ASSEMBLY, No. 4503

STATE OF NEW JERSEY

218th LEGISLATURE

INTRODUCED SEPTEMBER 27, 2018

Sponsored by: Assemblywoman VALERIE VAINIERI HUTTLE District 37 (Bergen)

SYNOPSIS

Expands requirement for health insurers to cover prescriptions for contraceptives to 12 months.

CURRENT VERSION OF TEXT

As introduced.



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

3 4

1

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

5 6 7

8

9

10

11

12

13 14

15

16

17

18

19

20

21 22

23

24

25

26

27

28

29

30

31

32 33

34

35

36 37

38

39

40

41

42

43

44

45

- 1. Section 1 of P.L.2005, c.251 (C.17:48-6ee) is amended to read as follows:
- 1. A hospital service corporation that provides hospital or medical expense benefits for expenses incurred in the purchase of outpatient prescription drugs under a contract shall provide coverage under every such contract delivered, issued, executed or renewed in this State or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance, on or after the effective date of this act, for expenses incurred in the purchase of prescription female contraceptives. For the purposes of this section, "prescription female contraceptives" means any drug or device used for contraception by a female, which is approved by the federal Food and Drug Administration for that purpose, that can only be purchased in this State with a prescription written by a health care professional licensed or authorized to write prescriptions, and includes, but is not limited to, birth control pills and diaphragms. The coverage provided shall include prescriptions for dispensing contraceptives for:
 - a three-month period for the first dispensing of the contraceptive; and
 - b. a [six-month] <u>12-month</u> period for any subsequent dispensing of the same contraceptive, regardless of whether coverage under the contract was in effect at the time of the first dispensing, except that an entity subject to this section may provide coverage for a supply of contraceptives that is for less than a sixmonth 12-month period, if a six-month 12-month period would extend beyond the term of the contract.

A religious employer may request, and a hospital service corporation shall grant, an exclusion under the contract for the coverage required by this section if the required coverage conflicts with the religious employer's bona fide religious beliefs and practices. A religious employer that obtains such an exclusion shall provide written notice thereof to prospective subscribers and subscribers. The provisions of this section shall not be construed as authorizing a hospital service corporation to exclude coverage for prescription drugs that are prescribed for reasons other than contraceptive purposes or for prescription female contraceptives that are necessary to preserve the life or health of a subscriber. For the purposes of this section, "religious employer" means an

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

employer that is a church, convention or association of churches or an elementary or secondary school that is controlled, operated or principally supported by a church or by a convention or association of churches as defined in 26 U.S.C.s.3121(w)(3)(A), and that qualifies as a tax-exempt organization under 26 U.S.C.s.501(c)(3).

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

This section shall apply to those contracts in which the hospital service corporation has reserved the right to change the premium. (cf: P.L.2017, c.241, s.1)

- 2. Section 2 of P.L.2005, c.251 (C.17:48A-7bb) is amended to read as follows:
- A medical service corporation that provides hospital or medical expense benefits for expenses incurred in the purchase of outpatient prescription drugs under a contract shall provide coverage under every such contract delivered, issued, executed or renewed in this State or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance, on or after the effective date of this act, for expenses incurred in the purchase of prescription female contraceptives. For the purposes of this section, "prescription female contraceptives" means any drug or device used for contraception by a female, which is approved by the federal Food and Drug Administration for that purpose, that can only be purchased in this State with a prescription written by a health care professional licensed or authorized to write prescriptions, and includes, but is not limited to, birth control pills and diaphragms. The coverage provided shall include prescriptions for dispensing contraceptives for:
 - a. a three-month period for the first dispensing of the contraceptive; and
 - b. a **[**six-month**]** <u>12-month</u> period for any subsequent dispensing of the same contraceptive, regardless of whether coverage under the contract was in effect at the time of the first dispensing, except that an entity subject to this section may provide coverage for a supply of contraceptives that is for less than a **[**six-month**]** <u>12-month</u> period, if a **[**six-month**]** <u>12-month</u> period would extend beyond the term of the contract.

A religious employer may request, and a medical service corporation shall grant, an exclusion under the contract for the coverage required by this section if the required coverage conflicts with the religious employer's bona fide religious beliefs and practices. A religious employer that obtains such an exclusion shall provide written notice thereof to prospective subscribers and subscribers. The provisions of this section shall not be construed as authorizing a medical service corporation to exclude coverage for prescription drugs that are prescribed for reasons other than contraceptive purposes or for prescription female contraceptives

A4503 VAINIERI HUTTLE

4

that are necessary to preserve the life or health of a subscriber. For the purposes of this section, "religious employer" means an employer that is a church, convention or association of churches or an elementary or secondary school that is controlled, operated or principally supported by a church or by a convention or association of churches as defined in 26 U.S.C.s.3121(w)(3)(A), and that qualifies as a tax-exempt organization under 26 U.S.C.s.501(c)(3).

