

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

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REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: Yes

NJ governor signs 4 bills aimed at improving maternity care
Associated Press State Wire: New Jersey (NJ) - May 8, 2019

Governor signs 4 bills aimed at improving maternity care
Associated Press State Wire: New Jersey (NJ) - May 8, 2019

Gov. Phil Murphy signs four laws to make childbirth safer for mothers, babies
northjersey.com (Published as northjersey.com (NJ)) - May 8, 2019

Murphy signs maternal health legislation
NJBIZ (New Brunswick, NJ) - May 9, 2019

LAWS AIM TO MAKE CHILDBIRTH MORE SAFE - BILLS THAT MAKE CHANGES TO STATE'S MEDICAID
Record, The (Hackensack, NJ) - May 9, 2019

Murphy acts to save moms
Jersey Journal, The (Jersey City, NJ) - May 10, 2019

RWH/JA

§§1,6 - Notes to
§§2-5
§2 - C.30:4D-6.10
§3 - C.30:4D-9.2
§4 –
C.52:14-17.29aa
§5 –
C.52:14-17.46.6l

P.L. 2019, CHAPTER 87, *approved May 8, 2019*
Senate, No. 3378 (*Second Reprint*)

1 AN ACT concerning health benefits coverage for non-medically
2 indicated early elective deliveries and supplementing various
3 parts of statutory law.

4

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

7

8 1. The Legislature finds and declares:

9 a. Data strongly demonstrates that early elective deliveries—
10 scheduled cesarean sections or medical inductions performed prior to
11 39 weeks of gestation without medical necessity—carry risks to both
12 babies and mothers;

13 b. During the last few weeks of pregnancy, critical fetal
14 development is still occurring;

15 c. As such, studies have shown that non-medically indicated early
16 elective deliveries provide for higher incidences of neonatal intensive
17 care unit admissions, pneumonia, and longer hospital stays for infants
18 than ¹**[if delivery was prolonged]** when the pregnancy is allowed to
19 progress naturally to full term¹;

20 d. Additionally, an unsuccessful induction will result in a
21 cesarean section, which can lead to infections, bleeding, and anesthesia
22 complications for mothers;

23 e. The American College of Obstetricians and Gynecologists
24 (ACOG) has advised against these deliveries for over 30 years;

25 f. According to the ACOG, medical indications for early delivery
26 are not absolute but should take into account maternal and fetal
27 conditions, gestational age, cervical status, and other factors;

28 g. Factors such as maternal request, availability of effective pain
29 management, provider convenience, or facility scheduling should not
30 be considered when determining whether to induce labor early or to
31 perform a cesarean delivery;

32 h. While the early elective delivery rate in New Jersey has
33 generally declined in recent years, approximately three to four percent

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:

¹Senate SHH committee amendments adopted March 4, 2019.

²Assembly floor amendments adopted March 25, 2019.

1 of all births in the State are the result of a scheduled cesarean section
2 or medical induction performed prior to 39 weeks of gestation without
3 medical necessity; ²**[and]**

4 i. To support public health and improve birth outcomes, it is
5 important that health care providers, women, and their support
6 networks are aware of the association between early elective deliveries
7 and increased maternal and neonatal complications; and²

8 j. It is, therefore, in the public interest for the Legislature ²to
9 support education efforts for health care providers and women and
10 their support networks and² to prohibit coverage of such medical
11 interventions which are not necessary by clinical standards within the
12 Medicaid Program, ²the² State Health Benefits Program, and ²the²
13 School Employees' Health Benefits Program ^{2,2} as a means to improve
14 medical outcomes for mothers and babies.

15
16 2. a. No provider shall be approved for reimbursement by the
17 Division of Medical Assistance and Health Services in the Department
18 of Human Services under Medicaid for a non-medically indicated
19 early elective delivery performed at a hospital on a pregnant woman
20 earlier than the 39th week of gestation ²on or after the ten month period
21 following the effective date of this section. During the ten month
22 period following the effective date of this section, the Division of
23 Medical Assistance and Health Services in the Department of Human
24 Services shall provide accessible educational materials to inform
25 pregnant women, their support networks, and Medicaid providers
26 about the risks of non-medically indicated early elective delivery².

27 b. As used in this section:

28 “Medicaid” means the Medicaid program established pursuant to
29 P.L.1968, c.413 (C.30:4D-1 et seq.)

30 “Non-medically indicated early elective delivery” means the
31 artificial start of the birth process through medical interventions or
32 other methods, also known as labor induction, or the surgical delivery
33 of a baby via a cesarean section for purposes or reasons that are not
34 fully consistent with established standards of clinical care as provided
35 by the American College of Obstetricians and Gynecologists.

36
37 3. a. Notwithstanding the provisions of any other law or
38 regulation to the contrary, any contract between a carrier and the
39 Division of Medical Assistance and Health Services in the
40 Department of Human Services that provides benefits to persons
41 who are eligible for Medicaid under P.L.1968, c.413 (C.30:4D-1 et
42 seq.) shall not provide coverage for a non-medically indicated early
43 elective delivery performed at a hospital on a pregnant woman
44 earlier than the 39th week of gestation.

45 b. As used in this section, “non-medically indicated early
46 elective delivery” means the artificial start of the birth process
47 through medical interventions or other methods, also known as

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2 section for purposes or reasons that are not fully consistent with
3 established standards of clinical care as provided by the American
4 College of Obstetricians and Gynecologists.

