

# SENATE, No. 3406

## STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED FEBRUARY 4, 2021

**Sponsored by:**

**Senator JOSEPH F. VITALE**

**District 19 (Middlesex)**

**Senator NICHOLAS P. SCUTARI**

**District 22 (Middlesex, Somerset and Union)**

**SYNOPSIS**

Requires workers' compensation, PIP, and health insurance coverage for the medical use of cannabis under certain circumstances.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 12/2/2021)**

S3406 VITALE, SCUTARI

2

1 AN ACT concerning the medical use of cannabis and insurance  
2 coverage, amending P.L.2009, c.307, and supplementing various  
3 parts of the statutory law.

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

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8 1. Section 16 of P.L.2009, c.307 (C.24:6I-14) is amended to read  
9 as follows:

10 16. a. Nothing in P.L.2009, c.307 (C.24:6I-1 et al.) or  
11 P.L.2015, c.158 (C.18A:40-12.22 et al.) shall be construed to require  
12 a government medical assistance program or private health insurer to  
13 reimburse a person for costs associated with the medical use of  
14 cannabis, or to restrict or otherwise affect the distribution, sale,  
15 prescribing, and dispensing of any product that has been approved  
16 for marketing as a prescription drug or device by the federal Food  
17 and Drug Administration.

18 b. Notwithstanding the provisions of subsection a. of this  
19 section, an employer or workers' compensation insurance carrier or  
20 private passenger automobile insurance carrier shall provide  
21 coverage for costs associated with the medical use of cannabis  
22 pursuant to P.L. , c. (C. ) (pending before the Legislature as  
23 this bill) except that an employer or carrier shall not be required to  
24 provide coverage for costs associated with the medical use of  
25 cannabis upon intervention by the federal government to enforce the  
26 "Controlled Substances Act" (21 U.S.C. s.802 et seq.).  
27 (cf: P.L.2019, c.153, s.22)

28

29 2. (New section) The Legislature finds and declares that  
30 scientific data indicate that medical cannabis has significant medical  
31 value when used in the treatment of certain injuries and diseases,  
32 including pain relief, control of nausea and vomiting, and appetite  
33 stimulation. Cannabis also has potential therapeutic value from  
34 effects such as anxiety reduction, sedation, and euphoria. Scientific  
35 studies have found that cannabis is effective in relieving some of the  
36 symptoms of HIV/AIDS, cancer, glaucoma, and multiple sclerosis.  
37 Other studies have suggested that medical cannabis legalization may  
38 lead to decreased prescription opioid abuse.

39 Although medical cannabis has many useful therapeutic benefits,  
40 its use is limited because its costs are not covered by insurance. By  
41 requiring coverage for medical cannabis under workers'  
42 compensation and private passenger automobile insurance, access to  
43 these benefits will be expanded. Additionally, medical cannabis may  
44 lower costs for insurers by providing a more economical alternative  
45 to more expensive and risky drugs such as opioids.

**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.**

1       3. (New section) a. Personal injury protection benefits  
2 provided pursuant to section 4 of P.L.1972, c.70 (C.39:6A-4) or  
3 section 4 of P.L.1998, c.21 (C.39:6A-3.1) shall include coverage for  
4 costs associated with the medical use of cannabis provided that the  
5 insured is a qualifying patient authorized for the medical use of  
6 cannabis pursuant to P.L.2009, c.307 (C.24:6I-1 et al).

7       b. A private passenger automobile insurer shall not be required  
8 to provide coverage for costs associated with the medical use of  
9 cannabis upon intervention by the federal government to enforce the  
10 "Controlled Substances Act" (21 U.S.C. s.802 et seq.).

11       c. Notwithstanding any provision of the insurance policy to the  
12 contrary, if for any reason payment by the insurer to the medical  
13 cannabis dispensary is not feasible, the insurer shall remit directly to  
14 the insured the costs for any benefits associated with the medical use  
15 of cannabis upon proof of payment by the insured to the medical  
16 cannabis dispensary.

