

SENATE, No. 1091

STATE OF NEW JERSEY
214th LEGISLATURE

INTRODUCED FEBRUARY 4, 2010

Sponsored by:

Senator ANTHONY R. BUCCO

District 25 (Morris)

SYNOPSIS

Requires insurers to provide minimum of 30 days inpatient treatment for substance abuse when physician determines treatment is medically necessary.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning health insurance coverage for treatment of
2 substance abuse and revising parts of statutory law.

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.1977, c. 115 (C.17:48-6a) is amended to read
8 as follows:

9 1. No group or individual contract providing hospital or medical
10 expense benefits shall be delivered, issued, executed, or renewed in
11 this State[,] or approved for issuance or renewal in this State by the
12 Commissioner of Banking and Insurance, after the effective date of
13 **[this act]** P.L. , c. (pending before the Legislature as this bill),
14 unless such contract provides benefits to any subscriber or other
15 person covered thereunder for expenses incurred in connection with
16 the treatment of **[alcoholism]** substance abuse when such treatment
17 is prescribed by a **[doctor of medicine]** physician licensed to
18 practice medicine and surgery. Such benefits shall be provided to
19 the same extent as for any other sickness under the contract.

20 Every contract shall include such benefits for the treatment of
21 **[alcoholism]** substance abuse as are hereinafter set forth:

22 a. Inpatient or outpatient care in a **[licensed hospital]** health
23 care facility licensed pursuant to P.L.1971, c.136 (C.26:2H-1 et
24 seq.);

25 b. Treatment at a State-licensed detoxification facility **[licensed**
26 **pursuant to P.L.1975, c.305]**; and

27 c. Confinement as an inpatient or outpatient at a licensed,
28 certified, or **[state]** State-approved residential treatment facility, for
29 a minimum of 30 days per year for inpatient residential care, under
30 a program which meets minimum standards of care equivalent to
31 those prescribed by the Joint Commission on **[Hospital]**
32 Accreditation of Healthcare Organizations.

33 Treatment or confinement at any facility shall not preclude
34 further or additional treatment at any other eligible facility;
35 provided, however, that the benefit days used do not exceed the
36 total number of benefit days provided for any other sickness under
37 the contract.

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

41 (cf: P.L.1977, c.115, s.1)

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43 2. Section 1 of P.L.1977, c.116 (C.17B:27-46.1) is amended to
44 read as follows:

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 1. No group health insurance **[contract]** policy providing
2 hospital or medical expense benefits shall be delivered, issued,
3 executed, or renewed in this State~~[,]~~ or approved for issuance or
4 renewal in this State by the Commissioner of Banking and
5 Insurance, after the effective date of **[this act]** P.L. , c. (pending
6 before the Legislature as this bill), unless such **[contract]** policy
7 provides benefits to any **[subscriber]** insured or other person
8 covered thereunder for expenses incurred in connection with the
9 treatment of **[alcoholism]** substance abuse when such treatment is
10 prescribed by a **[doctor of medicine]** physician licensed to practice
11 medicine and surgery. Such benefits shall be provided to the same
12 extent as for any other sickness under the **[contract]** policy.

13 Every **[contract]** policy shall include such benefits for the
14 treatment of **[alcoholism]** substance abuse as are hereinafter set
15 forth:

16 a. Inpatient or outpatient care in a **[licensed hospital]** health
17 care facility licensed pursuant to P.L.1971, c.136 (C.26:2H-1 et
18 seq.);

19 b. Treatment at a State-licensed detoxification facility **[licensed**
20 **pursuant to P.L.1975, c.305]**; and

21 c. Confinement as an inpatient or outpatient at a licensed,
22 certified, or **[state]** State-approved residential treatment facility, for
23 a minimum of 30 days per year for inpatient residential care, under
24 a program which meets minimum standards of care equivalent to
25 those prescribed by the Joint Commission on **[Hospital]**
26 Accreditation of Healthcare Organizations.