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

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

12 (cf: P.L.2017, c.241, s.2)

13 14

15

16

17

18

19

20

21

22

23

24

25

26

27

2829

30

31

3233

34

35

3637

3839

40

41

42

43

44

45

46

47

48

8

9

10

11

- 3. Section 3 of P.L.2005, c.251 (C.17:48E-35.29) is amended to read as follows:
- A health service corporation that provides hospital or medical expense benefits for expenses incurred in the purchase of outpatient prescription drugs under a contract shall provide coverage under every such contract delivered, issued, executed or renewed in this State or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance, on or after the effective date of this act, for expenses incurred in the purchase of prescription female contraceptives. For the purposes of this section, "prescription female contraceptives" means any drug or device used for contraception by a female, which is approved by the federal Food and Drug Administration for that purpose, that can only be purchased in this State with a prescription written by a health care professional licensed or authorized to write prescriptions, and includes, but is not limited to, birth control pills and diaphragms. The coverage provided shall include prescriptions for dispensing contraceptives for:
 - a. a three-month period for the first dispensing of the contraceptive; and
- b. a **[**six-month**]** <u>12-month</u> period for any subsequent dispensing of the same contraceptive, regardless of whether coverage under the contract was in effect at the time of the first dispensing, except that an entity subject to this section may provide coverage for a supply of contraceptives that is for less than a **[**six-month**]** <u>12-month</u> period, if a **[**six-month**]** <u>12-month</u> period would extend beyond the term of the contract.

A religious employer may request, and a health service corporation shall grant, an exclusion under the contract for the coverage required by this section if the required coverage conflicts with the religious employer's bona fide religious beliefs and practices. A religious employer that obtains such an exclusion shall provide written notice thereof to prospective subscribers and subscribers. The provisions of this section shall not be construed as authorizing a health service corporation to exclude coverage for

1 prescription drugs that are prescribed for reasons other than 2 contraceptive purposes or for prescription female contraceptives 3 that are necessary to preserve the life or health of a subscriber. For the purposes of this section, "religious employer" means an 4 5 employer that is a church, convention or association of churches or 6 an elementary or secondary school that is controlled, operated or 7 principally supported by a church or by a convention or association 8 of churches as defined in 26 U.S.C.s.3121(w)(3)(A), and that 9 qualifies as a tax-exempt organization under 26 U.S.C.s.501(c)(3).

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

This section shall apply to those contracts in which the health service corporation has reserved the right to change the premium. (cf: P.L.2017 c.241, s.3)

14 15

16

17

18

19

20

21

22

23

24

25

26

27

2829

30

31

32

33

34

35

3637

38

3940

41

42

43

44

45

46

47

48

10

11

12

13

- 4. Section 4 of P.L.2005, c.251 (C.17B:27-46.1ee) is amended to read as follows:
- 4. A group health insurer that provides hospital or medical expense benefits for expenses incurred in the purchase of outpatient prescription drugs under a policy shall provide coverage under every such policy delivered, issued, executed or renewed in this State or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance, on or after the effective date of this act, for expenses incurred in the purchase of prescription female contraceptives. For the purposes of this section, "prescription female contraceptives" means any drug or device used for contraception by a female, which is approved by the federal Food and Drug Administration for that purpose, that can only be purchased in this State with a prescription written by a health care professional licensed or authorized to write prescriptions, and includes, but is not limited to, birth control pills and diaphragms. The coverage provided shall include prescriptions for dispensing contraceptives for:
 - a. a three-month period for the first dispensing of the contraceptive; and
 - b. a **[**six-month**]** <u>12-month</u> period for any subsequent dispensing of the same contraceptive, regardless of whether coverage under the policy was in effect at the time of the first dispensing, except that an entity subject to this section may provide coverage for a supply of contraceptives that is for less than a **[**six-month**]** <u>12-month</u> period, if a **[**six-month**]** <u>12-month</u> period would extend beyond the term of the contract.

