17:48-6xx & 17:48-6yy,17:48A-7uu & 17:48A-7vv etal
LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2023 **CHAPTER:** 105

NJSA: 17:48-6xx & 17:48-6yy,17:48A-7uu & 17:48A-7vv etal: Requires health insurance carriers to provide coverage for epinephrine auto-injector devices and asthma inhalers; limits cost sharing for health insurance coverage of insulin.

BILL NO: S1614 (Substituted for A2839 (2R))

SPONSOR(S) Vitale, Joseph F. and others

DATE INTRODUCED: 2/14/2022

COMMITTEE: **ASSEMBLY:** Appropriations
Budget

SENATE: Commerce
Budget & Appropriations

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: **ASSEMBLY:** 06/30/2023

SENATE: 06/30/2023

DATE OF APPROVAL: 7/10/2023

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (S1614 ScaAca (2R) enacted) Yes

S1614

INTRODUCED BILL: (Includes sponsor(s) statement) Yes

COMMITTEE STATEMENT: **ASSEMBLY**: Yes Appropriations
Budget

SENATE: Yes Commerce
Budget & Appropriations

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, ***may possibly*** be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: Yes 06/29/2022
07/05/2022
07/03/2023

A2839 (2R)

INTRODUCED BILL: (Includes sponsor(s) statement)		Yes	
COMMITTEE STATEMENT:	**ASSEMBLY**:	Yes	Financial Inst. & Insurance Health Appropriations Budget
	SENATE:	No	

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, ***may possibly*** be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT:	No	
LEGISLATIVE FISCAL ESTIMATE:	Yes	06/22/2023 07/03/2023

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

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REPORTS:	No
HEARINGS:	No
NEWSPAPER ARTICLES:	Yes

Susan K. Livio - NJ Advance Media, 'Murphy signs laws to stem high cost of prescription drugs', *Jersey Journal, The*(online), 12 Jul 2023 003

CL/JA

§§2,3
C.17:48-6xx
and 17:48-6yy
§§5,6
C.17:48A-7uu
and 17:48A-7vv
§§8,9
C.17:48E-35.48
and 17:48E-35.49
§§11,12
C.17B:26-2.1qq
and 17B:26-2.1rr
§§14,15
C.17B:27-46.1ww
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§§17,18
C.26:2J-4.49
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C.17B:27A-7.31
to 17B:27A-7.33
§§22-24
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C.52:14-17.29kk
to 52:14-17.29mm
§§28-30
C.52:14-17.46.6s
to 52:14-17.46.6u
§31
Note to all
sections

P.L. 2023, CHAPTER 105, ***approved July 10, 2023***
Senate, 1614 ***(Second Reprint)***

AN ACT concerning cost sharing for certain prescription drugs, amending P.L.1995, c.331, and supplementing various parts of the statutory law.

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

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
Matter enclosed in superscript numerals has been adopted as follows:
[1]Senate SBA committee amendments adopted June 27, 2022.
[2]Assembly ABU committee amendments adopted June 27, 2023.

1. Section 1 of P.L.1995, c.331 (C.17:48-6n) is amended to read as follows:

1. a. Every individual or group hospital service corporation contract providing hospital or medical expense benefits that is delivered, issued, executed or renewed in this State pursuant to P.L.1938, c.366 (C.17:48-1 et seq.) or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of this act shall provide benefits to any subscriber or other person covered thereunder for expenses incurred for the following equipment and supplies for the treatment of diabetes, if recommended or prescribed by a physician or nurse practitioner/clinical nurse specialist: blood glucose monitors and blood glucose monitors for the legally blind; test strips for glucose monitors and visual reading and urine testing strips; insulin; injection aids; cartridges for the legally blind; syringes; insulin pumps and appurtenances thereto; insulin infusion devices; and oral agents for controlling blood sugar. Coverage for the purchase of [1]a [2]short-acting, intermediate acting,[2] rapid acting, long-acting, and pre-mixed[1] insulin [1]product[1] shall not be subject to any deductible, and no copayment or coinsurance for the purchase of insulin shall exceed $35 per 30-day supply. The provisions of this subsection shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this subsection shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable. [1]The provisions of this subsection shall apply to a plan that meets the requirements of a catastrophic plan, as defined in 45 C.F.R. s.156.155, to the maximum extent permitted by federal law.[1]

b. Each individual or group hospital service corporation contract shall also provide benefits for expenses incurred for diabetes self-management education to ensure that a person with diabetes is educated as to the proper self-management and treatment of their diabetic condition, including information on proper diet. Benefits provided for self-management education and education relating to diet shall be limited to visits medically necessary upon the diagnosis of diabetes; upon diagnosis by a physician or nurse practitioner/clinical nurse specialist of a significant change in the subscriber's or other covered person's symptoms or conditions which necessitate changes in that person's self-management; and upon determination of a physician or nurse practitioner/clinical nurse specialist that reeducation or refresher education is necessary. Diabetes self-management education shall be provided by a dietitian

registered by a nationally recognized professional association of dietitians or a health care professional recognized as a Certified Diabetes Educator by the American Association of Diabetes Educators or a registered pharmacist in the State qualified with regard to management education for diabetes by any institution recognized by the board of pharmacy of the State of New Jersey.

c. The benefits required by this section shall be provided to the same extent as for any other sickness under the contract.

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

e. The provisions of this section shall not apply to a health benefits plan subject to the provisions of P.L.1992, c.161 (C.17B:27A-2 et seq.) or P.L.1992, c.162 (C.17B:27A-17 et seq.).

f. The Commissioner of Banking and Insurance may, in consultation with the Commissioner of Health, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), promulgate and periodically update a list of additional diabetes equipment and related supplies that are medically necessary for the treatment of diabetes and for which benefits shall be provided according to the provisions of this section.

(cf: P.L.1995, c.331, s.1)

2. (New section) An individual or group hospital service corporation contract providing hospital or medical expense benefits that is delivered, issued, executed, or renewed in this State pursuant to P.L.1938, c.366 (C.17:48-1 et seq.) or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) shall provide coverage for at least one epinephrine auto-injector device, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of an epinephrine auto-injector device shall not be subject to any deductible, and no copayment or coinsurance for the purchase of an epinephrine auto-injector device shall exceed $25 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable. [1]The provisions of this [2][subsection] section[2] shall apply to a plan that meets the

requirements of a catastrophic plan, as defined in 45 C.F.R. s.156.155, to the maximum extent permitted by federal law.[1]

Nothing in this section shall prevent a hospital service corporation from reducing a subscriber's or other covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

3. (New section) An individual or group hospital service corporation contract providing hospital or medical expense benefits that is delivered, issued, executed, or renewed in this State pursuant to P.L.1938, c.366 (C.17:48-1 et seq.) or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) shall provide benefits to a subscriber or other person covered thereunder for expenses incurred for a prescription asthma inhaler, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of a covered prescription asthma inhaler shall not be subject to any deductible, and no copayment or coinsurance for the purchase of a covered prescription asthma inhaler shall exceed $50 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable. [1]The provisions of this [2]**[**subsection**]** section[2] shall apply to a plan that meets the requirements of a catastrophic plan, as defined in 45 C.F.R. s.156.155, to the maximum extent permitted by federal law.[1]

Nothing in this section shall prevent a hospital service corporation from reducing a subscriber's or other covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

4. Section 2 of P.L.1995, c.331 (C.17:48A-7l) is amended to read as follows:

2. a. Every individual or group medical service corporation contract providing hospital or medical expense benefits that is delivered, issued, executed or renewed in this State pursuant to P.L.1940, c.74 (C.17:48A-1 et seq.) or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of this act shall provide

benefits to any subscriber or other person covered thereunder for expenses incurred for the following equipment and supplies for the treatment of diabetes, if recommended or prescribed by a physician or nurse practitioner/clinical nurse specialist: blood glucose monitors and blood glucose monitors for the legally blind; test strips for glucose monitors and visual reading and urine testing strips; insulin; injection aids; cartridges for the legally blind; syringes; insulin pumps and appurtenances thereto; insulin infusion devices; and oral agents for controlling blood sugar. Coverage for the purchase of [1]a [2]short-acting, intermediate acting,[2] rapid acting, long-acting, and pre-mixed[1] insulin [1]product[1] shall not be subject to any deductible, and no copayment or coinsurance for the purchase of insulin shall exceed $35 per 30-day supply. The provisions of this subsection shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this subsection shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable. [1]The provisions of this subsection shall apply to a plan that meets the requirements of a catastrophic plan, as defined in 45 C.F.R. s.156.155, to the maximum extent permitted by federal law.[1]

b. Each individual or group medical service corporation contract shall also provide benefits for expenses incurred for diabetes self-management education to ensure that a person with diabetes is educated as to the proper self-management and treatment of their diabetic condition, including information on proper diet. Benefits provided for self-management education and education relating to diet shall be limited to visits medically necessary upon the diagnosis of diabetes; upon diagnosis by a physician or nurse practitioner/clinical nurse specialist of a significant change in the subscriber's or other covered person's symptoms or conditions which necessitate changes in that person's self-management; and upon determination of a physician or nurse practitioner/clinical nurse specialist that reeducation or refresher education is necessary. Diabetes self-management education shall be provided by a dietitian registered by a nationally recognized professional association of dietitians or a health care professional recognized as a Certified Diabetes Educator by the American Association of Diabetes Educators or a registered pharmacist in the State qualified with regard to management education for diabetes by any institution recognized by the board of pharmacy of the State of New Jersey.

c. The benefits required by this section shall be provided to the same extent as for any other sickness under the contract.

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

e. The provisions of this section shall not apply to a health benefits plan subject to the provisions of P.L.1992, c.161 (C.17B:27A-2 et seq.) or P.L.1992, c.162 (C.17B:27A-17 et seq.).

f. The Commissioner of Banking and Insurance may, in consultation with the Commissioner of Health, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), promulgate and periodically update a list of additional diabetes equipment and related supplies that are medically necessary for the treatment of diabetes and for which benefits shall be provided according to the provisions of this section.

(cf: P.L.1995, c.331, s.2)

5. (New section) An individual or group medical service corporation contract providing hospital or medical expense benefits that is delivered, issued, executed, or renewed in this State pursuant to P.L.1940, c.74 (C.17:48A-1 et seq.) or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) shall provide coverage for at least one epinephrine auto-injector device, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of an epinephrine auto-injector device shall not be subject to any deductible, and no copayment or coinsurance for the purchase of an epinephrine auto-injector device shall exceed $25 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable. [1]The provisions of this [2][subsection] section[2] shall apply to a plan that meets the requirements of a catastrophic plan, as defined in 45 C.F.R. s.156.155, to the maximum extent permitted by federal law.[1]

Nothing in this section shall prevent a medical service corporation from reducing a subscriber's or other covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

6. (New section) An individual or group medical service corporation contract providing hospital or medical expense benefits that is delivered, issued, executed, or renewed in this State pursuant to P.L.1940, c.74 (C.17:48A-1 et seq.) or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) shall provide benefits to a subscriber or other person covered thereunder for expenses incurred for a prescription asthma inhaler, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of a covered prescription asthma inhaler shall not be subject to any deductible, and no copayment or coinsurance for the purchase of a covered prescription asthma inhaler shall exceed $50 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable. [1]The provisions of this [2]**[**subsection**]** section[2] shall apply to a plan that meets the requirements of a catastrophic plan, as defined in 45 C.F.R. s.156.155, to the maximum extent permitted by federal law.[1]

Nothing in this section shall prevent a medical service corporation from reducing a subscriber's or other covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

7. Section 3 of P.L.1995, c.331 (C.17:48E-35.11) is amended to read as follows:

3. a. Every individual or group health service corporation contract providing hospital or medical expense benefits that is delivered, issued, executed or renewed in this State pursuant to P.L.1985, c.236 (C.17:48E-1 et seq.) or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of this act shall provide benefits to any subscriber or other person covered thereunder for expenses incurred for the following equipment and supplies for the treatment of diabetes, if recommended or prescribed by a physician or nurse practitioner/clinical nurse specialist: blood glucose monitors and blood glucose monitors for the legally blind; test strips for glucose monitors and visual reading and urine testing strips; insulin; injection aids; cartridges for the legally blind;

syringes; insulin pumps and appurtenances thereto; insulin infusion devices; and oral agents for controlling blood sugar. Coverage for the purchase of [1]a [2]short-acting, intermediate acting,[2] rapid acting, long-acting, and pre-mixed[1] insulin [1]product[1] shall not be subject to any deductible, and no copayment or coinsurance for the purchase of insulin shall exceed $35 per 30-day supply. The provisions of this subsection shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this subsection shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable. [1]The provisions of this subsection shall apply to a plan that meets the requirements of a catastrophic plan, as defined in 45 C.F.R. s.156.155, to the maximum extent permitted by federal law.[1]

b. Each individual or group health service corporation contract shall also provide benefits for expenses incurred for diabetes self-management education to ensure that a person with diabetes is educated as to the proper self-management and treatment of their diabetic condition, including information on proper diet. Benefits provided for self-management education and education relating to diet shall be limited to visits medically necessary upon the diagnosis of diabetes; upon the diagnosis by a physician or nurse practitioner/clinical nurse specialist of a significant change in the subscriber's or other covered person's symptoms or conditions which necessitate changes in that person's self-management; and upon determination of a physician or nurse practitioner/clinical nurse specialist that reeducation or refresher education is necessary. Diabetes self-management education shall be provided by a dietitian registered by a nationally recognized professional association of dietitians or a health care professional recognized as a Certified Diabetes Educator by the American Association of Diabetes Educators or a registered pharmacist in the State qualified with regard to management education for diabetes by any institution recognized by the board of pharmacy of the State of New Jersey.

c. The benefits required by this section shall be provided to the same extent as for any other sickness under the contract.

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

e. The provisions of this section shall not apply to a health benefits plan subject to the provisions of P.L.1992, c.161 (C.17B:27A-2 et seq.) or P.L.1992, c.162 (C.17B:27A-17 et seq.).

f. The Commissioner of Banking and Insurance may, in consultation with the Commissioner of Health, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), promulgate and periodically update a list of additional diabetes equipment and related supplies that are medically necessary for the treatment of diabetes and for which benefits shall be provided according to the provisions of this section.

(cf: P.L.1995, c.331, s.3)

8. (New section) An individual or group health service corporation contract providing hospital or medical expense benefits that is delivered, issued, executed, or renewed in this State pursuant to P.L.1985, c.236 (C.17:48E-1 et seq.) or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) shall provide coverage for at least one epinephrine auto-injector device, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of an epinephrine auto-injector device shall not be subject to any deductible, and no copayment or coinsurance for the purchase of an epinephrine auto-injector device shall exceed $25 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable. [1]The provisions of this [2][subsection] section[2] shall apply to a plan that meets the requirements of a catastrophic plan, as defined in 45 C.F.R. s.156.155, to the maximum extent permitted by federal law.[1]

Nothing in this section shall prevent a health service corporation from reducing a subscriber's or other covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

9. (New section) An individual or group health service corporation contract providing hospital or medical expense benefits that is delivered, issued, executed, or renewed in this State pursuant to P.L.1985, c.236 (C.17:48E-1 et seq.) or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) shall provide benefits to

a subscriber or other person covered thereunder for expenses incurred for a prescription asthma inhaler, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of a covered prescription asthma inhaler shall not be subject to any deductible, and no copayment or coinsurance for the purchase of a covered prescription asthma inhaler shall exceed $50 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable. [1]The provisions of this [2][subsection] section[2] shall apply to a plan that meets the requirements of a catastrophic plan, as defined in 45 C.F.R. s.156.155, to the maximum extent permitted by federal law.[1]

Nothing in this section shall prevent a health service corporation contract from reducing a subscriber's or other covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

10. Section 4 of P.L.1995, c.331 (C.17B:26-2.1l) is amended to read as follows:

4. a. Every individual health insurance policy providing hospital or medical expense benefits that is delivered, issued, executed or renewed in this State pursuant to Chapter 26 of Title 17B of the New Jersey Statutes or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of this act shall provide benefits to any person covered thereunder for expenses incurred for the following equipment and supplies for the treatment of diabetes, if recommended or prescribed by a physician or nurse practitioner/clinical nurse specialist: blood glucose monitors and blood glucose monitors for the legally blind; test strips for glucose monitors and visual reading and urine testing strips; insulin; injection aids; cartridges for the legally blind; syringes; insulin pumps and appurtenances thereto; insulin infusion devices; and oral agents for controlling blood sugar Coverage for the purchase of [1]a [2]short-acting, intermediate acting,[2] rapid acting, long-acting, and pre-mixed[1] insulin [1]product[1] shall not be subject to any deductible, and no copayment or coinsurance for the purchase of insulin shall exceed $35 per 30-day supply. The provisions of this subsection shall apply to a high deductible health plan to the maximum extent

permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this subsection shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable. [1]The provisions of this subsection shall apply to a plan that meets the requirements of a catastrophic plan, as defined in 45 C.F.R. s.156.155, to the maximum extent permitted by federal law.[1]

b. Each individual health insurance policy shall also provide benefits for expenses incurred for diabetes self-management education to ensure that a person with diabetes is educated as to the proper self-management and treatment of their diabetic condition, including information on proper diet. Benefits provided for self-management education and education relating to diet shall be limited to visits medically necessary upon the diagnosis of diabetes; upon diagnosis by a physician or nurse practitioner/clinical nurse specialist of a significant change in the covered person's symptoms or conditions which necessitate changes in that person's self-management; and upon determination of a physician or nurse practitioner/clinical nurse specialist that reeducation or refresher education is necessary. Diabetes self-management education shall be provided by a dietitian registered by a nationally recognized professional association of dietitians or a health care professional recognized as a Certified Diabetes Educator by the American Association of Diabetes Educators or a registered pharmacist in the State qualified with regard to management education for diabetes by any institution recognized by the board of pharmacy of the State of New Jersey.

c. The benefits required by this section shall be provided to the same extent as for any other sickness under the policy.

d. This section shall apply to all individual health insurance policies in which the insurer has reserved the right to change the premium.

e. The provisions of this section shall not apply to a health benefits plan subject to the provisions of P.L.1992, c.161 (C.17B:27A-2 et seq.) or P.L.1992, c.162 (C.17B:27A-17 et seq.).

f. The Commissioner of Banking and Insurance may, in consultation with the Commissioner of Health, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), promulgate and periodically update a list of additional diabetes equipment and related supplies that are medically necessary for the treatment of diabetes and for which benefits shall be provided according to the provisions of this section.