27 Treatment or confinement at any facility shall not preclude
28 further or additional treatment at any other eligible facility;
29 provided, however, that the benefit days used do not exceed the
30 total number of benefit days provided for any other sickness under
31 the **[contract]** policy.

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

34 (cf: P.L.1977, c.116, s.1)

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36 3. Section 1 of P.L.1977, c.117 (C.17:48A-7a) is amended to
37 read as follows:

38 1. No group or individual contract providing hospital or medical
39 expense benefits shall be delivered, issued, executed, or renewed in
40 this State~~[,]~~ or approved for issuance or renewal in this State by the
41 Commissioner of Banking and Insurance, after the effective date of
42 **[this act]** P.L. , c. (pending before the Legislature as this bill),
43 unless such contract provides benefits to any subscriber or other
44 person covered thereunder for expenses incurred in connection with
45 the treatment of **[alcoholism]** substance abuse when such treatment
46 is prescribed by a **[doctor of medicine]** physician licensed to

1 practice medicine and surgery. Such benefits shall be provided to
2 the same extent as for any other sickness under the contract.

3 Every contract shall include such benefits for the treatment of
4 **【alcoholism】** substance abuse as are hereinafter set forth:

5 a. Inpatient or outpatient care in a **【licensed hospital】** health
6 care facility licensed pursuant to P.L.1971, c.136 (C.26:2H-1 et
7 seq.);

8 b. Treatment at a State-licensed detoxification facility **【licensed**
9 **pursuant to P.L.1975, c.305】**; and

10 c. Confinement as an inpatient or outpatient at a licensed,
11 certified, or **【state】** State-approved residential treatment facility, for
12 a minimum of 30 days per year for inpatient residential care, under
13 a program which meets minimum standards of care equivalent to
14 those prescribed by the Joint Commission on **【Hospital】**
15 Accreditation of Healthcare Organizations.

16 Treatment or confinement at any facility shall not preclude
17 further or additional treatment at any other eligible facility;
18 provided, however, that the benefit days used do not exceed the
19 total number of benefit days provided for any other sickness under
20 the contract.

21 The provisions of this section shall apply to all contracts in
22 which the medical service corporation has reserved the right to
23 change the premium.

24 (cf: P.L.1977, c.117, s.1)

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26 4. Section 1 of P.L.1977, c.118 (C.17B:26-2.1) is amended to
27 read as follows:

28 1. No individual health insurance **【contract】** policy providing
29 hospital or medical expense benefits shall be delivered, issued,
30 executed, or renewed in this State~~[,]~~ or approved for issuance or
31 renewal in this State by the Commissioner of Banking and
32 Insurance, after the effective date of **【this act】** P.L. , c. (pending
33 before the Legislature as this bill), unless such **【contract】** policy
34 provides benefits to any **【subscriber】** insured or other person
35 covered thereunder for expenses incurred in connection with the
36 treatment of **【alcoholism】** substance abuse when such treatment is
37 prescribed by a **【doctor of medicine】** physician licensed to practice
38 medicine and surgery. Such benefits shall be provided to the same
39 extent as for any other sickness under the **【contract】** policy.

40 Every **【contract】** policy shall include such benefits for the
41 treatment of **【alcoholism】** substance abuse as are hereinafter set
42 forth:

43 a. Inpatient or outpatient care in a **【licensed hospital】** health
44 care facility licensed pursuant to P.L.1971, c.136 (C.26:2H-1 et
45 seq.);

46 b. Treatment at a State-licensed detoxification facility **【licensed**

1 pursuant to P.L.1975, c.305]; and

2 c. Confinement as an inpatient or outpatient at a licensed,
3 certified, or [state] State-approved residential treatment facility, for
4 a minimum of 30 days per year for inpatient residential care, under
5 a program which meets minimum standards of care equivalent to
6 those prescribed by the Joint Commission on [Hospital]
7 Accreditation of Healthcare Organizations.

8 Treatment or confinement at any facility shall not preclude
9 further or additional treatment at any other eligible facility;
10 provided, however, that the benefit days used do not exceed the
11 total number of benefit days provided for any other sickness under
12 the [contract] policy.