5
6 4. a. Notwithstanding any other law or regulation to the
7 contrary, the State Health Benefits Commission shall ensure that
8 every contract purchased by the commission on or after the
9 effective date of this act that provides hospital and medical expense
10 benefits shall not provide coverage for a non-medically indicated
11 early elective delivery performed at a hospital on a pregnant woman
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17 section for purposes or reasons that are not fully consistent with
18 established standards of clinical care as provided by the American
19 College of Obstetricians and Gynecologists.

20
21 5. a. Notwithstanding any other law or regulation to the
22 contrary, the School Employees’ Health Benefits Commission shall
23 ensure that every contract purchased by the commission on or after
24 the effective date of this act that provides hospital and medical
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27 pregnant woman earlier than the 39th week of gestation.

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32 section for purposes or reasons that are not fully consistent with
33 established standards of clinical care as provided by the American
34 College of Obstetricians and Gynecologists.

35
36 6. ²**[This]** Sections 1 through 3 of this² act shall take effect on the
37 first day of the fourth month next following enactment ², and sections 4
38 and 5 of this act shall effect on the date of the next plan design cycle
39 for the State Health Benefits Program and the School Employees’
40 Health Benefits Program after enactment².

41
42
43
44
45 Prohibits health benefits coverage for certain non-medically
46 indicated early elective deliveries under Medicaid program, SHBP,
47 and SEHBP.

§§1,6 - Notes to
§§2-5
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1 AN ACT concerning health benefits coverage for non-medically
2 indicated early elective deliveries and supplementing various
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6 of New Jersey:

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18 than **1**if delivery was prolonged when the pregnancy is allowed to
19 progress naturally to full term¹;
- 20 d. Additionally, an unsuccessful induction will result in a
21 cesarean section, which can lead to infections, bleeding, and anesthesia
22 complications for mothers;
- 23 e. The American College of Obstetricians and Gynecologists
24 (ACOG) has advised against these deliveries for over 30 years;
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26 are not absolute but should take into account maternal and fetal
27 conditions, gestational age, cervical status, and other factors;
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29 management, provider convenience, or facility scheduling should not
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33 generally declined in recent years, approximately three to four percent

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11 interventions which are not necessary by clinical standards within the
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20 earlier than the 39th week of gestation ²on or after the ten month period
21 following the effective date of this section. During the ten month
22 period following the effective date of this section, the Division of
23 Medical Assistance and Health Services in the Department of Human
24 Services shall provide accessible educational materials to inform
25 pregnant women, their support networks, and Medicaid providers
26 about the risks of non-medically indicated early elective delivery².

27 b. As used in this section:

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35 by the American College of Obstetricians and Gynecologists.

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37 3. a. Notwithstanding the provisions of any other law or
38 regulation to the contrary, any contract between a carrier and the
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40 Department of Human Services that provides benefits to persons
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6 4. a. Notwithstanding any other law or regulation to the
7 contrary, the State Health Benefits Commission shall ensure that
8 every contract purchased by the commission on or after the
9 effective date of this act that provides hospital and medical expense
10 benefits shall not provide coverage for a non-medically indicated
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17 section for purposes or reasons that are not fully consistent with
18 established standards of clinical care as provided by the American
19 College of Obstetricians and Gynecologists.

20
21 5. a. Notwithstanding any other law or regulation to the
22 contrary, the School Employees’ Health Benefits Commission shall
23 ensure that every contract purchased by the commission on or after
24 the effective date of this act that provides hospital and medical
25 expense benefits shall not provide coverage for a non-medically
26 indicated early elective delivery performed at a hospital on a
27 pregnant woman earlier than the 39th week of gestation.

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29 elective delivery” means the artificial start of the birth process
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34 College of Obstetricians and Gynecologists.

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36 6. ²**[This]** Sections 1 through 3 of this² act shall take effect on the
37 first day of the fourth month next following enactment ², and sections 4
38 and 5 of this act shall effect on the date of the next plan design cycle
39 for the State Health Benefits Program and the School Employees’
40 Health Benefits Program after enactment².

41
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43
44
45 Prohibits health benefits coverage for certain non-medically
46 indicated early elective deliveries under Medicaid program, SHBP,
47 and SEHBP.

SENATE, No. 3378

STATE OF NEW JERSEY
218th LEGISLATURE

INTRODUCED JANUARY 24, 2019

Sponsored by:
Senator M. TERESA RUIZ
District 29 (Essex)

SYNOPSIS

Prohibits health benefits coverage for certain non-medically indicated early elective deliveries under Medicaid program, SHBP, and SEHBP.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning health benefits coverage for non-medically
2 indicated early elective deliveries and supplementing various
3 parts of statutory law.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
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8 1. The Legislature finds and declares:

9 a. Data strongly demonstrates that early elective deliveries—
10 scheduled cesarean sections or medical inductions performed prior
11 to 39 weeks of gestation without medical necessity—carry risks to
12 both babies and mothers;

13 b. During the last few weeks of pregnancy, critical fetal
14 development is still occurring;

15 c. As such, studies have shown that non-medically indicated
16 early elective deliveries provide for higher incidences of neonatal
17 intensive care unit admissions, pneumonia, and longer hospital
18 stays for infants than if delivery was prolonged;

