

[First Reprint]
SENATE, No. 1360

STATE OF NEW JERSEY

INTRODUCED JUNE 20, 1996

By Senators INVERSO and MATHEUSSEN

1 AN ACT concerning preauthorization for and notification to covered
2 persons of certain maternity benefits and amending P.L.1995,
3 c.138.

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

7
8 1. Section 1 of P.L.1995, c.138 (C.17:48-6l) is amended to read
9 as follows:

10 1. a. Every individual or group contract that provides maternity
11 benefits and is delivered, issued, executed or renewed in this State
12 pursuant to P.L.1938, c.366 (C.17:48-1 et seq.) or approved for
13 issuance or renewal in this State by the Commissioner of ¹Banking
14 and¹ Insurance on or after the effective date of this act shall provide
15 coverage for a minimum of 48 hours of in-patient care following a
16 vaginal delivery and a minimum of 96 hours of in-patient care
17 following a cesarean section for a mother and her newly born child in
18 a health care facility licensed pursuant to P.L.1971, c.136 (C.26:2H-1
19 et seq.). Upon receipt of notification that the woman will be or has
20 been admitted to an in-patient facility, the hospital service corporation
21 shall preauthorize in-patient care for the woman and her newly born
22 child for the 48-hour or 96-hour period, as applicable. ¹The
23 preauthorization requirement shall remain in effect until the provisions
24 of Pub.L.104-204, the "Newborns' and Mothers' Health Protection Act
25 of 1996," become operative.¹

26 The provisions of this section shall apply to all contracts in which
27 the hospital service corporation has reserved the right to change the
28 premium.

29 b. Notwithstanding the provisions of subsection a. of this section,
30 a hospital service corporation contract that provides coverage for
31 post-delivery care to a mother and her newly born child in the home

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate SHH committee amendments adopted November 7, 1996.

1 shall not be required to provide for a minimum of 48 hours and 96
2 hours, respectively, of in-patient care unless such in-patient care is
3 determined to be medically necessary by the attending physician or is
4 requested by the mother; except that, the requirement in subsection
5 a. of this section to preauthorize in-patient care for the full 48-hour or
6 96-hour period, as applicable, also shall apply to this subsection. For
7 the purposes of this section, attending physician shall include the
8 attending obstetrician, pediatrician or other physician attending the
9 mother or newly born child.

10 c. Every hospital service corporation shall provide notice to
11 policyholders regarding the coverage required by this section in
12 accordance with this subsection and regulations promulgated by the
13 Commissioner of Health ¹and Senior Services ¹pursuant to the
14 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
15 seq.). The notice shall be in writing and prominently positioned in any
16 literature or correspondence and shall be transmitted at the earliest of:
17 (1) the next mailing to the policyholder; (2) the yearly informational
18 packet sent to the policyholder; or (3) January 1, 1996. A hospital
19 service corporation also shall, upon receipt of information that a
20 covered person is pregnant, promptly notify that person of the
21 coverage required by this section.

22 (cf: P.L.1995, c.138, s.1)

23

24 2. Section 2 of P.L.1995, c.138 (C.17:48A-7k) is amended to read
25 as follows:

26 2. a. Every individual or group contract that provides maternity
27 benefits and is delivered, issued, executed or renewed in this State
28 pursuant to P.L.1940, c.74 (C.17:48A-1 et seq.) or approved for
29 issuance or renewal in this State by the Commissioner of ¹Banking
30 and¹ Insurance on or after the effective date of this act shall provide
31 coverage for a minimum of 48 hours of in-patient care following a
32 vaginal delivery and a minimum of 96 hours of in-patient care
33 following a cesarean section for a mother and her newly born child in
34 a health care facility licensed pursuant to P.L.1971, c.136 (C.26:2H-1
35 et seq.). Upon receipt of notification that the woman will be or has
36 been admitted to an in-patient facility, the medical service corporation
37 shall preauthorize in-patient care for the woman and her newly born
38 child for the full 48-hour or 96-hour period, as applicable. ¹The
39 preauthorization requirement shall remain in effect until the provisions
40 of Pub.L.104-204, the "Newborns' and Mothers' Health Protection Act
41 of 1996," become operative.¹

42 The provisions of this section shall apply to all contracts in which
43 the medical service corporation has reserved the right to change the
44 premium.