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

15 (cf: P.L.1977, c.118, s.1)

16

17 5. Section 34 of P.L.1985, c.236 (C.17:48E-34) is amended to
18 read as follows:

19 34. No group or individual contract providing [health service
20 coverage] hospital or medical expense benefits shall be delivered,
21 issued, executed, or renewed in this State[,] or approved for
22 issuance or renewal in this State by the commissioner, on or after
23 the effective date of P.L. , c. (C.)(pending before the Legislature
24 as this bill), unless the contract provides benefits to any subscriber
25 or other person covered thereunder for expenses incurred in
26 connection with the treatment of [alcoholism] substance abuse
27 when the treatment is prescribed by a [doctor of medicine]
28 physician licensed to practice medicine and surgery. Benefits shall
29 be provided to the same extent as for any other sickness under the
30 contract.

31 Every contract shall include benefits for the treatment of
32 [alcoholism] substance abuse as follows:

33 a. Inpatient or outpatient care in a health care facility licensed
34 pursuant to P.L.1971, c.136 (C.26:2H-1 et seq.);

35 b. Treatment at a State-licensed detoxification facility [licensed
36 pursuant to section 8 of P.L.1975, c.305 (C.26:2B-14)];

37 c. Confinement as an inpatient or outpatient at a licensed,
38 certified, or [State] State-approved residential treatment facility,
39 for a minimum of 30 days per year for inpatient residential care,
40 under a program which meets minimum standards of care
41 equivalent to those prescribed by the Joint Commission on
42 [Hospital] Accreditation of Healthcare Organizations.

43 Treatment or confinement at any facility shall not preclude
44 further or additional treatment at any other eligible facility, if the
45 benefit days used do not exceed the total number of benefit days
46 provided for any other sickness under the contract.

47 The provisions of this section shall apply to all contracts in

1 which the health service corporation has reserved the right to
2 change the premium.

3 (cf: P.L.1985, c.236, s.34)

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5 6. (New section) A certificate of authority to establish and
6 operate a health maintenance organization in this State shall not be
7 issued or continued by the Commissioner of Health and Senior
8 Services on or after the effective date of this act unless the health
9 maintenance organization provides health care services to any
10 enrollee or other covered person for the treatment of substance
11 abuse when the treatment is prescribed by a physician licensed to
12 practice medicine and surgery. The health care services shall be
13 provided to the same extent as for any other sickness under the
14 contract.

15 Every contract shall include health care services for the treatment
16 of substance abuse as follows:

17 a. Inpatient or outpatient care in a health care facility licensed
18 pursuant to P.L.1971, c.136 (C.26:2H-1 et seq.);

19 b. Treatment at a State-licensed detoxification facility; and

20 c. Confinement as an inpatient or outpatient at a licensed,
21 certified, or State-approved residential treatment facility, for a
22 minimum of 30 days per year for inpatient residential care, under a
23 program which meets minimum standards of care equivalent to
24 those prescribed by the Joint Commission on Accreditation of
25 Healthcare Organizations.

26 Treatment or confinement at any facility shall not preclude
27 further or additional treatment at any other eligible facility; except
28 that the benefit days used shall not exceed the total number of
29 benefit days provided for any other sickness under the contract.

30 The provisions of this section shall apply to all contracts for
31 health care services in which the health maintenance organization
32 has reserved the right to change the schedule of charges.

33
34 7. (New section) An individual health benefits plan that provides
35 hospital or medical expense benefits and is delivered, issued,
36 executed, or renewed in this State pursuant to P.L.1992, c.161
37 (C.17B:27A-2 et seq.) or approved for issuance or renewal in this
38 State, on or after the effective date of this act, shall provide
39 coverage for the treatment of substance abuse when the treatment is
40 prescribed by a physician licensed to practice medicine and surgery.
41 The benefits shall be provided to the same extent as for any other
42 sickness under the health benefits plan.