19 d. Additionally, an unsuccessful induction will result in a
20 cesarean section, which can lead to infections, bleeding, and
21 anesthesia complications for mothers;

22 e. The American College of Obstetricians and Gynecologists
23 (ACOG) has advised against these deliveries for over 30 years;

24 f. According to the ACOG, medical indications for early
25 delivery are not absolute but should take into account maternal and
26 fetal conditions, gestational age, cervical status, and other factors;

27 g. Factors such as maternal request, availability of effective
28 pain management, provider convenience, or facility scheduling
29 should not be considered when determining whether to induce labor
30 early or to perform a cesarean delivery;

31 h. While the early elective delivery rate in New Jersey has
32 generally declined in recent years, approximately three to four
33 percent of all births in the State are the result of a scheduled
34 cesarean section or medical induction performed prior to 39 weeks
35 of gestation without medical necessity; and

36 i. It is, therefore, in the public interest for the Legislature to
37 prohibit coverage of such medical interventions which are not
38 necessary by clinical standards within the Medicaid Program, State
39 Health Benefits Program, and School Employees' Health Benefits
40 Program as a means to improve medical outcomes for mothers and
41 babies.

42
43 2. a. No provider shall be approved for reimbursement by the
44 Division of Medical Assistance and Health Services in the
45 Department of Human Services under Medicaid for a non-medically
46 indicated early elective delivery performed at a hospital on a
47 pregnant woman earlier than the 39th week of gestation.

48 b. As used in this section:

1 “Medicaid” means the Medicaid program established pursuant to
2 P.L.1968, c.413 (C.30:4D-1 et seq.)

3 “Non-medically indicated early elective delivery” means the
4 artificial start of the birth process through medical interventions or
5 other methods, also known as labor induction, or the surgical
6 delivery of a baby via a cesarean section for purposes or reasons
7 that are not fully consistent with established standards of clinical
8 care as provided by the American College of Obstetricians and
9 Gynecologists.

10

11 3. a. Notwithstanding the provisions of any other law or
12 regulation to the contrary, any contract between a carrier and the
13 Division of Medical Assistance and Health Services in the
14 Department of Human Services that provides benefits to persons
15 who are eligible for Medicaid under P.L.1968, c.413 (C.30:4D-1 et
16 seq.) shall not provide coverage for a non-medically indicated early
17 elective delivery performed at a hospital on a pregnant woman
18 earlier than the 39th week of gestation.

19 b. As used in this section, “non-medically indicated early
20 elective delivery” means the artificial start of the birth process
21 through medical interventions or other methods, also known as
22 labor induction, or the surgical delivery of a baby via a cesarean
23 section for purposes or reasons that are not fully consistent with
24 established standards of clinical care as provided by the American
25 College of Obstetricians and Gynecologists.

26

27 4. a. Notwithstanding any other law or regulation to the
28 contrary, the State Health Benefits Commission shall ensure that
29 every contract purchased by the commission on or after the
30 effective date of this act that provides hospital and medical expense
31 benefits shall not provide coverage for a non-medically indicated
32 early elective delivery performed at a hospital on a pregnant woman
33 earlier than the 39th week of gestation.

34 b. As used in this section, “non-medically indicated early
35 elective delivery” means the artificial start of the birth process
36 through medical interventions or other methods, also known as
37 labor induction, or the surgical delivery of a baby via a cesarean
38 section for purposes or reasons that are not fully consistent with
39 established standards of clinical care as provided by the American
40 College of Obstetricians and Gynecologists.

41

42 5. a. Notwithstanding any other law or regulation to the
43 contrary, the School Employees’ Health Benefits Commission shall
44 ensure that every contract purchased by the commission on or after
45 the effective date of this act that provides hospital and medical
46 expense benefits shall not provide coverage for a non-medically
47 indicated early elective delivery performed at a hospital on a
48 pregnant woman earlier than the 39th week of gestation.

S3378 RUIZ

5

1 not be considered when determining whether to induce labor early
2 or to perform a cesarean delivery.

3 The sponsor's intent is that this bill will improve medical
4 outcomes for mothers and babies within the Medicaid Program,
5 SHBP, and SEHBP by discouraging medical interventions that are
6 not necessary by clinical standards.

SENATE HEALTH, HUMAN SERVICES AND SENIOR
CITIZENS COMMITTEE

STATEMENT TO
SENATE, No. 3378

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 4, 2019

The Senate Health, Human Services and Senior Citizens Committee reports favorably and with committee amendments Senate Bill No. 3378.

As amended by the committee, this bill prohibits health benefits coverage for certain non-medically indicated early elective deliveries under the Medicaid program, the State Health Benefits Program (SHBP), and the School Employees' Health Benefits Program (SEHBP). Specifically, the bill prohibits health benefits contracts which are issued or purchased pursuant to the SHBP, SEHBP, and the Medicaid program, as well as services purchased under the fee-for-service delivery system within the Medicaid program, from providing health benefits coverage or reimbursing a provider for a non-medically indicated early elective delivery performed at a hospital on a pregnant woman earlier than the 39th week of gestation.

As used in the bill, "non-medically indicated early elective delivery" means the artificial start of the birth process through medical interventions or other methods, also known as labor induction, or the surgical delivery of a baby via a cesarean section for purposes or reasons that are not fully consistent with established standards of clinical care as provided by the American College of Obstetricians and Gynecologists.

