

17:48A-5
AND 7.1

LEGISLATIVE HISTORY CHECKLIST

NJSA 17:48A-5 and 17:48A-7.1

Laws of 1975 Chapter 110

Bill No. A1502

Sponsor(s) Keegan

Date Introduced April 4, 1974

Committee: Assembly Institutions, Health & Welfare; Banking & Insurance

Senate Institutions, Health & Welfare

Amended during passage Yes ~~No~~ Amendments during passage denoted by asterisks

Date of passage: Assembly May 6, 1974

Senate Nov. 21, 1974

Date of approval June 3, 1975

Following statements are attached if available:

Sponsor statement Yes ~~No~~

Committee Statement: Assembly Yes ~~No~~

Senate Yes Below ~~No~~

Fiscal Note Yes ~~No~~

Veto message Yes ~~No~~

Message on signing Yes ~~No~~

Following were printed:

Reports Yes ~~No~~

Hearings Yes ~~No~~

Cited in sponsor's statement:

"Model New Born Children Bill" - see Legislative History of 17:48-6 (L. 1975 c.109).

Senate Committee Statement:

The statement already appended to this bill adequately conveys the committee's understanding of the bill's contents.

Do Not Remove From Library
DEPOSITORY COPY

10/4/76

JUN

1977

[OFFICIAL COPY REPRINT]
ASSEMBLY, No. 1502

STATE OF NEW JERSEY

INTRODUCED APRIL 4, 1974

By Assemblyman KEEGAN

Referred to Committee on Institutions, Health and Welfare

AN ACT to amend "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 Service Corporations,' " approved May 29, 1940 (P. L. 1940, c. 74), and P. L. 1964, c. 105.

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

1 1. Section 5 of P. L. 1940, c. 74 (C. 17:48A-5) is amended to
2 read as follows:

3 5. Every individual contract made by any corporation subject
4 to the provisions of this chapter to provide payment for medical
5 services shall provide for the payment of medical services for a
6 period of 12 months from the date of issue of the subscription
7 certificate. Any such contract may provide that it shall be auto-
8 matically renewed from year to year unless there shall have been
9 1 month's prior written notice of termination by either the sub-
10 scriber or the corporation. In the absence of fraud or material
11 misrepresentation in the application for a contract or for reinstatement,
12 no contract with an individual subscriber shall be terminated
13 by the corporation unless all contracts of the same type, in the
14 same group or covering the same classification of persons are
15 terminated under the same conditions. No contract between
16 such corporation and subscriber shall allow for the payment for
17 medical services for more than one person, except that a family
18 contract may provide that payment will be made for medical ser-

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

19 vices rendered to a subscriber and any of those dependents defined
20 in section 1 of this act.

21 *Family type contracts shall provide that the services applicable*
22 *for children shall be payable with respect to a newly-born child of*
23 *the subscriber, or his or her spouse from the moment of birth.*
24 *The services for newly-born children shall consist of coverage of*
25 *injury or sickness including the necessary care and treatment of*
26 *medically diagnosed congenital defects and abnormalities. If a*
27 *subscription payment is required to provide services for a child,*
28 *the contract may require that notification of birth of a newly-born*
29 *child and the required payment must be furnished to the service*
30 *corporation within 31 days after the date of birth in order to have*
31 *the coverage continue beyond such 31-day period.*

31A **Nonfamily type contracts *which provide for services to the*
31B *subscriber but not to family members or dependents of that sub-*
31C *scriber,* shall also provide services to newly-born children of the*
31D *subscriber which shall commence with the ***[date]*** *moment* of*
31E *birth of each child and shall consist of coverage of injury or*
31F *sickness including the necessary care and treatment of medically*
31G *diagnosed congenital defects and abnormalities, provided that*
31H *application ***[is]*** *therefor and payment of the required subscrip-*
31I *tion amount are* made to ***[convert]*** *include in* said contract*
31J ****[to a family contract]*** *the coverage described in the preceding*
31K *paragraph of this section* within ***[30]*** *31* days from the date*
31L *of birth of a newborn child.**

32 A contract under which coverage of a dependent of a subscriber
33 terminates at a specified age shall, with respect to an unmarried
34 child, covered by the contract prior to attainment of age 19, who is
35 incapable of self-sustaining employment by reason of mental re-
36 tardation or physical handicap and who became so incapable prior
37 to attainment of age 19 and who is chiefly dependent upon such
38 subscriber for support and maintenance, not so terminate while
39 the contract remains in force and the dependent remains in such
40 condition, if the subscriber has within 31 days of such dependent's
41 attainment of the termination age submitted proof of such depend-
42 ent's incapacity as described herein. The foregoing provisions of
43 this paragraph shall not apply retrospectively or prospectively to
44 require a medical service corporation to insure as a covered de-
45 pendent any mentally retarded or physically handicapped child of
46 the applicant where the contract is underwritten on evidence of
47 insurability based on health factors, required to be set forth in the
48 application. In such cases any contract heretofore or hereafter

49 issued may specifically exclude such mentally retarded or physically
50 handicapped child from coverage.

