

17B:26-44.4 to 17B:26-44.6

LEGISLATIVE HISTORY CHECKLIST

NJSA: 17B:26-44.4 to 17B:26-44.6

(Dental plans—allow employee to choose dentist - under health insurance)

LAWS OF: 1983

CHAPTER: 142

Bill No: S785

Sponsor(s): Bornheimer and others

Date Introduced: Pre-filed

Committee: Assembly: Banking and Insurance

Senate: Labor, Industry and Professions

Amended during passage: Yes

// Amendments during passage denoted by asterisks

Date of Passage: Assembly: March 14, 1983

Senate: Sept. 23, 1982

Date of Approval: April 20, 1983

Following statements are attached if available:

Sponsor statement: Yes //

Committee statement: Assembly Yes //

Senate Yes //

Fiscal Note: /// No

Veto Message: /// No

Message on Signing: /// ~~No~~ yes

Following were printed:

Reports: /// No

Hearings: /// No

4-20-83

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SENATE, No. 785

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1982 SESSION

By Senators BORNHEIMER, HURLEY, COSTELLO and
McMANIMON

AN ACT concerning certain health insurance contracts and supplementing chapter 26 of Title 17B of the New Jersey Statutes.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*1 1. Each employer or other organization which employs or has 25
2 or more employees or members during the full preceding calendar
3 year and which contributes to a health insurance contract which
4 restricts the covered persons in selecting the providers of dental
5 services to a single provider or limited number of providers, shall
6 also offer its employees and their eligible dependents and members
7 and members' eligible dependents at the time a dental benefits plan
8 is offered or renewed the option of selecting alternative coverage
9 which permits covered persons to obtain dental services from any
10 licensed ***[dental facility]*** **dentist**.1 2. An employer or other organization shall be required to pay
2 for or contribute towards the provision of alternative coverage
3 an amount equal to the premium or cost which it pays or con-
4 tributes to the health insurance contract for dental services which
5 limits the number of providers of dental services.1 3. Within 120 days of the effective date of this act, the Com-
2 missioner of the Department of Insurance shall promulgate rules
3 and regulations necessary to effectuate the purpose of this act,
4 including procedures for notice to covered persons, employers and
5 other organizations of the provisions of this act.

1 4. This act shall take effect immediately.

**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.****Matter enclosed in asterisks or stars has been adopted as follows:*****—Senate committee amendment adopted March 1, 1982.**

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AN ACT concerning certain health insurance contracts and supplementing chapter 26 of Title 17B of the New Jersey Statutes.

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

1 1. Each employer or other organization which employs or has 25
2 or more employees or members during the full preceding calendar
3 year and which contributes to a health insurance contract which
4 restricts the covered persons in selecting the providers of dental
5 services to a single provider or limited number of providers, shall
6 also offer its employees and their eligible dependents and members
7 and members' eligible dependents at the time a dental benefits plan
8 is offered or renewed the option of selecting alternative coverage
9 which permits covered persons to obtain dental services from any
10 licensed dental facility.

1 2. An employer or other organization shall be required to pay
2 for or contribute towards the provision of alternative coverage
3 an amount equal to the premium or cost which it pays or con-
4 tributes to the health insurance contract for dental services which
5 limits the number of providers of dental services.

1 3. Within 120 days of the effective date of this act, the Com-
2 missioner of the Department of Insurance shall promulgate rules
3 and regulations necessary to effectuate the purpose of this act,
4 including procedures for notice to covered persons, employers and
5 other organizations of the provisions of this act.

1 4. This act shall take effect immediately.

STATEMENT

Many employers and other organizations provide their employees with coverage for dental services which restrict the covered persons to a single dentist or group of dentists. This bill requires

that persons covered under a health insurance contract issued under N. J. S. 17B:26-1 et seq. be offered the option of selecting alternative coverages for dental services which provides for freedom of choice in selecting their dentists. The employers are required to pay the same contribution for premiums for the alternative coverage.

ASSEMBLY BANKING AND INSURANCE COMMITTEE

STATEMENT TO

SENATE, No. 785

[OFFICIAL COPY REPRINT]

STATE OF NEW JERSEY

DATED: JANUARY 31, 1983

Senate Bill No. 785 requires any employer with 25 or more employees, or any other organization with 25 or more members, during the preceding calendar year, which provides closed panel dental service coverage under a health insurance contract issued pursuant to Chapter 26 of Title 17B of the New Jersey Statutes, to offer its employees or members, and dependents, the option of selecting a dentist of their own choosing. The employer or organization is required to pay, for such alternative coverage, an amount equal to the premium or cost of the closed panel dental service coverage.

“Closed panel” plans are arrangements whereby the employer, organization or health insurer, limits the service providers to one or more dentists designated by the dental service plan. Closed panel plans may include a prior agreement by participating dentists to provide dental services at a negotiated rate. This bill prohibits the aforementioned employers or other organizations from limiting their employees or members to plan designated dentist(s).

SENATE LABOR, INDUSTRY AND PROFESSIONS
COMMITTEE

STATEMENT TO

SENATE, No. 785

with Senate committee amendments

STATE OF NEW JERSEY

DATED: MARCH 1, 1982

This legislation provides that every employer which employs 25 or more employees subscribing to a health insurance contract issued pursuant to Chapter 26 of Title 17B of the New Jersey Statutes which restricts members of the group in the selection of a dentist must offer the employees the option of selecting alternative coverage which would permit them to go to a dentist of their own choosing. The employer would not be required to pay any amount greater than would be paid under the restricted plan.

Some dental plans provided by the employers are "closed panel" arrangements, whereby the employer or the health insurer makes an agreement with a dentist or dentists to provide services at an agreed-upon price. This legislation would prohibit employers from requiring that employees use the services of the employer-selected dentist and would permit them to select an alternative form of dental care.

OFFICE OF THE GOVERNOR

RELEASE: IMMEDIATELY

CONTACT: PAUL WOLCOTT

WEDNESDAY, APRIL 20, 1983

Governor Thomas H. Kean has signed the following bills:

S-785, S-786, S-787, and S-788, all sponsored by State Senator James W. Bornheimer, (D-Middlesex), which provide that employees covered by dental health insurance plans shall be free to choose his or her own dentist. The four bills are identical in most respects, with the difference between them being that S-785 applies to non-group health insurance plans, S-786 applies to the "Dental Plan Organization," S-787 applies to dental plan service corporation contracts and S-788 applies to group health insurance contracts.

S-489, sponsored by State Senator Herman T. Costello, (D-Burlington), which increases the fine for driving without insurance and eliminates the mandatory three month jail sentence on a subsequent conviction for driving without insurance. The mandatory jail sentence is replaced with a discretionary three to six month jail term and a mandatory 30 day community service sentence.

S-3075, sponsored by State Senator Gerald R. Stockman, (D-Mercer), which amends the New Jersey Building Authority Act to authorize the Authority to undertake projects which may consist of buildings covered under the Horizontal Property Act and the Condominium Act, and to allow the State to participate in sale-lease-back financing on future State buildings.

STATEMENT

Many employers and other organizations provide their employees with coverage for dental services which restrict the covered persons