(cf: P.L.1995, c.331, s.4)

11. (New section) An individual health insurance policy providing hospital or medical expense benefits that is delivered, issued, executed, or renewed in this State pursuant to Chapter 26 of Title 17B of the New Jersey Statutes or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) shall provide coverage for at least one epinephrine auto-injector device, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of an epinephrine auto-injector device shall not be subject to any deductible, and no copayment or coinsurance for the purchase of an epinephrine auto-injector device shall exceed $25 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable. [1]The provisions of this [2]**[**subsection**]** section[2] shall apply to a plan that meets the requirements of a catastrophic plan, as defined in 45 C.F.R. s.156.155, to the maximum extent permitted by federal law.[1]

Nothing in this section shall prevent an individual health insurer from reducing a covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

12. (New section) An individual health insurance policy providing hospital or medical expense benefits that is delivered, issued, executed, or renewed in this State pursuant to Chapter 26 of Title 17B of the New Jersey Statutes or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) shall provide benefits to a person covered thereunder for expenses incurred for a prescription asthma inhaler, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of a covered prescription asthma inhaler shall not be subject to any deductible, and no copayment or coinsurance for the purchase of a covered prescription asthma inhaler shall exceed $50 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to

section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable. [1]The provisions of this [2]**[**subsection**]** section[2] shall apply to a plan that meets the requirements of a catastrophic plan, as defined in 45 C.F.R. s.156.155, to the maximum extent permitted by federal law.[1]

Nothing in this section shall prevent an individual health insurer from reducing a covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

13. Section 5 of P.L.1995, c.331 (C.17B:27-46.1m) is amended to read as follows:

5. a. Every group health insurance policy providing hospital or medical expense benefits that is delivered, issued, executed or renewed in this State pursuant to Chapter 27 of Title 17B of the New Jersey Statutes or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of this act shall provide benefits to any person covered thereunder for expenses incurred for the following equipment and supplies for the treatment of diabetes, if recommended or prescribed by a physician or nurse practitioner/clinical nurse specialist: blood glucose monitors and blood glucose monitors for the legally blind; test strips for glucose monitors and visual reading and urine testing strips; insulin; injection aids; cartridges for the legally blind; syringes; insulin pumps and appurtenances thereto; insulin infusion devices; and oral agents for controlling blood sugar. Coverage for the purchase of [1]a [2]short-acting, intermediate acting,[2] rapid acting, long-acting, and pre-mixed[1] insulin [1]product[1] shall not be subject to any deductible, and no copayment or coinsurance for the purchase of insulin shall exceed $35 per 30-day supply. The provisions of this subsection shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this subsection shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable. [1]The provisions of this subsection shall apply to a plan that meets the requirements of a catastrophic plan, as defined in 45 C.F.R. s.156.155, to the maximum extent permitted by federal law.[1]

b. Each group health insurance policy shall also provide benefits for expenses incurred for diabetes self-management education to ensure that a person with diabetes is educated as to the proper self-management and treatment of their diabetic condition, including information on proper diet. Benefits provided for self-management education and education relating to diet shall be limited to visits medically necessary upon the diagnosis of diabetes; upon diagnosis by a physician or nurse practitioner/clinical nurse specialist of a significant change in the covered person's symptoms or conditions which necessitate changes in that person's self-management; and upon determination of a physician or nurse practitioner/clinical nurse specialist that reeducation or refresher education is necessary. Diabetes self-management education shall be provided by a dietitian registered by a nationally recognized professional association of dietitians or a health care professional recognized as a Certified Diabetes Educator by the American Association of Diabetes Educators or a registered pharmacist in the State qualified with regard to management education for diabetes by any institution recognized by the board of pharmacy of the State of New Jersey.

c. The benefits required by this section shall be provided to the same extent as for any other sickness under the policy.

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

e. The provisions of this section shall not apply to a health benefits plan subject to the provisions of P.L.1992, c.161 (C.17B:27A-2 et seq.) or P.L.1992, c.162 (C.17B:27A-17 et seq.).

f. The Commissioner of <u>Banking and</u> Insurance may, in consultation with the Commissioner of Health, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), promulgate and periodically update a list of additional diabetes equipment and related supplies that are medically necessary for the treatment of diabetes and for which benefits shall be provided according to the provisions of this section.

(cf: P.L.1995, c.331, s.5)

14. (New section) A group health insurance policy providing hospital or medical expense benefits that is delivered, issued, executed, or renewed in this State pursuant to Chapter 27 of Title 17B of the New Jersey Statutes or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) shall provide coverage for at least one epinephrine auto-injector device, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of an epinephrine auto-

injector device shall not be subject to any deductible, and no copayment or coinsurance for the purchase of an epinephrine auto-injector device shall exceed $25 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable. [1]The provisions of this [2]**[**subsection**]** section[2] shall apply to a plan that meets the requirements of a catastrophic plan, as defined in 45 C.F.R. s.156.155, to the maximum extent permitted by federal law.[1]

Nothing in this section shall prevent a group health insurer from reducing a covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

15. (New section) A group health insurance policy providing hospital or medical expense benefits that is delivered, issued, executed, or renewed in this State pursuant to Chapter 27 of Title 17B of the New Jersey Statutes or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) shall provide benefits to a person covered thereunder for expenses incurred for a prescription asthma inhaler, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of a covered prescription asthma inhaler shall not be subject to any deductible, and no copayment or coinsurance for the purchase of a covered prescription asthma inhaler shall exceed $50 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable. [1]The provisions of this [2]**[**subsection**]** section[2] shall apply to a plan that meets the requirements of a catastrophic plan, as defined in 45 C.F.R. s.156.155, to the maximum extent permitted by federal law.[1]

Nothing in this section shall prevent a group health insurer from reducing a covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

16. Section 6 of P.L.1995, c.331 (C.26:2J-4.11) is amended to read as follows:

6. a. Every contract for health care services that is delivered, issued, executed or renewed in this State pursuant to P.L.1973, c.337 (C.26:2J-1 et seq.) or approved for issuance or renewal in this State on or after the effective date of this act shall provide health care services to any enrollee or other person covered thereunder for the following equipment and supplies for the treatment of diabetes, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist: blood glucose monitors and blood glucose monitors for the legally blind; test strips for glucose monitors and visual reading and urine testing strips; insulin; injection aids; cartridges for the legally blind; syringes; insulin pumps and appurtenances thereto; insulin infusion devices; and oral agents for controlling blood sugar. Coverage for the purchase of [1]a [2]short-acting, intermediate acting,[2] rapid acting, long-acting, and pre-mixed[1] insulin [1]product[1] shall not be subject to any deductible, and no copayment or coinsurance for the purchase of insulin shall exceed $35 per 30-day supply. The provisions of this subsection shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this subsection shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable. [1]The provisions of this subsection shall apply to a plan that meets the requirements of a catastrophic plan, as defined in 45 C.F.R. s.156.155, to the maximum extent permitted by federal law.[1]

b. Each contract shall also provide health care services for diabetes self-management education to ensure that a person with diabetes is educated as to the proper self-management and treatment of their diabetic condition, including information on proper diet. Health care services provided for self-management education and education relating to diet shall be limited to visits medically necessary upon the diagnosis of diabetes; upon diagnosis by a participating physician or participating nurse practitioner/clinical nurse specialist of a significant change in the enrollee's or other covered person's symptoms or conditions which necessitate changes in that person's self-management; and upon determination of a participating physician or participating nurse practitioner/clinical

nurse specialist that reeducation or refresher education is necessary. Diabetes self-management education shall be provided by a participating dietitian registered by a nationally recognized professional association of dietitians or a health care professional recognized as a Certified Diabetes Educator by the American Association of Diabetes Educators or, pursuant to section 6 of P.L.1993, c.378 (C.26:2J-4.7), a registered pharmacist in the State qualified with regard to management education for diabetes by any institution recognized by the board of pharmacy of the State of New Jersey.

c. The health care services required by this section shall be provided to the same extent as for any other sickness under the contract.

d. This section shall apply to all contracts in which the health maintenance organization has reserved the right to change the schedule of charges.

e. The provisions of this section shall not apply to a health benefits plan subject to the provisions of P.L.1992, c.161 (C.17B:27A-2 et seq.) or P.L.1992, c.162 (C.17B:27A-17 et seq.).

f. The Commissioner of <u>Banking and</u> Insurance may, in consultation with the Commissioner of Health, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), promulgate and periodically update a list of additional diabetes equipment and related supplies that are medically necessary for the treatment of diabetes and for which benefits shall be provided according to the provisions of this section.

(cf: P.L.1995, c.331, s.6)

17. (New section) A contract for health care services that is delivered, issued, executed, or renewed in this State pursuant to P.L.1973, c.337 (C.26:2J-1 et seq.) or approved for issuance or renewal in this State on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) shall provide coverage for at least one epinephrine auto-injector device, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of an epinephrine auto-injector device shall not be subject to any deductible, and no copayment or coinsurance for the purchase of an epinephrine auto-injector device shall exceed $25 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is

permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable. [1]The provisions of this [2]**[**subsection**]** section[2] shall apply to a plan that meets the requirements of a catastrophic plan, as defined in 45 C.F.R. s.156.155, to the maximum extent permitted by federal law.[1]

Nothing in this section shall prevent a health maintenance organization from reducing an enrollee's or other covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

18. (New section) A contract for health care services that is delivered, issued, executed, or renewed in this State pursuant to P.L.1973, c.337 (C.26:2J-1 et seq.) or approved for issuance or renewal in this State on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) shall provide benefits to an enrollee or other person covered thereunder for expenses incurred for a prescription asthma inhaler, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of a covered prescription asthma inhaler shall not be subject to any deductible, and no copayment or coinsurance for the purchase of a covered prescription asthma inhaler shall exceed $50 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable. [1]The provisions of this [2]**[**subsection**]** section[2] shall apply to a plan that meets the requirements of a catastrophic plan, as defined in 45 C.F.R. s.156.155, to the maximum extent permitted by federal law.[1]

Nothing in this section shall prevent a health maintenance organization from reducing an enrollee's or other covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

19. (New section) An individual health benefits plan that provides hospital and medical expense benefits and is delivered, issued, executed, or renewed in this State pursuant to P.L.1992, c.161 (C.17B:27A-2 et al.), on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), shall provide coverage to an enrollee or other person covered thereunder for insulin for the treatment of diabetes, if recommended

or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of [1]a [2]short-acting, intermediate acting,[2] rapid acting, long-acting, and pre-mixed[1] insulin [1]product[1] shall not be subject to any deductible, and no copayment or coinsurance for the purchase of insulin shall exceed $35 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable. [1]The provisions of this [2][subsection] section[2] shall apply to a plan that meets the requirements of a catastrophic plan, as defined in 45 C.F.R. s.156.155, to the maximum extent permitted by federal law.[1]

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

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

20. (New section) An individual health benefits plan that provides hospital and medical expense benefits and is delivered, issued, executed, or renewed in this State pursuant to P.L.1992, c.161 (C.17B:27A-2 et al.), on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), shall provide coverage for at least one epinephrine auto-injector device, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of an epinephrine auto-injector device shall not be subject to any deductible, and no copayment or coinsurance for the purchase of an epinephrine auto-injector device shall exceed $25 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable. [1]The provisions of this [2][subsection] section[2] shall apply to a plan that meets the requirements of a catastrophic plan, as defined in 45 C.F.R. s.156.155, to the maximum extent permitted by federal law.[1]

Nothing in this section shall prevent a carrier from reducing an enrollee's or other covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

21. (New section) An individual health benefits plan that provides hospital and medical expense benefits and is delivered, issued, executed, or renewed in this State pursuant to P.L.1992, c.161 (C.17B:27A-2 et al.), on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), shall provide benefits to an enrollee or other person covered thereunder for expenses incurred for a prescription asthma inhaler, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of a covered prescription asthma inhaler shall not be subject to any deductible, and no copayment or coinsurance for the purchase of a covered prescription asthma inhaler shall exceed $50 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable. [1]The provisions of this [2][subsection] section[2] shall apply to a plan that meets the requirements of a catastrophic plan, as defined in 45 C.F.R. s.156.155, to the maximum extent permitted by federal law.[1]

Nothing in this section shall prevent a carrier from reducing an enrollee's or other covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

22. (New section) A small employer health benefits plan that provides hospital and medical expense benefits and is delivered, issued, executed, or renewed in this State pursuant to P.L.1992, c.162 (C.17B:27A-17 et seq.), on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), shall provide coverage to an enrollee or other person covered thereunder for insulin for the treatment of diabetes, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of [1]a [2]short-acting, intermediate acting,[2] rapid acting, long-acting, and pre-mixed[1] insulin [1]product[1] shall not be subject to any deductible, and no copayment or coinsurance for the purchase of insulin shall exceed $35 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent

permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable. [1]The provisions of this [2][subsection] section[2] shall apply to a plan that meets the requirements of a catastrophic plan, as defined in 45 C.F.R. s.156.155, to the maximum extent permitted by federal law.[1]

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

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

23. (New section) A small employer health benefits plan that provides hospital and medical expense benefits and is delivered, issued, executed, or renewed in this State pursuant to P.L.1992, c.162 (C.17B:27A-17 et seq.), on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), shall provide coverage for at least one epinephrine auto-injector device, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of an epinephrine auto-injector device shall not be subject to any deductible, and no copayment or coinsurance for the purchase of an epinephrine auto-injector device shall exceed $25 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable. [1]The provisions of this [2][subsection] section[2] shall apply to a plan that meets the requirements of a catastrophic plan, as defined in 45 C.F.R. s.156.155, to the maximum extent permitted by federal law.[1]

Nothing in this section shall prevent a carrier from reducing an enrollee's or other covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

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

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

24. (New section) A small employer health benefits plan that provides hospital and medical expense benefits and is delivered, issued, executed, or renewed in this State pursuant to P.L.1992, c.162 (C.17B:27A-17 et seq.), on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), shall provide benefits to an enrollee or other person covered thereunder for expenses incurred for a prescription asthma inhaler, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of a covered prescription asthma inhaler shall not be subject to any deductible, and no copayment or coinsurance for the purchase of a covered prescription asthma inhaler shall exceed $50 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable. [1]The provisions of this [2]**[**subsection**]** section[2] shall apply to a plan that meets the requirements of a catastrophic plan, as defined in 45 C.F.R. s.156.155, to the maximum extent permitted by federal law.[1]

Nothing in this section shall prevent a carrier from reducing an enrollee's or other covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

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

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

25. (New section) The State Health Benefits Commission shall ensure that every contract purchased or renewed by the commission on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), shall provide coverage for health care services to a person covered thereunder for insulin for the treatment of diabetes, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of [1]a [2]short-acting, intermediate acting,[2] rapid acting, long-acting, and pre-mixed[1] insulin [1]product[1] shall not be subject to any deductible, and no copayment or coinsurance for the purchase of insulin shall exceed $35 per 30-day supply, except a contract provided by the State Health Benefits Commission that qualifies as a high deductible health plan shall provide coverage for the purchase of insulin at the

lowest deductible and other cost-sharing requirement permitted for a high deductible health plan under section 223(c)(2)(A) of the federal Internal Revenue Code (26 U.S.C. s.223 (c)(2)(A)). [1]The provisions of this [2]**[**subsection**]** section[2] shall apply to a plan that meets the requirements of a catastrophic plan, as defined in 45 C.F.R. s.156.155, to the maximum extent permitted by federal law.[1]

Nothing in this section shall prevent the State Health Benefits Commission from reducing an enrollee's cost-sharing requirement by an amount greater than the amount specified in this section or prevent the commission from utilizing formulary management, including a mandatory generic policy, to promote the use of lower-cost alternative generic drugs that are the therapeutic equivalent of the brand-name drug, which could result in the member's copay being higher than set forth in this section.

26. (New section) The State Health Benefits Commission shall ensure that every contract purchased or renewed by the commission on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), shall provide coverage for at least one epinephrine auto-injector device, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of an epinephrine auto-injector device shall not be subject to any deductible, and no copayment or coinsurance for the purchase of an epinephrine auto-injector device shall exceed $25 per 30-day supply, except a contract provided by the State Health Benefits Commission that qualifies as a high deductible health plan shall provide coverage for the purchase of an epinephrine auto-injector device at the lowest deductible and other cost-sharing requirement permitted for a high deductible health plan under section 223(c)(2)(A) of the federal Internal Revenue Code (26 U.S.C. s.223 (c)(2)(A)). [1]The provisions of this [2]**[**subsection**]** section[2] shall apply to a plan that meets the requirements of a catastrophic plan, as defined in 45 C.F.R. s.156.155, to the maximum extent permitted by federal law.[1]

Nothing in this section shall prevent the State Health Benefits Commission from reducing a covered person's cost-sharing requirement by an amount greater than the amount specified in this section or prevent the commission from utilizing formulary management, including a mandatory generic policy, to promote the use of lower-cost alternative generic drugs that are the therapeutic equivalent of the brand-name drug, which could result in the member's copay being higher than set forth in this section.

27. (New section) The State Health Benefits Commission shall ensure that every contract purchased or renewed by the commission on or after the effective date of P.L. , c. (C.) (pending

before the Legislature as this bill), shall provide benefits to a person covered thereunder for expenses incurred for a prescription asthma inhaler, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of a covered prescription asthma inhaler shall not be subject to any deductible, and no copayment or coinsurance for the purchase of a covered prescription asthma inhaler shall exceed $50 per 30-day supply, except a contract provided by the State Health Benefits Commission that qualifies as a high deductible health plan shall provide coverage for the purchase of a covered prescription asthma inhaler at the lowest deductible and other cost-sharing requirement permitted for a high deductible health plan under section 223(c)(2)(A) of the Internal Revenue Code (26 U.S.C. s.223). [1]The provisions of this [2][subsection] section[2] shall apply to a plan that meets the requirements of a catastrophic plan, as defined in 45 C.F.R. s.156.155, to the maximum extent permitted by federal law.[1]

Nothing in this section shall prevent the State Health Benefits Commission from reducing a covered person's cost-sharing requirement by an amount greater than the amount specified in this section or prevent the commission from utilizing formulary management, including a mandatory generic policy, to promote the use of lower-cost alternative generic drugs that are the therapeutic equivalent of the brand-name drug, which could result in the member's copay being higher than set forth in this section.

28. (New section) The School Employees' Health Benefits Commission shall ensure that every contract purchased by the commission on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) that provides hospital and medical expense benefits shall provide health care services to a person covered thereunder for insulin for the treatment of diabetes, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of [1]a [2]short-acting, intermediate acting,[2] rapid acting, long-acting, and pre-mixed[1] insulin [1]product[1] shall not be subject to any deductible, and no copayment or coinsurance for the purchase of insulin shall exceed $35 per 30-day supply, except a contract provided by the School Employees' Health Benefits Commission that qualifies as a high deductible health plan shall provide coverage for the purchase of insulin at the lowest deductible and other cost-sharing requirement permitted for a high deductible health plan under section 223(c)(2)(A) of the Internal Revenue Code (26 U.S.C. s.223 (c)(2)(A)). [1]The provisions of this [2][subsection] section[2] shall apply to a plan that meets the requirements of a catastrophic plan, as defined in 45 C.F.R. s.156.155, to the maximum extent permitted by federal law.[1]

Nothing in this section shall prevent the School Employees' Health Benefits Commission from reducing an enrollee's cost-sharing requirement by an amount greater than the amount specified in this section or prevent the commission from utilizing formulary management, including a mandatory generic policy, to promote the use of lower-cost alternative generic drugs that are the therapeutic equivalent of the brand-name drug, which could result in the member's copay being higher than set forth in this section.