45 b. Notwithstanding the provisions of subsection a. of this section,
46 a medical service corporation contract that provides coverage for

1 post-delivery care to a mother and her newly born child in the home
2 shall not be required to provide for a minimum of 48 hours and 96
3 hours, respectively, of in-patient care unless such in-patient care is
4 determined to be medically necessary by the attending physician or is
5 requested by the mother; except that, the requirement in subsection
6 a. of this section to preauthorize in-patient care for the full 48-hour or
7 96-hour period, as applicable, also shall apply to this subsection. For
8 the purposes of this section, attending physician shall include the
9 attending obstetrician, pediatrician or other physician attending the
10 mother or newly born child.

11 c. Every medical service corporation shall provide notice to
12 policyholders regarding the coverage required by this section in
13 accordance with this subsection and regulations promulgated by the
14 Commissioner of Health ¹and Senior Services ¹ pursuant to the
15 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
16 seq.). The notice shall be in writing and prominently positioned in any
17 literature or correspondence and shall be transmitted at the earliest of:
18 (1) the next mailing to the policyholder; (2) the yearly informational
19 packet sent to the policyholder; or (3) January 1, 1996. A medical
20 service corporation also shall, upon receipt of information that a
21 covered person is pregnant, promptly notify that person of the
22 coverage required by this section.

23 (cf: P.L.1995, c.138, s.2)

24

25 3. Section 3 of P.L.1995, c.138 (C.17:48E-35.9) is amended to
26 read as follows:

27 3. a. Every individual or group contract that provides maternity
28 benefits and is delivered, issued, executed or renewed in this State
29 pursuant to P.L.1985, c.236 (C.17:48E-1 et seq.) or approved for
30 issuance or renewal in this State by the Commissioner of ¹Banking
31 and¹ Insurance on or after the effective date of this act shall provide
32 coverage for a minimum of 48 hours of in-patient care following a
33 vaginal delivery and a minimum of 96 hours of in-patient care
34 following a cesarean section for a mother and her newly born child in
35 a health care facility licensed pursuant to P.L.1971, c.136 (C.26:2H-1
36 et seq.). Upon receipt of notification that the woman will be or has
37 been admitted to an in-patient facility, the health service corporation
38 shall preauthorize in-patient care for the woman and her newly born
39 child for the full 48-hour or 96-hour period, as applicable. ¹The
40 preauthorization requirement shall remain in effect until the provisions
41 of Pub.L.104-204, the "Newborns' and Mothers' Health Protection Act
42 of 1996," become operative.¹

43 The provisions of this section shall apply to all contracts in which
44 the health service corporation has reserved the right to change the
45 premium.

46 b. Notwithstanding the provisions of subsection a. of this section,

1 a health service corporation contract that provides coverage for
2 post-delivery care to a mother and her newly born child in the home
3 shall not be required to provide for a minimum of 48 hours and 96
4 hours, respectively, of in-patient care unless such in-patient care is
5 determined to be medically necessary by the attending physician or is
6 requested by the mother; except that, the requirement in subsection
7 a. of this section to preauthorize in-patient care for the full 48-hour or
8 96-hour period, as applicable, also shall apply to this subsection. For
9 the purposes of this section, attending physician shall include the
10 attending obstetrician, pediatrician or other physician attending the
11 mother or newly born child.

12 c. Every health service corporation shall provide notice to
13 policyholders regarding the coverage required by this section in
14 accordance with this subsection and regulations promulgated by the
15 Commissioner of Health and Senior Services¹ pursuant to the
16 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
17 seq.). The notice shall be in writing and prominently positioned in any
18 literature or correspondence and shall be transmitted at the earliest of:
19 (1) the next mailing to the policyholder; (2) the yearly informational
20 packet sent to the policyholder; or (3) January 1, 1996. A health
21 service corporation also shall, upon receipt of information that a
22 covered person is pregnant, promptly notify that person of the
23 coverage required by this section.

