

SENATE, No. 499

STATE OF NEW JERSEY 215th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2012 SESSION

Sponsored by:

Senator ANTHONY R. BUCCO

District 25 (Morris and Somerset)

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

Introduced Pending Technical Review by Legislative Counsel



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
8 read as follows:

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

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

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

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

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

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

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

42 (cf: P.L.1977, c.115, 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.

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

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

15 Every **【contract】** policy shall include such benefits for the
16 treatment of **【alcoholism】** substance abuse as are hereinafter set
17 forth:

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

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

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

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

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

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

37

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

40 1. No group or individual contract providing hospital or
41 medical expense benefits shall be delivered, issued, executed, or
42 renewed in this State**【,】** or approved for issuance or renewal in this
43 State by the Commissioner of Banking and Insurance, after the
44 effective date of **【this act】** P.L. , c. (pending before the
45 Legislature as this bill), unless such contract provides benefits to
46 any subscriber or other person covered thereunder for expenses

1 incurred in connection with the treatment of **alcoholism** substance
2 abuse when such treatment is prescribed by a **doctor of medicine**
3 physician licensed to practice medicine and surgery. Such benefits
4 shall be provided to the same extent as for any other sickness under
5 the contract.

6 Every contract shall include such benefits for the treatment of
7 **alcoholism** substance abuse as are hereinafter set forth:

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

11 b. Treatment at a State-licensed detoxification facility
12 **licensed pursuant to P.L.1975, c.305**; and

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

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

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

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

28

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

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

43 Every **contract** policy shall include such benefits for the
44 treatment of **alcoholism** substance abuse as are hereinafter set
45 forth:

- 1 a. Inpatient or outpatient care in a **licensed hospital** health
2 care facility licensed pursuant to P.L.1971, c.136 (C.26:2H-1 et
3 seq.);
- 4 b. Treatment at a State-licensed detoxification facility
5 **licensed pursuant to P.L.1975, c.305**; and
- 6 c. Confinement as an inpatient or outpatient at a licensed,
7 certified, or **state** State-approved residential treatment facility, for
8 a minimum of 30 days per year for inpatient residential care, under
9 a program which meets minimum standards of care equivalent to
10 those prescribed by the Joint Commission on **Hospital**
11 Accreditation of Healthcare Organizations.

12 Treatment or confinement at any facility shall not preclude
13 further or additional treatment at any other eligible facility;
14 provided, however, that the benefit days used do not exceed the
15 total number of benefit days provided for any other sickness under
16 the **contract** policy.

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

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

20

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

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

35 Every contract shall include benefits for the treatment of
36 **alcoholism** substance abuse as follows:

- 37 a. Inpatient or outpatient care in a health care facility licensed
38 pursuant to P.L.1971, c.136 (C.26:2H-1 et seq.);
- 39 b. Treatment at a State-licensed detoxification facility
40 **licensed pursuant to section 8 of P.L.1975, c.305 (C.26:2B-14)**;
- 41 c. Confinement as an inpatient or outpatient at a licensed,
42 certified, or **State** State-approved residential treatment facility,
43 for a minimum of 30 days per year for inpatient residential care,
44 under a program which meets minimum standards of care
45 equivalent to those prescribed by the Joint Commission on
46 **Hospital** Accreditation of Healthcare Organizations.

1 Treatment or confinement at any facility shall not preclude
2 further or additional treatment at any other eligible facility, if the
3 benefit days used do not exceed the total number of benefit days
4 provided for any other sickness under the contract.

5 The provisions of this section shall apply to all contracts in
6 which the health service corporation has reserved the right to
7 change the premium.

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

9

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

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

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

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

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

31 Treatment or confinement at any facility shall not preclude
32 further or additional treatment at any other eligible facility; except
33 that the benefit days used shall not exceed the total number of
34 benefit days provided for any other sickness under the contract.

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

38

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

1 Every health benefits plan shall include benefits for the treatment
2 of substance abuse as follows:

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

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

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

12 Treatment or confinement at any facility shall not preclude
13 further or additional treatment at any other eligible facility; except
14 that the benefit days used shall not exceed the total number of
15 benefit days provided for any other sickness under the health
16 benefits plan.

17 The provisions of this section shall apply to all health benefits
18 plans in which the carrier has reserved the right to change the
19 premium.

20

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

30 Every health benefits plan shall include benefits for the treatment
31 of substance abuse as follows:

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

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

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

41 Treatment or confinement at any facility shall not preclude
42 further or additional treatment at any other eligible facility; except
43 that the benefit days used shall not exceed the total number of
44 benefit days provided for any other sickness under the health
45 benefits plan.

46 The provisions of this section shall apply to all health benefits
47 plans in which the carrier has reserved the right to change the
48 premium.

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

4

5

6

STATEMENT

7

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

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

25 Specifically, the bill requires that the coverage include:

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

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

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