

SENATE, No. 659

STATE OF NEW JERSEY 217th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2016 SESSION

Sponsored by:

Senator SHIRLEY K. TURNER

District 15 (Hunterdon and Mercer)

SYNOPSIS

Requires health insurance coverage for contraceptives to include prescriptions for 12 months.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT concerning insurance coverage for prescribed
2 contraceptives and amending P.L.2005, c.251.

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.2005, c.251 (C.17:48-6ee) is amended to
8 read as follows:

9 1. A hospital service corporation that provides hospital or
10 medical expense benefits for expenses incurred in the purchase of
11 outpatient prescription drugs under a contract shall provide
12 coverage under every such contract delivered, issued, executed or
13 renewed in this State or approved for issuance or renewal in this
14 State by the Commissioner of Banking and Insurance, on or after
15 the effective date of this act, for expenses incurred in the purchase
16 of prescription female contraceptives. For the purposes of this
17 section, "prescription female contraceptives" means any drug or
18 device used for contraception by a female, which is approved by the
19 federal Food and Drug Administration for that purpose, that can
20 only be purchased in this State with a prescription written by a
21 health care professional licensed or authorized to write
22 prescriptions, and includes, but is not limited to, birth control pills
23 and diaphragms. The coverage provided shall include prescriptions
24 for dispensing contraceptives for:

25 a. a three-month period for the first dispensing of the
26 contraceptive; and

27 b. a twelve-month period for any subsequent dispensing of the
28 same contraceptive, regardless of whether coverage under the
29 contract was in effect at the time of the first dispensing.

30 A religious employer may request, and a hospital service
31 corporation shall grant, an exclusion under the contract for the
32 coverage required by this section if the required coverage conflicts
33 with the religious employer's bona fide religious beliefs and
34 practices. A religious employer that obtains such an exclusion shall
35 provide written notice thereof to prospective subscribers and
36 subscribers. The provisions of this section shall not be construed as
37 authorizing a hospital service corporation to exclude coverage for
38 prescription drugs that are prescribed for reasons other than
39 contraceptive purposes or for prescription female contraceptives
40 that are necessary to preserve the life or health of a subscriber. For
41 the purposes of this section, "religious employer" means an
42 employer that is a church, convention or association of churches or
43 an elementary or secondary school that is controlled, operated or
44 principally supported by a church or by a convention or association

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 of churches as defined in 26 U.S.C.s.3121(w)(3)(A), and that
2 qualifies as a tax-exempt organization under 26 U.S.C.s.501(c)(3).

3 The benefits shall be provided to the same extent as for any other
4 outpatient prescription drug under the contract.

5 This section shall apply to those contracts in which the hospital
6 service corporation has reserved the right to change the premium.

7 (cf: P.L.2005, c.251, s.1)

8

9 2. Section 2 of P.L.2005, c.251 (C.17:48A-7bb) is amended to
10 read as follows:

11 2. A medical service corporation that provides hospital or
12 medical expense benefits for expenses incurred in the purchase of
13 outpatient prescription drugs under a contract shall provide
14 coverage under every such contract delivered, issued, executed or
15 renewed in this State or approved for issuance or renewal in this
16 State by the Commissioner of Banking and Insurance, on or after
17 the effective date of this act, for expenses incurred in the purchase
18 of prescription female contraceptives. For the purposes of this
19 section, "prescription female contraceptives" means any drug or
20 device used for contraception by a female, which is approved by the
21 federal Food and Drug Administration for that purpose, that can
22 only be purchased in this State with a prescription written by a
23 health care professional licensed or authorized to write
24 prescriptions, and includes, but is not limited to, birth control pills
25 and diaphragms. The coverage provided shall include prescriptions
26 for dispensing contraceptives for:

27 a. a three-month period for the first dispensing of the
28 contraceptive; and

29 b. a twelve-month period for any subsequent dispensing of the
30 same contraceptive, regardless of whether coverage under the
31 contract was in effect at the time of the first dispensing.

