

17B: 27- 51. 8 thru 17B: 27- 51. 10
LEGISLATIVE HISTORY CHECKLIST

(Group health insurance - require reimbursement for certain services performed by dentists)

HJSA 17B:27-51.8 thru 17B:27-51.10

LAWS OF 1979

CHAPTER 158

Bill No. A1294

Sponsor(s) Bornheimer and others

Date Introduced April 27, 1978

Committee: Assembly Banking and Insurance

Senate Labor, Industry and Professions

Amended during passage

Yes

~~X~~

According to Governor's recommendations

Date of Passage: Assembly June 22, 1978

Re-enacted June 18, 1979

Re-enacted June 25, 1979

Senate Dec. 4, 1978

Date of approval July 19, 1979

Following statements are attached if available:

Sponsor statement

Yes

~~xix~~

Committee Statement: Assembly

Yes

~~xix~~

Senate

~~Yes~~

No

Fiscal Note

~~Yes~~

No

Veto message

Yes

~~xix~~

Message on signing

~~Yes~~

No

Following were printed:

Reports

~~Yes~~

No

Hearings

~~Yes~~

No

EJ

9/1/78

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ASSEMBLY, No. 1294

STATE OF NEW JERSEY

INTRODUCED APRIL 27, 1978

By Assemblymen BORNHEIMER, PASCULLI, Assemblywoman
SZABO, Assemblyman BURNS, Assemblywoman CURRAN,
Assemblymen CODEY, OTLOWSKI, KARCHER, HURLEY,
D. GALLO, VAN WAGNER and VILLANE

Referred to Committee on Banking and Insurance

AN ACT concerning group health insurance and supplementing
chapter 27 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. Notwithstanding any provision of a policy or contract of group
2 health insurance **hereafter delivered, issued for delivery, amended,*
3 *renewed or ratified in this State** whenever such a policy or contract
4 provides for ***[reimburseent]*** **reimbursement** for any service
5 which is within the lawful scope of practice of a duly licensed
5A dentist, the following provisions shall apply:

6 a. A person covered under such group health policy or contract
7 shall be entitled to reimburseent for such service regardless of
8 whether the service is performed by a duly licensed physician or
9 duly licensed dentists.

10 b. Equal ***[reimburseent]*** **reimbursement** rates shall be
11 paid for services performed, regardless of the discipline of the
12 provider of the service.

1 2. ***[This act shall apply to all contracts in which the company has**
2 **reserved the right to change the premium.]*** **The provisions of*
3 *section 1 of this act shall also apply to any policy or contract of*
4 *group health insurance already delivered or issued for delivery in*
5 *this State, if such policy or contract does not limit reimbursement*
6 *to specific types of duly licensed health care professionals other*
7 *than dentists.*

1 3. *For the purposes of this act, a policy or contract in which the*
2 *company has reserved the right to change the premium shall be*
3 *considered renewed as of the date on which the premium is changed*
4 *or is subject to change.**

1 ***[3.]*** **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.**

ASSEMBLY, No. 1294

STATE OF NEW JERSEY

INTRODUCED APRIL 27, 1978

By Assemblymen BORNHEIMER, PASCULLI, Assemblywoman SZABO, Assemblyman BURNS, Assemblywoman CURRAN, Assemblymen CODEY, OTLOWSKI, KARCHER, HURLEY, D. GALLO, VAN WAGNER and VILLANE

Referred to Committee on Banking and Insurance

AN ACT concerning group health insurance and supplementing chapter 27 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. Notwithstanding any provision of a policy or contract of group
2 health insurance, whenever such a policy or contract provides for
3 reimbursemeent for any service which is within the lawful scope
4 of practice of a duly licensed dentist, the following provisions
5 shall apply:

6 a. A person covered under such group health policy or contract
7 shall be entitled to reimbursemeent for such service regardless of
8 whether the service is performed by a duly licensed physician or
9 duly licensed dentists.

10 b. Equal reimbursemeent rates shall be paid for services per-
11 formed, regardless of the discipline of the provider of the service.

1 2. This act shall apply to all contracts in which the company has
2 reserved the right to change the premium.

1 3. This act shall take effect immediately.

STATEMENT

Some health insurers have denied patients benefits under their policies for services when these services were performed by a licensed dentist within the lawful scope of his practice, yet have provided reimbursement for these same services when performed by a licensed physician. Examples are the remeoval of a tumor from the mouth or the removal of a cyst from the lip. This bill is an element of a legislative package which is designed to remedy

such discrimination by requiring insurers to provide equal reimbursement to patients who receive services, regardless of whether they are provided by physicians or dentists. This bill covers group health contracts. Two companion bills, Assembly 1295 and 1296, deal with individual contracts and medical service corporations.

ASSEMBLY BANKING AND INSURANCE COMMITTEE
STATEMENT TO
ASSEMBLY, No. 1294

—♦—
STATE OF NEW JERSEY
—♦—

DATED: JUNE 8, 1978

This bill provides that whenever group health insurance policies provide for reimbursement for any services which is within the lawful scope of the practice of a licensed dentist, the dentist may be reimbursed for his services under the terms of the contract.

It is alleged that some health insurers have denied benefits to insureds for services performed by dentists (such as the removal of a tumor from the mouth) which would be reimbursable if performed by a physician. This legislation would provide for the reimbursement of dentists in these cases; such reimbursement would be equal to that given physicians under the contract for performing the same procedure.

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

June 11, 1979

ASSEMBLY BILL NO. 1294

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14(b) of the Constitution, I herewith return Assembly Bill No. 1294, with my recommendations for reconsideration.

This bill would require equal reimbursement for dentists performing covered services within the lawful scope of practice under group health insurance policies. While many covered services fall within the lawful scope of practice of physicians and dentists, some insurers will only reimburse their insureds when the service is performed by a physician. This bill would eliminate such discrimination.

Assembly Bill No. 1294 needs to be reconsidered by the Legislature because its application to existing insurance policies which specifically limit reimbursement to licensed physicians could impair the obligation of contract in violation of Article I, Section X of the United State Constitution and Article IV, Section VII, Paragraph 3 of the New Jersey Constitution. See, Maryland Medical Service, Inc. v. Carver, 209 A.2d 582 (Md. Ct. App. 1965).

The bill should only apply to existing contracts which restrict reimbursement to physicians when they are amended, renewed or ratified. For the purposes of this bill, renewal should include the right of a company to increase the premium on an otherwise guaranteed renewable contract, since this bill does not increase the scope of covered services.

Accordingly, I herewith return Assembly Bill No. 1294 for reconsideration and recommend that it be amended as follows:

Page 1, Section 1, Line 2: After "insurance,", add "hereafter delivered, issued for delivery, amended, renewed or ratified in this State,".

Page 1, Section 1, Line 3: Omit "reimbursement", and insert "reimbursement".

Page 1, Section 1, Line 10: Omit "reimbursement", and insert "reimbursement".

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

Assembly Bill No. 1294

Page 2

Page 1, Section 2, Lines 1 and 2: After "2.", omit entirely and insert: "The provisions of Section 1 of this act shall also apply to any policy or contract of group health insurance already delivered or issued for delivery in this State, if such policy or contract does not limit reimbursement to specific types of duly licensed health care professionals other than dentists.

3. For the purposes of this act, a policy or contract in which the company has reserved the right to change the premium shall be considered renewed as of the date on which the premium is changed or is subject to change."

Page 1, Section 3, Line 1: Omit "3.", and insert "4."

Respectfully,

/s/ Brendan Byrne

GOVERNOR

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Attest:

Robert E. Mulcahy, III

CHIEF OF STAFF, SECRETARY