29. (New section) The School Employees' Health Benefits Commission shall ensure that every contract purchased or renewed by the commission on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), shall provide coverage for at least one epinephrine auto-injector device, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of an epinephrine auto-injector device shall not be subject to any deductible, and no copayment or coinsurance for the purchase of an epinephrine auto-injector device shall exceed $25 per 30-day supply, except a contract provided by the School Employees' Health Benefits Commission that qualifies as a high deductible health plan shall provide coverage for the purchase of an epinephrine auto-injector device at the lowest deductible and other cost-sharing requirement permitted for a high deductible health plan under section 223(c)(2)(A) of the Internal Revenue Code (26 U.S.C. s.223 (c)(2)(A)). [1]The provisions of this [2][subsection] section[2] shall apply to a plan that meets the requirements of a catastrophic plan, as defined in 45 C.F.R. s.156.155, to the maximum extent permitted by federal law.[1]

Nothing in this section shall prevent the School Employees' Health Benefits Commission from reducing an enrollee's cost-sharing requirement by an amount greater than the amount specified in this section or prevent the commission from utilizing formulary management, including a mandatory generic policy, to promote the use of lower-cost alternative generic drugs that are the therapeutic equivalent of the brand-name drug, which could result in the member's copay being higher than set forth in this section.

30. (New section) The School Employees' Health Benefits Commission shall ensure that every contract purchased or renewed by the commission on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), shall provide benefits to a person covered thereunder for expenses incurred for a prescription asthma inhaler, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of a covered prescription asthma inhaler shall not be subject to any

deductible, and no copayment or coinsurance for the purchase of a covered prescription asthma inhaler shall exceed $50 per 30-day supply, except a contract provided by the School Employees' Health Benefits Commission that qualifies as a high deductible health plan shall provide coverage for the purchase of a covered prescription asthma inhaler at the lowest deductible and other cost-sharing requirement permitted for a high deductible health plan under section 223(c)(2)(A) of the Internal Revenue Code (26 U.S.C. s.223 (c)(2)(A)). [1]The provisions of this [2][subsection] section[2] shall apply to a plan that meets the requirements of a catastrophic plan, as defined in 45 C.F.R. s.156.155, to the maximum extent permitted by federal law.[1]

Nothing in this section shall prevent the School Employees' Health Benefits Commission from reducing a covered person's cost-sharing requirement by an amount greater than the amount specified in this section or prevent the commission from utilizing formulary management, including a mandatory generic policy, to promote the use of lower-cost alternative generic drugs that are the therapeutic equivalent of the brand-name drug, which could result in the member's copay being higher than set forth in this section.

31. This act shall take effect on the first day of the seventh month next following the date of enactment and shall apply to plans issued or renewed on or after January 1 of the next calendar year, but the Commissioner of the Department of Banking and Insurance may take such anticipatory administrative action in advance thereof as shall be necessary for the implementation of the act.

Requires health insurance carriers to provide coverage for epinephrine auto-injector devices and asthma inhalers; limits cost sharing for health insurance coverage of insulin.

SENATE, No. 1614

STATE OF NEW JERSEY

220th LEGISLATURE

INTRODUCED FEBRUARY 14, 2022

Sponsored by:
Senator JOSEPH F. VITALE
District 19 (Middlesex)
Senator NELLIE POU
District 35 (Bergen and Passaic)
Senator TROY SINGLETON
District 7 (Burlington)
Senator LINDA R. GREENSTEIN
District 14 (Mercer and Middlesex)

Co-Sponsored by:
Senators Ruiz, Gill, Cunningham, Diegnan and Turner

SYNOPSIS

Requires health insurance carriers to provide coverage for epinephrine auto-injector devices and asthma inhalers; limits cost sharing for health insurance coverage of insulin.

CURRENT VERSION OF TEXT

As introduced.

(Sponsorship Updated As Of: 5/12/2022)

AN ACT concerning cost sharing for certain prescription drugs, amending P.L.1995, c.331, and supplementing various parts of the statutory law.

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

1. Section 1 of P.L.1995, c.331 (C.17:48-6n) is amended to read as follows:

1. a. Every individual or group hospital service corporation contract providing hospital or medical expense benefits that is delivered, issued, executed or renewed in this State pursuant to P.L.1938, c.366 (C.17:48-1 et seq.) or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of this act shall provide benefits to any subscriber or other person covered thereunder for expenses incurred for the following equipment and supplies for the treatment of diabetes, if recommended or prescribed by a physician or nurse practitioner/clinical nurse specialist: blood glucose monitors and blood glucose monitors for the legally blind; test strips for glucose monitors and visual reading and urine testing strips; insulin; injection aids; cartridges for the legally blind; syringes; insulin pumps and appurtenances thereto; insulin infusion devices; and oral agents for controlling blood sugar. Coverage for the purchase of insulin shall not be subject to any deductible, and no copayment or coinsurance for the purchase of insulin shall exceed $35 per 30-day supply. The provisions of this subsection shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this subsection shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

b. Each individual or group hospital service corporation contract shall also provide benefits for expenses incurred for diabetes self-management education to ensure that a person with diabetes is educated as to the proper self-management and treatment of their diabetic condition, including information on proper diet. Benefits provided for self-management education and education relating to diet shall be limited to visits medically necessary upon the diagnosis of diabetes; upon diagnosis by a physician or nurse practitioner/clinical nurse specialist of a significant change in the

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.

subscriber's or other covered person's symptoms or conditions which necessitate changes in that person's self-management; and upon determination of a physician or nurse practitioner/clinical nurse specialist that reeducation or refresher education is necessary. Diabetes self-management education shall be provided by a dietitian registered by a nationally recognized professional association of dietitians or a health care professional recognized as a Certified Diabetes Educator by the American Association of Diabetes Educators or a registered pharmacist in the State qualified with regard to management education for diabetes by any institution recognized by the board of pharmacy of the State of New Jersey.

c. The benefits required by this section shall be provided to the same extent as for any other sickness under the contract.

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

e. The provisions of this section shall not apply to a health benefits plan subject to the provisions of P.L.1992, c.161 (C.17B:27A-2 et seq.) or P.L.1992, c.162 (C.17B:27A-17 et seq.).

f. The Commissioner of <u>Banking and</u> Insurance may, in consultation with the Commissioner of Health, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), promulgate and periodically update a list of additional diabetes equipment and related supplies that are medically necessary for the treatment of diabetes and for which benefits shall be provided according to the provisions of this section.

(cf: P.L.1995, c.331, s.1)

2. (New section) An individual or group hospital service corporation contract providing hospital or medical expense benefits that is delivered, issued, executed, or renewed in this State pursuant to P.L.1938, c.366 (C.17:48-1 et seq.) or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) shall provide coverage for at least one epinephrine auto-injector device, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of an epinephrine auto-injector device shall not be subject to any deductible, and no copayment or coinsurance for the purchase of an epinephrine auto-injector device shall exceed $25 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply

to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

Nothing in this section shall prevent a hospital service corporation from reducing a subscriber's or other covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

3. (New section) An individual or group hospital service corporation contract providing hospital or medical expense benefits that is delivered, issued, executed, or renewed in this State pursuant to P.L.1938, c.366 (C.17:48-1 et seq.) or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) shall provide benefits to a subscriber or other person covered thereunder for expenses incurred for a prescription asthma inhaler, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of a covered prescription asthma inhaler shall not be subject to any deductible, and no copayment or coinsurance for the purchase of a covered prescription asthma inhaler shall exceed $50 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

Nothing in this section shall prevent a hospital service corporation from reducing a subscriber's or other covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

4. Section 2 of P.L.1995, c.331 (C.17:48A-7l) is amended to read as follows:

2. a. Every individual or group medical service corporation contract providing hospital or medical expense benefits that is delivered, issued, executed or renewed in this State pursuant to P.L.1940, c.74 (C.17:48A-1 et seq.) or approved for issuance or renewal in this State by the Commissioner of <u>Banking and</u> Insurance on or after the effective date of this act shall provide benefits to any subscriber or other person covered thereunder for expenses incurred for the following equipment and supplies for the treatment of diabetes, if recommended or prescribed by a physician

or nurse practitioner/clinical nurse specialist: blood glucose monitors and blood glucose monitors for the legally blind; test strips for glucose monitors and visual reading and urine testing strips; insulin; injection aids; cartridges for the legally blind; syringes; insulin pumps and appurtenances thereto; insulin infusion devices; and oral agents for controlling blood sugar. Coverage for the purchase of insulin shall not be subject to any deductible, and no copayment or coinsurance for the purchase of insulin shall exceed $35 per 30-day supply. The provisions of this subsection shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this subsection shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

b. Each individual or group medical service corporation contract shall also provide benefits for expenses incurred for diabetes self-management education to ensure that a person with diabetes is educated as to the proper self-management and treatment of their diabetic condition, including information on proper diet. Benefits provided for self-management education and education relating to diet shall be limited to visits medically necessary upon the diagnosis of diabetes; upon diagnosis by a physician or nurse practitioner/clinical nurse specialist of a significant change in the subscriber's or other covered person's symptoms or conditions which necessitate changes in that person's self-management; and upon determination of a physician or nurse practitioner/clinical nurse specialist that reeducation or refresher education is necessary. Diabetes self-management education shall be provided by a dietitian registered by a nationally recognized professional association of dietitians or a health care professional recognized as a Certified Diabetes Educator by the American Association of Diabetes Educators or a registered pharmacist in the State qualified with regard to management education for diabetes by any institution recognized by the board of pharmacy of the State of New Jersey.

c. The benefits required by this section shall be provided to the same extent as for any other sickness under the contract.

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

e. The provisions of this section shall not apply to a health benefits plan subject to the provisions of P.L.1992, c.161 (C.17B:27A-2 et seq.) or P.L.1992, c.162 (C.17B:27A-17 et seq.).

f. The Commissioner of Banking and Insurance may, in consultation with the Commissioner of Health, pursuant to the

"Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), promulgate and periodically update a list of additional diabetes equipment and related supplies that are medically necessary for the treatment of diabetes and for which benefits shall be provided according to the provisions of this section.
(cf: P.L.1995, c.331, s.2)

5. (New section) An individual or group medical service corporation contract providing hospital or medical expense benefits that is delivered, issued, executed, or renewed in this State pursuant to P.L.1940, c.74 (C.17:48A-1 et seq.) or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) shall provide coverage for at least one epinephrine auto-injector device, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of an epinephrine auto-injector device shall not be subject to any deductible, and no copayment or coinsurance for the purchase of an epinephrine auto-injector device shall exceed $25 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

Nothing in this section shall prevent a medical service corporation from reducing a subscriber's or other covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

6. (New section) An individual or group medical service corporation contract providing hospital or medical expense benefits that is delivered, issued, executed, or renewed in this State pursuant to P.L.1940, c.74 (C.17:48A-1 et seq.) or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) shall provide benefits to a subscriber or other person covered thereunder for expenses incurred for a prescription asthma inhaler, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of a covered prescription asthma inhaler shall not be subject to any deductible, and no copayment or coinsurance for the purchase of a

covered prescription asthma inhaler shall exceed $50 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

Nothing in this section shall prevent a medical service corporation from reducing a subscriber's or other covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

7. Section 3 of P.L.1995, c.331 (C.17:48E-35.11) is amended to read as follows:

3. a. Every individual or group health service corporation contract providing hospital or medical expense benefits that is delivered, issued, executed or renewed in this State pursuant to P.L.1985, c.236 (C.17:48E-1 et seq.) or approved for issuance or renewal in this State by the Commissioner of <u>Banking and</u> Insurance on or after the effective date of this act shall provide benefits to any subscriber or other person covered thereunder for expenses incurred for the following equipment and supplies for the treatment of diabetes, if recommended or prescribed by a physician or nurse practitioner/clinical nurse specialist: blood glucose monitors and blood glucose monitors for the legally blind; test strips for glucose monitors and visual reading and urine testing strips; insulin; injection aids; cartridges for the legally blind; syringes; insulin pumps and appurtenances thereto; insulin infusion devices; and oral agents for controlling blood sugar. <u>Coverage for the purchase of insulin shall not be subject to any deductible, and no copayment or coinsurance for the purchase of insulin shall exceed $35 per 30-day supply. The provisions of this subsection shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this subsection shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.</u>

b. Each individual or group health service corporation contract shall also provide benefits for expenses incurred for diabetes self-management education to ensure that a person with diabetes is

educated as to the proper self-management and treatment of their diabetic condition, including information on proper diet. Benefits provided for self-management education and education relating to diet shall be limited to visits medically necessary upon the diagnosis of diabetes; upon the diagnosis by a physician or nurse practitioner/clinical nurse specialist of a significant change in the subscriber's or other covered person's symptoms or conditions which necessitate changes in that person's self-management; and upon determination of a physician or nurse practitioner/clinical nurse specialist that reeducation or refresher education is necessary. Diabetes self-management education shall be provided by a dietitian registered by a nationally recognized professional association of dietitians or a health care professional recognized as a Certified Diabetes Educator by the American Association of Diabetes Educators or a registered pharmacist in the State qualified with regard to management education for diabetes by any institution recognized by the board of pharmacy of the State of New Jersey.

c. The benefits required by this section shall be provided to the same extent as for any other sickness under the contract.

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

e. The provisions of this section shall not apply to a health benefits plan subject to the provisions of P.L.1992, c.161 (C.17B:27A-2 et seq.) or P.L.1992, c.162 (C.17B:27A-17 et seq.).

f. The Commissioner of <u>Banking and</u> Insurance may, in consultation with the Commissioner of Health, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), promulgate and periodically update a list of additional diabetes equipment and related supplies that are medically necessary for the treatment of diabetes and for which benefits shall be provided according to the provisions of this section.

(cf: P.L.1995, c.331, s.3)

8. (New section) An individual or group health service corporation contract providing hospital or medical expense benefits that is delivered, issued, executed, or renewed in this State pursuant to P.L.1985, c.236 (C.17:48E-1 et seq.) or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) shall provide coverage for at least one epinephrine auto-injector device, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of an epinephrine auto-injector device shall not be subject to any deductible, and no copayment or coinsurance for the purchase of an epinephrine auto-injector device shall exceed $25 per 30-day supply. The provisions of this section shall apply to a high

deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

Nothing in this section shall prevent a health service corporation from reducing a subscriber's or other covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

9. (New section) An individual or group health service corporation contract providing hospital or medical expense benefits that is delivered, issued, executed, or renewed in this State pursuant to P.L.1985, c.236 (C.17:48E-1 et seq.) or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) shall provide benefits to a subscriber or other person covered thereunder for expenses incurred for a prescription asthma inhaler, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of a covered prescription asthma inhaler shall not be subject to any deductible, and no copayment or coinsurance for the purchase of a covered prescription asthma inhaler shall exceed $50 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

Nothing in this section shall prevent a health service corporation contract from reducing a subscriber's or other covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

10. Section 4 of P.L.1995, c.331 (C.17B:26-2.1l) is amended to read as follows:

4. a. Every individual health insurance policy providing hospital or medical expense benefits that is delivered, issued, executed or renewed in this State pursuant to Chapter 26 of Title

17B of the New Jersey Statutes or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of this act shall provide benefits to any person covered thereunder for expenses incurred for the following equipment and supplies for the treatment of diabetes, if recommended or prescribed by a physician or nurse practitioner/clinical nurse specialist: blood glucose monitors and blood glucose monitors for the legally blind; test strips for glucose monitors and visual reading and urine testing strips; insulin; injection aids; cartridges for the legally blind; syringes; insulin pumps and appurtenances thereto; insulin infusion devices; and oral agents for controlling blood sugar. Coverage for the purchase of insulin shall not be subject to any deductible, and no copayment or coinsurance for the purchase of insulin shall exceed $35 per 30-day supply. The provisions of this subsection shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this subsection shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

b. Each individual health insurance policy shall also provide benefits for expenses incurred for diabetes self-management education to ensure that a person with diabetes is educated as to the proper self-management and treatment of their diabetic condition, including information on proper diet. Benefits provided for self-management education and education relating to diet shall be limited to visits medically necessary upon the diagnosis of diabetes; upon diagnosis by a physician or nurse practitioner/clinical nurse specialist of a significant change in the covered person's symptoms or conditions which necessitate changes in that person's self-management; and upon determination of a physician or nurse practitioner/clinical nurse specialist that reeducation or refresher education is necessary. Diabetes self-management education shall be provided by a dietitian registered by a nationally recognized professional association of dietitians or a health care professional recognized as a Certified Diabetes Educator by the American Association of Diabetes Educators or a registered pharmacist in the State qualified with regard to management education for diabetes by any institution recognized by the board of pharmacy of the State of New Jersey.

c. The benefits required by this section shall be provided to the same extent as for any other sickness under the policy.

d. This section shall apply to all individual health insurance policies in which the insurer has reserved the right to change the premium.

e. The provisions of this section shall not apply to a health benefits plan subject to the provisions of P.L.1992, c.161 (C.17B:27A-2 et seq.) or P.L.1992, c.162 (C.17B:27A-17 et seq.).

f. The Commissioner of Banking and Insurance may, in consultation with the Commissioner of Health, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), promulgate and periodically update a list of additional diabetes equipment and related supplies that are medically necessary for the treatment of diabetes and for which benefits shall be provided according to the provisions of this section.

(cf: P.L.1995, c.331, s.4)

11. (New section) An individual health insurance policy providing hospital or medical expense benefits that is delivered, issued, executed, or renewed in this State pursuant to Chapter 26 of Title 17B of the New Jersey Statutes or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) shall provide coverage for at least one epinephrine auto-injector device, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of an epinephrine auto-injector device shall not be subject to any deductible, and no copayment or coinsurance for the purchase of an epinephrine auto-injector device shall exceed $25 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

Nothing in this section shall prevent an individual health insurer from reducing a covered person’s cost-sharing requirement by an amount greater than the amount specified in this section.

12. (New section) An individual health insurance policy providing hospital or medical expense benefits that is delivered, issued, executed, or renewed in this State pursuant to Chapter 26 of Title 17B of the New Jersey Statutes or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of P.L. , c. (C.)