32 A religious employer may request, and a medical service
33 corporation shall grant, an exclusion under the contract for the
34 coverage required by this section if the required coverage conflicts
35 with the religious employer's bona fide religious beliefs and
36 practices. A religious employer that obtains such an exclusion shall
37 provide written notice thereof to prospective subscribers and
38 subscribers. The provisions of this section shall not be construed as
39 authorizing a medical service corporation to exclude coverage for
40 prescription drugs that are prescribed for reasons other than
41 contraceptive purposes or for prescription female contraceptives
42 that are necessary to preserve the life or health of a subscriber. For
43 the purposes of this section, "religious employer" means an
44 employer that is a church, convention or association of churches or
45 an elementary or secondary school that is controlled, operated or
46 principally supported by a church or by a convention or association
47 of churches as defined in 26 U.S.C.s.3121(w)(3)(A), and that
48 qualifies as a tax-exempt organization under 26 U.S.C.s.501(c)(3).

S659 TURNER

1 The benefits shall be provided to the same extent as for any other
2 outpatient prescription drug under the contract.

3 This section shall apply to those contracts in which the medical
4 service corporation has reserved the right to change the premium.

5 (cf: P.L.2005, c.251, s.2)

6

7 3. Section 3 of P.L.2005, c.251 (C.17:48E-35.29) is amended
8 to read as follows:

9 3. A health service corporation that provides hospital or
10 medical expense benefits for expenses incurred in the purchase of
11 outpatient prescription drugs under a contract shall provide
12 coverage under every such contract delivered, issued, executed or
13 renewed in this State or approved for issuance or renewal in this
14 State by the Commissioner of Banking and Insurance, on or after
15 the effective date of this act, for expenses incurred in the purchase
16 of prescription female contraceptives. For the purposes of this
17 section, "prescription female contraceptives" means any drug or
18 device used for contraception by a female, which is approved by the
19 federal Food and Drug Administration for that purpose, that can
20 only be purchased in this State with a prescription written by a
21 health care professional licensed or authorized to write
22 prescriptions, and includes, but is not limited to, birth control pills
23 and diaphragms. The coverage provided shall include prescriptions
24 for dispensing contraceptives for:

25 a. a three-month period for the first dispensing of the
26 contraceptive; and

27 b. a twelve-month period for any subsequent dispensing of the
28 same contraceptive, regardless of whether coverage under the
29 contract was in effect at the time of the first dispensing.

30 A religious employer may request, and a health service
31 corporation shall grant, an exclusion under the contract for the
32 coverage required by this section if the required coverage conflicts
33 with the religious employer's bona fide religious beliefs and
34 practices. A religious employer that obtains such an exclusion shall
35 provide written notice thereof to prospective subscribers and
36 subscribers. The provisions of this section shall not be construed as
37 authorizing a health service corporation to exclude coverage for
38 prescription drugs that are prescribed for reasons other than
39 contraceptive purposes or for prescription female contraceptives
40 that are necessary to preserve the life or health of a subscriber. For
41 the purposes of this section, "religious employer" means an
42 employer that is a church, convention or association of churches or
43 an elementary or secondary school that is controlled, operated or
44 principally supported by a church or by a convention or association
45 of churches as defined in 26 U.S.C.s.3121(w)(3)(A), and that
46 qualifies as a tax-exempt organization under 26 U.S.C.s.501(c)(3).

47 The benefits shall be provided to the same extent as for any other
48 outpatient prescription drug under the contract.