43 Every health benefits plan shall include benefits for the treatment
44 of substance abuse as follows:

45 a. Inpatient or outpatient care in a health care facility licensed
46 pursuant to P.L.1971, c.136 (C.26:2H-1 et seq.);

47 b. Treatment at a State-licensed detoxification facility; and

48 c. Confinement as an inpatient or outpatient at a licensed,

1 certified, or State-approved residential treatment facility, for a
2 minimum of 30 days per year for inpatient residential care, under a
3 program which meets minimum standards of care equivalent to
4 those prescribed by the Joint Commission on Accreditation of
5 Healthcare Organizations.

6 Treatment or confinement at any facility shall not preclude
7 further or additional treatment at any other eligible facility; except
8 that the benefit days used shall not exceed the total number of
9 benefit days provided for any other sickness under the health
10 benefits plan.

11 The provisions of this section shall apply to all health benefits
12 plans in which the carrier has reserved the right to change the
13 premium.

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15 8. (New section) A small employer health benefits plan that
16 provides hospital or medical expense benefits and is delivered,
17 issued, executed, or renewed in this State pursuant to P.L.1992,
18 c.162 (C.17B:27A-17 et seq.) or approved for issuance or renewal
19 in this State, on or after the effective date of this act, shall provide
20 coverage for the treatment of substance abuse when the treatment is
21 prescribed by a physician licensed to practice medicine and surgery.
22 The benefits shall be provided to the same extent as for any other
23 sickness under the health benefits plan.

24 Every health benefits plan shall include benefits for the treatment
25 of substance abuse as follows:

26 a. Inpatient or outpatient care in a health care facility licensed
27 pursuant to P.L.1971, c.136 (C.26:2H-1 et seq.);

28 b. Treatment at a State-licensed detoxification facility; and

29 c. Confinement as an inpatient or outpatient at a licensed,
30 certified, or State-approved residential treatment facility, for a
31 minimum of 30 days per year for inpatient residential care, under a
32 program which meets minimum standards of care equivalent to
33 those prescribed by the Joint Commission on Accreditation of
34 Healthcare Organizations.

35 Treatment or confinement at any facility shall not preclude
36 further or additional treatment at any other eligible facility; except
37 that the benefit days used shall not exceed the total number of
38 benefit days provided for any other sickness under the health
39 benefits plan.

40 The provisions of this section shall apply to all health benefits
41 plans in which the carrier has reserved the right to change the
42 premium.

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44 9. This act shall take effect on the 60th day after enactment and
45 shall apply to all contracts and policies delivered, issued, executed
46 or renewed on or after that date.

STATEMENT

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This bill would require hospital, medical and health service corporations, commercial insurers, health maintenance organizations, and health benefits plans issued pursuant to the New Jersey Individual Health Coverage and Small Employer Health Benefits programs to provide coverage for expenses incurred in the treatment of substance abuse when the treatment is prescribed by a physician licensed to practice medicine and surgery.

The bill amends P.L.1977, c.115, 116, 117, and 118 and P.L.1985, c.236, which require hospital, medical and health service corporations, and individual and group health insurers to provide coverage for the treatment of alcoholism. The bill expands that coverage to include other types of substance abuse, including drug abuse, and updates terminology in those statutes. The bill also extends the required substance abuse coverage to health maintenance organizations and the individual and small employer insurance programs, which were not included in the 1977 and 1985 statutes.

- Specifically, the bill requires that the coverage include:
- inpatient or outpatient care in a health care facility licensed pursuant to P.L.1971, c.136 (C.26:2H-1 et seq.);
 - treatment at a State-licensed detoxification facility; and
 - confinement as an inpatient or outpatient at a licensed, certified, or State-approved residential treatment facility, for a minimum of 30 days per year for inpatient residential care, under a program which meets minimum standards of care equivalent to those prescribed by the Joint Commission on Accreditation of Healthcare Organizations.

Treatment or confinement at any facility is not to preclude further or additional treatment at any other eligible facility, but the benefit days used are not to exceed the total number of benefit days provided for any other sickness under the health benefits plan.

The bill takes effect on the 60th day after enactment and applies to all health insurance contracts and policies delivered, issued, executed, or renewed on or after that date.