

SENATE, No. 899

STATE OF NEW JERSEY 212th LEGISLATURE

INTRODUCED JANUARY 17, 2006

Sponsored by:

Senator ANTHONY R. BUCCO

District 25 (Morris)

Senator LEONARD LANCE

District 23 (Warren and Hunterdon)

SYNOPSIS

"Grace's Law;" requires health insurers, State Health Benefits Program and NJ FamilyCare to provide coverage for hearing aids for covered persons 18 and younger.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 3/21/2006)

1 AN ACT concerning health benefits coverage for hearing aids for
2 children and supplementing various parts of the statutory law.

3

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

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7 1. This act shall be known and may be cited as "Grace's Law."

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9 2. A hospital service corporation contract that provides hospital
10 and medical expense benefits and is delivered, issued, executed or
11 renewed in this State pursuant to P.L.1938, c.366 (C.17:48-1 et
12 seq.), or approved for issuance or renewal in this State by the
13 Commissioner of Banking and Insurance, on or after the effective
14 date of this act, shall provide coverage for medically necessary
15 expenses incurred in the purchase of a hearing aid for a covered
16 person 18 years of age or younger, as provided in this section.

17 A hospital service corporation contract shall provide coverage
18 that includes the purchase of a hearing aid for each ear, when
19 medically necessary and as prescribed or recommended by a
20 licensed physician or audiologist. A hospital service corporation
21 may limit the benefit provided in this section to \$2,000 per hearing
22 aid for each hearing-impaired ear every 48 months. A covered
23 person may choose a hearing aid that is priced higher than the
24 benefit payable under this section and may pay the difference
25 between the price of the hearing aid and the benefit payable under
26 this section, without financial or contractual penalty to the provider
27 of the hearing aid.

28 The benefits shall be provided to the same extent as for any other
29 condition under the contract.

30 This section shall apply to those hospital service corporation
31 contracts in which the hospital service corporation has reserved the
32 right to change the premium.

33

34 3. A medical service corporation contract that provides hospital
35 and medical expense benefits and is delivered, issued, executed or
36 renewed in this State pursuant to P.L.1940, c.74 (C.17:48A-1 et
37 seq.), or approved for issuance or renewal in this State by the
38 Commissioner of Banking and Insurance, on or after the effective
39 date of this act, shall provide coverage for medically necessary
40 expenses incurred in the purchase of a hearing aid for a covered
41 person 18 years of age or younger, as provided in this section.

42 A medical service corporation contract shall provide coverage
43 that includes the purchase of a hearing aid for each ear, when
44 medically necessary and as prescribed or recommended by a
45 licensed physician or audiologist. A medical service corporation
46 may limit the benefit provided in this section to \$2,000 per hearing
47 aid for each hearing-impaired ear every 48 months. A covered
48 person may choose a hearing aid that is priced higher than the

1 benefit payable under this section and may pay the difference
2 between the price of the hearing aid and the benefit payable under
3 this section, without financial or contractual penalty to the provider
4 of the hearing aid.

5 The benefits shall be provided to the same extent as for any other
6 condition under the contract.

7 This section shall apply to those medical service corporation
8 contracts in which the medical service corporation has reserved the
9 right to change the premium.

10

11 4. A health service corporation contract that provides hospital
12 and medical expense benefits and is delivered, issued, executed or
13 renewed in this State pursuant to P.L.1985, c.236 (C.17:48E-1 et
14 seq.), or approved for issuance or renewal in this State by the
15 Commissioner of Banking and Insurance, on or after the effective
16 date of this act, shall provide coverage for medically necessary
17 expenses incurred in the purchase of a hearing aid for a covered
18 person 18 years of age or younger, as provided in this section.

19 A health service corporation contract shall provide coverage that
20 includes the purchase of a hearing aid for each ear, when medically
21 necessary and as prescribed or recommended by a licensed
22 physician or audiologist. A health service corporation may limit the
23 benefit provided in this section to \$2,000 per hearing aid for each
24 hearing-impaired ear every 48 months. A covered person may
25 choose a hearing aid that is priced higher than the benefit payable
26 under this section and may pay the difference between the price of
27 the hearing aid and the benefit payable under this section, without
28 financial or contractual penalty to the provider of the hearing aid.