(pending before the Legislature as this bill) shall provide benefits to a person covered thereunder for expenses incurred for a prescription asthma inhaler, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of a covered prescription asthma inhaler shall not be subject to any deductible, and no copayment or coinsurance for the purchase of a covered prescription asthma inhaler shall exceed $50 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

Nothing in this section shall prevent an individual health insurer from reducing a covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

13. Section 5 of P.L.1995, c.331 (C.17B:27-46.1m) is amended to read as follows:

5. a. Every group health insurance policy providing hospital or medical expense benefits that is delivered, issued, executed or renewed in this State pursuant to Chapter 27 of Title 17B of the New Jersey Statutes or approved for issuance or renewal in this State by the Commissioner of <u>Banking and</u> Insurance on or after the effective date of this act shall provide benefits to any person covered thereunder for expenses incurred for the following equipment and supplies for the treatment of diabetes, if recommended or prescribed by a physician or nurse practitioner/clinical nurse specialist: blood glucose monitors and blood glucose monitors for the legally blind; test strips for glucose monitors and visual reading and urine testing strips; insulin; injection aids; cartridges for the legally blind; syringes; insulin pumps and appurtenances thereto; insulin infusion devices; and oral agents for controlling blood sugar. <u>Coverage for the purchase of insulin shall not be subject to any deductible, and no copayment or coinsurance for the purchase of insulin shall exceed $35 per 30-day supply. The provisions of this subsection shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this subsection shall</u>

apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

b. Each group health insurance policy shall also provide benefits for expenses incurred for diabetes self-management education to ensure that a person with diabetes is educated as to the proper self-management and treatment of their diabetic condition, including information on proper diet. Benefits provided for self-management education and education relating to diet shall be limited to visits medically necessary upon the diagnosis of diabetes; upon diagnosis by a physician or nurse practitioner/clinical nurse specialist of a significant change in the covered person's symptoms or conditions which necessitate changes in that person's self-management; and upon determination of a physician or nurse practitioner/clinical nurse specialist that reeducation or refresher education is necessary. Diabetes self-management education shall be provided by a dietitian registered by a nationally recognized professional association of dietitians or a health care professional recognized as a Certified Diabetes Educator by the American Association of Diabetes Educators or a registered pharmacist in the State qualified with regard to management education for diabetes by any institution recognized by the board of pharmacy of the State of New Jersey.

c. The benefits required by this section shall be provided to the same extent as for any other sickness under the policy.

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

e. The provisions of this section shall not apply to a health benefits plan subject to the provisions of P.L.1992, c.161 (C.17B:27A-2 et seq.) or P.L.1992, c.162 (C.17B:27A-17 et seq.).

f. The Commissioner of Banking and Insurance may, in consultation with the Commissioner of Health, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), promulgate and periodically update a list of additional diabetes equipment and related supplies that are medically necessary for the treatment of diabetes and for which benefits shall be provided according to the provisions of this section.

(cf: P.L.1995, c.331, s.5)

14. (New section) A group health insurance policy providing hospital or medical expense benefits that is delivered, issued, executed, or renewed in this State pursuant to Chapter 27 of Title 17B of the New Jersey Statutes or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) shall provide coverage for at least one epinephrine auto-injector device, if recommended or prescribed by

a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of an epinephrine auto-injector device shall not be subject to any deductible, and no copayment or coinsurance for the purchase of an epinephrine auto-injector device shall exceed $25 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

Nothing in this section shall prevent a group health insurer from reducing a covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

15. (New section) A group health insurance policy providing hospital or medical expense benefits that is delivered, issued, executed, or renewed in this State pursuant to Chapter 27 of Title 17B of the New Jersey Statutes or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) shall provide benefits to a person covered thereunder for expenses incurred for a prescription asthma inhaler, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of a covered prescription asthma inhaler shall not be subject to any deductible, and no copayment or coinsurance for the purchase of a covered prescription asthma inhaler shall exceed $50 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

Nothing in this section shall prevent a group health insurer from reducing a covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

16. Section 6 of P.L.1995, c.331 (C.26:2J-4.11) is amended to read as follows:

6. a. Every contract for health care services that is delivered, issued, executed or renewed in this State pursuant to P.L.1973, c.337 (C.26:2J-1 et seq.) or approved for issuance or renewal in this State on or after the effective date of this act shall provide health care services to any enrollee or other person covered thereunder for the following equipment and supplies for the treatment of diabetes, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist: blood glucose monitors and blood glucose monitors for the legally blind; test strips for glucose monitors and visual reading and urine testing strips; insulin; injection aids; cartridges for the legally blind; syringes; insulin pumps and appurtenances thereto; insulin infusion devices; and oral agents for controlling blood sugar. Coverage for the purchase of insulin shall not be subject to any deductible, and no copayment or coinsurance for the purchase of insulin shall exceed $35 per 30-day supply. The provisions of this subsection shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this subsection shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

b. Each contract shall also provide health care services for diabetes self-management education to ensure that a person with diabetes is educated as to the proper self-management and treatment of their diabetic condition, including information on proper diet. Health care services provided for self-management education and education relating to diet shall be limited to visits medically necessary upon the diagnosis of diabetes; upon diagnosis by a participating physician or participating nurse practitioner/clinical nurse specialist of a significant change in the enrollee's or other covered person's symptoms or conditions which necessitate changes in that person's self-management; and upon determination of a participating physician or participating nurse practitioner/clinical nurse specialist that reeducation or refresher education is necessary. Diabetes self-management education shall be provided by a participating dietitian registered by a nationally recognized professional association of dietitians or a health care professional recognized as a Certified Diabetes Educator by the American Association of Diabetes Educators or, pursuant to section 6 of P.L.1993, c.378 (C.26:2J-4.7), a registered pharmacist in the State qualified with regard to management education for diabetes by any institution recognized by the board of pharmacy of the State of New Jersey.

c. The health care services required by this section shall be provided to the same extent as for any other sickness under the contract.

d. This section shall apply to all contracts in which the health maintenance organization has reserved the right to change the schedule of charges.

e. The provisions of this section shall not apply to a health benefits plan subject to the provisions of P.L.1992, c.161 (C.17B:27A-2 et seq.) or P.L.1992, c.162 (C.17B:27A-17 et seq.).

f. The Commissioner of Banking and Insurance may, in consultation with the Commissioner of Health, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), promulgate and periodically update a list of additional diabetes equipment and related supplies that are medically necessary for the treatment of diabetes and for which benefits shall be provided according to the provisions of this section.

(cf: P.L.1995, c.331, s.6)

17. (New section) A contract for health care services that is delivered, issued, executed, or renewed in this State pursuant to P.L.1973, c.337 (C.26:2J-1 et seq.) or approved for issuance or renewal in this State on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) shall provide coverage for at least one epinephrine auto-injector device, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of an epinephrine auto-injector device shall not be subject to any deductible, and no copayment or coinsurance for the purchase of an epinephrine auto-injector device shall exceed $25 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

Nothing in this section shall prevent a health maintenance organization from reducing an enrollee's or other covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

18. (New section) A contract for health care services that is delivered, issued, executed, or renewed in this State pursuant to P.L.1973, c.337 (C.26:2J-1 et seq.) or approved for issuance or renewal in this State on or after the effective date of P.L. , c.

(C.) (pending before the Legislature as this bill) shall provide benefits to an enrollee or other person covered thereunder for expenses incurred for a prescription asthma inhaler, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of a covered prescription asthma inhaler shall not be subject to any deductible, and no copayment or coinsurance for the purchase of a covered prescription asthma inhaler shall exceed $50 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

Nothing in this section shall prevent a health maintenance organization from reducing an enrollee's or other covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

19. (New section) An individual health benefits plan that provides hospital and medical expense benefits and is delivered, issued, executed, or renewed in this State pursuant to P.L.1992, c.161 (C.17B:27A-2 et al.), on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), shall provide coverage to an enrollee or other person covered thereunder for insulin for the treatment of diabetes, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of insulin shall not be subject to any deductible, and no copayment or coinsurance for the purchase of insulin shall exceed $35 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

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

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

20. (New section) An individual health benefits plan that provides hospital and medical expense benefits and is delivered, issued, executed, or renewed in this State pursuant to P.L.1992, c.161 (C.17B:27A-2 et al.), on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), shall provide coverage for at least one epinephrine auto-injector device, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of an epinephrine auto-injector device shall not be subject to any deductible, and no copayment or coinsurance for the purchase of an epinephrine auto-injector device shall exceed $25 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

Nothing in this section shall prevent a carrier from reducing an enrollee's or other covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

21. (New section) An individual health benefits plan that provides hospital and medical expense benefits and is delivered, issued, executed, or renewed in this State pursuant to P.L.1992, c.161 (C.17B:27A-2 et al.), on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), shall provide benefits to an enrollee or other person covered thereunder for expenses incurred for a prescription asthma inhaler, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of a covered prescription asthma inhaler shall not be subject to any deductible, and no copayment or coinsurance for the purchase of a covered prescription asthma inhaler shall exceed $50 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

Nothing in this section shall prevent a carrier from reducing an enrollee's or other covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

22. (New section) A small employer health benefits plan that provides hospital and medical expense benefits and is delivered, issued, executed, or renewed in this State pursuant to P.L.1992, c.162 (C.17B:27A-17 et seq.), on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), shall provide coverage to an enrollee or other person covered thereunder for insulin for the treatment of diabetes, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of insulin shall not be subject to any deductible, and no copayment or coinsurance for the purchase of insulin shall exceed $35 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

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

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

23. (New section) A small employer health benefits plan that provides hospital and medical expense benefits and is delivered, issued, executed, or renewed in this State pursuant to P.L.1992, c.162 (C.17B:27A-17 et seq.), on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), shall provide coverage for at least one epinephrine auto-injector device, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of an epinephrine auto-injector device shall not be subject to any deductible, and no copayment or coinsurance for the purchase of an epinephrine auto-injector device shall exceed $25 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this

section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

Nothing in this section shall prevent a carrier from reducing an enrollee's or other covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

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

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

24. (New section) A small employer health benefits plan that provides hospital and medical expense benefits and is delivered, issued, executed, or renewed in this State pursuant to P.L.1992, c.162 (C.17B:27A-17 et seq.), on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), shall provide benefits to an enrollee or other person covered thereunder for expenses incurred for a prescription asthma inhaler, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of a covered prescription asthma inhaler shall not be subject to any deductible, and no copayment or coinsurance for the purchase of a covered prescription asthma inhaler shall exceed $50 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

Nothing in this section shall prevent a carrier from reducing an enrollee's or other covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

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

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

25. (New section) The State Health Benefits Commission shall ensure that every contract purchased or renewed by the commission on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), shall provide coverage for health care services to a person covered thereunder for insulin for the treatment of diabetes, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical

nurse specialist. Coverage for the purchase of insulin shall not be subject to any deductible, and no copayment or coinsurance for the purchase of insulin shall exceed $35 per 30-day supply, except a contract provided by the State Health Benefits Commission that qualifies as a high deductible health plan shall provide coverage for the purchase of insulin at the lowest deductible and other cost-sharing requirement permitted for a high deductible health plan under section 223(c)(2)(A) of the federal Internal Revenue Code (26 U.S.C. s.223 (c)(2)(A)).

Nothing in this section shall prevent the State Health Benefits Commission from reducing an enrollee's cost-sharing requirement by an amount greater than the amount specified in this section or prevent the commission from utilizing formulary management, including a mandatory generic policy, to promote the use of lower-cost alternative generic drugs that are the therapeutic equivalent of the brand-name drug, which could result in the member’s copay being higher than set forth in this section.

26. (New section) The State Health Benefits Commission shall ensure that every contract purchased or renewed by the commission on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), shall provide coverage for at least one epinephrine auto-injector device, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of an epinephrine auto-injector device shall not be subject to any deductible, and no copayment or coinsurance for the purchase of an epinephrine auto-injector device shall exceed $25 per 30-day supply, except a contract provided by the State Health Benefits Commission that qualifies as a high deductible health plan shall provide coverage for the purchase of an epinephrine auto-injector device at the lowest deductible and other cost-sharing requirement permitted for a high deductible health plan under section 223(c)(2)(A) of the federal Internal Revenue Code (26 U.S.C. s.223 (c)(2)(A)).

Nothing in this section shall prevent the State Health Benefits Commission from reducing a covered person’s cost-sharing requirement by an amount greater than the amount specified in this section or prevent the commission from utilizing formulary management, including a mandatory generic policy, to promote the use of lower-cost alternative generic drugs that are the therapeutic equivalent of the brand-name drug, which could result in the member’s copay being higher than set forth in this section. .

27. (New section) The State Health Benefits Commission shall ensure that every contract purchased or renewed by the commission on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), shall provide benefits to a person

covered thereunder for expenses incurred for a prescription asthma inhaler, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of a covered prescription asthma inhaler shall not be subject to any deductible, and no copayment or coinsurance for the purchase of a covered prescription asthma inhaler shall exceed $50 per 30-day supply, except a contract provided by the State Health Benefits Commission that qualifies as a high deductible health plan shall provide coverage for the purchase of a covered prescription asthma inhaler at the lowest deductible and other cost-sharing requirement permitted for a high deductible health plan under section 223(c)(2)(A) of the Internal Revenue Code (26 U.S.C. s.223). Nothing in this section shall prevent the State Health Benefits Commission from reducing a covered person's cost-sharing requirement by an amount greater than the amount specified in this section or prevent the commission from utilizing formulary management, including a mandatory generic policy, to promote the use of lower-cost alternative generic drugs that are the therapeutic equivalent of the brand-name drug, which could result in the member's copay being higher than set forth in this section.

28. (New section) The School Employees' Health Benefits Commission shall ensure that every contract purchased by the commission on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) that provides hospital and medical expense benefits shall provide health care services to a person covered thereunder for insulin for the treatment of diabetes, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of insulin shall not be subject to any deductible, and no copayment or coinsurance for the purchase of insulin shall exceed $35 per 30-day supply, except a contract provided by the School Employees' Health Benefits Commission that qualifies as a high deductible health plan shall provide coverage for the purchase of insulin at the lowest deductible and other cost-sharing requirement permitted for a high deductible health plan under section 223(c)(2)(A) of the Internal Revenue Code (26 U.S.C. s.223 (c)(2)(A)).

Nothing in this section shall prevent the School Employees' Health Benefits Commission from reducing an enrollee's cost-sharing requirement by an amount greater than the amount specified in this section or prevent the commission from utilizing formulary management, including a mandatory generic policy, to promote the use of lower-cost alternative generic drugs that are the therapeutic equivalent of the brand-name drug, which could result in the member's copay being higher than set forth in this section.

29. (New section) The School Employees' Health Benefits Commission shall ensure that every contract purchased or renewed by the commission on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), shall provide coverage for at least one epinephrine auto-injector device, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of an epinephrine auto-injector device shall not be subject to any deductible, and no copayment or coinsurance for the purchase of an epinephrine auto-injector device shall exceed $25 per 30-day supply, except a contract provided by the School Employees' Health Benefits Commission that qualifies as a high deductible health plan shall provide coverage for the purchase of an epinephrine auto-injector device at the lowest deductible and other cost-sharing requirement permitted for a high deductible health plan under section 223(c)(2)(A) of the Internal Revenue Code (26 U.S.C. s.223 (c)(2)(A)).

Nothing in this section shall prevent the School Employees' Health Benefits Commission from reducing an enrollee's cost-sharing requirement by an amount greater than the amount specified in this section or prevent the commission from utilizing formulary management, including a mandatory generic policy, to promote the use of lower-cost alternative generic drugs that are the therapeutic equivalent of the brand-name drug, which could result in the member’s copay being higher than set forth in this section.

30. (New section) The School Employees' Health Benefits Commission shall ensure that every contract purchased or renewed by the commission on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), shall provide benefits to a person covered thereunder for expenses incurred for a prescription asthma inhaler, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of a covered prescription asthma inhaler shall not be subject to any deductible, and no copayment or coinsurance for the purchase of a covered prescription asthma inhaler shall exceed $50 per 30-day supply, except a contract provided by the School Employees' Health Benefits Commission that qualifies as a high deductible health plan shall provide coverage for the purchase of a covered prescription asthma inhaler at the lowest deductible and other cost-sharing requirement permitted for a high deductible health plan under section 223(c)(2)(A) of the Internal Revenue Code (26 U.S.C. s.223 (c)(2)(A)).

Nothing in this section shall prevent the School Employees' Health Benefits Commission from reducing a covered person’s cost-sharing requirement by an amount greater than the amount specified in this section or prevent the commission from utilizing

formulary management, including a mandatory generic policy, to promote the use of lower-cost alternative generic drugs that are the therapeutic equivalent of the brand-name drug, which could result in the member's copay being higher than set forth in this section.

31. This act shall take effect on the first day of the seventh month next following the date of enactment and shall apply to plans issued or renewed on or after January 1 of the next calendar year, but the Commissioner of the Department of Banking and Insurance may take such anticipatory administrative action in advance thereof as shall be necessary for the implementation of the act.

STATEMENT

This bill places a flat cap on the out-of-pocket contribution for any covered person prescribed insulin, an epinephrine auto-injector device, or a prescription asthma inhaler across insurance providers. Coverage for these items may not be subject to any deductible, and copayments or coinsurance are capped at $35 per 30-day supply of insulin, $25 for epinephrine auto-injector devices per 30-day supply, and $50 for prescription asthma inhalers per 30-day supply.

These coverage standards apply to individual or group hospital service corporations, medical service corporations, and health service corporations as well as individual and group health insurance policies and health maintenance organizations. Additionally, the bill extends these coverage standards to individual and small employer health benefits plans and require that the State Health Benefits Commission and the School Employee's Health Benefits Commission ensure that their contracts comply with the coverage standards.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]
SENATE, No. 1614

STATE OF NEW JERSEY

DATED: JUNE 22, 2023

The Assembly Appropriations Committee reports favorably Senate Bill No. 1614 (1R).

This bill places a flat cap on the out-of-pocket contribution for any covered person prescribed a rapid-acting, long-acting, or pre-mixed insulin product, an epinephrine auto-injector device, or a prescription asthma inhaler across insurance providers. Coverage for these items may not be subject to any deductible, and copayments or coinsurance are capped at $35 per 30-day supply of insulin, $25 for epinephrine auto-injector devices per 30-day supply, and $50 for prescription asthma inhalers per 30-day supply.

These coverage standards apply to individual or group hospital service corporations, medical service corporations, and health service corporations as well as individual and group health insurance policies and health maintenance organizations. Additionally, the bill extends these coverage standards to individual and small employer health benefits plans and require that the State Health Benefits Commission and the School Employees' Health Benefits Commission ensure that their contracts comply with the coverage standards.

As reported by the committee, Senate Bill No. 1614 (1R) is identical to Assembly Bill No. 2839 (1R), which also was reported by the committee on this same date.

FISCAL IMPACT:

The Office of Legislative Services (OLS) concludes that the bill will result in an indeterminate annual increase in the cost of prescription drug plans provided to public employees by local governments and school districts to the extent that current plans exceed the limits specified in the bill.

The OLS cannot estimate the cost because the coverage requirements in all the plans provided to public employees is not known and the number of prescriptions for insulin, an epinephrine auto-injector device, or a prescription asthma inhaler is not known. In addition, the extent to which the employers and employees will cover these increased costs through premium sharing is not known.

The bill applies to local governments that participate in the State Health Benefits Program (SHBP) and to school districts that

participate in the School Employees' Health Benefits Program (SEHBP). It will also apply to those local government and school district employers that purchase prescription drug plans outside of the program.

