reimbursement for
47 providing services for mental illness under the policy.

1 c. The provisions of this section shall apply to all policies in
2 which the insurer has reserved the right to change the premium.
3 (cf: P.L.1999, c.106, s.5)

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5 6. Section 6 of P.L.1999, c.106 (C.17B:27A-7.5) is amended to
6 read as follows:

7 6. a. Every individual health benefits plan that provides
8 hospital or medical expense benefits and is delivered, issued,
9 executed or renewed in this State pursuant to P.L.1992, c.161
10 (C.17B:27A-2 et seq.) or approved for issuance or renewal in this
11 State on or after the effective date of this act shall provide benefits
12 for biologically-based mental illness under the same terms and
13 conditions as provided for any other sickness under the health
14 benefits plan.

15 "Biologically-based mental illness" means a mental or nervous
16 condition that is caused by a biological disorder of the brain and
17 results in a clinically significant or psychological syndrome or
18 pattern that substantially limits the functioning of the person with
19 the illness, including but not limited to, schizophrenia,
20 schizoaffective disorder, major depressive disorder, bipolar
21 disorder, paranoia and other psychotic disorders, obsessive-
22 compulsive disorder, panic disorder, eating disorders, and pervasive
23 developmental disorder or autism.

24 "Eating disorders" means all eating disorders, including but not
25 limited to, anorexia, bulimia, and binge-eating disorder.

26 "Same terms and conditions" means that the plan cannot apply
27 different copayments, deductibles or benefit limits to biologically-
28 based mental health benefits than those applied to other medical or
29 surgical benefits.

30 b. Nothing in this section shall be construed to change the
31 manner in which the carrier determines:

32 (1) whether a mental health care service meets the medical
33 necessity standard as established by the carrier; or

34 (2) which providers shall be entitled to reimbursement for
35 providing services for mental illness under the plan.

36 c. The provisions of this section shall apply to all health
37 benefits plans in which the carrier has reserved the right to change
38 the premium.

39 (cf: P.L.1999,c. 106, s.6)

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41 7. Section 7 of P.L.1999, c.106 (C.17B:27A-19.7) is amended
42 to read as follows:

43 7. a. Every small employer health benefits plan that provides
44 hospital or medical expense benefits and is delivered, issued,
45 executed or renewed in this State pursuant to P.L.1992, c.162
46 (C.17B:27A-17 et seq.) or approved for issuance or renewal in this
47 State on or after the effective date of this act shall provide benefits
48 for biologically-based mental illness under the same terms and

1 conditions as provided for any other sickness under the health
2 benefits plan.

3 "Biologically-based mental illness" means a mental or nervous
4 condition that is caused by a biological disorder of the brain and
5 results in a clinically significant or psychological syndrome or
6 pattern that substantially limits the functioning of the person with
7 the illness, including but not limited to, schizophrenia,
8 schizoaffective disorder, major depressive disorder, bipolar
9 disorder, paranoia and other psychotic disorders, obsessive-
10 compulsive disorder, panic disorder, eating disorders, and pervasive
11 developmental disorder or autism.

12 "Eating disorders" means all eating disorders, including but not
13 limited to, anorexia, bulimia, and binge-eating disorder.

14 "Same terms and conditions" means that the plan cannot apply
15 different copayments, deductibles or benefit limits to biologically-
16 based mental health benefits than those applied to other medical or
17 surgical benefits.

18 b. Nothing in this section shall be construed to change the
19 manner in which the carrier determines:

20 (1) whether a mental health care service meets the medical
21 necessity standard as established by the carrier; or

22 (2) which providers shall be entitled to reimbursement for
23 providing services for mental illness under the health benefits plan.

24 c. The provisions of this section shall apply to all health
25 benefits plans in which the carrier has reserved the right to change
26 the premium.

