

SENATE, No. 105

STATE OF NEW JERSEY 216th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2014 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)

43

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

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 read as follows:

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

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

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

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

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

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

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

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

36

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

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

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

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

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

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

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

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

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

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

27

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

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

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

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

1 seq.);

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

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

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

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

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

18

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

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

33 Every contract shall include benefits for the treatment of
34 **【alcoholism】** substance abuse as follows:

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

37 b. Treatment at a State-licensed detoxification facility
38 **【licensed pursuant to section 8 of P.L.1975, c.305 (C.26:2B-14)】**;

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

45 Treatment or confinement at any facility shall not preclude
46 further or additional treatment at any other eligible facility, if the

1 benefit days used do not exceed the total number of benefit days
2 provided for any other sickness under the contract.

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

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

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

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

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

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

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

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

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

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

46 Every health benefits plan shall include benefits for the treatment
47 of substance abuse as follows:

48 a. Inpatient or outpatient care in a health care facility licensed

1 pursuant to P.L.1971, c.136 (C.26:2H-1 et seq.);

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

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

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

14 The provisions of this section shall apply to all health benefits
15 plans in which the carrier has reserved the right to change the
16 premium.

17

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

27 Every health benefits plan shall include benefits for the treatment
28 of substance abuse as follows:

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

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

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

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

43 The provisions of this section shall apply to all health benefits
44 plans in which the carrier has reserved the right to change the
45 premium.

46

47 9. This act shall take effect on the 60th day after enactment and

1 shall apply to all contracts and policies delivered, issued, executed
2 or renewed on or after that date.

3

4

5

STATEMENT

6

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

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

24 Specifically, the bill requires that the coverage include:

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

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

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