

52:14-17.29

LEGISLATIVE HISTORY CHECKLIST

NJSA: 52:14-17.29 (State Health Benefits Program-- provide coverage for services of "health aide")

LAWS OF: 1985 CHAPTER: 428

BILL NO: A307

Sponsor(s): Franks

Date Introduced: Pre-filed

Committee: Assembly: State Government, Civil Service, Elections, Pensions and Veterans' Affairs

Senate: State Government, Federal and Interstate Relations and Veterans' Affairs

Amended during passage: No

Date of Passage: Assembly: June 25, 1984

Senate: December 9, 1985

Date of Approval: January 13, 1986

Following statements are attached if available:

Sponsor statement: Yes

Committee statement: Assembly Yes

Senate Yes

Fiscal Note: Yes

Veto Message: No

Message on Signing: ~~No~~ Yes

Following were printed:

Reports: No

Hearings: No

ASSEMBLY, No. 307

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1984 SESSION

By Assemblyman FRANKS

AN ACT to amend the "New Jersey State Health Benefits Program Act," approved June 3, 1961 (P. L. 1961, c. 49), as said short title was amended by P. L. 1972, c. 75.

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

1 1. Section 5 of P. L. 1961, c. 49 (C. 52:14-17.29) is amended to
2 read as follows:

3 5. (A) The contract or contracts purchased by the commission
4 pursuant to section 4 shall provide separate coverages or policies
5 as follows:

6 (1) Basic benefits which shall include:

7 (a) Hospital benefits, including outpatient;

8 (b) Surgical benefits;

9 (c) Inpatient medical benefits;

10 (d) Obstetrical benefits;

11 and

12 (e) **[Post-hospital services]** *Services* rendered by an ex-
13 tended care facility or by a home health agency and for speci-
14 fied medical care visits by a physician during an eligible period
15 of such **[post-hospital]** services, *without regard to whether*
16 *the patient has been hospitalized*, to the extent and subject to
17 the conditions and limitations agreed to by the commission and
18 the carrier or carriers.

19 Basic benefits shall be substantially equivalent to those available
20 on a group remittance basis to employees of the State and their
21 dependents under the subscription contracts of the 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 printed in italics *thus* is new matter.

22 "Blue Cross" and "Blue Shield" Plans. Such basic benefits shall
23 include benefits for;

- 24 (i) Additional days of inpatient medical service;
- 25 (ii) Surgery elsewhere than in a hospital;
- 26 (iii) X-ray, radioactive isotope therapy and pathology
27 services;
- 28 (iv) Physical therapy services;
- 29 (v) Radium or radon therapy services;

30 and the extended basic benefits shall be subject to the same condi-
31 tions and limitations, applicable to such benefits, as are set forth
32 in "Extended Outpatient Hospital Benefits Rider," Form 1500,
33 71 (9-66), and in "Extended Benefit Rider" (as amended), Form
34 MS 7050J (9-66) issued by the New Jersey "Blue Cross" and
35 "Blue Shield" Plans, respectively, and as the same may be
36 amended or superseded, subject to filing by the Commissioner of
37 Insurance; and

38 (2) Major medical expense benefits which shall provide benefit
39 payments for reasonable and necessary eligible medical expenses
40 for hospitalization, surgery, medical treatment and other related
41 services and supplies to the extent they are not covered by basic
42 benefits. The commission may, by regulation, determine what types
43 of services and supplies shall be included as "eligible medical
44 services" under the major medical expense benefits coverage as
45 well as those which shall be excluded from or limited under such
46 coverage. Benefit payments for major medical expense benefits
47 shall be equal to a percentage of the reasonable charges for eligible
48 medical services incurred by a covered employee or an employee's
49 covered dependent, during a calendar year as exceed a deductible
50 for such calendar year of \$100.00 subject to the maximums herein-
51 after provided and to the other terms and conditions authorized by
52 this act. The percentage shall be 80% of the first \$2,000.00 of
53 charges for eligible medical services incurred subsequent to satis-
54 faction of the deductible and 100% thereafter. There shall be a
55 separate deductible for each calendar year for (a) each enrolled
56 employee and (b) all enrolled dependents of such employee. Not
57 more than \$1,000,000.00 shall be paid for major medical expense
58 benefits with respect to any one person for the entire period of
59 such person's coverage under the plan, whether continuous or
60 interrupted except that this maximum may be reapplied to a cov-
61 ered person in amounts not to exceed \$2,000.00 a year. Maximums
62 of \$10,000.00 per calendar year and \$20,000.00 for the entire period
63 of the person's coverage under the plan shall apply to eligible
64 expenses incurred because of mental illness or functional nervous