27 (cf: P.L.1999, c.106, s.7)

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29 8. Section 8 of P.L.1999, c.106 (C.26:2J-4.20) is amended to
30 read as follows:

31 8. a. Every enrollee agreement delivered, issued, executed or
32 renewed in this State pursuant to P.L.1973, c.337 (C.26:2J-1 et seq.)
33 or approved for issuance or renewal in this State by the
34 Commissioner of **【Health and Senior Services】** Banking and
35 Insurance, on or after the effective date of this act shall provide
36 health care services for biologically-based mental illness under the
37 same terms and conditions as provided for any other sickness under
38 the agreement.

39 "Biologically-based mental illness" means a mental or nervous
40 condition that is caused by a biological disorder of the brain and
41 results in a clinically significant or psychological syndrome or
42 pattern that substantially limits the functioning of the person with
43 the illness, including but not limited to, schizophrenia,
44 schizoaffective disorder, major depressive disorder, bipolar
45 disorder, paranoia and other psychotic disorders, obsessive-
46 compulsive disorder, panic disorder, eating disorders, and pervasive
47 developmental disorder or autism.

1 "Eating disorders" means all eating disorders, including but not
2 limited to, anorexia, bulimia, and binge-eating disorder.

3 "Same terms and conditions" means that the health maintenance
4 organization cannot apply different copayments, deductibles or
5 health care services limits to biologically-based mental health care
6 services than those applied to other medical or surgical health care
7 services.

8 b. Nothing in this section shall be construed to change the
9 manner in which a health maintenance organization determines:

10 (1) whether a mental health care service meets the medical
11 necessity standard as established by the health maintenance
12 organization; or

13 (2) which providers shall be entitled to reimbursement or to be
14 participating providers, as appropriate, for mental health services
15 under the enrollee agreement.

16 c. The provisions of this section shall apply to enrollee
17 agreements in which the health maintenance organization has
18 reserved the right to change the premium.

19 (cf: P.L.1999, c.106, s.8)

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21 9. Section 1 of P.L.1999, c.441 (C.52:14-17.29d) is amended to
22 read as follows:

23 1. As used in this act:

24 "Biologically-based mental illness" means a mental or nervous
25 condition that is caused by a biological disorder of the brain and
26 results in a clinically significant or psychological syndrome or
27 pattern that substantially limits the functioning of the person with
28 the illness including, but not limited to, schizophrenia,
29 schizoaffective disorder, major depressive disorder, bipolar
30 disorder, paranoia and other psychotic disorders, obsessive-
31 compulsive disorder, panic disorder, eating disorders, and pervasive
32 developmental disorder or autism.

33 "Eating disorders" means all eating disorders, including but not
34 limited to, anorexia, bulimia, and binge-eating disorder.

35 "Carrier" means an insurance company, health service
36 corporation, hospital service corporation, medical service
37 corporation or health maintenance organization authorized to issue
38 health benefits plans in this State.

39 "Same terms and conditions" means that a carrier cannot apply
40 different copayments, deductibles or benefit limits to biologically-
41 based mental health benefits than those applied to other medical or
42 surgical benefits.

43 (cf: P.L.1999, c.441, s.1)

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45 10. This act shall take effect on the 90th day after enactment and
46 shall apply to contracts, policies, and enrollee agreements issued or
47 renewed on or after that date.

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STATEMENT

This bill requires hospital, medical, and health service corporations, individual, small employer and larger group health insurers, health maintenance organizations, and the State Health Benefits Program, to provide insurance coverage for all eating disorders under the same terms and conditions as provided for any other covered sickness.

In 1999, the Legislature enacted two laws to provide insurance coverage for “biologically-based mental illnesses” under the same terms and conditions as for other covered sicknesses, but the definition of that term did not specifically list eating disorders. This bill amends the definition of “biologically-based mental illness” to include “eating disorders,” and defines these disorders as “all eating disorders, including but not limited to, anorexia, bulimia, and binge-eating disorder.”

It is anticipated that this bill will resolve the dispute over whether insurers and health maintenance organizations are required to provide coverage for eating disorders as a biologically-based mental illness. This bill would clarify that the definition of “biologically-based mental illness” includes all eating disorders.