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18       4. (New section) a. Workers' compensation benefits paid by  
19 any employer or a workers' compensation insurance carrier of an  
20 employer for an injury to an employee under R.S.34:15-1 et seq. shall  
21 include coverage for costs associated with the medical use of  
22 cannabis provided that the employee is a qualifying patient  
23 authorized for the medical use of cannabis pursuant to P.L.2009,  
24 c.307 (C.24:6I-1 et al).

25       b. An employer or workers' compensation insurance carrier  
26 shall not be required to provide coverage for costs associated with  
27 the medical use of cannabis upon intervention by the federal  
28 government to enforce the "Controlled Substances Act"  
29 (21 U.S.C. s.802 et seq.).

30       c. Notwithstanding any provision of the employer's plan or  
31 insurance policy to the contrary, if for any reason payment by the  
32 employer or carrier to the medical cannabis dispensary is not feasible,  
33 the employer or carrier shall remit directly to the employee the costs  
34 for any benefits associated with the medical use of cannabis upon  
35 proof of payment by the employee to the medical cannabis  
36 dispensary.

37

38       5. (New section) a. A carrier that offers a health benefits plan in  
39 this State shall provide coverage for costs associated with the medical  
40 use of cannabis provided that the covered person is a qualifying patient  
41 authorized for the medical use of cannabis pursuant to P.L.2009, c.307  
42 (C.24:6I-1 et al).

43       b. A carrier shall not be required to provide coverage for costs  
44 associated with the medical use of cannabis upon intervention by the  
45 federal government to enforce the "Controlled Substances Act"  
46 (21 U.S.C. s.802 et seq.).

1 c. Notwithstanding any provision of the health benefits plan to the  
2 contrary, if for any reason payment by the carrier to the medical  
3 cannabis dispensary is not feasible, the carrier shall remit directly to the  
4 covered person the costs for any benefits associated with the medical  
5 use of cannabis upon proof of payment by the covered person to the  
6 medical cannabis dispensary.

7 d. As used in this section:

8 "Carrier" means an insurance company, health service corporation,  
9 hospital service corporation, medical service corporation, or health  
10 maintenance organization authorized to issue health benefits plans in  
11 this State or any entity contracted to administer health benefits in  
12 connection with the State Health Benefits Program or School  
13 Employees' Health Benefits Program.

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15 6. This act shall take effect on the 90th day next following  
16 enactment.

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#### STATEMENT

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21 This bill requires workers' compensation, personal injury  
22 protection (PIP), and health insurance coverage for the medical use  
23 of cannabis under certain circumstances.

24 The bill provides that personal injury protection automobile  
25 insurance benefits, workers' compensation benefits, and health  
26 benefits plans must include coverage for costs associated with the  
27 medical use of cannabis, provided that the insured, employee, or  
28 covered person is a qualifying patient authorized for the medical use  
29 of cannabis pursuant to the "Jake Honig Compassionate Use Medical  
30 Cannabis Act," P.L.2009, c.307 (C.24:6I-1 et al).

31 In addition, the bill provides that an employer or workers'  
32 compensation insurance carrier, private passenger automobile  
33 insurance carrier, or health insurance carrier is not required to  
34 provide coverage or benefits for costs associated with the medical  
35 use of cannabis upon intervention by the federal government to  
36 enforce of the federal "Controlled Substances Act"  
37 (21 U.S.C. s.802 et seq.).

38 Lastly, the bill provides that an employer, insurer, or health  
39 insurance carrier shall, if for any reason payment by the employer,  
40 insurer, or health insurance carrier to the medical cannabis  
41 dispensary is not feasible, remit directly to the insured, employee, or  
42 covered person the costs for any benefits associated with the medical  
43 use of cannabis upon proof of payment by the insured, employee, or  
44 covered person to the medical cannabis dispensary.