

# SENATE HEALTH COMMITTEE

## STATEMENT TO

### **SENATE, No. 1360**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: NOVEMBER 7, 1996

The Senate Health Committee reports favorably Senate Bill No. 1360 with committee amendments.

As amended by committee, this bill amends P.L.1995, c.138, which requires insurers and health maintenance organizations to provide benefits for a minimum of 48 hours of inpatient care following a vaginal delivery and a minimum of 96 hours of inpatient care following a cesarean section for a mother and her newly born child in a licensed health care facility.

The bill amends this law to require insurers and health maintenance organizations to preauthorize the 48-hours or 96-hours of inpatient care, as applicable, as soon as the insurer or health maintenance organization is notified that the woman will be or has been admitted to the inpatient facility. This preauthorization requirement will apply even in those cases in which the insurer or health maintenance organization provides in-home, post-delivery care for the mother and her newly born child. The preauthorization requirement will ensure that the woman and her newly born child receive the level of benefits to which they are entitled. The bill provides, however, that the preauthorization requirement shall remain in effect only until the provisions of Pub.L.104-204, the "Newborns' and Mothers' Health Protection Act of 1996," become operative, that is, for policy or plan years beginning on or after January 1, 1998.

The bill also amends P.L.1995, c.138 to require that, in addition to the other notification requirements in the law, insurers and health maintenance organizations shall be required to notify a pregnant woman covered under the health benefits plan about these benefits, upon receipt of notification that the woman is pregnant. This provision will ensure that a covered person is aware of these benefits at a time when she is most likely to avail herself of the benefits.

The committee amended the bill to provide that the preauthorization requirement would remain in effect until the federal law is operative because the federal law provides that an insurance carrier or issuer "may not require that a provider obtain authorization from the plan or the issuer for prescribing any length of stay..." Other amendments correct and update references in the law to the recently

reorganized Departments of Health and Senior Services and Banking and Insurance. Amendments also delete references to the Commissioner of Insurance in sections 5 and 6 of the bill, as the commissioner does not approve small employer or individual health benefits plans for issuance or renewal in the State.