Non-medically indicated deliveries before 39 weeks of gestation are associated with an increased risk that the baby will be admitted to the neonatal intensive care unit, resulting in longer stays and higher costs, increased risk of the baby contracting pneumonia, and a higher probability that the procedure will result in the need for a cesarean section, which carries its own additional risks for the mother, including infections, bleeding, and anesthesia complications.

COMMITTEE AMENDMENTS:

The committee amendments revise the findings and declarations section to clarify language concerning the increased risks associated with early delivery as compared with full-term delivery, as well as to make various grammatical changes.

STATEMENT TO
[First Reprint]
SENATE, No. 3378

with Assembly Floor Amendments
(Proposed by Assemblywoman McKNIGHT)

ADOPTED: MARCH 25, 2019

These floor amendments:

- 1) enhance the findings and declarations section;
- 2) delay the effective date of certain provisions of the bill; and
- 3) require, during the period of the bill's delayed effect, the Division of Medical Assistance and Health Services to provide accessible educational materials to inform pregnant women, their support networks, and Medicaid providers about the risks of non-medically indicated early elective delivery.

ASSEMBLY, No. 4935

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED JANUARY 17, 2019

Sponsored by:

Assemblywoman ANGELA V. MCKNIGHT

District 31 (Hudson)

Assemblyman RAJ MUKHERJI

District 33 (Hudson)

Assemblywoman VALERIE VAINIERI HUTTLE

District 37 (Bergen)

Co-Sponsored by:

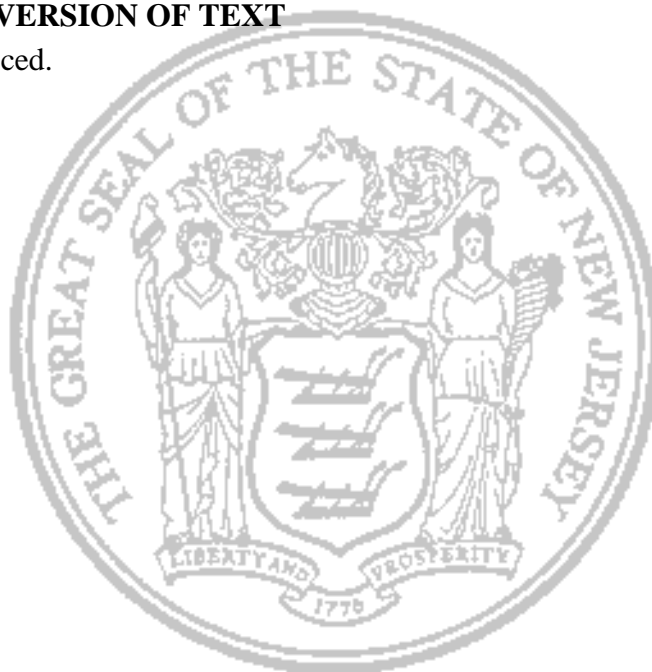
Assemblywomen Chaparro, Reynolds-Jackson, Murphy, Tucker and Mosquera

SYNOPSIS

Prohibits health benefits coverage for certain non-medically indicated early elective deliveries under Medicaid program, SHBP, and SEHBP.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 3/19/2019)

1 AN ACT concerning health benefits coverage for non-medically
2 indicated early elective deliveries and supplementing various
3 parts of statutory law.

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

7
8 1. The Legislature finds and declares:

9 a. Data strongly demonstrates that early elective deliveries—
10 scheduled cesarean sections or medical inductions performed prior
11 to 39 weeks of gestation without medical necessity—carry risks to
12 both babies and mothers;

13 b. During the last few weeks of pregnancy, critical fetal
14 development is still occurring;

15 c. As such, studies have shown that non-medically indicated
16 early elective deliveries provide for higher incidences of neonatal
17 intensive care unit admissions, pneumonia, and longer hospital
18 stays for infants than if delivery was prolonged;

19 d. Additionally, an unsuccessful induction will result in a
20 cesarean section, which can lead to infections, bleeding, and
21 anesthesia complications for mothers;

22 e. The American College of Obstetricians and Gynecologists
23 (ACOG) has advised against these deliveries for over 30 years;

24 f. According to the ACOG, medical indications for early
25 delivery are not absolute but should take into account maternal and
26 fetal conditions, gestational age, cervical status, and other factors;

27 g. Factors such as maternal request, availability of effective
28 pain management, provider convenience, or facility scheduling
29 should not be considered when determining whether to induce labor
30 early or to perform a cesarean delivery;

31 h. While the early elective delivery rate in New Jersey has
32 generally declined in recent years, approximately three to four
33 percent of all births in the State are the result of a scheduled
34 cesarean section or medical induction performed prior to 39 weeks
35 of gestation without medical necessity; and

36 i. It is, therefore, in the public interest for the Legislature to
37 prohibit coverage of such medical interventions which are not
38 necessary by clinical standards within the Medicaid Program, State
39 Health Benefits Program, and School Employees' Health Benefits
40 Program as a means to improve medical outcomes for mothers and
41 babies.

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43 2. a. No provider shall be approved for reimbursement by the
44 Division of Medical Assistance and Health Services in the
45 Department of Human Services under Medicaid for a non-medically
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47 pregnant woman earlier than the 39th week of gestation.

