

[First Reprint]

ASSEMBLY, No. 5501

STATE OF NEW JERSEY
218th LEGISLATURE

INTRODUCED JUNE 6, 2019

Sponsored by:

Assemblyman JOHN F. MCKEON

District 27 (Essex and Morris)

Assemblywoman VALERIE VAINIERI HUTTLE

District 37 (Bergen)

Assemblywoman SHANIQUE SPEIGHT

District 29 (Essex)

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District 35 (Bergen and Passaic)

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District 37 (Bergen)

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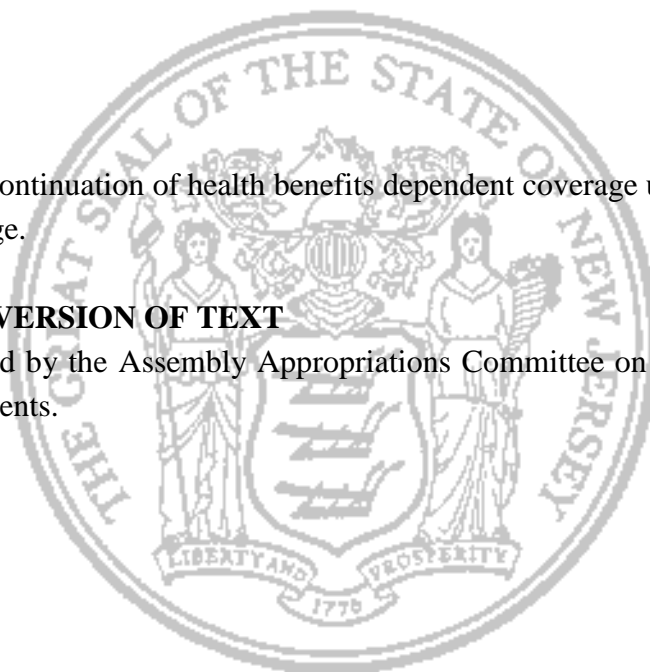
Assemblywoman Pinkin, Assemblymen Caputo, Holley, Assemblywomen Lampitt, Timberlake, Jasey, McKnight, Senators Lagana, Diegnan, Gill and Greenstein

SYNOPSIS

Requires continuation of health benefits dependent coverage until child turns 26 years of age.

CURRENT VERSION OF TEXT

As reported by the Assembly Appropriations Committee on June 13, 2019, with amendments.



(Sponsorship Updated As Of: 1/14/2020)

1 AN ACT concerning enrollment of adult children for health
2 insurance coverage and amending P.L.1995, c.288.

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.1995, c.288 (C.17:48-6.15) is amended to
8 read as follows:

9 1. a. A hospital service corporation contract which provides
10 hospital or medical expense benefits under which dependent
11 coverage is available shall continue to make that coverage available
12 for an adult child until the child turns 26 years of age. A contract
13 shall not deny coverage for a subscriber's child on the grounds that:

14 (1) The child was born out of wedlock;

15 (2) The child is not claimed as a dependent on the subscriber's
16 federal tax return; **[or]**

17 (3) The child does not reside with the subscriber or in the
18 hospital service corporation's service area, provided that, in the case
19 of a managed care plan, the child complies with the terms and
20 conditions of the contract with respect to the use of specified
21 providers;

22 (4) The child is married;

23 (5) The child has or adopts a child; or

24 (6) The child starts or leaves school.

25 b. If a child has coverage through a hospital service corporation
26 contract of a noncustodial parent, the hospital service corporation
27 shall:

28 (1) Provide such information to the custodial parent as may be
29 necessary for the child to obtain benefits through the child's
30 noncustodial parent's coverage;

31 (2) Permit the custodial parent, or the health care provider with
32 the authorization of the custodial parent, to submit claims for
33 covered services without the approval of the noncustodial parent;
34 and

35 (3) Make payments on claims submitted in accordance with
36 paragraph (2) of this subsection directly to the custodial parent, the
37 health care provider or the Division of Medical Assistance and
38 Health Services in the Department of Human Services which
39 administers the State Medicaid program, as appropriate.

40 c. When a parent who is the subscriber is eligible for
41 dependent coverage and is required by a court or administrative
42 order to provide health insurance coverage for his child, the hospital
43 service corporation shall:

44 (1) Permit the parent to enroll his child as a dependent, without
45 regard to any ¹open¹ enrollment ¹**[season]**¹ restrictions;

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly AAP committee amendments adopted June 13, 2019.

