

# ASSEMBLY, No. 263

## STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblyman BATEMAN

1   **AN ACT** requiring health insurance benefits for aesthetic rehabilitation  
2   services.

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

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7   1. No hospital service corporation contract providing hospital or  
8   medical expense benefits to groups with more than 49 persons shall be  
9   delivered, issued, executed or renewed in this State, or approved for  
10   issuance or renewal in this State by the Commissioner of Insurance on  
11   or after the effective date of this act, unless the contract provides  
12   benefits to any person covered thereunder for expenses incurred in  
13   providing aesthetic rehabilitation services. These benefits shall be  
14   provided to the same extent as for any other medical condition for  
15   which reconstructive surgery is covered under the contract and for  
16   which a referral has been given by a physician or psychologist.

17   This section shall apply to all hospital service corporation contracts  
18   in which the hospital service corporation has reserved the right to  
19   change the premium.

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21   2. No medical service corporation contract providing hospital or  
22   medical expense benefits to groups with more than 49 persons shall be  
23   delivered, issued, executed or renewed in this State, or approved for  
24   issuance or renewal in this State by the Commissioner of Insurance on  
25   or after the effective date of this act, unless the contract provides  
26   benefits to any person covered thereunder for expenses incurred in  
27   providing aesthetic rehabilitation services. These benefits shall be  
28   provided to the same extent as for any other medical condition for  
29   which reconstructive surgery is covered under the contract and for  
30   which a referral has been given by a physician or psychologist.

31   This section shall apply to all medical service corporation contracts  
32   in which the medical service corporation has reserved the right to  
33   change the premium.

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35   3. No health service corporation contract providing hospital or

1 medical expense benefits to groups with more than 49 persons shall be  
2 delivered, issued, executed or renewed in this State, or approved for  
3 issuance or renewal in this State by the Commissioner of Insurance on  
4 or after the effective date of this act, unless the contract provides  
5 benefits to any person covered thereunder for expenses incurred in  
6 providing aesthetic rehabilitation services. These benefits shall be  
7 provided to the same extent as for any other medical condition for  
8 which reconstructive surgery is covered under the contract and for  
9 which a referral has been given by a physician or psychologist.

10 This section shall apply to all health service corporation contracts  
11 in which the health service corporation has reserved the right to  
12 change the premium.

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14 4. No individual health insurance policy or contract providing  
15 hospital or medical expense benefits shall be delivered, issued,  
16 executed or renewed in this State, or approved for issuance or renewal  
17 in this State by the board on or after the effective date of this act,  
18 unless the policy or contract provides benefits to any person covered  
19 thereunder for expenses incurred in providing aesthetic rehabilitation  
20 services. These benefits shall be provided to the same extent as for  
21 any other medical condition for which reconstructive surgery is  
22 covered under the policy or contract and for which a referral has been  
23 given by a physician or psychologist.

24 This section shall apply to all individual health insurance policies or  
25 contracts in which the insurer has reserved the right to change the  
26 premium.

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28 5. No small employer health insurance policy or contract providing  
29 hospital or medical expense benefits shall be delivered, issued,  
30 executed or renewed in this State, or approved for issuance or renewal  
31 in this State by the board on or after the effective date of this act,  
32 unless the policy or contract provides benefits to any person covered  
33 thereunder for expenses incurred in providing aesthetic rehabilitation  
34 services. These benefits shall be provided to the same extent as for  
35 any other medical condition for which reconstructive surgery is  
36 covered under the policy or contract and for which a referral has been  
37 given by a physician or psychologist.

38 This section shall apply to all small employer health insurance  
39 policies or contracts in which the insurer has reserved the right to  
40 change the premium.

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42 6. No group health insurance policy providing hospital or medical  
43 expense benefits to groups with more than 49 persons shall be  
44 delivered, issued, executed or renewed in this State, or approved for  
45 issuance or renewal in this State by the Commissioner of Insurance on  
46 or after the effective date of this act, unless the policy provides

1 benefits to any person covered thereunder for expenses incurred in  
2 providing aesthetic rehabilitation services. These benefits shall be  
3 provided to the same extent as for any other medical condition for  
4 which reconstructive surgery is covered under the policy and for which  
5 a referral has been given by a physician or psychologist.

6 This section shall apply to all group health insurance policies in  
7 which the insurer has reserved the right to change the premium.

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9 7. Notwithstanding any provision of law to the contrary, a  
10 certificate of authority to establish and operate a health maintenance  
11 organization in this State shall not be issued or continued by the  
12 Commissioner of Health on or after the effective date of this act unless  
13 the health maintenance organization provides health care services to  
14 any enrollee in a group with more than 49 persons for aesthetic  
15 rehabilitation services. These health care services shall be provided by  
16 a health maintenance organization to the same extent as for any other  
17 medical condition for which reconstructive surgery is covered and for  
18 which a referral has been given by a physician or psychologist.

19 This section shall apply to all health maintenance organizations in  
20 which the right to change the enrollee charge has been reserved.

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22 8. This act shall take effect on the 90th day after enactment.

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#### 24 STATEMENT

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26 This bill requires hospital service corporations, medical service  
27 corporations, health service corporations (Blue Cross/Blue Shield of  
28 New Jersey, Inc.), commercial individual, small employer and larger  
29 group insurers and health maintenance organizations to provide  
30 benefits for aesthetic rehabilitation services. These benefits would be  
31 provided to the same extent as for any other medical condition for  
32 which reconstructive surgery is covered under the contract or policy  
33 and for which a referral has been given by a physician or psychologist.

34 Aesthetic rehabilitation is a growing field of extended care for  
35 trauma patients, accident victims, persons with hair loss resulting from  
36 medical disorders such as alopecia areata and persons with  
37 pigmentation deformities and congenital markings such as vitiligo and  
38 port wine stains, to normalize deformities either in place of, or until,  
39 surgical intervention. Aesthetic rehabilitation addresses both the  
40 physical appearance of the deformity and the psychological needs of  
41 the patient to enable patients to resume a normal lifestyle.

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45 Requires health insurers and HMOs to pay for aesthetic rehabilitation  
46 services.