65 disorders, and such may be reapplied to a covered person. For
66 retired employees, the maximum lifetime benefit for each person
67 shall be the unused balance of the lifetime maximum remaining
68 while in active service or \$100,000.00, whichever is less, with a
69 minimum benefit of \$5,000.00. Under the conditions agreed upon
70 by the commission and the carriers as set forth in the contract, the
71 deductible for a calendar year may be satisfied in whole or in part
72 by eligible charges incurred during the last three months of the
73 prior calendar year.

74 Any service determined by regulation of the commission to be
75 an "eligible medical service" under the major medical expense
76 benefits coverage which is performed by a duly licensed practicing
77 psychologist within the lawful scope of his practice shall be recog-
78 nized for reimbursement under the same conditions as would apply
79 were such service performed by a physician.

80 (B) Benefits under the contract or contracts purchased as autho-
81 rized by this act may be subject to such limitations, exclusions,
82 or waiting periods as the commission finds to be necessary or de-
83 sirable to avoid inequity, unnecessary utilization, duplication of
84 services or benefits otherwise available, including coverage afforded
85 under the laws of the United States, such as the Federal medicare
86 program, or for other reasons.

87 Benefits under the contract or contracts purchased as authorized
88 by this act shall include those for the treatment of alcoholism where
89 such treatment is prescribed by a physician and shall also include
90 treatment while confined in or as an outpatient of a licensed hospital
91 or residential treatment program which meets minimum standards
92 of care equivalent to those prescribed by the Joint Commission on
93 Hospital Accreditation. No benefits shall be provided beyond those
94 stipulated in the contracts held by the State Health Benefits Com-
95 mission.

96 (C) The rates charged for any contract purchased under the
97 authority of this act shall reasonably and equitably reflect the cost
98 of the benefits provided based on principles which in the judgment
99 of the commission are actuarially sound. The rates charged shall
100 be determined by the carrier on accepted group rating principles
101 with due regard to the experience, both past and contemplated,
102 under the contract. The commission shall have the right to par-
103 ticularize subgroups for experience purposes and rates. No in-
104 crease in rates shall be retroactive.

105 (D) The initial term of any contract purchased by the commis-
106 sion under the authority of this act shall be for such period to which
107 the commission and the carrier may agree, but permission may be

108 made for automatic renewal in the absence of notice of termina-
109 tion by the commission. Subsequent terms for which any contract
110 may be renewed as herein provided shall each be limited to a period
111 not to exceed one year.

112 (E) The contract shall contain a provision that if basic benefits
113 or major medical expense benefits of an employee or of an eligible
114 dependent under the contract, after having been in effect for at
115 least one month in the case of basic benefits or at least three months
116 in the case of major medical expense benefits, is terminated, other
117 than by voluntary cancellation of enrollment, there shall be a
118 31-day period following the effective date of termination during
119 which such employee or dependent may exercise the option to
120 convert, without evidence of good health, to converted coverage
121 issued by the carriers on a direct payment basis. Such converted
122 coverage shall include benefits of the type classified as "basic
123 benefits" or "major medical expense benefits" in subsection (A)
124 hereof and shall be equivalent to the benefits which had been pro-
125 vided when the person was covered as an employee. The provision
126 shall further stipulate that the employee or dependent exercising
127 the option to convert shall pay the full periodic charges for the
128 converted coverage which shall be subject to such terms and
129 conditions as are normally prescribed by the carrier for this type
130 of coverage.

131 (F) The commission may purchase a contract or contracts to
132 provide drug prescription and other health care benefits or autho-
133 rize the purchase of a contract or contracts to provide drug pre-
134 scription and other health care benefits as may be required to
135 implement a duly executed collective negotiations agreement or as
136 may be required to implement a determination by a public employer
137 to provide such benefit or benefits to employees not included in
138 collective negotiations units.

1 2. This act shall take effect immediately.