24 (cf: P.L.1995, c.138, s.3)

25

26 4. Section 4 of P.L.1995, c.138 (C.17B:26-2.1k) is amended to
27 read as follows:

28 4. a. Every policy that provides maternity benefits and is delivered,
29 issued, executed or renewed in this State pursuant to N.J.S.17B:26-1
30 et seq., or approved for issuance or renewal in this State by the
31 Commissioner of Banking and¹ Insurance on or after the effective
32 date of this act shall provide coverage for a minimum of 48 hours of
33 in-patient care following a vaginal delivery and a minimum of 96 hours
34 of in-patient care following a cesarean section for a mother and her
35 newly born child in a health care facility licensed pursuant to P.L.1971,
36 c.136 (C.26:2H-1 et seq.). Upon receipt of notification that the
37 woman will be or has been admitted to an in-patient facility, the
38 insurer shall preauthorize in-patient care for the woman and her newly
39 born child for the full 48-hour or 96-hour period, as applicable. ¹The
40 preauthorization requirement shall remain in effect until the provisions
41 of Pub.L.104-204, the "Newborns' and Mothers' Health Protection Act
42 of 1996," become operative.¹

43 The provisions of this section shall apply to all policies in which the
44 insurer has reserved the right to change the premium.

45 b. Notwithstanding the provisions of subsection a. of this section,
46 a policy that provides coverage for post-delivery care to a mother and

1 her newly born child in the home shall not be required to provide for
2 a minimum of 48 hours and 96 hours, respectively, of in-patient care
3 unless such in-patient care is determined to be medically necessary by
4 the attending physician or is requested by the mother; except that, the
5 requirement in subsection a. of this section to preauthorize in-patient
6 care for the full 48-hour or 96-hour period, as applicable, also shall
7 apply to this subsection. For the purposes of this section, attending
8 physician shall include the attending obstetrician, pediatrician or other
9 physician attending the mother or newly born child.

10 c. Every insurer shall provide notice to policyholders regarding the
11 coverage required by this section in accordance with this subsection
12 and regulations promulgated by the Commissioner of Health ¹and
13 Senior Services¹ pursuant to the "Administrative Procedure Act,"
14 P.L.1968, c.410 (C.52:14B-1 et seq.). The notice shall be in writing
15 and prominently positioned in any literature or correspondence and
16 shall be transmitted at the earliest of: (1) the next mailing to the
17 policyholder; (2) the yearly informational packet sent to the
18 policyholder; or (3) January 1, 1996. An insurer also shall, upon
19 receipt of information that a covered person is pregnant, promptly
20 notify that person of the coverage required by this section.
21 (cf: P.L.1995, c.138, s.4)

22
23 5. Section 5 of P.L.1995, c.138 (C.17B:27A-7.1) is amended to
24 read as follows:

25 5. a. Every policy that provides maternity benefits and is delivered,
26 issued, executed or renewed in this State pursuant to P.L.1992, c.161
27 (C.17B:27A-2 et seq.) or approved for issuance or renewal in this
28 State ¹[by the Commissioner of Insurance]¹ on or after the effective
29 date of this act shall provide benefits for a minimum of 48 hours of
30 in-patient care following a vaginal delivery and a minimum of 96 hours
31 of in-patient care following a cesarean section for a mother and her
32 newly born child in a health care facility licensed pursuant to P.L.1971,
33 c.136 (C.26:2H-1 et seq.). Upon receipt of notification that the
34 woman will be or has been admitted to an in-patient facility, the
35 insurer shall preauthorize in-patient care for the woman and her newly
36 born child for the full 48-hour or 96-hour period, as applicable. ¹The
37 preauthorization requirement shall remain in effect until the provisions
38 of Pub.L.104-204, the "Newborns' and Mothers' Health Protection Act
39 of 1996," become operative.¹

40 The provisions of this section shall apply to all policies in which the
41 insurer has reserved the right to change the premium.

42 b. Notwithstanding the provisions of subsection a. of this section,
43 a policy that provides coverage for post-delivery care to a mother and
44 her newly born child in the home shall not be required to provide for
45 a minimum of 48 hours and 96 hours, respectively, of in-patient care
46 unless such in-patient care is determined to be medically necessary by

1 the attending physician or is requested by the mother; except that, the
2 requirement in subsection a. of this section to preauthorize in-patient
3 care for the full 48-hour or 96-hour period, as applicable, also shall
4 apply to this subsection. For the purposes of this section, attending
5 physician shall include the attending obstetrician, pediatrician or other
6 physician attending the mother or newly born child.