1 (2) Permit the child's other parent, or the Division of Medical
2 Assistance and Health Services as the State Medicaid agency or the
3 Division of Family Development as the State IV-D agency, in the
4 Department of Human Services, to enroll the child under the
5 contract if the parent who is the subscriber fails to enroll the child;
6 and

7 (3) Not terminate coverage of the child unless the parent who is
8 the subscriber provides the hospital service corporation with
9 satisfactory written evidence that: the court or administrative order
10 is no longer in effect; or the child is or will be enrolled in a
11 comparable health benefits plan whose coverage will be effective
12 on the date of the termination of coverage.

13 (cf: P.L.1995, c.288, s.1)

14

15 2. Section 3 of P.L.1995, c.288 (C.17:48A-7.10) is amended to
16 read as follows:

17 3. a. A medical service corporation contract which provides
18 hospital or medical expense benefits under which dependent
19 coverage is available shall continue to make that coverage available
20 for an adult child until the child turns 26 years of age. A contract
21 shall not deny coverage for a subscriber's child on the grounds that:

22 (1) The child was born out of wedlock;

23 (2) The child is not claimed as a dependent on the subscriber's
24 federal tax return; **[or]**

25 (3) The child does not reside with the subscriber or in the
26 medical service corporation's service area, provided that, in the case
27 of a managed care plan, the child complies with the terms and
28 conditions of the contract with respect to the use of specified
29 providers;

30 (4) The child is married;

31 (5) The child has or adopts a child; or

32 (6) The child starts or leaves school.

33 b. If a child has coverage through a medical service corporation
34 contract of a noncustodial parent, the medical service corporation
35 shall:

36 (1) Provide such information to the custodial parent as may be
37 necessary for the child to obtain benefits through the child's
38 noncustodial parent's coverage;

39 (2) Permit the custodial parent, or the health care provider with
40 the authorization of the custodial parent, to submit claims for
41 covered services without the approval of the noncustodial parent;
42 and

43 (3) Make payments on claims submitted in accordance with
44 paragraph (2) of this subsection directly to the custodial parent, the
45 health care provider or the Division of Medical Assistance and
46 Health Services in the Department of Human Services which
47 administers the State Medicaid program, as appropriate.

1 c. When a parent who is the subscriber is eligible for
2 dependent coverage and is required by a court or administrative
3 order to provide health insurance coverage for his child, the medical
4 service corporation shall:

5 (1) Permit the parent to enroll his child as a dependent, without
6 regard to any ¹open¹ enrollment ¹**【season】**¹ restrictions;

7 (2) Permit the child's other parent, or the Division of Medical
8 Assistance and Health Services as the State Medicaid agency or the
9 Division of Family Development as the State IV-D agency, in the
10 Department of Human Services, to enroll the child under the
11 contract if the parent who is the subscriber fails to enroll the child;
12 and

13 (3) Not terminate coverage of the child unless the parent who is
14 the subscriber provides the medical service corporation with
15 satisfactory written evidence that: the court or administrative order
16 is no longer in effect; or the child is or will be enrolled in a
17 comparable health benefits plan whose coverage will be effective
18 on the date of the termination of coverage.

19 (cf: P.L.1995, c.288, s.3)

20

21 3. Section 5 of P.L.1995, c.288 (C.17:48E-32.1) is amended to
22 read as follows:

23 5. a. A health service corporation contract which provides
24 hospital or medical expense benefits under which dependent
25 coverage is available shall continue to make that coverage available
26 for an adult child until the child turns 26 years of age. A contract
27 shall not deny coverage for a subscriber's child on the grounds that:

28 (1) The child was born out of wedlock;

29 (2) The child is not claimed as a dependent on the subscriber's
30 federal tax return; **【or】**

31 (3) The child does not reside with the subscriber or in the health
32 service corporation's service area, provided that, in the case of a
33 managed care plan, the child complies with the terms and
34 conditions of the contract with respect to the use of specified
35 providers;

36 (4) The child is married;

37 (5) The child has or adopts a child; or

38 (6) The child starts or leaves school.

39 b. If a child has coverage through a health service corporation
40 contract of a noncustodial parent, the health service corporation
41 shall:

42 (1) Provide such information to the custodial parent as may be
43 necessary for the child to obtain benefits through the child's
44 noncustodial parent's coverage;

45 (2) Permit the custodial parent, or the health care provider with
46 the authorization of the custodial parent, to submit claims for
47 covered services without the approval of the noncustodial parent;
48 and

1 (3) Make payments on claims submitted in accordance with
2 paragraph (2) of this subsection directly to the custodial parent, the
3 health care provider or the Division of Medical Assistance and
4 Health Services in the Department of Human Services which
5 administers the State Medicaid program, as appropriate.