29 The benefits shall be provided to the same extent as for any other
30 condition under the contract.

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

34

35 5. An individual health insurance policy that provides hospital
36 and medical expense benefits and is delivered, issued, executed or
37 renewed in this State pursuant to chapter 26 of Title 17B of the New
38 Jersey Statutes, or approved for issuance or renewal in this State by
39 the Commissioner of Banking and Insurance, on or after the
40 effective date of this act, shall provide coverage for medically
41 necessary expenses incurred in the purchase of a hearing aid for a
42 covered person 18 years of age or younger, as provided in this
43 section.

44 A policy shall provide coverage that includes the purchase of a
45 hearing aid for each ear, when medically necessary and as
46 prescribed or recommended by a licensed physician or audiologist.
47 An insurer may limit the benefit provided in this section to \$2,000
48 per hearing aid for each hearing-impaired ear every 48 months. A

1 covered person may choose a hearing aid that is priced higher than
2 the benefit payable under this section and may pay the difference
3 between the price of the hearing aid and the benefit payable under
4 this section, without financial or contractual penalty to the provider
5 of the hearing aid.

6 The benefits shall be provided to the same extent as for any other
7 condition under the policy.

8 This section shall apply to those policies in which the insurer has
9 reserved the right to change the premium.

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11 6. A group health insurance policy that provides hospital and
12 medical expense benefits and is delivered, issued, executed or
13 renewed in this State pursuant to chapter 27 of Title 17B of the New
14 Jersey Statutes, or approved for issuance or renewal in this State by
15 the Commissioner of Banking and Insurance, on or after the
16 effective date of this act, shall provide coverage for medically
17 necessary expenses incurred in the purchase of a hearing aid for a
18 covered person 18 years of age or younger, as provided in this
19 section.

20 A policy shall provide coverage that includes the purchase of a
21 hearing aid for each ear, when medically necessary and as
22 prescribed or recommended by a licensed physician or audiologist.
23 An insurer may limit the benefit provided in this section to \$2,000
24 per hearing aid for each hearing-impaired ear every 48 months. A
25 covered person may choose a hearing aid that is priced higher than
26 the benefit payable under this section and may pay the difference
27 between the price of the hearing aid and the benefit payable under
28 this section, without financial or contractual penalty to the provider
29 of the hearing aid.

30 The benefits shall be provided to the same extent as for any other
31 condition under the policy.

32 This section shall apply to those policies in which the insurer has
33 reserved the right to change the premium.

34

35 7. An individual health benefits plan that provides hospital and
36 medical expense benefits and is delivered, issued, executed or
37 renewed in this State pursuant to P.L.1992, c.161 (C.17B:27A-2 et
38 seq.), on or after the effective date of this act, shall provide
39 coverage for medically necessary expenses incurred in the purchase
40 of a hearing aid for a covered person 18 years of age or younger, as
41 provided in this section.

42 A health benefits plan shall provide coverage that includes the
43 purchase of a hearing aid for each ear, when medically necessary
44 and as prescribed or recommended by a licensed physician or
45 audiologist. A carrier may limit the benefit provided in this section
46 to \$2,000 per hearing aid for each hearing-impaired ear every 48
47 months. A covered person may choose a hearing aid that is priced
48 higher than the benefit payable under this section and may pay the

1 difference between the price of the hearing aid and the benefit
2 payable under this section, without financial or contractual penalty
3 to the provider of the hearing aid.

4 The benefits shall be provided to the same extent as for any other
5 condition under the health benefits plan.

6 This section shall apply to those health benefits plans in which
7 the carrier has reserved the right to change the premium.

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9 8. A small employer health benefits plan that provides hospital
10 and medical expense benefits and is delivered, issued, executed or
11 renewed in this State pursuant to P.L.1992, c.162 (C.17B:27A-17 et
12 seq.), on or after the effective date of this act, shall provide
13 coverage for medically necessary expenses incurred in the purchase
14 of a hearing aid for a covered person 18 years of age or younger, as
15 provided in this section.

16 A health benefits plan shall provide coverage that includes the
17 purchase of a hearing aid for each ear, when medically necessary
18 and as prescribed or recommended by a licensed physician or
19 audiologist. A carrier may limit the benefit provided in this section
20 to \$2,000 per hearing aid for each hearing-impaired ear every 48
21 months. A covered person may choose a hearing aid that is priced
22 higher than the benefit payable under this section and may pay the
23 difference between the price of the hearing aid and the benefit
24 payable under this section, without financial or contractual penalty
25 to the provider of the hearing aid.