A religious employer may request, and an insurer shall grant, an exclusion under the policy for the coverage required by this section if the required coverage conflicts with the religious employer's bona fide religious beliefs and practices. A religious employer that obtains such an exclusion shall provide written notice thereof to prospective insureds and insureds. The provisions of this section

1 shall not be construed as authorizing an insurer to exclude coverage 2 for prescription drugs that are prescribed for reasons other than 3 contraceptive purposes or for prescription female contraceptives that are necessary to preserve the life or health of an insured. For 4 5 the purposes of this section, "religious employer" means an employer that is a church, convention or association of churches or 6 7 an elementary or secondary school that is controlled, operated or 8 principally supported by a church or by a convention or association 9 of churches as defined in 26 U.S.C.s.3121(w)(3)(A), and that 10 qualifies as a tax-exempt organization under 26 U.S.C.s.501(c)(3).

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

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

(cf: P.L.2017, c.241, s.4)

151617

18

19

20

21

22

23

24

25

26

27

2829

30

31

32

33

34

3738

39

40

41

42

43

44

45

46

47

48

11

12

13 14

- 5. Section 5 of P.L.2005, c.251 (C.17B:26-2.1y) is amended to read as follows:
- 5. An individual health insurer that provides hospital or medical expense benefits for expenses incurred in the purchase of outpatient prescription drugs under a policy shall provide coverage under every such policy delivered, issued, executed or renewed in this State or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance, on or after the effective date of this act, for expenses incurred in the purchase of prescription female contraceptives. For the purposes of this section, "prescription female contraceptives" means any drug or device used for contraception by a female, which is approved by the federal Food and Drug Administration for that purpose, that can only be purchased in this State with a prescription written by a health care professional licensed or authorized to write prescriptions, and includes, but is not limited to, birth control pills and diaphragms. The coverage provided shall include prescriptions for dispensing contraceptives for:
- a. a three-month period for the first dispensing of the contraceptive; and
 - b. a **[**six-month**]** <u>12-month</u> period for any subsequent dispensing of the same contraceptive, regardless of whether coverage under the policy was in effect at the time of the first dispensing, except that an entity subject to this section may provide coverage for a supply of contraceptives that is for less than a **[**six-month**]** <u>12-month</u> period, if a **[**six-month**]** <u>12-month</u> period would extend beyond the term of the contract.

A religious employer may request, and an insurer shall grant, an exclusion under the policy for the coverage required by this section if the required coverage conflicts with the religious employer's bona fide religious beliefs and practices. A religious employer that obtains such an exclusion shall provide written notice thereof to

prospective insureds and insureds. The provisions of this section shall not be construed as authorizing an insurer to exclude coverage for prescription drugs that are prescribed for reasons other than contraceptive purposes or for prescription female contraceptives that are necessary to preserve the life or health of an insured. For the purposes of this section, "religious employer" means an employer that is a church, convention or association of churches or an elementary or secondary school that is controlled, operated or principally supported by a church or by a convention or association of churches as defined in 26 U.S.C.s.3121(w)(3)(A), and that qualifies as a tax-exempt organization under 26 U.S.C.s.501(c)(3).

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

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

(cf: P.L.2017, c.241, s.5)

- 6. Section 6 of P.L.2005, c.251 (C.26:2J-4.30) is amended to read as follows:
- 6. A certificate of authority to establish and operate a health maintenance organization in this State shall not be issued or continued on or after the effective date of this act for a health maintenance organization that provides health care services for outpatient prescription drugs under a contract, unless the health maintenance organization also provides health care services for prescription female contraceptives. For the purposes of this section, "prescription female contraceptives" means any drug or device used for contraception by a female, which is approved by the federal Food and Drug Administration for that purpose, that can only be purchased in this State with a prescription written by a health care professional licensed or authorized to write prescriptions, and includes, but is not limited to, birth control pills and diaphragms. The coverage provided shall include prescriptions for dispensing contraceptives for:
- a. a three-month period for the first dispensing of the contraceptive; and
- b. a **[**six-month**]** <u>12-month</u> period for any subsequent dispensing of the same contraceptive, regardless of whether coverage under the contract was in effect at the time of the first dispensing, except that an entity subject to this section may provide coverage for a supply of contraceptives that is for less than a **[**six-month**]** <u>12-month</u> period, if a **[**six-month**]** <u>12-month</u> period would extend beyond the term of the contract.