6 c. When a parent who is the subscriber is eligible for
7 dependent coverage and is required by a court or administrative
8 order to provide health insurance coverage for his child, the health
9 service corporation shall:

10 (1) Permit the parent to enroll his child as a dependent, without
11 regard to any 'open' enrollment **'[season]'** restrictions;

12 (2) Permit the child's other parent, or the Division of Medical
13 Assistance and Health Services as the State Medicaid agency or the
14 Division of Family Development as the State IV-D agency, in the
15 Department of Human Services, to enroll the child under the
16 contract if the parent who is the subscriber fails to enroll the child;
17 and

18 (3) Not terminate coverage of the child unless the parent who is
19 the subscriber provides the health service corporation with
20 satisfactory written evidence that: the court or administrative order
21 is no longer in effect; or the child is or will be enrolled in a
22 comparable health benefits plan whose coverage will be effective
23 on the date of the termination of coverage.

24 (cf: P.L.1995, c.288, s.5)

25
26 4. Section 11 of P.L.1995, c.288 (C.17B:27-30.1) is amended
27 to read as follows:

28 11. a. A policy which provides hospital or medical expense
29 benefits under which dependent coverage is available shall continue
30 to make that coverage available for an adult child until the child
31 turns 26 years of age. A policy shall not deny coverage for an
32 insured's child on the grounds that:

33 (1) The child was born out of wedlock;

34 (2) The child is not claimed as a dependent on the insured's
35 federal tax return; **[or]**

36 (3) The child does not reside with the insured or in the insurer's
37 service area, provided that, in the case of a managed care plan, the
38 child complies with the terms and conditions of the policy with
39 respect to the use of specified providers;

40 (4) The child is married;

41 (5) The child has or adopts a child; or

42 (6) The child starts or leaves school.

43 b. If a child has coverage through a health insurance policy of a
44 noncustodial parent, the insurer shall:

45 (1) Provide such information to the custodial parent as may be
46 necessary for the child to obtain benefits through the child's
47 noncustodial parent's coverage;

1 (2) Permit the custodial parent, or the health care provider with
2 the authorization of the custodial parent, to submit claims for
3 covered services without the approval of the noncustodial parent;
4 and

5 (3) Make payments on claims submitted in accordance with
6 paragraph (2) of this subsection directly to the custodial parent, the
7 health care provider or the Division of Medical Assistance and
8 Health Services in the Department of Human Services which
9 administers the State Medicaid program, as appropriate.

10 c. When a parent who is the insured is eligible for dependent
11 coverage and is required by a court or administrative order to
12 provide health insurance coverage for his child, the insurer shall:

13 (1) Permit the parent to enroll his child as a dependent, without
14 regard to any ¹open¹ enrollment ¹**[season]**¹ restrictions;

15 (2) Permit the child's other parent, or the Division of Medical
16 Assistance and Health Services as the State Medicaid agency or the
17 Division of Family Development as the State IV-D agency, in the
18 Department of Human Services, to enroll the child under the health
19 insurance policy if the parent who is the insured fails to enroll the
20 child; and

21 (3) Not terminate coverage of the child unless the parent who is
22 the insured provides the insurer with satisfactory written evidence
23 that: the court or administrative order is no longer in effect; or the
24 child is or will be enrolled in a comparable health benefits plan
25 whose coverage will be effective on the date of the termination of
26 coverage.

27 (cf: P.L.1995, c.288, s.11)

28

29 5. Section 15 of P.L.1995, c.288 (C.17B:27-30.3) is amended
30 to read as follows:

31 15. a. A group health plan as defined in section 607(1) of the
32 "Employee Retirement Income Security Act of 1974," 29
33 U.S.C.1167(1) which provides hospital or medical expense benefits
34 under which dependent coverage is available shall continue to make
35 that coverage available for an adult child until the child turns 26
36 years of age. A plan shall not deny coverage for a covered
37 employee's child on the grounds that:

38 (1) The child was born out of wedlock;

39 (2) The child is not claimed as a dependent on the covered
40 employee's federal tax return; **[or]**

41 (3) The child does not reside with the covered employee or in
42 the group health plan's service area, provided that, in the case of a
43 managed care plan, the child complies with the terms and
44 conditions of the plan with respect to the use of specified providers;

45 (4) The child is married;

46 (5) The child has or adopts a child; or

47 (6) The child starts or leaves school.