7 c. Every insurer shall provide notice to policyholders regarding the
8 coverage required by this section in accordance with this subsection
9 and regulations promulgated by the Commissioner of Health ¹and
10 Senior Services¹ pursuant to the "Administrative Procedure Act,"
11 P.L.1968, c.410 (C.52:14B-1 et seq.). The notice shall be in writing
12 and prominently positioned in any literature or correspondence and
13 shall be transmitted at the earliest of: (1) the next mailing to the
14 policyholder; (2) the yearly informational packet sent to the
15 policyholder; or (3) January 1, 1996. An insurer also shall, upon
16 receipt of information that a covered person is pregnant, promptly
17 notify that person of the coverage required by this section.
18 (cf: P.L.1995, c.138, s.5)

19

20 6. Section 6 of P.L.1995, c.138 (C.17B:27A-19.2) is amended to
21 read as follows:

22 6. a. Every policy that provides maternity benefits and is delivered,
23 issued, executed or renewed in this State pursuant to P.L.1992, c.162
24 (C.17B:27A-17 et seq.) or approved for issuance or renewal in this
25 State ¹[by the Commissioner of Insurance]¹ on or after the effective
26 date of this act shall provide benefits for a minimum of 48 hours of
27 in-patient care following a vaginal delivery and a minimum of 96 hours
28 of in-patient care following a cesarean section for a mother and her
29 newly born child in a health care facility licensed pursuant to P.L.1971,
30 c.136 (C.26:2H-1 et seq.). Upon receipt of notification that the
31 woman will be or has been admitted to an in-patient facility, the
32 insurer shall preauthorize in-patient care for the woman and her newly
33 born child for the full 48-hour or 96-hour period, as applicable. ¹The
34 preauthorization requirement shall remain in effect until the provisions
35 of Pub.L.104-204, the "Newborns' and Mothers' Health Protection Act
36 of 1996," become operative.¹

37 The provisions of this section shall apply to all policies in which the
38 insurer has reserved the right to change the premium.

39 b. Notwithstanding the provisions of subsection a. of this section,
40 a policy that provides coverage for post-delivery care to a mother and
41 her newly born child in the home shall not be required to provide for
42 a minimum of 48 hours and 96 hours, respectively, of in-patient care
43 unless such in-patient care is determined to be medically necessary by
44 the attending physician or is requested by the mother; except that, the
45 requirement in subsection a. of this section to preauthorize in-patient
46 care for the full 48-hour or 96-hour period, as applicable, also shall

1 apply to this subsection. For the purposes of this section, attending
2 physician shall include the attending obstetrician, pediatrician or other
3 physician attending the mother or newly born child.

4 c. Every insurer shall provide notice to policyholders regarding the
5 coverage required by this section in accordance with this subsection
6 and regulations promulgated by the Commissioner of Health ¹and
7 Senior Services¹ pursuant to the "Administrative Procedure Act,"
8 P.L.1968, c.410 (C.52:14B-1 et seq.). The notice shall be in writing
9 and prominently positioned in any literature or correspondence and
10 shall be transmitted at the earliest of: (1) the next mailing to the
11 policyholder; (2) the yearly informational packet sent to the
12 policyholder; or (3) January 1, 1996. An insurer also shall, upon
13 receipt of information that a covered person is pregnant, promptly
14 notify that person of the coverage required by this section.

15 (cf: P.L.1995, c.138, s.6)

16

17 7. Section 7 of P.L.1995, c.138 (C.17B:27-46.1k) is amended to
18 read as follows:

19 7. a. Every policy that provides maternity benefits and is delivered,
20 issued, executed or renewed in this State pursuant to N.J.S.17B:27-26
21 et seq., or approved for issuance or renewal in this State by the
22 Commissioner of ¹Banking and¹ Insurance on or after the effective
23 date of this act shall provide benefits for a minimum of 48 hours of
24 in-patient care following a vaginal delivery and a minimum of 96 hours
25 of in-patient care following a cesarean section for a mother and her
26 newly born child in a health care facility licensed pursuant to P.L.1971,
27 c.136 (C.26:2H-1 et seq.). Upon receipt of notification that the
28 woman will be or has been admitted to an in-patient facility, the
29 insurer shall preauthorize in-patient care for the woman and her newly
30 born child for the full 48-hour or 96-hour period, as applicable. ¹The
31 preauthorization requirement shall remain in effect until the provisions
32 of Pub.L.104-204, the "Newborns' and Mothers' Health Protection Act
33 of 1996," become operative.¹

34 The provisions of this section shall apply to all policies in which the
35 insurer has reserved the right to change the premium.