1 This section shall apply to those contracts in which the health
2 service corporation has reserved the right to change the premium.
3 (cf: P.L.2005, c.251, s.3)
4

5 4. Section 4 of P.L.2005, c.251 (C.17B:27-46.1ee) is amended
6 to read as follows:

7 4. A group health insurer that provides hospital or medical
8 expense benefits for expenses incurred in the purchase of outpatient
9 prescription drugs under a policy shall provide coverage under
10 every such policy delivered, issued, executed or renewed in this
11 State or approved for issuance or renewal in this State by the
12 Commissioner of Banking and Insurance, on or after the effective
13 date of this act, for expenses incurred in the purchase of
14 prescription female contraceptives. For the purposes of this section,
15 "prescription female contraceptives" means any drug or device used
16 for contraception by a female, which is approved by the federal
17 Food and Drug Administration for that purpose, that can only be
18 purchased in this State with a prescription written by a health care
19 professional licensed or authorized to write prescriptions, and
20 includes, but is not limited to, birth control pills and diaphragms.
21 The coverage provided shall include prescriptions for dispensing
22 contraceptives for:

23 a. a three-month period for the first dispensing of the
24 contraceptive; and

25 b. a twelve-month period for any subsequent dispensing of the
26 same contraceptive, regardless of whether coverage under the
27 policy was in effect at the time of the first dispensing.

28 A religious employer may request, and an insurer shall grant, an
29 exclusion under the policy for the coverage required by this section
30 if the required coverage conflicts with the religious employer's bona
31 fide religious beliefs and practices. A religious employer that
32 obtains such an exclusion shall provide written notice thereof to
33 prospective insureds and insureds. The provisions of this section
34 shall not be construed as authorizing an insurer to exclude coverage
35 for prescription drugs that are prescribed for reasons other than
36 contraceptive purposes or for prescription female contraceptives
37 that are necessary to preserve the life or health of an insured. For
38 the purposes of this section, "religious employer" means an
39 employer that is a church, convention or association of churches or
40 an elementary or secondary school that is controlled, operated or
41 principally supported by a church or by a convention or association
42 of churches as defined in 26 U.S.C.s.3121(w)(3)(A), and that
43 qualifies as a tax-exempt organization under 26 U.S.C.s.501(c)(3).

44 The benefits shall be provided to the same extent as for any other
45 outpatient prescription drug under the policy.

46 This section shall apply to those policies in which the insurer has
47 reserved the right to change the premium.

48 (cf: P.L.2005, c.251, s.4)

1 5. Section 5 of P.L.2005, c.251 (C.17B:26-2.1y) is amended to
2 read as follows:

3 5. An individual health insurer that provides hospital or
4 medical expense benefits for expenses incurred in the purchase of
5 outpatient prescription drugs under a policy shall provide coverage
6 under every such policy delivered, issued, executed or renewed in
7 this State or approved for issuance or renewal in this State by the
8 Commissioner of Banking and Insurance, on or after the effective
9 date of this act, for expenses incurred in the purchase of
10 prescription female contraceptives. For the purposes of this section,
11 "prescription female contraceptives" means any drug or device used
12 for contraception by a female, which is approved by the federal
13 Food and Drug Administration for that purpose, that can only be
14 purchased in this State with a prescription written by a health care
15 professional licensed or authorized to write prescriptions, and
16 includes, but is not limited to, birth control pills and diaphragms.
17 The coverage provided shall include prescriptions for dispensing
18 contraceptives for:

19 a. a three-month period for the first dispensing of the
20 contraceptive; and

21 b. a twelve-month period for any subsequent dispensing of the
22 same contraceptive, regardless of whether coverage under the
23 policy was in effect at the time of the first dispensing.

24 A religious employer may request, and an insurer shall grant, an
25 exclusion under the policy for the coverage required by this section
26 if the required coverage conflicts with the religious employer's bona
27 fide religious beliefs and practices. A religious employer that
28 obtains such an exclusion shall provide written notice thereof to
29 prospective insureds and insureds. The provisions of this section
30 shall not be construed as authorizing an insurer to exclude coverage
31 for prescription drugs that are prescribed for reasons other than
32 contraceptive purposes or for prescription female contraceptives
33 that are necessary to preserve the life or health of an insured. For
34 the purposes of this section, "religious employer" means an
35 employer that is a church, convention or association of churches or
36 an elementary or secondary school that is controlled, operated or
37 principally supported by a church or by a convention or association
38 of churches as defined in 26 U.S.C.s.3121(w)(3)(A), and that
39 qualifies as a tax-exempt organization under 26 U.S.C.s.501(c)(3).