1 b. If a child has coverage through a group health plan of a
2 noncustodial parent, the plan shall:

3 (1) Provide such information to the custodial parent as may be
4 necessary for the child to obtain benefits through the child's
5 noncustodial parent's coverage;

6 (2) Permit the custodial parent, or the health care provider with
7 the authorization of the custodial parent, to submit claims for
8 covered services without the approval of the noncustodial parent;
9 and

10 (3) Make payments on claims submitted in accordance with
11 paragraph (2) of this subsection directly to the custodial parent, the
12 health care provider or the Division of Medical Assistance and
13 Health Services in the Department of Human Services which
14 administers the State Medicaid program, as appropriate.

15 c. When a parent who is the covered employee is eligible for
16 dependent coverage and is required by a court or administrative
17 order to provide health insurance coverage for his child, the group
18 health plan shall:

19 (1) Permit the parent to enroll his child as a dependent, without
20 regard to any 'open' enrollment '**【season】**' restrictions;

21 (2) Permit the child's other parent, or the Division of Medical
22 Assistance and Health Services as the State Medicaid agency or the
23 Division of Family Development as the State IV-D agency, in the
24 Department of Human Services, to enroll the child under the group
25 health plan if the parent who is the covered employee fails to enroll
26 the child; and

27 (3) Not terminate coverage of the child unless the parent who is
28 the covered employee provides the group health plan with
29 satisfactory written evidence that: the court or administrative order
30 is no longer in effect; or the child is or will be enrolled in a
31 comparable health benefits plan whose coverage will be effective
32 on the date of the termination of coverage.

33 (cf: P.L.1995, c.288, s.15)

34

35 6. Section 7 of P.L.1995, c.288 (C.17B:27A-4.1) is amended to
36 read as follows:

37 7. a. A policy or contract which provides hospital or medical
38 expense benefits under which dependent coverage is available shall
39 continue to make that coverage available for an adult child until the
40 child turns 26 years of age. A policy or contract shall not deny
41 coverage for a policy or contract holder's child on the grounds that:

42 (1) The child was born out of wedlock;

43 (2) The child is not claimed as a dependent on the policy or
44 contract holder's federal tax return; **【or】**

45 (3) The child does not reside with the policy or contract holder
46 or in the carrier's service area, provided that, in the case of a
47 managed care plan, the child complies with the terms and

1 conditions of the policy or contract with respect to the use of
2 specified providers;

3 (4) The child is married;

4 (5) The child has or adopts a child; or

5 (6) The child starts or leaves school.

6 b. If a child has coverage through a policy or contract of a
7 noncustodial parent, the carrier shall:

8 (1) Provide such information to the custodial parent as may be
9 necessary for the child to obtain benefits through the child's
10 noncustodial parent's coverage;

11 (2) Permit the custodial parent, or the health care provider with
12 the authorization of the custodial parent, to submit claims for
13 covered services without the approval of the noncustodial parent;
14 and

15 (3) Make payments on claims submitted in accordance with
16 paragraph (2) of this subsection directly to the custodial parent, the
17 health care provider or the Division of Medical Assistance and
18 Health Services in the Department of Human Services which
19 administers the State Medicaid program, as appropriate.

20 c. When a parent who is the policy or contract holder is eligible
21 for dependent coverage and is required by a court or administrative
22 order to provide health insurance coverage for his child, the carrier
23 shall:

24 (1) Permit the parent to enroll his child as a dependent, without
25 regard to any ¹open¹ enrollment ¹**【season】**¹ restrictions;

26 (2) Permit the child's other parent, or the Division of Medical
27 Assistance and Health Services as the State Medicaid agency or the
28 Division of Family Development as the State IV-D agency, in the
29 Department of Human Services, to enroll the child under the policy
30 or contract if the parent who is the policy or contract holder fails to
31 enroll the child; and

32 (3) Not terminate coverage of the child unless the parent who is
33 the policy or contract holder provides the carrier with satisfactory
34 written evidence that: the court or administrative order is no longer
35 in effect; or the child is or will be enrolled in a comparable health
36 benefits plan whose coverage will be effective on the date of the
37 termination of coverage.

38 (cf: P.L.1995, c.288, s.7)

39

40 7. Section 9 of P.L.1995, c.288 (C.17B:27A-18.1) is amended
41 to read as follows:

42 9. a. A policy or contract which provides hospital or medical
43 expense benefits under which dependent coverage is available shall
44 continue to make that coverage available for an adult child until the
45 child turns 26 years of age. A policy or contract shall not deny
46 coverage for a covered employee's child on the grounds that:

47 (1) The child was born out of wedlock;

1 (2) The child is not claimed as a dependent on the covered
2 employee's federal tax return; **[or]**

3 (3) The child does not reside with the covered employee or in
4 the carrier's service area, provided that, in the case of a managed
5 care plan, the child complies with the terms and conditions of the
6 policy or contract with respect to the use of specified providers;

7 (4) The child is married;

8 (5) The child has or adopts a child; or

9 (6) The child starts or leaves school.