1 2. Section 1 of P. L. 1964, c. 105 (C. 17:48A-7.1) is amended to
2 read as follows:

3 1. A medical service corporation may issue to a policyholder
4 a group contract, covering at least 10 employees or members at
5 the date of issue, if it conforms to the following description:

6 (a) A contract issued to an employer or to the trustees of a fund
7 established by one or more employers, or issued to a labor union,
8 or issued to an association formed for purposes other than obtain-
9 ing such contract, or issued to the trustees of a fund established by
10 one or more labor unions or by one or more employers and one or
11 more labor unions, covering employees and members of associa-
12 tions or labor unions.

13 (b) A contract issued to cover any other group which the Com-
14 missioner of **Banking and** Insurance (hereinafter called the
15 commissioner) determines may be covered in accordance with
16 sound underwriting principles.

17 Benefits may be provided for one or more members of the
18 families or one or more dependents of persons who may be covered
19 under a group contract referred to in (a) or (b) above.

20 *Family type contracts shall provide that the services applicable*
21 *for children shall be payable with respect to a newly-born child of*
22 *the subscriber, or his or her spouse from the moment of birth. The*
23 *services for newly-born children shall consist of coverage of injury*
24 *or sickness including the necessary care and treatment of medically*
25 *diagnosed congenital defects and abnormalities. If a subscription*
26 *payment is required to provide services for a child, the contract*
27 *may require that notification of birth of a newly-born child and the*
28 *required payment must be furnished to the service corporation*
29 *within 31 days after the date of birth in order to have the coverage*
30 *continue beyond such 31-day period.*

30A **Nonfamily type contracts, except such group** *Group con-
30B tracts which provide for services to the subscriber but not to
30C family members or dependents of that subscriber, other than* con-
30D tracts **as** *which* provide no dependent coverage whatsoever
30E *for the subscriber's class*, shall also provide services to newly-
30F born children of the subscriber which shall commence with the
30G **date** *moment* of birth of each child and shall consist of
30H coverage of injury or sickness including the necessary care and
30I treatment of medically diagnosed congenital defects and abnor-
30J malities, provided that application **is** *therefor and payment

30K of the required subscription amount are* made to ***[convert]***
 30L *include in* said contract ***[to a family contract]*** *the coverage
 30M described in the preceding paragraph of this section* within ***[30]***
 30N *31* days from the date of birth of a newborn child.*

31 A contract under which coverage of such a dependent terminates
 32 at a specified age shall, with respect to an unmarried child, covered
 33 by the contract prior to attainment of age 19, who is incapable
 34 of self-sustaining employment by reason of mental retardation or
 35 physical handicap and who became so incapable prior to attainment
 36 of age 19 and who is chiefly dependent upon the covered employee
 37 or member for support and maintenance, not so terminate while
 38 the coverage of the employee or member remains in force and the
 39 dependent remains in such condition, if the employee or member
 40 has within 31 days of such dependent's attainment of the termina-
 41 tion age submitted proof of such dependent's incapacity as de-
 42 scribed herein. The foregoing provisions of this paragraph shall
 43 shall apply retrospectively or prospectively to require a medical
 44 service corporation to insure as a covered dependent any mentally
 45 retarded or physically handicapped child of the applicant where
 46 the contract is underwritten on evidence of insurability based on
 47 health factors required to be set forth in the application. In such
 48 cases any contract heretofore or hereafter issued may specifically
 49 exclude such mentally retarded or physically handicapped child
 50 from coverage.

51 The contract may provide that the term "employees" shall
 52 include as employees of a single employer the employees of one
 53 or more subsidiary corporations and the employees, individual pro-
 54 prietors and partners of affiliated corporations, proprietorships
 55 and partnerships if the business of the employer and such corpora-
 56 tions, proprietorships or partnerships is under common control
 57 through stock ownership, contract or otherwise. The contract may
 58 provide that the term "employees" shall include the individual
 59 proprietor or partners of an individual proprietorship or a partner-
 60 ship. The contract may provide that the term "employees" shall
 61 include retired employees. A contract issued to trustees may
 62 provide that the term "employees" shall include the trustees or
 63 their employees, or both, if their duties are principally connected
 64 with such trusteeship. A contract issued to the trustees of a fund
 65 established by the members of an association of employers may
 66 provide that the term "employees" shall include the employees
 67 of the association.

1 3. This act shall take effect 120 days following enactment.

A1502 (1974)

4

56 tions, proprietorships or partnerships is under common control
57 through stock ownership, contract or otherwise. The contract may
58 provide that the term "employees" shall include the individual
59 proprietor or partners of an individual proprietorship or a partner-
60 ship. The contract may provide that the term "employees" shall
61 include retired employees. A contract issued to trustees may
62 provide that the term "employees" shall include the trustees or
63 their employees, or both, if their duties are principally connected
64 with such trusteeship. A contract issued to the trustees of a fund
65 established by the members of an association of employers may
66 provide that the term "employees" shall include the employees
67 of the association.

1 3. This act shall take effect 120 days following enactment.

STATEMENT

This bill is based upon the Model New Born Children Bill, prepared by the American Academy of Pediatrics with the assistance of the Health Insurance Association of America.