48 b. As used in this section:

1 “Medicaid” means the Medicaid program established pursuant to
2 P.L.1968, c.413 (C.30:4D-1 et seq.)

3 “Non-medically indicated early elective delivery” means the
4 artificial start of the birth process through medical interventions or
5 other methods, also known as labor induction, or the surgical
6 delivery of a baby via a cesarean section for purposes or reasons
7 that are not fully consistent with established standards of clinical
8 care as provided by the American College of Obstetricians and
9 Gynecologists.

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11 3. a. Notwithstanding the provisions of any other law or
12 regulation to the contrary, any contract between a carrier and the
13 Division of Medical Assistance and Health Services in the
14 Department of Human Services that provides benefits to persons
15 who are eligible for Medicaid under P.L.1968, c.413 (C.30:4D-1 et
16 seq.) shall not provide coverage for a non-medically indicated early
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25 College of Obstetricians and Gynecologists.

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27 4. a. Notwithstanding any other law or regulation to the
28 contrary, the State Health Benefits Commission shall ensure that
29 every contract purchased by the commission on or after the
30 effective date of this act that provides hospital and medical expense
31 benefits shall not provide coverage for a non-medically indicated
32 early elective delivery performed at a hospital on a pregnant woman
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39 established standards of clinical care as provided by the American
40 College of Obstetricians and Gynecologists.

41

42 5. a. Notwithstanding any other law or regulation to the
43 contrary, the School Employees’ Health Benefits Commission shall
44 ensure that every contract purchased by the commission on or after
45 the effective date of this act that provides hospital and medical
46 expense benefits shall not provide coverage for a non-medically
47 indicated early elective delivery performed at a hospital on a
48 pregnant woman earlier than the 39th week of gestation.

A4935 MCKNIGHT, MUKHERJI

5

1 not be considered when determining whether to induce labor early
2 or to perform a cesarean delivery.

3 The sponsor's intent is that this bill will improve medical
4 outcomes for mothers and babies within the Medicaid Program,
5 SHBP, and SEHBP by discouraging medical interventions that are
6 not necessary by clinical standards.

ASSEMBLY HEALTH AND SENIOR SERVICES COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4935

STATE OF NEW JERSEY

DATED: JANUARY 22, 2019

The Assembly Health and Senior Services Committee reports favorably Assembly Bill No. 4935.

This bill prohibits the health benefits coverage of certain non-medically indicated early elective deliveries under the Medicaid Program, the State Health Benefits Program (SHBP), and the School Employees' Health Benefits Program (SEHBP). Specifically, this bill prohibits health benefits contracts which are issued or purchased pursuant to the SHBP, SEHBP, and the Medicaid Program, as well as services purchased under the fee-for-service delivery system within the Medicaid Program, from providing health benefits coverage or reimbursing a provider for a non-medically indicated early elective delivery performed at a hospital on a pregnant woman earlier than the 39th week of gestation.

As used in the bill, "non-medically indicated early elective delivery" means the artificial start of the birth process through medical interventions or other methods, also known as labor induction, or the surgical delivery of a baby via a cesarean section for purposes or reasons that are not fully consistent with established standards of clinical care as provided by the American College of Obstetricians and Gynecologists (ACOG).

ASSEMBLY WOMEN AND CHILDREN COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4935

STATE OF NEW JERSEY

DATED: JANUARY 22, 2019

The Assembly Women and Children Committee reports favorably Assembly Bill No. 4935.

This bill prohibits the health benefits coverage of certain non-medically indicated early elective deliveries under the Medicaid Program, the State Health Benefits Program (SHBP), and the School Employees' Health Benefits Program (SEHBP). Specifically, this bill prohibits health benefits contracts which are issued or purchased pursuant to the SHBP, SEHBP, and the Medicaid Program, as well as services purchased under the fee-for-service delivery system within the Medicaid Program, from providing health benefits coverage or reimbursing a provider for a non-medically indicated early elective delivery performed at a hospital on a pregnant woman earlier than the 39th week of gestation.

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ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4935

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 18, 2019

The Assembly Appropriations Committee reports favorably Assembly Bill No. 4935, with committee amendments.

As amended, this bill prohibits the health benefits coverage of certain non-medically indicated early elective deliveries under the Medicaid Program, the State Health Benefits Program (SHBP), and the School Employees' Health Benefits Program (SEHBP). Specifically, this bill prohibits health benefits contracts which are issued or purchased pursuant to the SHBP, SEHBP, and the Medicaid Program, as well as services purchased under the fee-for-service delivery system within the Medicaid Program, from providing health benefits coverage or reimbursing a provider for a non-medically indicated early elective delivery performed at a hospital on a pregnant woman earlier than the 39th week of gestation.

As used in the bill, "non-medically indicated early elective delivery" means the artificial start of the birth process through medical interventions or other methods, also known as labor induction, or the surgical delivery of a baby via a cesarean section for purposes or reasons that are not fully consistent with established standards of clinical care as provided by the American College of Obstetricians and Gynecologists (ACOG).

COMMITTEE AMENDMENTS:

The committee amended the bill to:

enhance the findings and declarations section;

to delay the effective date of certain provisions of the bill;

to require, during the period of the bill's delayed effect, the Division of Medical Assistance and Health Services to provide accessible educational materials to inform pregnant women, their support networks, and Medicaid providers about the risks of non-medically indicated early elective delivery.