The bill likely will have no impact on the State General Fund given the current coverage in the prescription drug plans in the SHBP for State employees.

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 1614

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 27, 2023

The Assembly Budget Committee reports favorably and with committee amendments Senate Bill No. 1614 (1R).

As amended, this bill places a flat cap on the out-of-pocket contribution for any covered person prescribed a short-acting, intermediate-acting, rapid-acting, long-acting, or pre-mixed insulin product, an epinephrine auto-injector device, or a prescription asthma inhaler across insurance providers. Coverage for these items may not be subject to any deductible, and copayments or coinsurance are capped at $35 per 30-day supply of insulin, $25 for epinephrine auto-injector devices per 30-day supply, and $50 for prescription asthma inhalers per 30-day supply.

These coverage standards apply to individual or group hospital service corporations, medical service corporations, and health service corporations as well as individual and group health insurance policies and health maintenance organizations. Additionally, the bill extends these coverage standards to individual and small employer health benefits plans and require that the State Health Benefits Commission and the School Employee's Health Benefits Commission ensure that their contracts comply with the coverage standards.

As reported by the committee, Senate Bill No. 1614 (1R) is identical to Assembly Bill No. 2839 (1R), as also amended and reported by the committee.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) stipulate that the insurance coverage for insulin products already provided for under the bill includes short-acting and intermediate acting insulin products; and

(2) make a technical correction.

FISCAL IMPACT:

Fiscal information is currently unavailable.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 1614

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 27, 2022

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 1614.

As amended, this bill places a flat cap on the out-of-pocket contribution for any covered person prescribed a rapid-acting, long-acting, or pre-mixed insulin product, an epinephrine auto-injector device, or a prescription asthma inhaler across insurance providers. Coverage for these items may not be subject to any deductible, and copayments or coinsurance are capped at $35 per 30-day supply of insulin, $25 for epinephrine auto-injector devices per 30-day supply, and $50 for prescription asthma inhalers per 30-day supply.

These coverage standards apply to individual or group hospital service corporations, medical service corporations, and health service corporations as well as individual and group health insurance policies and health maintenance organizations. Additionally, the bill extends these coverage standards to individual and small employer health benefits plans and require that the State Health Benefits Commission and the School Employees' Health Benefits Commission ensure that their contracts comply with the coverage standards.

As amended and reported, this bill is identical to Assembly Bill No. 2839 (1R).

COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) specify that coverage for insulin under the bill means rapid acting, long-acting, and pre-mixed insulin products; and

(2) require that the provisions of the bill apply to catastrophic plans to the maximum extent permitted by federal law.

FISCAL IMPACT:

This Office of Legislative Services (OLS) concludes the bill will result in an indeterminate annual increase in the cost of prescription drug plans provided to public employees by local governments and school districts to the extent that current plans exceed the limits specified in the bill. The OLS cannot estimate the cost because the coverage requirements in all the plans provided to public employees is not known and the number of prescriptions for insulin, an epinephrine

auto-injector device, or a prescription asthma inhaler also is not known. In addition, the extent to which the employers and employees will cover these increased costs through premium sharing is not known.

This bill will apply to local governments that participate in the State Health Benefits Program (SHBP) and to school districts that participate in the School Employees' Health Benefits Program (SEHBP). It will also apply to those local government and school district employers that purchase prescription drug plans outside of the programs.

The bill likely will have no impact on the State General Fund given the current coverage in the prescription drug plans in the SHBP for State employees.

SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 1614

STATE OF NEW JERSEY

DATED: MARCH 14, 2022

The Senate Commerce Committee reports favorably Senate Bill No. 1614.

This bill places a flat cap on the out-of-pocket contribution for any covered person prescribed insulin, an epinephrine auto-injector device, or a prescription asthma inhaler across insurance providers. Coverage for these items may not be subject to any deductible, and copayments or coinsurance are capped at $35 per 30-day supply of insulin, $25 for epinephrine auto-injector devices per 30-day supply, and $50 for prescription asthma inhalers per 30-day supply.

These coverage standards apply to individual or group hospital service corporations, medical service corporations, and health service corporations as well as individual and group health insurance policies and health maintenance organizations. Additionally, the bill extends these coverage standards to individual and small employer health benefits plans and require that the State Health Benefits Commission and the School Employee's Health Benefits Commission ensure that their contracts comply with the coverage standards.

As reported by the committee, this bill is identical to Assembly Bill No. 2839.

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 1614
STATE OF NEW JERSEY
220th LEGISLATURE

DATED: JUNE 29, 2022

SUMMARY

Synopsis: Requires health insurance carriers to provide coverage for epinephrine auto-injector devices and asthma inhalers; limits cost sharing for health insurance coverage of insulin.

Type of Impact: Potentially no impact on the State General Fund; potential expenditure increase on local government funds and school district funds.

Agencies Affected: Division of Pensions and Benefits, Department of the Treasury; local governments; school districts

Office of Legislative Services Estimate

Fiscal Impact	Year 1	Year 2	Year 3
State Cost Impact		Indeterminate	
Potential Local Cost Increase		Indeterminate	

- This Office of Legislative Services (OLS) concludes the bill will result in an indeterminate annual increase in the cost of prescription drug plans provided to public employees by local governments and school districts to the extent that current plans exceed the limits specified in the bill. The OLS cannot estimate the cost because the coverage requirements in all the plans provided to public employees is not known and the number of prescriptions for insulin, an epinephrine auto-injector device, or a prescription asthma inhaler also is not known. In addition, the extent to which the employers and employees will cover these increased costs through premium sharing is not known.

- This bill will apply to local governments that participate in the State Health Benefits Program (SHBP) and to school districts that participate in the School Employees' Health Benefits Program (SEHBP). It will also apply to those local government and school district employers that purchase prescription drug plans outside of the programs.

- The bill likely will have no impact on the State General Fund given the current coverage in the prescription drug plans in the SHBP for State employees.

BILL DESCRIPTION

This bill places a flat cap on the out-of-pocket contribution for any covered person prescribed insulin, an epinephrine auto-injector device, or a prescription asthma inhaler across insurance providers. Coverage for these items may not be subject to any deductible, and copayments or coinsurance are capped at $35 per 30-day supply of insulin, $25 for epinephrine auto-injector devices per 30-day supply, and $50 for prescription asthma inhalers per 30-day supply.

For the State Health Benefits Program and the School Employees' Health Benefits Program, the bill does not prevent the programs from reducing an enrollee's cost-sharing requirement by an amount greater than the amount specified in the bill or prevent the commission from utilizing formulary management, including a mandatory generic policy, to promote the use of lower-cost alternative generic drugs that are the therapeutic equivalent of the brand-name drug, which could result in the member's copay being higher than set forth in this bill.

This bill will apply to individual or group hospital service corporations, medical service corporations, health service corporations, individual and group health insurance policies, health maintenance organizations, the State Health Benefits Commission, and the School Employee's Health Benefits Commission.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes this bill will result in an indeterminate increase in the cost of prescription drug plans provided to public employees by local governments and school districts to the extent that current plans exceed the limits specified in the bill. The OLS cannot estimate the cost because the coverage requirement in all the plans provided to public employees is not known and the number of prescriptions for insulin, an epinephrine auto-injector device, or a prescription asthma inhaler also is not known. In addition, the extent to which the employers and employees will cover these increased costs through premium sharing is not known.

This bill will apply to local governments that participate in the SHBP and to school districts that participate in the SEHBP. It will also apply to those local government and school district employers that purchase prescription drug plans outside of the programs.

The bill likely will have no impact on the State General Fund given the current coverage in the prescription drug plans in the State Health Benefits Program for State employees.

It should be noted that, for the SHBP and the SEHBP, the bill does not prevent the programs from reducing an enrollee's cost-sharing requirement by an amount greater than the amount specified in the bill or prevent the commission from utilizing formulary management, including a mandatory generic policy, to promote the use of lower-cost alternative generic drugs that are the therapeutic equivalent of the brand-name drug, which could result in the member's copay being higher than set forth in this bill.

Section:	*State Government*
Analyst:	*Aggie Szilagyi* *Section Chief*
Approved:	*Thomas Koenig* *Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 1614

STATE OF NEW JERSEY
220th LEGISLATURE

DATED: JULY 5, 2022

SUMMARY

Synopsis: Requires health insurance carriers to provide coverage for epinephrine auto-injector devices and asthma inhalers; limits cost sharing for health insurance coverage of insulin.

Type of Impact: Potentially no impact on the State General Fund; potential expenditure increase on local government funds and school district funds.

Agencies Affected: Division of Pensions and Benefits, Department of the Treasury; local governments; school districts

Office of Legislative Services Estimate

Fiscal Impact	Year 1	Year 2	Year 3
State Cost Impact		Indeterminate	
Potential Local Cost Increase		Indeterminate	

- This Office of Legislative Services (OLS) concludes the bill will result in an indeterminate annual increase in the cost of prescription drug plans provided to public employees by local governments and school districts to the extent that current plans exceed the limits specified in the bill. The OLS cannot estimate the cost because the coverage requirements in all the plans provided to public employees is not known and the number of prescriptions for insulin, an epinephrine auto-injector device, or a prescription asthma inhaler also is not known. In addition, the extent to which the employers and employees will cover these increased costs through premium sharing is not known.

- This bill will apply to local governments that participate in the State Health Benefits Program (SHBP) and to school districts that participate in the School Employees' Health Benefits Program (SEHBP). It will also apply to those local government and school district employers that purchase prescription drug plans outside of the programs.

- The bill likely will have no impact on the State General Fund given the current coverage in the prescription drug plans in the SHBP for State employees.

BILL DESCRIPTION

This bill places a flat cap on the out-of-pocket contribution for any covered person prescribed insulin, an epinephrine auto-injector device, or a prescription asthma inhaler across insurance providers. Coverage for these items may not be subject to any deductible, and copayments or coinsurance are capped at $35 per 30-day supply of insulin, $25 for epinephrine auto-injector devices per 30-day supply, and $50 for prescription asthma inhalers per 30-day supply.

For the State Health Benefits Program and the School Employees' Health Benefits Program, the bill does not prevent the programs from reducing an enrollee's cost-sharing requirement by an amount greater than the amount specified in the bill or prevent the commission from utilizing formulary management, including a mandatory generic policy, to promote the use of lower-cost alternative generic drugs that are the therapeutic equivalent of the brand-name drug, which could result in the member’s copay being higher than set forth in this bill.

This bill will apply to individual or group hospital service corporations, medical service corporations, health service corporations, individual and group health insurance policies, health maintenance organizations, the State Health Benefits Commission, and the School Employee’s Health Benefits Commission.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes this bill will result in an indeterminate increase in the cost of prescription drug plans provided to public employees by local governments and school districts to the extent that current plans exceed the limits specified in the bill. The OLS cannot estimate the cost because the coverage requirement in all the plans provided to public employees is not known and the number of prescriptions for insulin, an epinephrine auto-injector device, or a prescription asthma inhaler also is not known. In addition, the extent to which the employers and employees will cover these increased costs through premium sharing is not known.

This bill will apply to local governments that participate in the SHBP and to school districts that participate in the SEHBP. It will also apply to those local government and school district employers that purchase prescription drug plans outside of the programs.

The bill likely will have no impact on the State General Fund given the current coverage in the prescription drug plans in the State Health Benefits Program for State employees.

It should be noted that, for the SHBP and the SEHBP, the bill does not prevent the programs from reducing an enrollee's cost-sharing requirement by an amount greater than the amount specified in the bill or prevent the commission from utilizing formulary management, including a mandatory generic policy, to promote the use of lower-cost alternative generic drugs that are the therapeutic equivalent of the brand-name drug, which could result in the member’s copay being higher than set forth in this bill.

Section:	*State Government*
Analyst:	*Aggie Szilagyi* *Section Chief*
Approved:	*Thomas Koenig* *Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

SENATE, No. 1614

STATE OF NEW JERSEY
220th LEGISLATURE

DATED: JULY 3, 2023

SUMMARY

Synopsis: Requires health insurance carriers to provide coverage for epinephrine auto-injector devices and asthma inhalers; limits cost sharing for health insurance coverage of insulin.

Type of Impact: Potentially no impact on the State General Fund; potential expenditure increase on local government funds and school district funds.

Agencies Affected: Division of Pensions and Benefits, Department of the Treasury; local governments; school districts

Office of Legislative Services Estimate

Fiscal Impact	Year 1	Year 2	Year 3
State Cost Impact		Indeterminate	
Potential Local Cost Increase		Indeterminate	

- This Office of Legislative Services (OLS) concludes the bill will result in an indeterminate annual increase in the cost of prescription drug plans provided to public employees by local governments and school districts to the extent that current plans exceed the limits specified in the bill. The OLS cannot estimate the cost because the coverage requirements in all the plans provided to public employees is not known and the number of prescriptions for insulin products, epinephrine auto-injector devices, or asthma inhalers also is unknown. In addition, the extent to which the employers and employees will cover these increased costs through premium sharing is not known.

- This bill will apply to local governments that participate in the State Health Benefits Program (SHBP) and to school districts that participate in the School Employees' Health Benefits Program (SEHBP). It will also apply to those local government and school district employers that purchase prescription drug plans outside of the programs.

- The bill likely will have no impact on the State General Fund given the current coverage in the prescription drug plans in the SHBP for State employees.

BILL DESCRIPTION

This bill places a flat cap on the out-of-pocket contribution for any covered person prescribed an insulin product, an epinephrine auto-injector device, or an asthma inhaler across insurance providers. Coverage for these items may not be subject to any deductible, and copayments or coinsurance are capped at $35 per 30-day supply of insulin, $25 for epinephrine auto-injector devices per 30-day supply, and $50 for prescription asthma inhalers per 30-day supply.

For the State Health Benefits Program and the School Employees' Health Benefits Program, the bill does not prevent the programs from reducing an enrollee's cost-sharing requirement by an amount greater than the amount specified in the bill or prevent the commission from utilizing formulary management, including a mandatory generic policy, to promote the use of lower-cost alternative generic drugs that are the therapeutic equivalent of the brand-name drug, which could result in the member’s copay being higher than set forth in this bill.

This bill will apply to individual or group hospital service corporations, medical service corporations, health service corporations, individual and group health insurance policies, health maintenance organizations, the State Health Benefits Commission, and the School Employee’s Health Benefits Commission.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes this bill will result in an indeterminate increase in the cost of prescription drug plans provided to public employees by local governments and school districts to the extent that current plans exceed the limits specified in the bill. The OLS cannot estimate the cost because the coverage requirement in all the plans provided to public employees is not known and the number of prescriptions for insulin products, epinephrine auto-injector devices, or asthma inhalers also is unknown. In addition, the extent to which the employers and employees will cover these increased costs through premium sharing is not known.

This bill will apply to local governments that participate in the SHBP and to school districts that participate in the SEHBP. It will also apply to those local government and school district employers that purchase prescription drug plans outside of the programs.

The bill likely will have no impact on the State General Fund given the current coverage in the prescription drug plans in the State Health Benefits Program for State employees.

It should be noted that, for the SHBP and the SEHBP, the bill does not prevent the programs from reducing an enrollee's cost-sharing requirement by an amount greater than the amount specified in the bill or prevent the commission from utilizing formulary management, including a mandatory generic policy, to promote the use of lower-cost alternative generic drugs that are the therapeutic equivalent of the brand-name drug, which could result in the member’s copay being higher than set forth in this bill.

Section:	*State Government*
Analyst:	*Anna Harris* *Assistant Fiscal Analyst*
Approved:	*Thomas Koenig* *Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

ASSEMBLY, No. 2839

STATE OF NEW JERSEY

220th LEGISLATURE

INTRODUCED FEBRUARY 28, 2022

Sponsored by:
Assemblyman JOHN F. MCKEON
District 27 (Essex and Morris)
Assemblyman ROBERT J. KARABINCHAK
District 18 (Middlesex)
Assemblywoman ANNETTE QUIJANO
District 20 (Union)
Assemblyman PAUL D. MORIARTY
District 4 (Camden and Gloucester)

Co-Sponsored by:
Assemblyman Benson, Assemblywomen Mosquera, Reynolds-Jackson, McKnight, Assemblyman Danielsen, Assemblywomen Park, Murphy, Assemblyman Schaer, Assemblywomen Carter and Jimenez

SYNOPSIS

Requires health insurance carriers to provide coverage for epinephrine auto-injector devices and asthma inhalers; limits cost sharing for health insurance coverage of insulin.

CURRENT VERSION OF TEXT

As introduced.

(Sponsorship Updated As Of: 5/9/2022)

AN ACT concerning cost sharing for certain prescription drugs, amending P.L.1995, c.331, and supplementing various parts of the statutory law.

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

1. Section 1 of P.L.1995, c.331 (C.17:48-6n) is amended to read as follows:

1. a. Every individual or group hospital service corporation contract providing hospital or medical expense benefits that is delivered, issued, executed or renewed in this State pursuant to P.L.1938, c.366 (C.17:48-1 et seq.) or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of this act shall provide benefits to any subscriber or other person covered thereunder for expenses incurred for the following equipment and supplies for the treatment of diabetes, if recommended or prescribed by a physician or nurse practitioner/clinical nurse specialist: blood glucose monitors and blood glucose monitors for the legally blind; test strips for glucose monitors and visual reading and urine testing strips; insulin; injection aids; cartridges for the legally blind; syringes; insulin pumps and appurtenances thereto; insulin infusion devices; and oral agents for controlling blood sugar. Coverage for the purchase of insulin shall not be subject to any deductible, and no copayment or coinsurance for the purchase of insulin shall exceed $35 per 30-day supply. The provisions of this subsection shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this subsection shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

b. Each individual or group hospital service corporation contract shall also provide benefits for expenses incurred for diabetes self-management education to ensure that a person with diabetes is educated as to the proper self-management and treatment of their diabetic condition, including information on proper diet. Benefits provided for self-management education and education relating to diet shall be limited to visits medically necessary upon the diagnosis of diabetes; upon diagnosis by a physician or nurse practitioner/clinical nurse specialist of a significant change in the

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.

subscriber's or other covered person's symptoms or conditions which necessitate changes in that person's self-management; and upon determination of a physician or nurse practitioner/clinical nurse specialist that reeducation or refresher education is necessary. Diabetes self-management education shall be provided by a dietitian registered by a nationally recognized professional association of dietitians or a health care professional recognized as a Certified Diabetes Educator by the American Association of Diabetes Educators or a registered pharmacist in the State qualified with regard to management education for diabetes by any institution recognized by the board of pharmacy of the State of New Jersey.

c. The benefits required by this section shall be provided to the same extent as for any other sickness under the contract.

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

e. The provisions of this section shall not apply to a health benefits plan subject to the provisions of P.L.1992, c.161 (C.17B:27A-2 et seq.) or P.L.1992, c.162 (C.17B:27A-17 et seq.).

f. The Commissioner of <u>Banking and</u> Insurance may, in consultation with the Commissioner of Health, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), promulgate and periodically update a list of additional diabetes equipment and related supplies that are medically necessary for the treatment of diabetes and for which benefits shall be provided according to the provisions of this section.