10 b. If a child has coverage through a policy or contract of a
11 noncustodial parent, the carrier shall:

12 (1) Provide such information to the custodial parent as may be
13 necessary for the child to obtain benefits through the child's
14 noncustodial parent's coverage;

15 (2) Permit the custodial parent, or the health care provider with
16 the authorization of the custodial parent, to submit claims for
17 covered services without the approval of the noncustodial parent;
18 and

19 (3) Make payments on claims submitted in accordance with
20 paragraph (2) of this subsection directly to the custodial parent, the
21 health care provider or the Division of Medical Assistance and
22 Health Services in the Department of Human Services which
23 administers the State Medicaid program, as appropriate.

24 c. When a parent who is the covered employee is eligible for
25 dependent coverage and is required by a court or administrative
26 order to provide health insurance coverage for his child, the carrier
27 shall:

28 (1) Permit the parent to enroll his child as a dependent, without
29 regard to any ¹open¹ enrollment ¹**[season]**¹ restrictions;

30 (2) Permit the child's other parent, or the Division of Medical
31 Assistance and Health Services as the State Medicaid agency or the
32 Division of Family Development as the State IV-D agency, in the
33 Department of Human Services, to enroll the child under the policy
34 or contract if the parent who is the covered employee fails to enroll
35 the child; and

36 (3) Not terminate coverage of the child unless the parent who is
37 the covered employee provides the carrier with satisfactory written
38 evidence that: the court or administrative order is no longer in
39 effect; or the child is or will be enrolled in a comparable health
40 benefits plan whose coverage will be effective on the date of the
41 termination of coverage.

42 (cf: P.L.1995, c.288, s.9)

43

44 8. Section 13 of P.L.1995, c.288 (C.26:2J-10.1) is amended to
45 read as follows:

46 13. a. A health maintenance organization contract or certificate
47 in which dependent coverage is available shall continue to make
48 that coverage available for an adult child until the child turns 26

- 1 years of age. A contract or certificate shall not deny coverage for
2 an enrollee's child for health care services on the grounds that:
- 3 (1) The child was born out of wedlock;
4 (2) The child is not claimed as a dependent on the enrollee's
5 federal tax return; **[or]**
6 (3) The child does not reside with the enrollee or in the health
7 maintenance organization's service area, provided that the child
8 complies with the terms and conditions of the coverage with respect
9 to the use of specified providers;
10 (4) The child is married;
11 (5) The child has or adopts a child; or
12 (6) The child starts or leaves school.
- 13 b. If a child has coverage through a health maintenance
14 organization plan of a noncustodial parent, the health maintenance
15 organization shall:
16 (1) Provide such information to the custodial parent as may be
17 necessary for the child to obtain health care services through the
18 child's noncustodial parent's coverage;
19 (2) Permit the custodial parent, or the health care provider with
20 the authorization of the custodial parent, to submit claims for health
21 care services without the approval of the noncustodial parent; and
22 (3) Make payments on claims submitted in accordance with
23 paragraph (2) of this subsection directly to the custodial parent, the
24 health care provider or the Division of Medical Assistance and
25 Health Services in the Department of Human Services which
26 administers the State Medicaid program, as appropriate.
- 27 c. When a parent who is the enrollee is eligible for dependent
28 coverage and is required by a court or administrative order to
29 provide health insurance coverage for his child, the health
30 maintenance organization shall:
31 (1) Permit the parent to enroll his child as a dependent, without
32 regard to any ¹open¹ enrollment ¹**[season]**¹ restrictions;
33 (2) Permit the child's other parent, or the Division of Medical
34 Assistance and Health Services as the State Medicaid agency or the
35 Division of Family Development as the State IV-D agency, in the
36 Department of Human Services, to enroll the child if the parent who
37 is the enrollee fails to enroll the child; and
38 (3) Not terminate coverage of the child unless the parent who is
39 the enrollee provides the health maintenance organization with
40 satisfactory written evidence that: the court or administrative order
41 is no longer in effect; or the child is or will be enrolled in a
42 comparable health benefits plan whose coverage will be effective
43 on the date of the termination of coverage.
44 (cf: P.L.1995, c.288, s.13)
45
46 9. This act shall take effect on the 90th day after enactment.