

17:48A-1, 17:48A-28

LEGISLATIVE HISTORY CHECKLIST

NJSA 17:48A-1, 17:48A-28 (Medical Service Corporations -- provide dental services)

LAWS OF 1977 CHAPTER 95

Bill No. A1968

Sponsor(s) Pellecchia and others

Date Introduced May 24, 1976

Committee: Assembly Commerce, Banking & Insurance

Senate Labor, Industry, Professions

Amended during passage Yes ~~XXX~~ Amendments during passage denoted by asterisks

Date of Passage: Assembly December 20, 1976

Senate April 18, 1977

Date of approval May 18, 1977

Following statements are attached if available:

|                      |                |                |                |
|----------------------|----------------|----------------|----------------|
| Sponsor statement    | Yes            | <del>XXX</del> | Below          |
| Committee Statement: | Assembly       | Yes            | <del>XXX</del> |
|                      | Senate         | <del>XXX</del> | No             |
| Fiscal Note          | <del>XXX</del> | No             |                |
| Veto message         | <del>XXX</del> | No             |                |
| Message on signing   | Yes            | <del>XXX</del> |                |

Following were printed:

|          |                |    |
|----------|----------------|----|
| Reports  | <del>XXX</del> | No |
| Hearings | <del>XXX</del> | No |

Sponsor's Statement:

The purpose of this bill is to permit medical service corporations to provide and insure dental services and to contract with participating dentists.

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## ASSEMBLY, No. 1968

## STATE OF NEW JERSEY

INTRODUCED MAY 24, 1976

By Assemblymen PELLECCIA, HAMILTON, LEFANTE, CHIN-  
NICI, BORNHEIMER, SCANLON, DOYLE, ORECHIO, ADU-  
BATO, Assemblywoman CURRAN, Assemblymen SPIZZIRI  
and PERSKIE

Referred to Committee on Commerce, Banking and Insurance

AN ACT to amend the title of "An act concerning medical service corporations and regulating the establishment, maintenance and operation of medical service corporations and medical service plans, and supplementing Title 17 of the Revised Statutes by adding thereto a new chapter entitled 'Medical Services Corporations,' " approved May 29, 1940 (P. L. 1940, c. 74), so that the same shall read "An act concerning medical service corporations and regulating the establishment, maintenance and operation of medical service corporations, and supplementing Title 17 of the Revised Statutes by adding thereto a new chapter entitled 'Medical Services Corporations,' " to amend the body of said act, and to amend P. L. 1964, c. 1.

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

1 1. The title of P. L. 1940, c. 74 is amended to read as follows:

2 An act concerning medical service corporations and regulating  
3 the establishment, maintenance and operation of medical service  
4 corporations **[and medical service plans]**, and supplementing Title  
5 17 of the Revised Statutes by adding thereto a new chapter entitled  
6 "Medical Service Corporations."

1 2. Section 1 of P. L. 1940, c. 74 (17:48A-1) is amended to read  
2 as follows:

3 1. As used in this act the following words and phrases shall  
4 have the following meanings:

5 A medical service corporation is any corporation organized,  
6 without capital stock, and not for profit, for the purpose of establish-  
7 ing, maintaining and operating nonprofit medical service plans,  
8 or to provide or pay for medical services on the basis of premiums  
9 or other valuable considerations. A nonprofit medical service plan

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill  
is not enacted and is intended to be omitted in the law.**

10 is any plan or arrangement operated by a medical service corpora-  
 11 tion, under the provisions of this act, and whereby the expense of  
 12 medical services to subscribers and other covered dependents is  
 13 paid in whole or in part by the corporation to participating  
 14 physicians of such plans or arrangements and to others as provided  
 15 herein. A subscriber is a person to whom a subscription certificate  
 16 is issued by the corporation and which sets forth the kinds and  
 17 extent of the medical services for which the corporation is liable  
 18 to make payment and which constitutes the contract between the  
 19 subscriber and the corporation. A covered dependent is the spouse,  
 20 an adult dependent or a child of the subscriber who is named in  
 21 the subscription certificate issued to the subscriber and with respect  
 22 to whom appropriate premium is specified in the certificate. A  
 23 participating physician is any physician licensed to practice  
 24 medicine and surgery in the State of New Jersey pursuant to  
 25 chapter 9, Title 45, of the Revised Statutes, who agrees in writing  
 26 with the corporation to perform the medical services specified in  
 27 the subscription certificates issued by the corporation and at such  
 28 rates of compensation as shall be determined by its board of trustees  
 29 and who agrees to abide by the bylaws, rules and regulations of  
 30 the corporation applicable to participating physicians. Medical  
 31 service includes all general and special medical, *dental* and surgical  
 32 services ordinarily provided by such licensed physicians *and by*  
 33 *others as provided herein* in accordance with accepted practices  
 34 in the community at the time the service is rendered. No subscriber  
 35 or his covered dependents shall be liable for any payment to any  
 36 participating physician for medical services specified in the sub-  
 37 scriber's certificate to be paid to the participating physician by the  
 38 corporation.

1 3. Section 1 of P. L. 1964, c. 1 (17 :48A-28) is amended to read as  
 2 follows:

3 1. Notwithstanding any other provision of the act to which this  
 4 act is a supplement, benefits shall not be denied to an eligible  
 5 individual for eligible services when such services are performed  
 6 or rendered such persons **[in an approved hospital]** by a licensed  
 7 dentist within the scope of his practice *\*and a medical service*  
 8 *corporation under this act may issue separate contracts covering*  
 9 *the services of licensed dentists\**. The practice of dentistry shall  
 10 be deemed to be within the provisions of the act to which this act  
 11 is a supplement and licensed dentists shall have the privileges and  
 12 benefits in the scope of their practice under such act as are afforded  
 13 thereunder to licensed physicians and surgeons in the scope of  
 14 their practice.

1 4. This act shall take effect immediately.

ASSEMBLY COMMERCE, BANKING AND INSURANCE  
COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 1968**

with Assembly committee amendments

—•—  
**STATE OF NEW JERSEY**  
—•—

DATED: SEPTEMBER 27, 1976

This legislation would permit medical service corporations to offer dental coverage to subscribers and to contract with participating dentists. At present, such corporations have authority to provide such services only when rendered in a hospital.

The committee amendment clarifies their authority to issue separate contracts covering dental services.

FROM THE OFFICE OF THE GOVERNOR

MAY 17, 1977

FOR FURTHER INFORMATION

FOR IMMEDIATE RELEASE

ANGIE BURNS

Governor Brendan Byrne today signed A-1968, sponsored by Assemblyman Vincent Ozzie Pellecchia, (D-Passaic).

The bill allows medical service corporations to write dental service coverages whether or not they are included as part of a medical service plan and whether or not the services are performed in an approved hospital.

The bill permits Group Health Insurance of New Jersey (GHJ) and Blue Shield to write the type of coverage. Previously, only the New Jersey Dental Service Plan was able to do this.

According to the Department of Insurance, this bill is an important first step toward creating a more competitive environment in the health service field.