STATEMENT

This bill amends the provisions of the "New Jersey State Health Benefits Program Act" dealing with extended care facility and home health agency benefits. The bill provides that coverage for these benefits be available to any program participant, without regard to whether the participant has been hospitalized. Under existing law, as interpreted in administrative rules, a three-day hospital stay is required before these benefits become available to participants.

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Sponsors' STATEMENT

This bill amends the provisions of the "New Jersey State Health Benefits Program Act" dealing with extended care facility and home health agency benefits. The bill provides that coverage for these benefits be available to any program participant, without regard to whether the participant has been hospitalized. Under existing law, as interpreted in administrative rules, a three-day hospital stay is required before these benefits become available to participants.

A307(1985)

ASSEMBLY STATE GOVERNMENT, CIVIL SERVICE,
ELECTIONS, PENSIONS AND VETERANS AFFAIRS
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 307

STATE OF NEW JERSEY

DATED: MAY 17, 1984

This bill amends the provisions of the "New Jersey State Health Benefits Program Act" dealing with extended care facility and home health agency benefits. The bill provides that coverage for these benefits shall be available to any program participant without regard to whether the participant has been hospitalized. Under existing law, as interpreted in administrative rules, a three-day hospital stay is required before these benefits become available to participants.

SENATE STATE GOVERNMENT, FEDERAL AND
INTERSTATE RELATIONS AND VETERANS AFFAIRS
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 307

STATE OF NEW JERSEY

DATED: FEBRUARY 4, 1985

This bill amends the provisions of the "New Jersey State Health Benefits Program Act" dealing with extended care facility and home health agency benefits. The bill provides that coverage for these benefits be available to any program participant, without regard to whether the participant has been hospitalized. Under existing law, as interpreted in administrative rules, a three-day hospital stay is required before these benefits become available to participants.

FIISCAL NOTE TO
ASSEMBLY, No. 307

STATE OF NEW JERSEY

DATED: MAY 21, 1984

Assembly Bill No. 307 of 1984 amends the act governing the New Jersey State Health Benefits Program to include service by an extended care facility or a home health agency without regard to whether the patient had first been hospitalized.

The Division of Pensions states that only future experience will indicate any cost or savings as a result of this legislation, which would eliminate the required three-day stay in a hospital before extended care or home health services are covered. The division suggests that this may encourage additional physician visits and increased services of visiting nurses and home health aides if coverage is expanded.

The Office of Legislative Services concurs with the basic statement by the Division of Pensions that experience will indicate costs or savings pursuant to this proposal, but notes that expanded use of the State Health Benefits program by less seriously ill claimants is very speculative. The replacement of the expensive hospital stay by extended care, home care or out patient services has been supported as a cost containment measure by many authorities.

This fiscal note has been prepared pursuant to P. L. 1980, c. 67.



OFFICE OF THE GOVERNOR NEWS RELEASE

CN-001

Contact: PAUL WOLCOTT
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TRENTON, N.J. 08625

Release: MON., JAN 13, 1986

Governor Thomas H. Kean has signed the following bills:

A-307, sponsored by Assemblyman Robert D. Franks, R-Union, which amends the statute governing the State Health Benefits Program to provide coverage for service rendered by an extended care facility or by a home health agency regardless of whether the patient has been hospitalized.

A-505, sponsored by Assemblyman Garabed Haytaian, R-Warren, which amends the Local Public Contracts Law to require notification to bidders of revisions or additions to advertisements or bid documents.

A-727, sponsored by Assemblyman John O. Bennett, R-Monmouth, which transfers membership of the Clean Air Council and the Coastal Area Review Board from the Labor Commissioner to the Commissioner of Commerce and Economic Development.

A-994, sponsored by Assemblyman Richard A. Zimmer, R-Hunterdon, which limits the liability of the owner, occupant or lessee of land who grants written permission to another to operate a motor vehicle or ride horseback on his or her land.

A-1406, sponsored by Assemblyman Karl Weidel, R-Mercer, which establishes a comprehensive framework for the regulation of oil and natural gas production.

The bill sets requirements for permits at each stage of oil or natural gas production: exploration, extraction and plugging or abandoning a well and authorizes the Department of Environmental Protection to administer the permits and regulate the activity.

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