A religious employer may request, and a health maintenance organization shall grant, an exclusion under the contract for the health care services required by this section if the required health care services conflict with the religious employer's bona fide religious beliefs and practices. A religious employer that obtains

such an exclusion shall provide written notice thereof to prospective enrollees and enrollees. The provisions of this section shall not be construed as authorizing a health maintenance organization to exclude health care services for prescription drugs that are prescribed for reasons other than contraceptive purposes or for prescription female contraceptives that are necessary to preserve the life or health of an enrollee. For the purposes of this section, "religious employer" means an employer that is a church, convention or association of churches or an elementary or secondary school that is controlled, operated or principally supported by a church or by a convention or association of churches as defined in 26 U.S.C.s.3121(w)(3)(A), and that qualifies as a taxexempt organization under 26 U.S.C.s.501(c)(3).

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

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

(cf: P.L.2017, c.241, s.6)

- 7. Section 7 of P.L.2005, c.251 (C.17B:27A-7.12) is amended to read as follows:
- 7. An individual health benefits plan required pursuant to section 3 of P.L.1992, c.161 (C.17B:27A-4) that provides benefits for expenses incurred in the purchase of outpatient prescription drugs shall provide coverage for expenses incurred in the purchase of prescription female contraceptives. For the purposes of this section, "prescription female contraceptives" means any drug or device used for contraception by a female, which is approved by the federal Food and Drug Administration for that purpose, that can only be purchased in this State with a prescription written by a health care professional licensed or authorized to write prescriptions, and includes, but is not limited to, birth control pills and diaphragms. The coverage provided shall include prescriptions for dispensing contraceptives for:
- a. a three-month period for the first dispensing of the contraceptive; and
- b. a **[**six-month**]** <u>12-month</u> period for any subsequent dispensing of the same contraceptive, regardless of whether coverage under the plan was in effect at the time of the first dispensing, except that an entity subject to this section may provide coverage for a supply of contraceptives that is for less than a **[**six-month**]** <u>12-month</u> period, if a **[**six-month**]** <u>12-month</u> period would extend beyond the term of the contract.

A religious employer may request, and a carrier shall grant, an exclusion under the health benefits plan for the coverage required by this section if the required coverage conflicts with the religious

employer's bona fide religious beliefs and practices. A religious employer that obtains such an exclusion shall provide written notice thereof to prospective covered persons and covered persons. The provisions of this section shall not be construed as authorizing a carrier to exclude coverage for prescription drugs that are prescribed for reasons other than contraceptive purposes or for prescription female contraceptives that are necessary to preserve the life or health of a covered person. For the purposes of this section, "religious employer" means an employer that is a church, convention or association of churches or an elementary or secondary school that is controlled, operated or principally supported by a church or by a convention or association of churches as defined in 26 U.S.C.s.3121(w)(3)(A), and that qualifies as a taxexempt organization under 26 U.S.C.s.501(c)(3).

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

This section shall apply to all individual health benefits plans in which the carrier has reserved the right to change the premium.

(cf: P.L.2017, c.241, s.7)

- 8. Section 8 of P.L.2005, c.251 (C.17B:27A-19.15) is amended to read as follows:
- 8. A small employer health benefits plan required pursuant to section 3 of P.L.1992, c.162 (C.17B:27A-19) that provides benefits for expenses incurred in the purchase of outpatient prescription drugs shall provide coverage for expenses incurred in the purchase of prescription female contraceptives. For the purposes of this section, "prescription female contraceptives" means any drug or device used for contraception by a female, which is approved by the federal Food and Drug Administration for that purpose, that can only be purchased in this State with a prescription written by a health care professional licensed or authorized to write prescriptions, and includes, but is not limited to, birth control pills and diaphragms. The coverage provided shall include prescriptions for dispensing contraceptives for:
- a. a three-month period for the first dispensing of the contraceptive; and
- b. a **[**six-month**]** <u>12-month</u> period for any subsequent dispensing of the same contraceptive, regardless of whether coverage under the plan was in effect at the time of the first dispensing, except that an entity subject to this section may provide coverage for a supply of contraceptives that is for less than a **[**six-month**]** <u>12-month</u> period, if a **[**six-month**]** <u>12-month</u> period would extend beyond the term of the contract.