FISCAL IMPACT:

The provisions of this bill will result in health benefit cost reductions within the Medicaid Program, the State Health Benefits Program, and the School Employees' Health Benefits Program. Under the bill, early elective deliveries (EED's) will no longer be covered by

these programs. However the savings cannot be quantified with any certainty as 1) the actual cost for these services is unknown and 2) the number of individuals who would no longer have an early elective delivery is unpredictable.

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 4935

STATE OF NEW JERSEY 218th LEGISLATURE

DATED: MARCH 29, 2019

SUMMARY

- Synopsis:** Prohibits health benefits coverage for certain non-medically indicated early elective deliveries under Medicaid program, SHBP, and SEHBP.
- Type of Impact:** Reduction in General Fund Expenditures for the State Health Benefits Program and School Employees' Health Benefits Program.
- Agencies Affected:** Division of Pensions and Benefits in the Department of the Treasury.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost - Medicaid		Indeterminate	
SHBP/SEHBP State and Local		\$500,000 to \$1,500,000*	

* Horizon only

- The provisions of this bill will result in health benefit cost reductions within the Medicaid Program, the State Health Benefits Program, and the School Employees' Health Benefits Program. Under the bill, certain non-medically indicated early elective deliveries will no longer be covered under these programs.
- Because medical costs are higher for cesarean deliveries than vaginal deliveries, certain savings will be realized. However the savings cannot be quantified with any certainty as 1) the actual cost for these services is unknown and 2) the number of individuals who would no longer have an early elective caesarian delivery is unpredictable.

Medicaid

- According to the Medicare Economic Index, in 2015, commercial insurers incurred costs of \$18,961 for vaginal births and \$28,826 for cesarean births, while Medicaid programs paid \$9,446 and \$14,058, respectively. Furthermore, according to the New Jersey State Health

Assessment Data website, in CY 2017, there were 2,269 caesarian section deliveries to low-risk mothers within the Medicaid Program.

- If all caesarian section deliveries to low-risk mothers within the Medicaid Program were instead vaginal deliveries, the savings to the State and federal government would be \$10.5 million. The State share would depend on the Medicaid beneficiary's eligibility pathway and the corresponding federal Medicaid matching rate.

SHBP/SEHBP

- According to the Division of Pensions and Benefits, informally, Horizon a plan administrator, estimates that the State Health Benefits Program (SHBP)-State and Local plans and the School Employees' Health Benefits Program (SEHBP) plans would experience a reduction of \$500,000 to \$1.5 million combined if this bill were enacted. Estimates by Aetna, which also administers plans in the SHBP and SEHBP, were not available.

BILL DESCRIPTION

This bill prohibits the health benefits coverage of certain non-medically indicated early elective deliveries under the Medicaid Program, the State Health Benefits Program (SHBP), and the School Employees' Health Benefits Program (SEHBP). Specifically, this bill prohibits health benefits contracts which are issued or purchased pursuant to the SHBP, SEHBP, and the Medicaid Program, as well as services purchased under the fee-for-service delivery system within the Medicaid Program, from providing health benefits coverage or reimbursing a provider for a non-medically indicated early elective delivery performed at a hospital on a pregnant woman earlier than the 39th week of gestation.

As used in the bill, "non-medically indicated early elective delivery" means the artificial start of the birth process through medical interventions or other methods, also known as labor induction, or the surgical delivery of a baby via a cesarean section for purposes or reasons that are not fully consistent with established standards of clinical care as provided by the American College of Obstetricians and Gynecologists (ACOG).

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The provisions of this bill will result in health benefit cost reductions within the Medicaid Program, the State Health Benefits Program, and the School Employees' Health Benefits Program. Under the bill, early elective deliveries (EEDs) will no longer be covered by these programs. However the savings cannot be quantified with any certainty as 1) the actual cost for these services is unknown and 2) the number of individuals who would no longer have an early elective delivery is unpredictable.

Medicaid

According to the Medicare Economic Index, in 2015, commercial insurers incurred costs of \$18,961 for vaginal births and \$28,826 for cesarean births, while Medicaid programs paid \$9,446 and \$14,058 respectively. Furthermore, according to the New Jersey State Health Assessment Data website, in CY 2017, there were 2,269 caesarian section deliveries to low-risk mothers within the Medicaid Program. Using this data, if all caesarian section deliveries to low-risk mothers within the Medicaid Program were instead vaginal deliveries, the savings to the State and federal government would be \$10.5 million. The State share would depend on the Medicaid beneficiary's eligibility pathway and the corresponding federal Medicaid matching rate.

In addition, studies suggest that the elimination of early elective deliveries results in neonatal intensive care unit (NICU) savings by reducing the incidence of admission to the NICU; and for those admitted to the NICU, it reduces length of stay. As such, there may be additional indeterminate savings under the bill within the Medicaid program. For example, a statewide efficiency report for Kansas estimates that that state could save \$1.8 million by reducing the number of early births Medicaid would pay for in fiscal year 2017 by 800. Of the \$1.8 million, \$1.535 million would come from reduced Medicaid payments for early elective births and \$265,000 in savings from reduced neonatal intensive care unit payments.

