

SENATE COMMERCE COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR ASSEMBLY, No. 2031

STATE OF NEW JERSEY

DATED: JANUARY 17, 2019

The Senate Commerce Committee reports favorably Assembly Committee Substitute for Assembly Bill No. 2031.

This bill, an Assembly Committee Substitute for Assembly Bill No.2031, requires hospital, medical and health service corporations, commercial insurers, health maintenance organizations, health benefits plans issued pursuant to the New Jersey Individual Health Coverage and Small Employer Health Benefits Programs, the State Health Benefits Program, and the School Employees' Health Benefits Program, to provide coverage for behavioral health care services and to meet the requirements of the federal Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008. That act prevents certain health insurers that provide mental health or substance use disorder benefits from imposing less favorable benefit limitations on those benefits than on medical or surgical benefits, commonly referred to as mental health parity.

The bill amends several statutes, initially enacted in 1999, which require hospital, medical and health service corporations, individual and group health insurers and the State Health Benefits Program to provide coverage for biologically-based mental illness under the same terms and conditions as provided for any other sickness. The bill expands that coverage to include coverage for behavioral health care services. Behavioral health care services are defined as procedures or services rendered by a health care provider or health care facility for the treatment of mental illness, emotional disorders, or drug or alcohol abuse.

The bill also removes certain provisions of the statutes that provide that nothing in those statutes shall be construed to change the manner in which the insurer determines:

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

(2) which providers shall be entitled to reimbursement or to be participating providers, as appropriate, for mental health services under the policy or contract.

The bill also supplements the "Health Care Quality Act," P.L.1997, c.192 (C.26:2S-1 et al.) to place certain restrictions and reporting

requirements on carriers to ensure parity with respect to coverage for behavioral health care services.

The bill requires a carrier to approve a request for an in-plan exception if the carrier's network does not have any providers who are qualified, accessible and available to perform the specific medically necessary service.

The bill requires carriers to submit an annual report to the Department of Banking and Insurance on or before March 1 that contains certain information concerning compliance with the bill's provisions, especially with respect to the use of non-quantitative treatment limitations (NQTL).

The bill also requires the department to implement and enforce applicable provisions of the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008.

Finally, the bill requires the department, not later than May 1 of each year, to issue a report to the Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1). The report is to detail certain information relating to the department's oversight of the bill's provisions.