A religious employer may request, and a carrier shall grant, an exclusion under the health benefits plan for the coverage required by this section if the required coverage conflicts with the religious employer's bona fide religious beliefs and practices. A religious

1 employer that obtains such an exclusion shall provide written notice 2 thereof to prospective covered persons and covered persons. The 3 provisions of this section shall not be construed as authorizing a 4 carrier to exclude coverage for prescription drugs that are 5 prescribed for reasons other than contraceptive purposes or for 6 prescription female contraceptives that are necessary to preserve the 7 life or health of a covered person. For the purposes of this section, 8 "religious employer" means an employer that is a church, 9 convention or association of churches or an elementary or 10 secondary school that is controlled, operated or principally 11 supported by a church or by a convention or association of churches 12 as defined in 26 U.S.C.s.3121(w)(3)(A), and that qualifies as a taxexempt organization under 26 U.S.C.s.501(c)(3). 13

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

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

(cf: P.L.2017, c.241, s.8)

192021

41

42 43

44

45

46

47

14

15

16

17

18

- 9. Section 9 of P.L.2005, c.251 (C.17:48F-13.2) is amended to read as follows:
- 22 23 9. A prepaid prescription service organization that provides 24 benefits for expenses incurred in the purchase of outpatient 25 prescription drugs under a contract shall provide coverage under 26 every such contract delivered, issued, executed or renewed in this 27 State or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance, on or after the effective 28 29 date of this act, for expenses incurred in the purchase of 30 prescription female contraceptives. For the purposes of this section, 31 "prescription female contraceptives" means any drug or device used 32 for contraception by a female, which is approved by the federal 33 Food and Drug Administration for that purpose, that can only be 34 purchased in this State with a prescription written by a health care 35 professional licensed or authorized to write prescriptions, and 36 includes, but is not limited to, birth control pills and diaphragms. 37 The coverage provided shall include prescriptions for dispensing 38 contraceptives for:
- a. a three-month period for the first dispensing of the contraceptive; and
 - b. a **[**six-month**]** <u>12-month</u> period for any subsequent dispensing of the same contraceptive, regardless of whether coverage under the contract was in effect at the time of the first dispensing, except that an entity subject to this section may provide coverage for a supply of contraceptives that is for less than a **[**six-month**]** <u>12-month</u> period, if a **[**six-month**]** <u>12-month</u> period would extend beyond the term of the contract.

A4503 VAINIERI HUTTLE

11

1 A religious employer may request, and a prepaid prescription 2 service organization shall grant, an exclusion under the contract for 3 the coverage required by this section if the required coverage 4 conflicts with the religious employer's bona fide religious beliefs 5 and practices. A religious employer that obtains such an exclusion 6 shall provide written notice thereof to prospective enrollees and 7 enrollees. The provisions of this section shall not be construed as 8 authorizing a prepaid prescription service organization to exclude 9 coverage for prescription drugs that are prescribed for reasons other 10 contraceptive purposes or for prescription 11 contraceptives that are necessary to preserve the life or health of an 12 enrollee. For the purposes of this section, "religious employer" 13 means an employer that is a church, convention or association of 14 churches or an elementary or secondary school that is controlled, 15 operated or principally supported by a church or by a convention or 16 association of churches as defined in 26 U.S.C.s.3121(w)(3)(A), 17 and that qualifies as a tax-exempt organization under 26 18 U.S.C.s.501(c)(3).

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

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

(cf: P.L.2017, c.241, s.9)

2526

27

2829

30

31

3233

34

35

36

37

38 39

40

41

42

43

44

19

20

21

22

23

24

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

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

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

- a. a three-month period for the first dispensing of the contraceptive; and
- b. a **[**six-month**]** 12-month period for any subsequent dispensing of the same contraceptive, regardless of whether coverage under the contract was in effect at the time of the first dispensing, except that an entity subject to this section may provide

A4503 VAINIERI HUTTLE

coverage for a supply of contraceptives that is for less than a Isix-month 12-month period, if a [six-month] 12-month period would extend beyond the term of the contract. (cf: P.L.2017, c.241, s.10) 11. This act shall take effect on the 90th day next following enactment and shall apply to policies and contracts delivered, issued, executed or renewed on or after the effective date of this act. **STATEMENT** This bill amends P.L.2005, c.251, the statute requiring health insurers that provide coverage for outpatient prescription drugs to prescription female contraceptives, to increase the requirement for coverage of dispensing contraceptives from up to six months to up to 12 months. Current law, pursuant to P.L.2017, c.241, requires health insurers that provide coverage for outpatient prescription drugs to cover dispensing of prescription female contraceptives for up to six months. This bill would increase that requirement to 12 months.

Under the bill, the coverage provided shall include prescriptions for dispensing contraceptives for: (1) a three-month period for the first dispensing of the contraceptive; and (2) a 12-month period for any subsequent dispensing of the same contraceptive, regardless of whether coverage under that policy or contract was in effect at the time of the first dispensing.

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