

ASSEMBLY, No. 800

STATE OF NEW JERSEY 216th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2014 SESSION

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

Introduced Pending Technical Review by Legislative Counsel



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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.

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)

38

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

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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)

29

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-

1 compulsive disorder, panic disorder, eating disorders, and pervasive
2 developmental disorder or autism.

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

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

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

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

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

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

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

18

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

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

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

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

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

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

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

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

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

5 (cf: P.L.1999, c.106, s.5)

6

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

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

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

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

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

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

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

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

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

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

42

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

45 7. a. Every small employer health benefits plan that provides
46 hospital or medical expense benefits and is delivered, issued,
47 executed or renewed in this State pursuant to P.L.1992, c.162

1 (C.17B:27A-17 et seq.) or approved for issuance or renewal in this
2 State on or after the effective date of this act shall provide benefits
3 for biologically-based mental illness under the same terms and
4 conditions as provided for any other sickness under the health
5 benefits plan.

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

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

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

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

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

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

27 c. The provisions of this section shall apply to all health
28 benefits plans in which the carrier has reserved the right to change
29 the premium.

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

31

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

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

42 "Biologically-based mental illness" means a mental or nervous
43 condition that is caused by a biological disorder of the brain and
44 results in a clinically significant or psychological syndrome or
45 pattern that substantially limits the functioning of the person with
46 the illness, including but not limited to, schizophrenia,
47 schizoaffective disorder, major depressive disorder, bipolar

1 disorder, paranoia and other psychotic disorders, obsessive-
2 compulsive disorder, panic disorder, eating disorders, and pervasive
3 developmental disorder or autism.

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

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

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

13 (1) whether a mental health care service meets the medical
14 necessity standard as established by the health maintenance
15 organization; or

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

19 c. The provisions of this section shall apply to enrollee
20 agreements in which the health maintenance organization has
21 reserved the right to change the premium.

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

23

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

26 1. As used in this act:

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 "Carrier" means an insurance company, health service
39 corporation, hospital service corporation, medical service
40 corporation or health maintenance organization authorized to issue
41 health benefits plans in this State.

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

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

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

4

5

6

STATEMENT

7

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

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

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