SENATE, No. 562

STATE OF NEW JERSEY

218th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2018 SESSION

Sponsored by:
Senator NIA H. GILL
District 34 (Essex and Passaic)
Senator TROY SINGLETON
District 7 (Burlington)

SYNOPSIS
Preserves requirement that health insurance plans cover essential health benefits.

CURRENT VERSION OF TEXT
Introduced Pending Technical Review by Legislative Counsel.

(Sponsorship Updated As Of: 1/17/2018)
AN ACT concerning health insurance benefits and supplementing various parts of the statutory law.

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

1. A hospital service corporation that provides hospital or medical expense benefits 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, that at least meets the essential health benefits requirements contained in section 1302 of the Patient Protection and Affordable Care Act, Pub. L. 111–148 (42 U.S.C. s.18022), as those benefits were defined for New Jersey on January 1, 2017.

2. A medical service corporation that provides hospital or medical expense benefits 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, that at least meets the essential health benefits requirements contained in section 1302 of the Patient Protection and Affordable Care Act, Pub. L. 111–148 (42 U.S.C. s.18022), as those benefits were defined for New Jersey on January 1, 2017.

3. A health service corporation that provides hospital or medical expense benefits 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, that at least meets the essential health benefits requirements contained in section 1302 of the Patient Protection and Affordable Care Act, Pub. L. 111–148 (42 U.S.C. s.18022), as those benefits were defined for New Jersey on January 1, 2017.

4. An individual health insurer that provides hospital or medical expense benefits 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, that at least meets the essential health benefits requirements contained in section 1302 of the Patient Protection and Affordable Care Act, Pub. L. 111–148 (42 U.S.C. s.18022), as those benefits were defined for New Jersey on January 1, 2017.

5. A group health insurer that provides hospital or medical expense benefits 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, that at least meets the essential health benefits requirements contained in section 1302 of the Patient Protection and Affordable Care Act, Pub. L. 111–148 (42 U.S.C. s.18022), as those benefits were defined for New Jersey on January 1, 2017.

6. An individual health benefits plan that provides hospital or medical expense benefits shall provide coverage under every such plan 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, that at least meets the essential health benefits requirements contained in section 1302 of the Patient Protection and Affordable Care Act, Pub. L. 111–148 (42 U.S.C. s.18022), as those benefits were defined for New Jersey on January 1, 2017.

7. A small employer health benefits plan that provides hospital or medical expense benefits shall provide coverage under every such plan 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, that at least meets the essential health benefits requirements contained in section 1302 of the Patient Protection and Affordable Care Act, Pub. L. 111–148 (42 U.S.C. s.18022), as those benefits were defined for New Jersey on January 1, 2017.

8. A health maintenance organization that provides hospital or medical expense benefits 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, that at least meets the essential health benefits requirements contained in section 1302 of the Patient Protection and Affordable Care Act, Pub. L. 111–148 (42 U.S.C. s.18022), as those benefits were defined for New Jersey on January 1, 2017.

9. This act shall take effect immediately.

STATEMENT

This bill requires health insurers to continue providing coverage that at least meets the essential health benefits requirements contained in the Patient Protection and Affordable Care Act, Pub. L. 111–148, as those benefits were defined for New Jersey on January 1, 2017.
The Affordable Care Act requires certain health plans to cover EHBs, which include items and services in the following 10 benefit categories:

1. Ambulatory patient services;
2. Emergency services;
3. Hospitalization;
4. Maternity and newborn care;
5. Mental health and substance use disorder services including behavioral health treatment;
6. Prescription drugs;
7. Rehabilitative and habilitative services and devices;
8. Laboratory services;
9. Preventive and wellness services and chronic disease management; and
10. Pediatric services, including oral and vision care.

The federal government defines EHB based on state-specific EHB benchmark plans, which in 2017 in New Jersey is a plan offered by Horizon Healthcare Services in the small group market, called the Advantage EPO Silver 100/50.

In light of federal efforts to repeal and replace the Affordable Care Act, including repeal of the essential health benefits requirements contained in that law, this bill is intended to ensure that New Jersey continues to require that certain plans sold in the State continue to contain coverage for essential health benefits.