40 The benefits shall be provided to the same extent as for any other
41 outpatient prescription drug under the policy.

42 This section shall apply to those policies in which the insurer has
43 reserved the right to change the premium.

44 (cf: P.L.2005, c.251, s.5)

45

46 6. Section 6 of P.L.2005, c.251 (C.26:2J-4.30) is amended to
47 read as follows:

1 6. A certificate of authority to establish and operate a health
2 maintenance organization in this State shall not be issued or
3 continued on or after the effective date of this act for a health
4 maintenance organization that provides health care services for
5 outpatient prescription drugs under a contract, unless the health
6 maintenance organization also provides health care services for
7 prescription female contraceptives. For the purposes of this section,
8 "prescription female contraceptives" means any drug or device used
9 for contraception by a female, which is approved by the federal
10 Food and Drug Administration for that purpose, that can only be
11 purchased in this State with a prescription written by a health care
12 professional licensed or authorized to write prescriptions, and
13 includes, but is not limited to, birth control pills and diaphragms.
14 The coverage provided shall include prescriptions for dispensing
15 contraceptives for:

16 a. a three-month period for the first dispensing of the
17 contraceptive; and

18 b. a twelve-month period for any subsequent dispensing of the
19 same contraceptive, regardless of whether coverage under the
20 contract was in effect at the time of the first dispensing.

21 A religious employer may request, and a health maintenance
22 organization shall grant, an exclusion under the contract for the
23 health care services required by this section if the required health
24 care services conflict with the religious employer's bona fide
25 religious beliefs and practices. A religious employer that obtains
26 such an exclusion shall provide written notice thereof to prospective
27 enrollees and enrollees. The provisions of this section shall not be
28 construed as authorizing a health maintenance organization to
29 exclude health care services for prescription drugs that are
30 prescribed for reasons other than contraceptive purposes or for
31 prescription female contraceptives that are necessary to preserve the
32 life or health of an enrollee. For the purposes of this section,
33 "religious employer" means an employer that is a church,
34 convention or association of churches or an elementary or
35 secondary school that is controlled, operated or principally
36 supported by a church or by a convention or association of churches
37 as defined in 26 U.S.C.s.3121(w)(3)(A), and that qualifies as a tax-
38 exempt organization under 26 U.S.C.s.501(c)(3).

39 The health care services shall be provided to the same extent as
40 for any other outpatient prescription drug under the contract.

41 The provisions of this section shall apply to those contracts for
42 health care services by health maintenance organizations under
43 which the right to change the schedule of charges for enrollee
44 coverage is reserved.

45 (cf: P.L.2005, c.251, s.6)

46

47 7. Section 7 of P.L.2005, c.251 (C.17B:27A-7.12) is amended
48 to read as follows:

1 7. An individual health benefits plan required pursuant to
2 section 3 of P.L.1992, c.161 (C.17B:27A-4) that provides benefits
3 for expenses incurred in the purchase of outpatient prescription
4 drugs shall provide coverage for expenses incurred in the purchase
5 of prescription female contraceptives. For the purposes of this
6 section, "prescription female contraceptives" means any drug or
7 device used for contraception by a female, which is approved by the
8 federal Food and Drug Administration for that purpose, that can
9 only be purchased in this State with a prescription written by a
10 health care professional licensed or authorized to write
11 prescriptions, and includes, but is not limited to, birth control pills
12 and diaphragms. The coverage provided shall include prescriptions
13 for dispensing contraceptives for:

14 a. a three-month period for the first dispensing of the
15 contraceptive; and

16 b. a twelve-month period for any subsequent dispensing of the
17 same contraceptive, regardless of whether coverage under the plan
18 was in effect at the time of the first dispensing.