(cf: P.L.1995, c.331, s.1)

2. (New section) An individual or group hospital service corporation contract providing hospital or medical expense benefits that is delivered, issued, executed, or renewed in this State pursuant to P.L.1938, c.366 (C.17:48-1 et seq.) or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) shall provide coverage for at least one epinephrine auto-injector device, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of an epinephrine auto-injector device shall not be subject to any deductible, and no copayment or coinsurance for the purchase of an epinephrine auto-injector device shall exceed $25 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply

to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

Nothing in this section shall prevent a hospital service corporation from reducing a subscriber's or other covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

3. (New section) An individual or group hospital service corporation contract providing hospital or medical expense benefits that is delivered, issued, executed, or renewed in this State pursuant to P.L.1938, c.366 (C.17:48-1 et seq.) or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) shall provide benefits to a subscriber or other person covered thereunder for expenses incurred for a prescription asthma inhaler, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of a covered prescription asthma inhaler shall not be subject to any deductible, and no copayment or coinsurance for the purchase of a covered prescription asthma inhaler shall exceed $50 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

Nothing in this section shall prevent a hospital service corporation from reducing a subscriber's or other covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

4. Section 2 of P.L.1995, c.331 (C.17:48A-7l) is amended to read as follows:

2. a. Every individual or group medical service corporation contract providing hospital or medical expense benefits that is delivered, issued, executed or renewed in this State pursuant to P.L.1940, c.74 (C.17:48A-1 et seq.) or approved for issuance or renewal in this State by the Commissioner of <u>Banking and</u> Insurance on or after the effective date of this act shall provide benefits to any subscriber or other person covered thereunder for expenses incurred for the following equipment and supplies for the treatment of diabetes, if recommended or prescribed by a physician

or nurse practitioner/clinical nurse specialist: blood glucose monitors and blood glucose monitors for the legally blind; test strips for glucose monitors and visual reading and urine testing strips; insulin; injection aids; cartridges for the legally blind; syringes; insulin pumps and appurtenances thereto; insulin infusion devices; and oral agents for controlling blood sugar. Coverage for the purchase of insulin shall not be subject to any deductible, and no copayment or coinsurance for the purchase of insulin shall exceed $35 per 30-day supply. The provisions of this subsection shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this subsection shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

b. Each individual or group medical service corporation contract shall also provide benefits for expenses incurred for diabetes self-management education to ensure that a person with diabetes is educated as to the proper self-management and treatment of their diabetic condition, including information on proper diet. Benefits provided for self-management education and education relating to diet shall be limited to visits medically necessary upon the diagnosis of diabetes; upon diagnosis by a physician or nurse practitioner/clinical nurse specialist of a significant change in the subscriber's or other covered person's symptoms or conditions which necessitate changes in that person's self-management; and upon determination of a physician or nurse practitioner/clinical nurse specialist that reeducation or refresher education is necessary. Diabetes self-management education shall be provided by a dietitian registered by a nationally recognized professional association of dietitians or a health care professional recognized as a Certified Diabetes Educator by the American Association of Diabetes Educators or a registered pharmacist in the State qualified with regard to management education for diabetes by any institution recognized by the board of pharmacy of the State of New Jersey.

c. The benefits required by this section shall be provided to the same extent as for any other sickness under the contract.

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

e. The provisions of this section shall not apply to a health benefits plan subject to the provisions of P.L.1992, c.161 (C.17B:27A-2 et seq.) or P.L.1992, c.162 (C.17B:27A-17 et seq.).

f. The Commissioner of Banking and Insurance may, in consultation with the Commissioner of Health, pursuant to the

"Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), promulgate and periodically update a list of additional diabetes equipment and related supplies that are medically necessary for the treatment of diabetes and for which benefits shall be provided according to the provisions of this section.
(cf: P.L.1995, c.331, s.2)

5. (New section) An individual or group medical service corporation contract providing hospital or medical expense benefits that is delivered, issued, executed, or renewed in this State pursuant to P.L.1940, c.74 (C.17:48A-1 et seq.) or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) shall provide coverage for at least one epinephrine auto-injector device, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of an epinephrine auto-injector device shall not be subject to any deductible, and no copayment or coinsurance for the purchase of an epinephrine auto-injector device shall exceed $25 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

Nothing in this section shall prevent a medical service corporation from reducing a subscriber's or other covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

6. (New section) An individual or group medical service corporation contract providing hospital or medical expense benefits that is delivered, issued, executed, or renewed in this State pursuant to P.L.1940, c.74 (C.17:48A-1 et seq.) or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) shall provide benefits to a subscriber or other person covered thereunder for expenses incurred for a prescription asthma inhaler, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of a covered prescription asthma inhaler shall not be subject to any deductible, and no copayment or coinsurance for the purchase of a

covered prescription asthma inhaler shall exceed $50 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

Nothing in this section shall prevent a medical service corporation from reducing a subscriber's or other covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

7. Section 3 of P.L.1995, c.331 (C.17:48E-35.11) is amended to read as follows:

3. a. Every individual or group health service corporation contract providing hospital or medical expense benefits that is delivered, issued, executed or renewed in this State pursuant to P.L.1985, c.236 (C.17:48E-1 et seq.) or approved for issuance or renewal in this State by the Commissioner of <u>Banking and</u> Insurance on or after the effective date of this act shall provide benefits to any subscriber or other person covered thereunder for expenses incurred for the following equipment and supplies for the treatment of diabetes, if recommended or prescribed by a physician or nurse practitioner/clinical nurse specialist: blood glucose monitors and blood glucose monitors for the legally blind; test strips for glucose monitors and visual reading and urine testing strips; insulin; injection aids; cartridges for the legally blind; syringes; insulin pumps and appurtenances thereto; insulin infusion devices; and oral agents for controlling blood sugar. <u>Coverage for the purchase of insulin shall not be subject to any deductible, and no copayment or coinsurance for the purchase of insulin shall exceed $35 per 30-day supply. The provisions of this subsection shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this subsection shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.</u>

b. Each individual or group health service corporation contract shall also provide benefits for expenses incurred for diabetes self-management education to ensure that a person with diabetes is

educated as to the proper self-management and treatment of their diabetic condition, including information on proper diet. Benefits provided for self-management education and education relating to diet shall be limited to visits medically necessary upon the diagnosis of diabetes; upon the diagnosis by a physician or nurse practitioner/clinical nurse specialist of a significant change in the subscriber's or other covered person's symptoms or conditions which necessitate changes in that person's self-management; and upon determination of a physician or nurse practitioner/clinical nurse specialist that reeducation or refresher education is necessary. Diabetes self-management education shall be provided by a dietitian registered by a nationally recognized professional association of dietitians or a health care professional recognized as a Certified Diabetes Educator by the American Association of Diabetes Educators or a registered pharmacist in the State qualified with regard to management education for diabetes by any institution recognized by the board of pharmacy of the State of New Jersey.

c. The benefits required by this section shall be provided to the same extent as for any other sickness under the contract.

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

e. The provisions of this section shall not apply to a health benefits plan subject to the provisions of P.L.1992, c.161 (C.17B:27A-2 et seq.) or P.L.1992, c.162 (C.17B:27A-17 et seq.).

f. The Commissioner of <u>Banking and</u> Insurance may, in consultation with the Commissioner of Health, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), promulgate and periodically update a list of additional diabetes equipment and related supplies that are medically necessary for the treatment of diabetes and for which benefits shall be provided according to the provisions of this section.

(cf: P.L.1995, c.331, s.3)

8. (New section) An individual or group health service corporation contract providing hospital or medical expense benefits that is delivered, issued, executed, or renewed in this State pursuant to P.L.1985, c.236 (C.17:48E-1 et seq.) or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) shall provide coverage for at least one epinephrine auto-injector device, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of an epinephrine auto-injector device shall not be subject to any deductible, and no copayment or coinsurance for the purchase of an epinephrine auto-injector device shall exceed $25 per 30-day supply. The provisions of this section shall apply to a high

deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

Nothing in this section shall prevent a health service corporation from reducing a subscriber's or other covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

9. (New section) An individual or group health service corporation contract providing hospital or medical expense benefits that is delivered, issued, executed, or renewed in this State pursuant to P.L.1985, c.236 (C.17:48E-1 et seq.) or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) shall provide benefits to a subscriber or other person covered thereunder for expenses incurred for a prescription asthma inhaler, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of a covered prescription asthma inhaler shall not be subject to any deductible, and no copayment or coinsurance for the purchase of a covered prescription asthma inhaler shall exceed $50 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

Nothing in this section shall prevent a health service corporation contract from reducing a subscriber's or other covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

10. Section 4 of P.L.1995, c.331 (C.17B:26-2.1l) is amended to read as follows:

4. a. Every individual health insurance policy providing hospital or medical expense benefits that is delivered, issued, executed or renewed in this State pursuant to Chapter 26 of Title

17B of the New Jersey Statutes or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of this act shall provide benefits to any person covered thereunder for expenses incurred for the following equipment and supplies for the treatment of diabetes, if recommended or prescribed by a physician or nurse practitioner/clinical nurse specialist: blood glucose monitors and blood glucose monitors for the legally blind; test strips for glucose monitors and visual reading and urine testing strips; insulin; injection aids; cartridges for the legally blind; syringes; insulin pumps and appurtenances thereto; insulin infusion devices; and oral agents for controlling blood sugar. Coverage for the purchase of insulin shall not be subject to any deductible, and no copayment or coinsurance for the purchase of insulin shall exceed $35 per 30-day supply. The provisions of this subsection shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this subsection shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

b. Each individual health insurance policy shall also provide benefits for expenses incurred for diabetes self-management education to ensure that a person with diabetes is educated as to the proper self-management and treatment of their diabetic condition, including information on proper diet. Benefits provided for self-management education and education relating to diet shall be limited to visits medically necessary upon the diagnosis of diabetes; upon diagnosis by a physician or nurse practitioner/clinical nurse specialist of a significant change in the covered person's symptoms or conditions which necessitate changes in that person's self-management; and upon determination of a physician or nurse practitioner/clinical nurse specialist that reeducation or refresher education is necessary. Diabetes self-management education shall be provided by a dietitian registered by a nationally recognized professional association of dietitians or a health care professional recognized as a Certified Diabetes Educator by the American Association of Diabetes Educators or a registered pharmacist in the State qualified with regard to management education for diabetes by any institution recognized by the board of pharmacy of the State of New Jersey.

c. The benefits required by this section shall be provided to the same extent as for any other sickness under the policy.

d. This section shall apply to all individual health insurance policies in which the insurer has reserved the right to change the premium.

e. The provisions of this section shall not apply to a health benefits plan subject to the provisions of P.L.1992, c.161 (C.17B:27A-2 et seq.) or P.L.1992, c.162 (C.17B:27A-17 et seq.).

f. The Commissioner of Banking and Insurance may, in consultation with the Commissioner of Health, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), promulgate and periodically update a list of additional diabetes equipment and related supplies that are medically necessary for the treatment of diabetes and for which benefits shall be provided according to the provisions of this section.

(cf: P.L.1995, c.331, s.4)

11. (New section) An individual health insurance policy providing hospital or medical expense benefits that is delivered, issued, executed, or renewed in this State pursuant to Chapter 26 of Title 17B of the New Jersey Statutes or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) shall provide coverage for at least one epinephrine auto-injector device, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of an epinephrine auto-injector device shall not be subject to any deductible, and no copayment or coinsurance for the purchase of an epinephrine auto-injector device shall exceed $25 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

Nothing in this section shall prevent an individual health insurer from reducing a covered person’s cost-sharing requirement by an amount greater than the amount specified in this section.

12. (New section) An individual health insurance policy providing hospital or medical expense benefits that is delivered, issued, executed, or renewed in this State pursuant to Chapter 26 of Title 17B of the New Jersey Statutes or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of P.L. , c. (C.)

(pending before the Legislature as this bill) shall provide benefits to a person covered thereunder for expenses incurred for a prescription asthma inhaler, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of a covered prescription asthma inhaler shall not be subject to any deductible, and no copayment or coinsurance for the purchase of a covered prescription asthma inhaler shall exceed $50 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

Nothing in this section shall prevent an individual health insurer from reducing a covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

13. Section 5 of P.L.1995, c.331 (C.17B:27-46.1m) is amended to read as follows:

5. a. Every group health insurance policy providing hospital or medical expense benefits that is delivered, issued, executed or renewed in this State pursuant to Chapter 27 of Title 17B of the New Jersey Statutes or approved for issuance or renewal in this State by the Commissioner of <u>Banking and</u> Insurance on or after the effective date of this act shall provide benefits to any person covered thereunder for expenses incurred for the following equipment and supplies for the treatment of diabetes, if recommended or prescribed by a physician or nurse practitioner/clinical nurse specialist: blood glucose monitors and blood glucose monitors for the legally blind; test strips for glucose monitors and visual reading and urine testing strips; insulin; injection aids; cartridges for the legally blind; syringes; insulin pumps and appurtenances thereto; insulin infusion devices; and oral agents for controlling blood sugar. <u>Coverage for the purchase of insulin shall not be subject to any deductible, and no copayment or coinsurance for the purchase of insulin shall exceed $35 per 30-day supply. The provisions of this subsection shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this subsection shall</u>

apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

b. Each group health insurance policy shall also provide benefits for expenses incurred for diabetes self-management education to ensure that a person with diabetes is educated as to the proper self-management and treatment of their diabetic condition, including information on proper diet. Benefits provided for self-management education and education relating to diet shall be limited to visits medically necessary upon the diagnosis of diabetes; upon diagnosis by a physician or nurse practitioner/clinical nurse specialist of a significant change in the covered person's symptoms or conditions which necessitate changes in that person's self-management; and upon determination of a physician or nurse practitioner/clinical nurse specialist that reeducation or refresher education is necessary. Diabetes self-management education shall be provided by a dietitian registered by a nationally recognized professional association of dietitians or a health care professional recognized as a Certified Diabetes Educator by the American Association of Diabetes Educators or a registered pharmacist in the State qualified with regard to management education for diabetes by any institution recognized by the board of pharmacy of the State of New Jersey.

c. The benefits required by this section shall be provided to the same extent as for any other sickness under the policy.

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

e. The provisions of this section shall not apply to a health benefits plan subject to the provisions of P.L.1992, c.161 (C.17B:27A-2 et seq.) or P.L.1992, c.162 (C.17B:27A-17 et seq.).

f. The Commissioner of Banking and Insurance may, in consultation with the Commissioner of Health, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), promulgate and periodically update a list of additional diabetes equipment and related supplies that are medically necessary for the treatment of diabetes and for which benefits shall be provided according to the provisions of this section.

(cf: P.L.1995, c.331, s.5)

14. (New section) A group health insurance policy providing hospital or medical expense benefits that is delivered, issued, executed, or renewed in this State pursuant to Chapter 27 of Title 17B of the New Jersey Statutes or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) shall provide coverage for at least one epinephrine auto-injector device, if recommended or prescribed by

a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of an epinephrine auto-injector device shall not be subject to any deductible, and no copayment or coinsurance for the purchase of an epinephrine auto-injector device shall exceed $25 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

Nothing in this section shall prevent a group health insurer from reducing a covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

15. (New section) A group health insurance policy providing hospital or medical expense benefits that is delivered, issued, executed, or renewed in this State pursuant to Chapter 27 of Title 17B of the New Jersey Statutes or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) shall provide benefits to a person covered thereunder for expenses incurred for a prescription asthma inhaler, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of a covered prescription asthma inhaler shall not be subject to any deductible, and no copayment or coinsurance for the purchase of a covered prescription asthma inhaler shall exceed $50 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

Nothing in this section shall prevent a group health insurer from reducing a covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

16. Section 6 of P.L.1995, c.331 (C.26:2J-4.11) is amended to read as follows:

6. a. Every contract for health care services that is delivered, issued, executed or renewed in this State pursuant to P.L.1973, c.337 (C.26:2J-1 et seq.) or approved for issuance or renewal in this State on or after the effective date of this act shall provide health care services to any enrollee or other person covered thereunder for the following equipment and supplies for the treatment of diabetes, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist: blood glucose monitors and blood glucose monitors for the legally blind; test strips for glucose monitors and visual reading and urine testing strips; insulin; injection aids; cartridges for the legally blind; syringes; insulin pumps and appurtenances thereto; insulin infusion devices; and oral agents for controlling blood sugar. Coverage for the purchase of insulin shall not be subject to any deductible, and no copayment or coinsurance for the purchase of insulin shall exceed $35 per 30-day supply. The provisions of this subsection shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this subsection shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

b. Each contract shall also provide health care services for diabetes self-management education to ensure that a person with diabetes is educated as to the proper self-management and treatment of their diabetic condition, including information on proper diet. Health care services provided for self-management education and education relating to diet shall be limited to visits medically necessary upon the diagnosis of diabetes; upon diagnosis by a participating physician or participating nurse practitioner/clinical nurse specialist of a significant change in the enrollee's or other covered person's symptoms or conditions which necessitate changes in that person's self-management; and upon determination of a participating physician or participating nurse practitioner/clinical nurse specialist that reeducation or refresher education is necessary. Diabetes self-management education shall be provided by a participating dietitian registered by a nationally recognized professional association of dietitians or a health care professional recognized as a Certified Diabetes Educator by the American Association of Diabetes Educators or, pursuant to section 6 of P.L.1993, c.378 (C.26:2J-4.7), a registered pharmacist in the State qualified with regard to management education for diabetes by any institution recognized by the board of pharmacy of the State of New Jersey.

c. The health care services required by this section shall be provided to the same extent as for any other sickness under the contract.

d. This section shall apply to all contracts in which the health maintenance organization has reserved the right to change the schedule of charges.

e. The provisions of this section shall not apply to a health benefits plan subject to the provisions of P.L.1992, c.161 (C.17B:27A-2 et seq.) or P.L.1992, c.162 (C.17B:27A-17 et seq.).

f. The Commissioner of Banking and Insurance may, in consultation with the Commissioner of Health, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), promulgate and periodically update a list of additional diabetes equipment and related supplies that are medically necessary for the treatment of diabetes and for which benefits shall be provided according to the provisions of this section.

(cf: P.L.1995, c.331, s.6)

17. (New section) A contract for health care services that is delivered, issued, executed, or renewed in this State pursuant to P.L.1973, c.337 (C.26:2J-1 et seq.) or approved for issuance or renewal in this State on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) shall provide coverage for at least one epinephrine auto-injector device, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of an epinephrine auto-injector device shall not be subject to any deductible, and no copayment or coinsurance for the purchase of an epinephrine auto-injector device shall exceed $25 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

Nothing in this section shall prevent a health maintenance organization from reducing an enrollee's or other covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

18. (New section) A contract for health care services that is delivered, issued, executed, or renewed in this State pursuant to P.L.1973, c.337 (C.26:2J-1 et seq.) or approved for issuance or renewal in this State on or after the effective date of P.L. , c.