SHBP/SEHBP

According to the Division of Pensions and Benefits, informally, Horizon estimates that the SHBP-State and Local and the SEHBP plans would experience a reduction of \$500,000 to \$1.5 million if this bill were enacted. This translates to reduction in the number of EEDs in the SHBP between a range of at least 17 EEDs per year if all EEDs are Caesarian births and at most 100 if all EEDs are vaginal births, and an average of 44 births if the EEDs are both equally divided between Caesarian and vaginal births. Using the Kansas metrics and applying them to the SHBP, at the low range of \$500,000 in savings, \$426,400 would come from reduced EEDs and \$73,600 would come from reduced neonatal intensive care unit payments. At the high range of \$1.5 million in savings, \$1.279 million would come from reduced EEDs and \$220,800 would come from reduced neonatal intensive care unit payments.

The Aetna provider contract for the SHBP and SEHBP is based on a blended case rate which includes rates for EEDs, but these rates, like other rates for other services are embedded in the blended case rate and cannot be identified. Therefore, an estimate for Aetna cannot be determined. In terms of plan distribution between Aetna and Horizon for plan year 2019, Aetna plans account for approximately 20 percent of the SHBP-State plans, 18 percent of SHBP-Local plans, and 9 percent of SEHBP plans.

Section: State Government
Analyst: Kimberly M. Clemmensen
Lead Fiscal Analyst
Approved: Frank W. Haines III
Legislative Budget and Finance Officer

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



Newark, N.J.

Governor Murphy Signs Legislative Package to Combat New Jersey's Maternal and Infant Health Crisis

05/8/2019

NEWARK – Governor Phil Murphy today signed a legislative package into law to combat New Jersey's maternal and infant health crisis. The series of bills, which will support the efforts of the Administration's Nurture NJ campaign, will improve health outcomes for New Jersey's mothers and babies, as well as address racial disparities in maternal and infant care.

“By enacting these measures today, New Jersey is making a strong statement that every mother, every birth, and every child matters,” **said Governor Phil Murphy**. “I am proud to sign these bills into law and commend my partners in the Legislature for their commitment to improve the health and safety of New Jersey's women, children, and families.”

“Empowering mothers and ensuring their voices reverberate through the health care system is a vital piece of improving maternal and infant health outcomes in New Jersey,” **said First Lady Tammy Murphy**. “Through Nurture NJ, and now through today's legislation, we are continuing forward on a path to make New Jersey the safest place in the country to give birth.”

The Governor signed the following four bills into law:

- **S1784 (Weinberg, Gill/Pintor Marin, Jimenez, Sumter)** – Provides Medicaid coverage for doula care.
- **S3365 (Pou, Cryan/Mosquera, Taliaferro, Benson)** – Establishes perinatal episode of care pilot program in Medicaid.
- **S3378 (Ruiz, Greenstein/McKnight, Mukherji, Huttler)** – Prohibits health benefits coverage for certain non-medically indicated early elective deliveries under Medicaid program, SHBP, and SEHBP.
- **S3406 (Kean, Vitale/Lampitt, Pintor Marin, Mosquera)** – Codifies current practice regarding completion of Perinatal Risk Assessment form by certain Medicaid health care providers.

“As a nation that strives to be the best, our maternal mortality rate, especially among minority women, is an embarrassment. We can and should do more to protect moms and their babies. These bills demonstrate the strong commitment New Jersey has to mothers and families and will likely serve as a model for the rest of the nation in addressing maternal mortality,” **said U.S. Senator Bob Menendez, a senior member of the Senate Finance Committee that sets national health policy**. “I am pleased to support programs that help new moms and babies at the federal level and look forward to working with the Governor in improving health care for all of our state's residents.”

“It is unacceptable that New Jersey has the unfortunate distinction of having one of the highest rates of maternal mortality in the

country, and a racial gap in maternal health outcomes that is wider than the national average,” **U.S. Senator Cory Booker said.** “Fixing this reality is not a matter of ‘can we?’, it’s about ‘will we.’ Our Governor and legislative leaders deserve tremendous credit for moving rapidly to improve the maternal and infant care outcomes in our state and build the collective will to get this done.”

“Under the leadership of Governor Murphy, First Lady Murphy and the Legislature, New Jersey has made improving maternal and infant health a top priority,” **said New Jersey Department of Human Services Commissioner Carole Johnson.** “The legislation signed into law today represents critical steps in advancing our goal of eliminating the unacceptable disparities in maternal and infant health outcomes in our State. At the Department of Human Services, we look forward to implementing these new laws including adding doula services to our Medicaid program as proposed in the Governor's budget.”

“With the signing of these bills, Governor Murphy is demonstrating New Jersey’s leadership in addressing disparities in maternity care in our state,” **said New Jersey Department of Health Commissioner Dr. Shereef Elnahal.** “We are changing the healthcare system to ensure more women have a chance for a healthy birth and healthy infant—and importantly, breaking the back of shameful disparities for black mothers along the way.”

“These are some of the most vulnerable women in our state, women who are often without any options for health insurance beyond Medicaid,” **said Senator Loretta Weinberg.** “By covering doula care under Medicaid we are giving support, advocacy and comfort to women in some of their most vulnerable moments of life. This law is going to help countless women each year make strong, supported and informed decisions throughout their pregnancy.”

“Doulas help expecting mothers to gain a better understanding of the procedures and possible complications of pregnancy and delivery. They work to ensure the patient’s wishes are carried out during birth and immediately after,” **said Senator Nia Gill.** “They provide comfort during labor with breathing and relaxation techniques. They do all of this and more, making their value to a new mother vital and undeniable.”