19 A religious employer may request, and a carrier shall grant, an
20 exclusion under the health benefits plan for the coverage required
21 by this section if the required coverage conflicts with the religious
22 employer's bona fide religious beliefs and practices. A religious
23 employer that obtains such an exclusion shall provide written notice
24 thereof to prospective covered persons and covered persons. The
25 provisions of this section shall not be construed as authorizing a
26 carrier to exclude coverage for prescription drugs that are
27 prescribed for reasons other than contraceptive purposes or for
28 prescription female contraceptives that are necessary to preserve the
29 life or health of a covered person. For the purposes of this section,
30 "religious employer" means an employer that is a church,
31 convention or association of churches or an elementary or
32 secondary school that is controlled, operated or principally
33 supported by a church or by a convention or association of churches
34 as defined in 26 U.S.C.s.3121(w)(3)(A), and that qualifies as a tax-
35 exempt organization under 26 U.S.C.s.501(c)(3).

36 The benefits shall be provided to the same extent as for any other
37 outpatient prescription drug under the health benefits plan.

38 This section shall apply to all individual health benefits plans in
39 which the carrier has reserved the right to change the premium.
40 (cf: P.L.2005, c.251, s.7)

41

42 8. Section 8 of P.L.2005, c.251 (C.17B:27A-19.15) is amended
43 to read as follows:

44 8. A small employer health benefits plan required pursuant to
45 section 3 of P.L.1992, c.162 (C.17B:27A-19) that provides benefits
46 for expenses incurred in the purchase of outpatient prescription
47 drugs shall provide coverage for expenses incurred in the purchase
48 of prescription female contraceptives. For the purposes of this

1 section, "prescription female contraceptives" means any drug or
2 device used for contraception by a female, which is approved by the
3 federal Food and Drug Administration for that purpose, that can
4 only be purchased in this State with a prescription written by a
5 health care professional licensed or authorized to write
6 prescriptions, and includes, but is not limited to, birth control pills
7 and diaphragms. The coverage provided shall include prescriptions
8 for dispensing contraceptives for:

9 a. a three-month period for the first dispensing of the
10 contraceptive; and

11 b. a twelve-month period for any subsequent dispensing of the
12 same contraceptive, regardless of whether coverage under the plan
13 was in effect at the time of the first dispensing.

14 A religious employer may request, and a carrier shall grant, an
15 exclusion under the health benefits plan for the coverage required
16 by this section if the required coverage conflicts with the religious
17 employer's bona fide religious beliefs and practices. A religious
18 employer that obtains such an exclusion shall provide written notice
19 thereof to prospective covered persons and covered persons. The
20 provisions of this section shall not be construed as authorizing a
21 carrier to exclude coverage for prescription drugs that are
22 prescribed for reasons other than contraceptive purposes or for
23 prescription female contraceptives that are necessary to preserve the
24 life or health of a covered person. For the purposes of this section,
25 "religious employer" means an employer that is a church,
26 convention or association of churches or an elementary or
27 secondary school that is controlled, operated or principally
28 supported by a church or by a convention or association of churches
29 as defined in 26 U.S.C.s.3121(w)(3)(A), and that qualifies as a tax-
30 exempt organization under 26 U.S.C.s.501(c)(3).

31 The benefits shall be provided to the same extent as for any other
32 outpatient prescription drug under the health benefits plan.

33 This section shall apply to all small employer health benefits
34 plans in which the carrier has reserved the right to change the
35 premium.

36 (cf: P.L.2005, c.251, s.8)

37
38 9. Section 9 of P.L.2005, c.251 (C.17:48F-13.2) is amended to
39 read as follows:

40 9. A prepaid prescription service organization that provides
41 benefits for expenses incurred in the purchase of outpatient
42 prescription drugs under a contract shall provide coverage under
43 every such contract delivered, issued, executed or renewed in this
44 State or approved for issuance or renewal in this State by the
45 Commissioner of Banking and Insurance, on or after the effective
46 date of this act, for expenses incurred in the purchase of
47 prescription female contraceptives. For the purposes of this section,
48 "prescription female contraceptives" means any drug or device used

1 for contraception by a female, which is approved by the federal
2 Food and Drug Administration for that purpose, that can only be
3 purchased in this State with a prescription written by a health care
4 professional licensed or authorized to write prescriptions, and
5 includes, but is not limited to, birth control pills and diaphragms.
6 The coverage provided shall include prescriptions for dispensing
7 contraceptives for:

8 a. a three-month period for the first dispensing of the
9 contraceptive; and

10 b. a twelve-month period for any subsequent dispensing of the
11 same contraceptive, regardless of whether coverage under the
12 contract was in effect at the time of the first dispensing.