36 b. Notwithstanding the provisions of subsection a. of this section,
37 a policy that provides coverage for post-delivery care to a mother and
38 her newly born child in the home shall not be required to provide for
39 a minimum of 48 hours and 96 hours, respectively, of in-patient care
40 unless such in-patient care is determined to be medically necessary by
41 the attending physician or is requested by the mother; except that, the
42 requirement in subsection a. of this section to preauthorize in-patient
43 care for the full 48-hour or 96-hour period, as applicable, also shall
44 apply to this subsection. For the purposes of this section, attending
45 physician shall include the attending obstetrician, pediatrician or other
46 physician attending the mother or newly born child.

1 c. Every insurer shall provide notice to policyholders regarding the
2 coverage required by this section in accordance with this subsection
3 and regulations promulgated by the Commissioner of Health ¹and
4 Senior Services¹ pursuant to the "Administrative Procedure Act,"
5 P.L.1968, c.410 (C.52:14B-1 et seq.). The notice shall be in writing
6 and prominently positioned in any literature or correspondence and
7 shall be transmitted at the earliest of: (1) the next mailing to the
8 policyholder; (2) the yearly informational packet sent to the
9 policyholder; or (3) January 1, 1996. An insurer also shall, upon
10 receipt of information that a covered person is pregnant, promptly
11 notify that person of the coverage required by this section.
12 (cf: P.L.1995, c.138, s.7)

13

14 8. Section 8 of P.L.1995, c.138 (C.26:2J-4.9) is amended to read
15 as follows:

16 8. a. Every enrollee agreement that provides maternity benefits
17 and is delivered, issued, executed or renewed in this State pursuant to
18 P.L.1973, c.337 (C.26:2J-1 et seq.) or approved for issuance or
19 renewal in this State by the Commissioner of ¹[Insurance] Health and
20 Senior Services¹ on or after the effective date of this act shall provide
21 health care services for a minimum of 48 hours of in-patient care
22 following a vaginal delivery and a minimum of 96 hours of in-patient
23 care following a cesarean section for a mother and her newly born
24 child in a health care facility licensed pursuant to P.L.1971, c.136
25 (C.26:2H-1 et seq.). Upon receipt of notification that the woman will
26 be or has been admitted to an in-patient facility, the health
27 maintenance organization shall preauthorize in-patient care for the
28 woman and her newly born child for the full 48-hour or 96-hour
29 period, as applicable. ¹The preauthorization requirement shall remain
30 in effect until the provisions of Pub.L.104-204, the "Newborns' and
31 Mothers' Health Protection Act of 1996," become operative.¹

32 The provisions of this section shall apply to enrollee agreements in
33 which the health maintenance organization has reserved the right to
34 change the schedule of charges.

35 b. Notwithstanding the provisions of subsection a. of this section,
36 an enrollee agreement that provides health care services for
37 post-delivery care to a mother and her newly born child in the home
38 shall not be required to provide for a minimum of 48 hours and 96
39 hours, respectively, of in-patient care unless such in-patient care is
40 determined to be medically necessary by the attending physician or is
41 requested by the mother; except that, the requirement in subsection
42 a. of this section to preauthorize in-patient care for the full 48-hour or
43 96-hour period, as applicable, also shall apply to this subsection. For
44 the purposes of this section, attending physician shall include the
45 attending obstetrician, pediatrician or other physician attending the
46 mother or newly born child.

1 c. Every health maintenance organization shall provide notice to
2 enrollees regarding the coverage required by this section in accordance
3 with this subsection and regulations promulgated by the Commissioner
4 of Health ¹and Senior Services ¹pursuant to the "Administrative
5 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.). The notice
6 shall be in writing and prominently positioned in any literature or
7 correspondence and shall be transmitted at the earliest of: (1) the next
8 mailing to the enrollee; (2) the yearly informational packet sent to the
9 enrollee; or (3) January 1, 1996. A health maintenance organization
10 also shall, upon receipt of information that an enrollee is pregnant,
11 promptly notify that enrollee of the coverage required by this section.
12 (cf: P.L.1995, c.138, s.8)

13

14 9. This act shall take effect immediately.

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19 Requires insurers to preauthorize and notify pregnant woman of
20 certain inpatient maternity benefits.