26 The benefits shall be provided to the same extent as for any other
27 condition under the health benefits plan.

28 This section shall apply to those health benefits plans in which
29 the carrier has reserved the right to change the premium.

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31 9. A health maintenance organization contract for health care
32 services that is delivered, issued, executed or renewed in this State
33 pursuant to P.L.1973, c.337 (C.26:2J-1 et seq.), or approved for
34 issuance or renewal in this State by the Commissioner of Health and
35 Senior Services, on or after the effective date of this act, shall
36 provide health care services for medically necessary expenses
37 incurred in the purchase of a hearing aid for an enrollee 18 years of
38 age or younger, as provided in this section.

39 The health care services shall include the purchase of a hearing
40 aid for each ear, when medically necessary and as prescribed or
41 recommended by a licensed physician or audiologist. A health
42 maintenance organization may limit the health care services
43 provided in this section to \$2,000 per hearing aid for each hearing-
44 impaired ear every 48 months. An enrollee may choose a hearing
45 aid that is priced higher than the health care services payable under
46 this section and may pay the difference between the price of the
47 hearing aid and the health care services payable under this section,
48 without financial or contractual penalty to the provider of the

1 hearing aid.

2 The health care services shall be provided to the same extent as
3 for any other condition under the contract.

4 This section shall apply to those contracts for health care
5 services under which the right to change the schedule of charges for
6 enrollee coverage is reserved.

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8 10. The State Health Benefits Commission shall, on or after the
9 effective date of this act, provide benefits for medically necessary
10 expenses incurred in the purchase of a hearing aid for a covered
11 person 18 years of age or younger, as provided in this section.

12 The benefits shall include the purchase of a hearing aid for each
13 ear, when medically necessary and as prescribed or recommended
14 by a licensed physician or audiologist. The commission may limit
15 the benefit provided in this section to \$2,000 per hearing aid for
16 each hearing-impaired ear every 48 months. A covered person may
17 choose a hearing aid that is priced higher than the benefit payable
18 under this section and may pay the difference between the price of
19 the hearing aid and the benefit payable under this section, without
20 financial or contractual penalty to the provider of the hearing aid.

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22 11. The Commissioner of Human Services shall ensure that
23 every contract for health care services under the Children's Health
24 Care Coverage Program, P.L.1997, c.272 (C.30:4I-1 et seq.), or the
25 FamilyCare Health Coverage Program, P.L.2000, c.71 (C.30:4J-1 et
26 seq.), entered into on or after the effective date of this act, provides
27 benefits for medically necessary expenses incurred in the purchase
28 of a hearing aid for a covered person 18 years of age or younger, as
29 provided in this section.

30 The benefits shall include the purchase of a hearing aid for each
31 ear, when medically necessary and as prescribed or recommended
32 by a licensed physician or audiologist. The commissioner may limit
33 the benefit provided in this section to \$2,000 per hearing aid for
34 each hearing-impaired ear every 48 months in any of the NJ
35 FamilyCare plans, and may provide, when applicable, that a
36 covered person may choose a hearing aid that is priced higher than
37 the benefit payable under this section and may pay the difference
38 between the price of the hearing aid and the benefit payable under
39 this section, without financial or contractual penalty to the provider
40 of the hearing aid.

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42 12. This act shall take effect on the 30th day after enactment.

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STATEMENT

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47 This bill is named for Grace Gleba, a young girl who was born
48 with a severe hearing impairment. The bill requires hospital,

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1 medical and health service corporations, commercial insurers,
2 health maintenance organizations, health benefits plans issued
3 pursuant to the New Jersey Individual Health Coverage and Small
4 Employer Health Benefits Programs, the State Health Benefits
5 Program and the NJ FamilyCare Program to provide coverage for
6 medically necessary expenses incurred in the purchase of a hearing
7 aid for covered children 18 years of age or younger.

8 The bill provides that the coverage shall include the purchase of
9 a hearing aid for each ear, when medically necessary and as
10 prescribed or recommended by a licensed physician or audiologist.
11 The bill provides that the insurer may limit the benefit to \$2,000 per
12 hearing aid for each hearing-impaired ear every 48 months. The
13 bill further provides that a covered person may choose a hearing aid
14 that is priced higher than the benefit payable under this bill, and
15 may pay the difference between the price of the hearing aid and the
16 benefit payable, without financial or contractual penalty to the
17 provider of the hearing aid.