13 A religious employer may request, and a prepaid prescription
14 service organization shall grant, an exclusion under the contract for
15 the coverage required by this section if the required coverage
16 conflicts with the religious employer's bona fide religious beliefs
17 and practices. A religious employer that obtains such an exclusion
18 shall provide written notice thereof to prospective enrollees and
19 enrollees. The provisions of this section shall not be construed as
20 authorizing a prepaid prescription service organization to exclude
21 coverage for prescription drugs that are prescribed for reasons other
22 than contraceptive purposes or for prescription female
23 contraceptives that are necessary to preserve the life or health of an
24 enrollee. For the purposes of this section, "religious employer"
25 means an employer that is a church, convention or association of
26 churches or an elementary or secondary school that is controlled,
27 operated or principally supported by a church or by a convention or
28 association of churches as defined in 26 U.S.C.s.3121(w)(3)(A),
29 and that qualifies as a tax-exempt organization under 26
30 U.S.C.s.501(c)(3).

31 The benefits shall be provided to the same extent as for any other
32 outpatient prescription drug under the contract.

33 This section shall apply to those prepaid prescription contracts in
34 which the prepaid prescription service organization has reserved the
35 right to change the premium.

36 (cf: P.L.2005, c.251, s.9)

37

38 10. Section 10 of P.L.2005, c.251 (C.52:14-17.29j) is amended
39 to read as follows:

40 10. The State Health Benefits Commission shall ensure that
41 every contract purchased by the commission on or after the
42 effective date of this act that provides benefits for expenses
43 incurred in the purchase of outpatient prescription drugs shall
44 provide benefits for expenses incurred in the purchase of
45 prescription female contraceptives.

46 For the purposes of this section, "prescription female
47 contraceptives" means any drug or device used for contraception by
48 a female, which is approved by the federal Food and Drug

1 Administration for that purpose, that can only be purchased in this
2 State with a prescription written by a health care professional
3 licensed or authorized to write prescriptions, and includes, but is
4 not limited to, birth control pills and diaphragms. The coverage
5 provided shall include prescriptions for dispensing contraceptives
6 for:

7 a. a three-month period for the first dispensing of the
8 contraceptive; and

9 b. a twelve-month period for any subsequent dispensing of the
10 same contraceptive, regardless of whether coverage under the
11 contract was in effect at the time of the first dispensing.

12 (cf: P.L.2005, c.251, s.10)

13

14 11. This act shall take effect on the 90th day next following
15 enactment and shall apply to policies and contracts delivered,
16 issued, executed or renewed on or after the effective date of this act.

17

18

19

STATEMENT

20

21 This bill amends P.L.2005, c.251, the statute requiring health
22 insurers that provide coverage for outpatient prescription drugs to
23 cover prescription female contraceptives, to include a requirement
24 for coverage of dispensing contraceptives for up to twelve months.

25 Under the bill, the coverage provided shall include prescriptions
26 for dispensing contraceptives for: (1) a three-month period for the
27 first dispensing of the contraceptive; and (2) a twelve-month period
28 for any subsequent dispensing of the same contraceptive, regardless
29 of whether coverage under that policy or contract was in effect at
30 the time of the first dispensing.

31 These amendments apply to hospital, medical, and health service
32 corporations, commercial, individual, small employer and group
33 health insurers, health maintenance organizations, prepaid
34 prescription service organizations, and the State Health Benefits
35 Program.