(C.) (pending before the Legislature as this bill) shall provide benefits to an enrollee or other person covered thereunder for expenses incurred for a prescription asthma inhaler, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of a covered prescription asthma inhaler shall not be subject to any deductible, and no copayment or coinsurance for the purchase of a covered prescription asthma inhaler shall exceed $50 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

Nothing in this section shall prevent a health maintenance organization from reducing an enrollee's or other covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

19. (New section) An individual health benefits plan that provides hospital and medical expense benefits and is delivered, issued, executed, or renewed in this State pursuant to P.L.1992, c.161 (C.17B:27A-2 et al.), on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), shall provide coverage to an enrollee or other person covered thereunder for insulin for the treatment of diabetes, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of insulin shall not be subject to any deductible, and no copayment or coinsurance for the purchase of insulin shall exceed $35 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

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

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

20. (New section) An individual health benefits plan that provides hospital and medical expense benefits and is delivered, issued, executed, or renewed in this State pursuant to P.L.1992, c.161 (C.17B:27A-2 et al.), on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), shall provide coverage for at least one epinephrine auto-injector device, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of an epinephrine auto-injector device shall not be subject to any deductible, and no copayment or coinsurance for the purchase of an epinephrine auto-injector device shall exceed $25 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

Nothing in this section shall prevent a carrier from reducing an enrollee's or other covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

21. (New section) An individual health benefits plan that provides hospital and medical expense benefits and is delivered, issued, executed, or renewed in this State pursuant to P.L.1992, c.161 (C.17B:27A-2 et al.), on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), shall provide benefits to an enrollee or other person covered thereunder for expenses incurred for a prescription asthma inhaler, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of a covered prescription asthma inhaler shall not be subject to any deductible, and no copayment or coinsurance for the purchase of a covered prescription asthma inhaler shall exceed $50 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

Nothing in this section shall prevent a carrier from reducing an enrollee's or other covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

22. (New section) A small employer health benefits plan that provides hospital and medical expense benefits and is delivered, issued, executed, or renewed in this State pursuant to P.L.1992, c.162 (C.17B:27A-17 et seq.), on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), shall provide coverage to an enrollee or other person covered thereunder for insulin for the treatment of diabetes, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of insulin shall not be subject to any deductible, and no copayment or coinsurance for the purchase of insulin shall exceed $35 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

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

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

23. (New section) A small employer health benefits plan that provides hospital and medical expense benefits and is delivered, issued, executed, or renewed in this State pursuant to P.L.1992, c.162 (C.17B:27A-17 et seq.), on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), shall provide coverage for at least one epinephrine auto-injector device, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of an epinephrine auto-injector device shall not be subject to any deductible, and no copayment or coinsurance for the purchase of an epinephrine auto-injector device shall exceed $25 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this

section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

Nothing in this section shall prevent a carrier from reducing an enrollee's or other covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

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

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

24. (New section) A small employer health benefits plan that provides hospital and medical expense benefits and is delivered, issued, executed, or renewed in this State pursuant to P.L.1992, c.162 (C.17B:27A-17 et seq.), on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), shall provide benefits to an enrollee or other person covered thereunder for expenses incurred for a prescription asthma inhaler, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of a covered prescription asthma inhaler shall not be subject to any deductible, and no copayment or coinsurance for the purchase of a covered prescription asthma inhaler shall exceed $50 per 30-day supply. The provisions of this section shall apply to a high deductible health plan to the maximum extent permitted by federal law, except if the plan is used to establish a medical savings account pursuant to section 220 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.220) or a health savings account pursuant to section 223 of the federal Internal Revenue Code of 1986 (26 U.S.C. s.223). The provisions of this section shall apply to the plan to the maximum extent that is permitted by federal law and does not disqualify the account for the deduction allowed under section 220 or 223, as applicable.

Nothing in this section shall prevent a carrier from reducing an enrollee's or other covered person's cost-sharing requirement by an amount greater than the amount specified in this section.

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

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

25. (New section) The State Health Benefits Commission shall ensure that every contract purchased or renewed by the commission on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), shall provide coverage for health care services to a person covered thereunder for insulin for the treatment of diabetes, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical

nurse specialist. Coverage for the purchase of insulin shall not be subject to any deductible, and no copayment or coinsurance for the purchase of insulin shall exceed $35 per 30-day supply, except a contract provided by the State Health Benefits Commission that qualifies as a high deductible health plan shall provide coverage for the purchase of insulin at the lowest deductible and other cost-sharing requirement permitted for a high deductible health plan under section 223(c)(2)(A) of the federal Internal Revenue Code (26 U.S.C. s.223 (c)(2)(A)).

Nothing in this section shall prevent the State Health Benefits Commission from reducing an enrollee's cost-sharing requirement by an amount greater than the amount specified in this section or prevent the commission from utilizing formulary management, including a mandatory generic policy, to promote the use of lower-cost alternative generic drugs that are the therapeutic equivalent of the brand-name drug, which could result in the member's copay being higher than set forth in this section.

26. (New section) The State Health Benefits Commission shall ensure that every contract purchased or renewed by the commission on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), shall provide coverage for at least one epinephrine auto-injector device, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of an epinephrine auto-injector device shall not be subject to any deductible, and no copayment or coinsurance for the purchase of an epinephrine auto-injector device shall exceed $25 per 30-day supply, except a contract provided by the State Health Benefits Commission that qualifies as a high deductible health plan shall provide coverage for the purchase of an epinephrine auto-injector device at the lowest deductible and other cost-sharing requirement permitted for a high deductible health plan under section 223(c)(2)(A) of the federal Internal Revenue Code (26 U.S.C. s.223 (c)(2)(A)).

Nothing in this section shall prevent the State Health Benefits Commission from reducing a covered person's cost-sharing requirement by an amount greater than the amount specified in this section or prevent the commission from utilizing formulary management, including a mandatory generic policy, to promote the use of lower-cost alternative generic drugs that are the therapeutic equivalent of the brand-name drug, which could result in the member's copay being higher than set forth in this section. .

27. (New section) The State Health Benefits Commission shall ensure that every contract purchased or renewed by the commission on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), shall provide benefits to a person

covered thereunder for expenses incurred for a prescription asthma inhaler, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of a covered prescription asthma inhaler shall not be subject to any deductible, and no copayment or coinsurance for the purchase of a covered prescription asthma inhaler shall exceed $50 per 30-day supply, except a contract provided by the State Health Benefits Commission that qualifies as a high deductible health plan shall provide coverage for the purchase of a covered prescription asthma inhaler at the lowest deductible and other cost-sharing requirement permitted for a high deductible health plan under section 223(c)(2)(A) of the Internal Revenue Code (26 U.S.C. s.223). Nothing in this section shall prevent the State Health Benefits Commission from reducing a covered person’s cost-sharing requirement by an amount greater than the amount specified in this section or prevent the commission from utilizing formulary management, including a mandatory generic policy, to promote the use of lower-cost alternative generic drugs that are the therapeutic equivalent of the brand-name drug, which could result in the member’s copay being higher than set forth in this section.

28. (New section) The School Employees' Health Benefits Commission shall ensure that every contract purchased by the commission on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill) that provides hospital and medical expense benefits shall provide health care services to a person covered thereunder for insulin for the treatment of diabetes, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of insulin shall not be subject to any deductible, and no copayment or coinsurance for the purchase of insulin shall exceed $35 per 30-day supply, except a contract provided by the School Employees’ Health Benefits Commission that qualifies as a high deductible health plan shall provide coverage for the purchase of insulin at the lowest deductible and other cost-sharing requirement permitted for a high deductible health plan under section 223(c)(2)(A) of the Internal Revenue Code (26 U.S.C. s.223 (c)(2)(A)).

Nothing in this section shall prevent the School Employees’ Health Benefits Commission from reducing an enrollee's cost-sharing requirement by an amount greater than the amount specified in this section or prevent the commission from utilizing formulary management, including a mandatory generic policy, to promote the use of lower-cost alternative generic drugs that are the therapeutic equivalent of the brand-name drug, which could result in the member’s copay being higher than set forth in this section.

29. (New section) The School Employees' Health Benefits Commission shall ensure that every contract purchased or renewed by the commission on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), shall provide coverage for at least one epinephrine auto-injector device, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of an epinephrine auto-injector device shall not be subject to any deductible, and no copayment or coinsurance for the purchase of an epinephrine auto-injector device shall exceed $25 per 30-day supply, except a contract provided by the School Employees' Health Benefits Commission that qualifies as a high deductible health plan shall provide coverage for the purchase of an epinephrine auto-injector device at the lowest deductible and other cost-sharing requirement permitted for a high deductible health plan under section 223(c)(2)(A) of the Internal Revenue Code (26 U.S.C. s.223 (c)(2)(A)).

Nothing in this section shall prevent the School Employees' Health Benefits Commission from reducing an enrollee's cost-sharing requirement by an amount greater than the amount specified in this section or prevent the commission from utilizing formulary management, including a mandatory generic policy, to promote the use of lower-cost alternative generic drugs that are the therapeutic equivalent of the brand-name drug, which could result in the member’s copay being higher than set forth in this section.

30. (New section) The School Employees' Health Benefits Commission shall ensure that every contract purchased or renewed by the commission on or after the effective date of P.L. , c. (C.) (pending before the Legislature as this bill), shall provide benefits to a person covered thereunder for expenses incurred for a prescription asthma inhaler, if recommended or prescribed by a participating physician or participating nurse practitioner/clinical nurse specialist. Coverage for the purchase of a covered prescription asthma inhaler shall not be subject to any deductible, and no copayment or coinsurance for the purchase of a covered prescription asthma inhaler shall exceed $50 per 30-day supply, except a contract provided by the School Employees' Health Benefits Commission that qualifies as a high deductible health plan shall provide coverage for the purchase of a covered prescription asthma inhaler at the lowest deductible and other cost-sharing requirement permitted for a high deductible health plan under section 223(c)(2)(A) of the Internal Revenue Code (26 U.S.C. s.223 (c)(2)(A)).

Nothing in this section shall prevent the School Employees' Health Benefits Commission from reducing a covered person’s cost-sharing requirement by an amount greater than the amount specified in this section or prevent the commission from utilizing

formulary management, including a mandatory generic policy, to promote the use of lower-cost alternative generic drugs that are the therapeutic equivalent of the brand-name drug, which could result in the member's copay being higher than set forth in this section.

31. This act shall take effect on the first day of the seventh month next following the date of enactment and shall apply to plans issued or renewed on or after January 1 of the next calendar year, but the Commissioner of the Department of Banking and Insurance may take such anticipatory administrative action in advance thereof as shall be necessary for the implementation of the act.

STATEMENT

This bill places a flat cap on the out-of-pocket contribution for any covered person prescribed insulin, an epinephrine auto-injector device, or a prescription asthma inhaler across insurance providers. Coverage for these items may not be subject to any deductible, and copayments or coinsurance are capped at $35 per 30-day supply of insulin, $25 for epinephrine auto-injector devices per 30-day supply, and $50 for prescription asthma inhalers per 30-day supply.

These coverage standards apply to individual or group hospital service corporations, medical service corporations, and health service corporations as well as individual and group health insurance policies and health maintenance organizations. Additionally, the bill extends these coverage standards to individual and small employer health benefits plans and require that the State Health Benefits Commission and the School Employee's Health Benefits Commission ensure that their contracts comply with the coverage standards.

ASSEMBLY FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2839

STATE OF NEW JERSEY

DATED: MARCH 14, 2022

The Assembly Financial Institutions and Insurance Committee reports favorably Assembly Bill No. 2839.

This bill places a flat cap on the out-of-pocket contribution for any covered person prescribed insulin, an epinephrine auto-injector device, or a prescription asthma inhaler across insurance providers. Coverage for these items may not be subject to any deductible, and copayments or coinsurance are capped at $35 per 30-day supply of insulin, $25 for epinephrine auto-injector devices per 30-day supply, and $50 for prescription asthma inhalers per 30-day supply.

These coverage standards apply to individual or group hospital service corporations, medical service corporations, and health service corporations as well as individual and group health insurance policies and health maintenance organizations. Additionally, the bill extends these coverage standards to individual and small employer health benefits plans and require that the State Health Benefits Commission and the School Employee's Health Benefits Commission ensure that their contracts comply with the coverage standards.

This Assembly Bill No. 2839, as reported by this committee, is identical to Senate Bill No.1614.

ASSEMBLY HEALTH COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2839

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 24, 2022

The Assembly Health Committee reports favorably and with committee amendments Assembly Bill No. 2839.

As amended by the committee, this bill places a flat cap on the out-of-pocket contribution for any covered person prescribed a rapid-acting, long-acting, or pre-mixed insulin product, an epinephrine auto-injector device, or a prescription asthma inhaler across insurance providers. Coverage for these items may not be subject to any deductible, and copayments or coinsurance are capped at $35 per 30-day supply of insulin, $25 for epinephrine auto-injector devices per 30-day supply, and $50 for prescription asthma inhalers per 30-day supply.

These coverage standards apply to individual or group hospital service corporations, medical service corporations, and health service corporations as well as individual and group health insurance policies and health maintenance organizations. Additionally, the bill extends these coverage standards to individual and small employer health benefits plans and require that the State Health Benefits Commission and the School Employee's Health Benefits Commission ensure that their contracts comply with the coverage standards.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) specify that coverage for insulin under the bill means rapid acting, long-acting, and pre-mixed insulin products; and

(2) require that the provisions of the bill apply to catastrophic plans to the maximum extent permitted by federal law.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]
ASSEMBLY, No. 2839

STATE OF NEW JERSEY

DATED: JUNE 22, 2023

The Assembly Appropriations Committee reports favorably Assembly Bill No. 2839 (1R).

This bill places a flat cap on the out-of-pocket contribution for any covered person prescribed a rapid-acting, long-acting, or pre-mixed insulin product, an epinephrine auto-injector device, or a prescription asthma inhaler across insurance providers. Coverage for these items may not be subject to any deductible, and copayments or coinsurance are capped at $35 per 30-day supply of insulin, $25 for epinephrine auto-injector devices per 30-day supply, and $50 for prescription asthma inhalers per 30-day supply.

These coverage standards apply to individual or group hospital service corporations, medical service corporations, and health service corporations as well as individual and group health insurance policies and health maintenance organizations. Additionally, the bill extends these coverage standards to individual and small employer health benefits plans and require that the State Health Benefits Commission and the School Employee's Health Benefits Commission ensure that their contracts comply with the coverage standards.

As reported by the committee, Assembly Bill No. 2839 (1R) is identical to Senate Bill No. 1614 (1R), which also was reported by the committee on this same date.

FISCAL IMPACT:

The Office of Legislative Services (OLS) concludes that the bill will result in an indeterminate annual increase in the cost of prescription drug plans provided to public employees by local governments and school districts to the extent that current plans exceed the limits specified in the bill.

The OLS cannot estimate the cost because the coverage requirements in all the plans provided to public employees is not known and the number of prescriptions for insulin, an epinephrine auto-injector device, or a prescription asthma inhaler is not known. In addition, the extent to which the employers and employees will cover these increased costs through premium sharing is not known.

The bill applies to local governments that participate in the State Health Benefits Program (SHBP) and to school districts that

participate in the School Employees' Health Benefits Program (SEHBP). It will also apply to those local government and school district employers that purchase prescription drug plans outside of the program.

The bill likely will have no impact on the State General Fund given the current coverage in the prescription drug plans in the SHBP for State employees.

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 2839

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 27, 2023

The Assembly Budget Committee reports favorably and with committee amendments Assembly Bill No. 2839 (1R).

As amended, this bill places a flat cap on the out-of-pocket contribution for any covered person prescribed a short-acting, intermediate-acting, rapid-acting, long-acting, or pre-mixed insulin product, an epinephrine auto-injector device, or a prescription asthma inhaler across insurance providers. Coverage for these items may not be subject to any deductible, and copayments or coinsurance are capped at $35 per 30-day supply of insulin, $25 for epinephrine auto-injector devices per 30-day supply, and $50 for prescription asthma inhalers per 30-day supply.

These coverage standards apply to individual or group hospital service corporations, medical service corporations, and health service corporations as well as individual and group health insurance policies and health maintenance organizations. Additionally, the bill extends these coverage standards to individual and small employer health benefits plans and require that the State Health Benefits Commission and the School Employee's Health Benefits Commission ensure that their contracts comply with the coverage standards.

As reported by the committee, Assembly Bill No. 2839 (1R) is identical to Senate Bill No. 1614 (1R), as also amended and reported by the committee.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) stipulate that the insurance coverage for insulin products already provided for under the bill includes short-acting and intermediate acting insulin products; and

(2) make a technical correction.

FISCAL IMPACT:

Fiscal information is currently unavailable.

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 2839

STATE OF NEW JERSEY
220th LEGISLATURE

DATED: JUNE 22, 2023

SUMMARY

Synopsis:	Requires health insurance carriers to provide coverage for epinephrine auto-injector devices and asthma inhalers; limits cost sharing for health insurance coverage of insulin.
Type of Impact:	Potentially no impact on the State General Fund; potential expenditure increase on local government funds and school district funds.
Agencies Affected:	Division of Pensions and Benefits, Department of the Treasury; local governments; school districts

Office of Legislative Services Estimate

Annual Fiscal Impact	
State Cost Impact	Indeterminate
Local Cost Increase	Indeterminate

- The Office of Legislative Services (OLS) concludes the bill will result in an indeterminate annual increase in the cost of prescription drug plans provided to public employees by local governments and school districts to the extent that current plans exceed the limits specified in the bill. The OLS cannot estimate the cost because the coverage requirements in all the plans provided to the public employees is not known and the number of prescriptions for insulin, an epinephrine auto-injector device, or a prescription asthma inhaler also is not known. In addition, the extent to which the employers and employees will cover these increased costs through premium sharing is not known.

- This bill will apply to local governments that participate in the State Health Benefits Program (SHBP) and to school districts that participate in the School Employees' Health Benefits Program (SEHBP). It will also apply to those local government and school district employers that purchase prescription drug plans outside of the programs.

- The bill likely will have no impact on the State General Fund given the current coverage in the prescription drug plans in the SHBP for State employees.

Office of Legislative Services
State House Annex
P.O. Box 068
Trenton, New Jersey 08625

Legislative Budget and Finance Office
Phone (609) 847-3105
Fax (609) 777-2442
www.njleg.state.nj.us

BILL DESCRIPTION

This bill places a flat cap on the out-of-pocket contribution for any covered person prescribed insulin, an epinephrine auto-injector device, or a prescription asthma inhaler across insurance providers. Coverage for these items may not be subject to any deductible, and copayments or coinsurance are capped at $35 per 30-day supply of insulin, $25 for epinephrine auto-injector devices per 30-day supply, and $50 for prescription asthma inhalers per 30-day supply.