“It’s clear, we in New Jersey need to take the care of our mothers and soon to be mothers seriously, and we need to start today,” **said Senator Nellie Pou.** “With over 40 percent of New Jersey births being paid for by Medicaid, we have a major opportunity to impact the efficiency of services and at the same time, find better ways to provide mothers and their babies with the care they need in the most effective way possible. Today, I am proud to put mothers first in our state.”

“By securing federal funding to address maternal mental health we can make real progress to improve the health and wellbeing of pregnant women and new mothers,” **said Senator Joseph P. Cryan.** “Postpartum depression and similar mental health changes during pregnancy are not uncommon, but they often go undiagnosed and untreated. These are very treatable conditions if women and their families are offered the care that can make a significant difference at an important time in their lives as parents or as expecting parents. A pilot program will show that we will make use of federal resources to get this done.”

“Early deliveries present health risks for both mothers and their newborns which is why it is crucial they are only performed when it is absolutely necessary. Hospitals should not be inducing labor or performing C-sections simply because the mother requests it, or because it is convenient to the provider or the facility,” **said Senate President Pro Tempore M. Teresa Ruiz.** “We need to do everything in our wherewithal to protect New Jersey families.”

“Electing to induce labor for a non-medical purpose increases the health risks of both the mother and newborn, while also potentially leading to inflated medical costs,” **said Senator Linda Greenstein.** “This is a personal choice of the mother that is not recommended by medical professionals and removing this coverage will provide lower health benefits costs to consumers.”

“Information gathered by the Perinatal Risk Assessment form is critical to alerting patients and providers to potential risk factors that may affect the outcomes of a pregnancy,” **said Senator Joseph F. Vitale.** “It is an extremely valuable tool to make sure soon-to-be mothers are aware of and are connected to services they need to ensure a healthy pregnancy.”

“No one, especially a newborn or their mother, should lose their life as a result of a preventable complication,” **said Senate Minority Leader Tom Kean.** “Unfortunately, that’s happening all too often in our state, and around the country. By analyzing Medicaid data, we can better identify risk factors and break down barriers to care that are putting women and children in harm’s way. This law will help close the racial disparity gap in this area, build stronger families, and save lives.”

“Many women are finding comfort in the support of a doula during their pregnancies,” **said Assemblywoman Eliana Pintor Marin.** “A doula provides emotional, physical, and educational support to a mother who is expecting, is experiencing labor, or has recently given birth. Their care has often been said to help reduce pregnancy complications. It is critically important for doula care, which has increasingly grown in popularity for pregnant women, to be covered under Medicaid.

“With the maternal and child death rate at an all-time high in the state and nation, we must do everything we can for the women of New Jersey to ensure that their prenatal period, before and after, are as healthy and seamless as possible,” **said Assemblywoman Angelica Jimenez.** “Moms now rely on the birthing assistance provided through doula services. It has

proven to be immensely successful and should, without question, be included in Medicaid coverage.”

“Doula’s have become an integral part in the fight to reduce the black mother and infant mortality rates. Just recently, the New Jersey Department of Health deployed 40 doula outreach workers as part of the ‘Healthy Women, Healthy Families Program,’” **said Assemblywoman Shavonda Sumter.** “Providing the option of doula services will meet the crucial need for increased birthing support of underserved women throughout New Jersey. This type of support should not be available to the privileged few who can pay for the extra help. We can save more families by expanding access to doula services.”

Assemblymembers Gabiriela Mosquera, Adam Taliaferro, and Daniel Benson issued the following joint statement:

“Modeled after similar programs, such as the successful one in Tennessee, this pilot will foster collaboration between Medicaid managed organizations, federally qualified health centers and maternity healthcare providers for the common goal of improving perinatal health outcomes and decreasing costs.

“There will be, however, a greater level of accountability for the cost of care that they deliver to their patients. While these healthcare providers will have the same administrative and financial relationship with payers, they will receive higher payments if they meet or exceed certain benchmarks for quality.

“This pilot is an innovative approach using value-based payments, one of the first in New Jersey. It incentivizes Medicaid providers to raise the bar for providing better care--a real win for Medicaid patients.”

“The Perinatal Risk Assessment form helps providers identify risks during pregnancy and prevent health conditions that may cause complications for a new mother,” **said Assemblywoman Pamela Lampitt.** “To improve maternal health outcomes in New Jersey, doctors need to know the risks that may warrant intervention and further care. Making this a standard of care for Medicaid health providers will protect many at-risk women.”

“The PRA forms help health care providers collect certain demographic, medical, and psychosocial information about Medicaid-eligible pregnant women in New Jersey,” **said Assemblywoman Eliana Pintor Marin.** “In order to identify prenatal risk factors early in the pregnancy, provide referrals to evidence-based home visiting programs, including the doula program recently signed into law, providers must know the mother’s health history. This information is crucial to helping us improve maternal health services and pregnancy outcomes for all women.”

“Perinatal risk assessments are a critical part of the care provided to women and their babies, especially during their first pregnancies,” **said Assemblywoman Gabriela Mosquera.** “Requiring these assessments as a part of the state’s maternal healthcare system will help to ensure we maintain a higher standard of care in our hospitals for many New Jersey mothers.”

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