

17:48-1 et al

LEGISLATIVE HISTORY CHECKLIST

NJSA: 17:48-1 et al

(Group insurance-
-eliminate
exclusion of
preexisting
condition)

LAWS OF: 1989

CHAPTER: 63

Bill No: S3027

Sponsor(s): O'Connor

Date Introduced: October 24, 1988

Committee: Assembly: -----

Senate: Labor, Industry & Professions

Amended during passage: No

Date of Passage: Assembly: March 2, 1989

Senate: January 23, 1989

Date of Approval: April 14, 1989

Following statements are attached if available:

Sponsor statement: Yes

Committee Statement: Assembly: No

Senate: Yes

Fiscal Note: No

Veto Message: No

Message on signing: No

Following were printed:

Reports: No

Hearings: No

P.L. 1989, CHAPTER 63, approved April 14, 1989
1988 Senate No. 3027

1 **AN ACT** concerning certain group health insurance contracts, and
supplementing P.L.1940, c.74 (C.17:48A-1 et seq.), P.L.1938,
3 c.366 (C.17:48-1 et seq.), P.L. 1985, c.236 (C.17:48E-1 et seq.),
and Chapter 27 of Title 17B of the New Jersey Statutes.

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

1. a. Notwithstanding any other provision of law to the
9 contrary, no group health insurance contract issued by a medical
service corporation pursuant to the provisions of P.L.1940, c.74
11 (C.17:48A-1 et seq.), shall contain any provision which denies
benefits for a preexisting condition to any person becoming a
13 member of that group if: (1) during the period immediately
preceding the person's becoming a member of the group the
15 person was enrolled as a member under another group contract
issued by the corporation; and (2) the corporation paid benefits
17 for the condition under the group contract in which the person
was previously insured.

19 b. Nothing in this section shall be construed to operate to add
any benefit, to increase the scope of any benefit, or to increase
21 any benefit level under any group contract.

c. This section shall apply to every group contract or policy in
23 which the corporation or insurer has the right to change the
premium.

25 2. a. Notwithstanding any other provision of law to the
contrary, no group health insurance contract issued by a hospital
27 service corporation pursuant to the provisions of P.L.1938, c.366
(C.17:48-1 et seq.), shall contain any provision which denies
29 benefits for a preexisting condition to any person becoming a
member of that group if: (1) during the period immediately
31 preceding the person's becoming a member of the group the
person was enrolled as a member under another group contract
33 issued by the corporation; and (2) the corporation paid benefits
for the condition under the group contract in which the person
35 was previously insured.

1 b. Nothing in this section shall be construed to operate to add
any benefit, to increase the scope of any benefit, or to increase
3 any benefit level under any group contract.

4 c. This section shall apply to every group contract or policy in
5 which the corporation or insurer has the right to change the
premium.

7 3. a. Notwithstanding any other provision of law to the
contrary, no group health insurance contract issued by a health
9 service corporation pursuant to the provisions of P.L.1985, c.236
(C.17:48E-1 et seq.), shall contain any provision which denies
11 benefits for a preexisting condition to any person becoming a
member of that group if: (1) during the period immediately
13 preceding the person's becoming a member of the group the
person was enrolled as a member under another group contract
15 issued by the corporation; and (2) the corporation paid benefits
for the condition under the group contract in which the person
17 was previously insured.

18 b. Nothing in this section shall be construed to operate to add
19 any benefit, to increase the scope of any benefit, or to increase
any benefit level under any group contract.

21 c. This section shall apply to every group contract or policy in
which the corporation or insurer has the right to change the
23 premium.

25 4. a. Notwithstanding any other provision of law to the
contrary, no group health insurance policy issued by an insurer
pursuant to the provisions of Chapter 27 of Title 17B of the New
27 Jersey Statutes, shall contain any provision which denies benefits
for a preexisting condition to any person becoming a member of
29 that group if: (1) during the period immediately preceding the
person's becoming a member of the group the person was
31 enrolled as a member under another group policy issued by the
insurer; and (2) the insurer paid benefits for the condition under
33 the group policy in which the person was previously insured.

35 b. Nothing in this section shall be construed to operate to add
any benefit, to increase the scope of any benefit, or to increase
any benefit level under any group policy.

37 c. This section shall apply to every group contract or policy in
which the corporation or insurer has the right to change the
39 premium.

5. This act shall take effect immediately.

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STATEMENT

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This bill would prohibit group health policies from excluding coverage for preexisting conditions in cases in which: (1) a group member changes groups and both group policies are written by the same insurer; and (2) benefits were paid under the previous policy for the condition. The bill applies to group policies written by hospital service corporations, health service corporations, medical service corporations, and commercial insurers.

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INSURANCE

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Insurance - Health

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Prohibits preexisting condition exclusions under certain circumstances.

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STATEMENT

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This bill would prohibit group health policies from excluding coverage for preexisting conditions in cases in which: (1) a group member changes groups and both group policies are written by the same insurer; and (2) benefits were paid under the previous policy for the condition. The bill applies to group policies written by hospital service corporations, health service corporations, medical service corporations, and commercial insurers.

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Prohibits preexisting condition exclusions under certain circumstances.

SENATE LABOR, INDUSTRY AND PROFESSIONS COMMITTEE

STATEMENT TO

SENATE, No. 3027

STATE OF NEW JERSEY

DATED: JANUARY 12, 1989

The Senate Labor, Industry and Professions Committee reports favorably Senate, No. 3027.

This bill, amending the laws governing group health insurance contracts issued by hospital service corporations, medical service corporations, health service corporations, and commercial health insurers, would prohibit a group health insurance contract from containing any provision which denies benefits for a preexisting condition to any person becoming a member of the group if the person was previously enrolled under a group contract issued by the same insurer and the insurer was providing the person benefits for the condition under the previous contract.

At present, some commercial insurers invoke preexisting condition restrictions against all new persons entering a group, regardless of whether the insurer was already paying benefits for the illness under another contract. This means that if persons change employment while they or their spouses or other dependents are being treated for an illness or condition, the payment of benefits is interrupted, even though that same insurer was paying the benefits under another contract. This bill would require insurers to continue paying the benefits in this situation, so that coverage is uninterrupted. The bill would only apply to cases in which the same benefits are payable under the second group contract. It would not require any insurer to pay any benefits which are not otherwise payable under the contract.