For the State Health Benefits Program and the School Employees' Health Benefits Program, the bill does not prevent the programs from reducing an enrollee's cost-sharing requirement by an amount greater than the amount specified in the bill or prevent the commission from utilizing formulary management, including a mandatory generic policy, to promote the use of lower-cost alternative generic drugs that are the therapeutic equivalent of the brand-name drug, which could result in the member's copay being higher than set forth in this bill.

This bill will apply to individual or group hospital service corporations, medical service corporations, health service corporations, individual and group health insurance policies, health maintenance organizations, the State Health Benefits Commission, and the School Employees' Health Benefits Commission.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes this bill will result in an indeterminate increase in the cost of prescription drug plans provided to public employees by local governments and school districts to the extent that current plans exceed the limits specified in the bill. The OLS cannot estimate the cost because the coverage requirement in all the plans provided to public employees is not known and the number of prescriptions for insulin, an epinephrine auto-injector device, or a prescription asthma inhaler also is not known. In addition, the extent to which the employers and employees will cover these increased costs through premium sharing is not known.

This bill will apply to local governments that participate in the SHBP and to school districts that participate in the SEHBP. It will also apply to those local government and school district employers that purchase prescription drug plans outside of the programs.

The bill will likely have no impact on the State General Fund given the current coverage in the prescription drug plans in the State Health Benefits Program for State employees.

It should be noted that, for the SHBP and the SEHBP, the bill does not prevent the programs from reducing an enrollee's cost-sharing requirement by an amount greater than the amount specified in the bill or prevent the commission from utilizing formulary management, including a mandatory generic policy, to promote the use of lower-cost alternative generic drugs that are the therapeutic equivalent of the brand-name drug, which could result in the member's copay being higher than set forth in this bill.

Section:	*State Government*
Analyst:	*Anna Harris* *Assistant Fiscal Analyst*
Approved:	*Thomas Koenig* *Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

ASSEMBLY, No. 2839

STATE OF NEW JERSEY
220th LEGISLATURE

DATED: JULY 3, 2023

SUMMARY

Synopsis:	Requires health insurance carriers to provide coverage for epinephrine auto-injector devices and asthma inhalers; limits cost sharing for health insurance coverage of insulin.
Type of Impact:	Potentially no impact on the State General Fund; potential expenditure increase on local government funds and school district funds.
Agencies Affected:	Division of Pensions and Benefits, Department of the Treasury; local governments; school districts

Office of Legislative Services Estimate

Annual Fiscal Impact	
State Cost Impact	Indeterminate
Local Cost Increase	Indeterminate

- The Office of Legislative Services (OLS) concludes the bill will result in an indeterminate annual increase in the cost of prescription drug plans provided to public employees by local governments and school districts to the extent that current plans exceed the limits specified in the bill. The OLS cannot estimate the cost because the coverage requirements in all the plans provided to the public employees is not known and the number of prescriptions for insulin products, epinephrine auto-injector devices, or asthma inhalers also is not known. In addition, the extent to which the employers and employees will cover these increased costs through premium sharing is not known.

- This bill will apply to local governments that participate in the State Health Benefits Program (SHBP) and to school districts that participate in the School Employees' Health Benefits Program (SEHBP). It will also apply to those local government and school district employers that purchase prescription drug plans outside of the programs.

- The bill likely will have no impact on the State General Fund given the current coverage in the prescription drug plans in the SHBP for State employees.

BILL DESCRIPTION

This bill places a flat cap on the out-of-pocket contribution for any covered person prescribed an insulin product, an epinephrine auto-injector device, or an asthma inhaler across insurance providers. Coverage for these items may not be subject to any deductible, and copayments or coinsurance are capped at $35 per 30-day supply of insulin, $25 for epinephrine auto-injector devices per 30-day supply, and $50 for prescription asthma inhalers per 30-day supply.

For the State Health Benefits Program and the School Employees' Health Benefits Program, the bill does not prevent the programs from reducing an enrollee's cost-sharing requirement by an amount greater than the amount specified in the bill or prevent the commission from utilizing formulary management, including a mandatory generic policy, to promote the use of lower-cost alternative generic drugs that are the therapeutic equivalent of the brand-name drug, which could result in the member's copay being higher than set forth in this bill.

This bill will apply to individual or group hospital service corporations, medical service corporations, health service corporations, individual and group health insurance policies, health maintenance organizations, the State Health Benefits Commission, and the School Employees' Health Benefits Commission.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes this bill will result in an indeterminate increase in the cost of prescription drug plans provided to public employees by local governments and school districts to the extent that current plans exceed the limits specified in the bill. The OLS cannot estimate the cost because the coverage requirement in all the plans provided to public employees is not known and the number of prescriptions for insulin products, epinephrine auto-injector devices, or asthma inhalers also is unknown. In addition, the extent to which the employers and employees will cover these increased costs through premium sharing is not known.

This bill will apply to local governments that participate in the SHBP and to school districts that participate in the SEHBP. It will also apply to those local government and school district employers that purchase prescription drug plans outside of the programs.

The bill will likely have no impact on the State General Fund given the current coverage in the prescription drug plans in the State Health Benefits Program for State employees.

It should be noted that, for the SHBP and the SEHBP, the bill does not prevent the programs from reducing an enrollee's cost-sharing requirement by an amount greater than the amount specified in the bill or prevent the commission from utilizing formulary management, including a mandatory generic policy, to promote the use of lower-cost alternative generic drugs that are the therapeutic equivalent of the brand-name drug, which could result in the member's copay being higher than set forth in this bill.

Section:	*State Government*
Analyst:	*Anna Harris* *Assistant Fiscal Analyst*
Approved:	*Thomas Koenig* *Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

Governor Murphy Signs Legislative Package to Make Prescription Drugs More Affordable for New Jerseyans

07/10/2023

WEST ORANGE – As part of the Murphy Administration's ongoing efforts to advance health care affordability on behalf of the residents of our state, Governor Phil Murphy today si three bills he announced in partnership with legislative sponsors last year to help make prescription drugs more affordable for New Jerseyans. The three bills, which were signed alongside legislators and advocates, will work together to cap certain out-of-pocket costs, establish greater oversight of Pharmacy Benefit Managers, and promote transparency a the pharmaceutical supply chain.

"This is a huge step forward in our ongoing efforts to deliver much-needed relief to countless families throughout our state who are struggling to afford critical medications," **said Governor Murphy.** "I am proud to sign nation-leading legislation that will make a real difference in the lives of New Jerseyans as we continue to work towards making prescription and other health care services more affordable and accessible to everyone."

Today's bill package advances one of the most comprehensive prescription drug price transparency programs in the country to date. The legislation also makes New Jersey only t second state in the nation to cap out of pocket costs for asthma inhalers and EpiPens in addition to capping consumer costs for insulin.

The three bills the Governor signed today are:

- S-1614 – **Caps out-of-pocket costs for many residents** by extending Medicare's new $35/month insulin out of pocket cap to state-regulated markets and NJ public employe plans, as well as capping out of pocket costs for EpiPens and asthma inhalers at $25 and $50 respectively for a month's supply.
- S-1615 – **Creates a new data and transparency system** within the Division of Consumer Affairs to collect, analyze, and report on the entire process of drug pricing across th supply chain in an effort to gain greater insight into drugs with high price increases and launch prices. The bill also establishes a Drug Affordability Council to formulate legislative and regulatory policy recommendations that help advance the goal of prescription drug affordability and accessibility.
- A-536/2841 – **Establishes greater oversight of Pharmacy Benefit Managers (PBMs)**, the third-party companies who manage many prescription-drug plans, to prevent certai practices that drive up costs. This bill requires rebates to be used to lower premiums and out-of-pocket costs for consumers and prevents the practice of spread pricing (wh PBM pockets the difference between what it charges a health plan and reimburses a pharmacy). It also requires PBMs to apply for a license from the NJ Department of Ban Insurance to strengthen regulatory oversight.

With more than half of New Jersey residents concerned about the affordability of prescription drugs and one in four adults skipping or rationing their medications – an issue seen throughout the nation – the Office of Health Care Affordability and Transparency worked closely with legislative partners and other community stakeholders to advance this legisla for prescription drug affordability. Governor Murphy launched this office in 2020 to lead efforts across the Administration to make health care more affordable for residents and ad the unsustainable rise in health care costs.

To further advance prescription affordability, the Governor also included funding in the Fiscal Year 2024 budget to expand eligibility for the Pharmaceutical Assistance for the Aged Disabled (PAAD) program, which further cuts the costs of life-enhancing and life-saving prescription drugs for seniors and residents with disabilities. A companion bill signed on th same day as the budget, in addition to authorizing the eligibility expansion, will help get even more eligible New Jerseyans enrolled in both PAAD and the Senior Gold Prescription Discount program going forward.

The following legislators sponsored one or more of the three bills signed today – Senators Joseph Vitale and Troy Singleton and Assemblyman John McKeon, in addition to Senato Nellie Pou, Linda Greenstein, and Vin Gopal and Assembly Members Roy Freiman, Angela McKnight, Robert Karabinchak, Bill Moen, Gabriela Mosquera, Annette Quijano, Paul Mori Joseph Danielsen, Daniel Benson, and Verlina Reynolds-Jackson.

"Far too many New Jerseyans have experienced the stress of affording the price of a medication, often cutting back on groceries, putting off bills, and even rationing or skipping do And unfortunately, prescription drug costs are just one factor pushing health care out of reach for many residents," **said Shabnam Salih, Director of the Governor's Office of Health Affordability and Transparency.** "My Office is working to lower costs across the health care system through a comprehensive affordability agenda. This package is a critical part o work and a huge step forward that will have a real impact on New Jersey residents. It would not have been possible without the Governor's leadership and the commitment of our partners throughout the Administration, in the Legislature, and in the community."

"These reforms help to address the burdensome high cost of prescription drugs that consumers face across our state," **said New Jersey Department of Banking and Insurance Ac Commissioner Justin Zimmerman.** "Through greater oversight and increased transparency of the factors that contribute to prescription drug pricing, the state can take meaningfu steps to reduce patient costs. Additionally, the department will now require Pharmacy Benefits Managers to meet stringent standards for licensure to prevent practices that can dri prescription drug costs. The enactment of these measures demonstrates Governor Murphy's commitment to improving access to and affordability of health care for New Jersey residents."

"The high cost of prescription medication jeopardizes the health and well-being of the most vulnerable among us: low-income families, the elderly, the uninsured, and people with disabilities," **said Attorney General Matthew J. Platkin.** "I applaud Governor Murphy and the Legislature for taking these important first steps toward reining in the rising cost of prescription drugs in our state."

"The Division of Consumer Affairs is dedicated to ensuring fairness and transparency in the market and we welcome the opportunity to shine a light on the high cost of prescriptio drugs," **said Cari Fais, Acting Director of the Division of Consumer Affairs.** "Creating a system to collect, analyze, and report data on the entire process of drug pricing across the s chain is critical to gaining greater insight and promoting accountability in the drug industry. New Jersey consumers deserve nothing less."

"Across the nation, too many people are being forced to ration or go without critically needed and potentially life-saving prescription medications. I'm proud that in New Jersey we working to make the prescription drug industry more transparent," **said Assembly Speaker Craig J. Coughlin.** "The legislation being signed into law today will help us better unders how medications are priced, giving us the data necessary to respond and promote increased access to appropriate care as well as improve oversight and transparency of the entir pharmaceutical supply chain."

"New Jersey's affordability crisis affects all of us – most especially those who rely on prescription drugs to live. Now more than ever, we must work to make life-saving medicine m accessible and affordable," **said Senator Singleton.** "This package will address affordability and stimulate transparency and accountability within the pharmaceutical industry. Eac every day, someone skips a dose or cuts a pill in half just to save money. In the richest nation in the world, and one of the wealthiest states in America, this is unacceptable and sim unconscionable."

"For far too long, consumers have been excluded from the drug pricing process and left to bear the brunt of prescription cost increases. This package will bring to light the inner workings and beneficiaries within the pharmaceutical industry and work to combat rising prices," **said Senator Vitale, Chair of the Senate Health Committee.** "Inflated prescription prices without reasoning or accountability is unfair and irresponsible; these laws will ensure that pharmaceutical companies and manufacturers are open and honest with the consumers they serve."

"Many consumers have struggled to afford necessary medicine," **said Assemblyman McKeon.** "The legislation being signed into law will help us understand what's behind the rise drug prices and allow us to develop policies focused on affordability, while keeping those in the industry accountable for their actions."

"Access to prescription medications can dramatically improve one's quality of life, and in some cases they are difference between life and death," **said Assemblyman Freiman.** "The new laws will help make prescription drugs more affordable and accessible for all New Jersey families. We must fight for the future health of our communities. Nobody should have go without the medication they need to survive."

"Currently, we are facing a severe affordability crisis throughout the nation, and the stunning increase in prescription drug prices continues to play a huge role. Consumers are kept dark about these price increases, which is neglectful of the impact these increases have on residents," **said Senator Pou.** "These laws will help to keep consumers prepared and informed while holding pharmaceutical companies and manufacturers accountable."

As prescription drug prices continue to skyrocket, approximately 30 million Americans are diagnosed with diabetes and are subjected to pay three times what people living overseas would pay for the same drug," **said Senator Greenstein.** "This law is a major step forward in our efforts to mitigate the current drug affordability crisis, and will make insulin, asthma inhalers, and other critical treatments affordable for New Jersey residents."

"Too many residents are forced to delay or all together forego taking a prescription due to the cost," **said Senator Gopal.** "This legislation will regulate the behind-the-scene business practices of pharmacy benefits managers to be more transparent, require licenses, data and records reporting, and cost establishment modifications to help address the prescription drug affordability crisis facing our state."

"AARP commends Governor Murphy and the NJ Legislature for enacting legislation today that will meaningfully respond to the skyrocketing costs of prescription medications," **said Crystal McDonald, AARP New Jersey Associate State Director of Advocacy.** "High prescription drug prices hit older Americans particularly hard. More than two out of three NJ voters 50 plus are concerned they won't be able to afford the medicines they need in the future. S1615 will give our State the data and tools to ensure transparency across the pharmaceutical supply chain and establish a Drug Affordability Council - responsible for actionable recommendations to lower drug costs. S1614 will cap the out-pocket-costs on insulin, asthma inhalers, and epi-pens for many insured New Jerseyans – keeping these life-saving drugs within financial reach of so many. We applaud Governor Murphy, Senator Singleton, Senator Vitale and Assemblyman McKeon for championing this legislation."

"It's been a long road, but we finally have a law that puts us on the path of making prescription drugs more affordable for New Jerseyans," **said New Jersey Citizen Action Healthcare Program Director Laura Waddell.** "A Drug Affordability Council will help rein in prices at the pharmacy counter and ensure patients don't have to choose between paying for lifesaving medicines or for other essential needs. We thank Senator Singleton and Assemblyman McKeon for tirelessly championing this legislation, and applaud Governor Murphy and all our elected leaders who supported meaningful drug pricing reform. We also thank all our New Jersey for Affordable Drugs campaign partners and the countless grassroots advocates and activists whose work made this day possible. NJCA looks forward to continue working with both Governor Murphy and our Legislature throughout implementation."

"GSPO is proud to have supported this critically-needed package of bills. Many of the new laws' provisions are unparalleled and incredibly forward-thinking," **said Executive Director Garden State Pharmacy Owners Brian Oliveira, PharmD.** "The leadership demonstrated by the sponsors, co-sponsors, and Governor Murphy's Office will assuredly benefit New Jersey patients and providers. We look forward to working closely with the Administration on implementation of the laws."

"I am pleased to extend the New Jersey Pharmacists Association's (NJPhA) sincere thanks to Governor Murphy, the bill sponsors, and co-sponsors for their hard work in bringing this extensive prescription drug transparency package to fruition," **said Rupal Mansukhani, Pharm.D - NJPhA President.** "It will assist New Jersey pharmacies and pharmacists in providing the highest level of care to patients. These new laws are forward thinking with innovative provisions that protect patients, providers, and plan sponsors."

"The American Diabetes Association celebrates New Jersey's passage of critical legislation aimed at lessening the financial burden of insulin costs for people living with diabetes," **Monica Billger, State Government Affairs Director for the American Diabetes Association.** "While Congress passed a $35 cap for Medicare recipients last year, an affordability gap remained for many others with diabetes. New Jersey, along with 24 other states and the District of Columbia, are taking the lead to close the gap and improve affordability and access to life-saving insulin."

"I applaud Gov. Murphy's actions to lower the cost of prescription drugs for patients. The out-of-pocket caps on insulin, epi pens, and asthma inhalers will dramatically lower cost barriers to life-saving drugs for many families who depend on them," **said Center for American Progress' Senior Vice President of Inclusive Growth, Emily Gee.** "The state's new measures to tighten oversight of pharmacy benefit managers (PBM) and shed light on pricing throughout the drug supply chain are crucial for improving competition and reducing costs for New Jersey residents."

"Drug prices are outrageously high, and Americans are demanding action. Today, Governor Murphy is taking important steps to meet that demand by working to protect patients," **said Alex Lawson, Executive Director of Social Security Works.** "These actions should be a model for governors across the country, as well as federal policymakers."

"Nurses for America applauds Governor Murphy's progressive and innovative package of bills to advance drug affordability and access in New Jersey," **said Sherry Pomeroy PhD, Faith Community Nurse.** "As nurses we care for individuals, families & communities across the lifespan who struggle to afford medications critical to their overall health & well-being such as insulin, asthma inhalers, and epinephrine pens. The ability to obtain and afford medications needed to treat a wide variety of health conditions is a basic health care right."

"We have known for years that insulins suffer from some of the greatest disconnects between the list prices and the real prices of those medicines, with much of the fluffed up costs paid by patients and employers being cannibalized by intermediaries within the drug channel, **said Antonio Ciacca, CEO, 46brooklyn Research**. "Within drug classes where these price distortions are most pronounced, it is a good thing for patients that they won't have to continue to overpay for medicines in order to generate discounts that are pocketed by others."

"PBMs are supposed to be working on behalf of patients and plan sponsors to make prescription drugs more affordable," **continued Ciaacia.** "However, due to a lack of transparency and significant conflicts of interest, PBMs often make our dysfunctional drug pricing system even worse. A 536/2841 is on the leading edge of these state PBM reforms, with a number of innovative approaches that attempt to curtail anti-competitive behavior and drug price manipulation. This seems like a very worthwhile effort to provide greater oversight and accountability to an important aspect of our healthcare delivery system."

"You shouldn't have to choose between paying the rent or getting a prescription filled — yet for many people, this is a reality," **shared Mona Shah, Senior Director of Policy and Strategy Community Catalyst**. "Important policy changes are necessary to create a more equitable health system, and we applaud Governor Murphy as well as our partners at NJ Citizen Action for their meaningful work to make prescription drugs more affordable. This will give people, families, and communities the relief so clearly needed. At Community Catalyst, we won't stop fighting until everyone has what they need to be healthy, and health is a right for all."