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"Christie signs measures on birth control supply and anti-smoking funds," South Jersey Times, December 18, 2017

"Christie signs bills on birth control supply and anti-smoking funds," The Star-Ledger, December 18, 2017

"Christie inks birth control, anti-smoking legislation," The Times, December 18, 2017

RH/CL

P.L.2017, CHAPTER 241, *approved December 15, 2017*
Assembly, No. 2297 (*First Reprint*)

1 AN ACT concerning insurance coverage for prescribed
2 contraceptives and amending P.L.2005, c.251.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6
7 1. Section 1 of P.L.2005, c.251 (C.17:48-6ee) is amended to
8 read as follows:

9 1. A hospital service corporation that provides hospital or
10 medical expense benefits for expenses incurred in the purchase of
11 outpatient prescription drugs under a contract shall provide
12 coverage under every such contract delivered, issued, executed or
13 renewed in this State or approved for issuance or renewal in this
14 State by the Commissioner of Banking and Insurance, on or after
15 the effective date of this act, for expenses incurred in the purchase
16 of prescription female contraceptives. For the purposes of this
17 section, "prescription female contraceptives" means any drug or
18 device used for contraception by a female, which is approved by the
19 federal Food and Drug Administration for that purpose, that can
20 only be purchased in this State with a prescription written by a
21 health care professional licensed or authorized to write
22 prescriptions, and includes, but is not limited to, birth control pills
23 and diaphragms. The coverage provided shall include prescriptions
24 for dispensing contraceptives for:

25 a. a three-month period for the first dispensing of the
26 contraceptive; and

27 b. a **[twelve-month]** six-month¹ period for any subsequent
28 dispensing of the same contraceptive, regardless of whether
29 coverage under the contract was in effect at the time of the first
30 dispensing ¹, except that an entity subject to this section may
31 provide coverage for a supply of contraceptives that is for less than
32 a six-month period, if a six-month period would extend beyond the
33 term of the contract¹.

34 A religious employer may request, and a hospital service
35 corporation shall grant, an exclusion under the contract for the
36 coverage required by this section if the required coverage conflicts
37 with the religious employer's bona fide religious beliefs and
38 practices. A religious employer that obtains such an exclusion shall
39 provide written notice thereof to prospective subscribers and
40 subscribers. The provisions of this section shall not be construed as

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 underlined **thus** is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly amendments adopted in accordance with Governor's recommendations July 31, 2017.

1 authorizing a hospital service corporation to exclude coverage for
2 prescription drugs that are prescribed for reasons other than
3 contraceptive purposes or for prescription female contraceptives
4 that are necessary to preserve the life or health of a subscriber. For
5 the purposes of this section, "religious employer" means an
6 employer that is a church, convention or association of churches or
7 an elementary or secondary school that is controlled, operated or
8 principally supported by a church or by a convention or association
9 of churches as defined in 26 U.S.C.s.3121(w)(3)(A), and that
10 qualifies as a tax-exempt organization under 26 U.S.C.s.501(c)(3).

11 The benefits shall be provided to the same extent as for any other
12 outpatient prescription drug under the contract.

13 This section shall apply to those contracts in which the hospital
14 service corporation has reserved the right to change the premium.
15 (cf: P.L.2005, c.251, s.1)

16

17 2. Section 2 of P.L.2005, c.251 (C.17:48A-7bb) is amended to
18 read as follows:

19 2. A medical service corporation that provides hospital or
20 medical expense benefits for expenses incurred in the purchase of
21 outpatient prescription drugs under a contract shall provide
22 coverage under every such contract delivered, issued, executed or
23 renewed in this State or approved for issuance or renewal in this
24 State by the Commissioner of Banking and Insurance, on or after
25 the effective date of this act, for expenses incurred in the purchase
26 of prescription female contraceptives. For the purposes of this
27 section, "prescription female contraceptives" means any drug or
28 device used for contraception by a female, which is approved by the
29 federal Food and Drug Administration for that purpose, that can
30 only be purchased in this State with a prescription written by a
31 health care professional licensed or authorized to write
32 prescriptions, and includes, but is not limited to, birth control pills
33 and diaphragms. The coverage provided shall include prescriptions
34 for dispensing contraceptives for:

35 a. a three-month period for the first dispensing of the
36 contraceptive; and

37 b. a ¹【twelve-month】 six-month¹ period for any subsequent
38 dispensing of the same contraceptive, regardless of whether
39 coverage under the contract was in effect at the time of the first
40 dispensing ¹, except that an entity subject to this section may
41 provide coverage for a supply of contraceptives that is for less than
42 a six-month period, if a six-month period would extend beyond the
43 term of the contract¹.

44 A religious employer may request, and a medical service
45 corporation shall grant, an exclusion under the contract for the
46 coverage required by this section if the required coverage conflicts
47 with the religious employer's bona fide religious beliefs and
48 practices. A religious employer that obtains such an exclusion shall

1 provide written notice thereof to prospective subscribers and
2 subscribers. The provisions of this section shall not be construed as
3 authorizing a medical service corporation to exclude coverage for
4 prescription drugs that are prescribed for reasons other than
5 contraceptive purposes or for prescription female contraceptives
6 that are necessary to preserve the life or health of a subscriber. For
7 the purposes of this section, "religious employer" means an
8 employer that is a church, convention or association of churches or
9 an elementary or secondary school that is controlled, operated or
10 principally supported by a church or by a convention or association
11 of churches as defined in 26 U.S.C.s.3121(w)(3)(A), and that
12 qualifies as a tax-exempt organization under 26 U.S.C.s.501(c)(3).

13 The benefits shall be provided to the same extent as for any other
14 outpatient prescription drug under the contract.

15 This section shall apply to those contracts in which the medical
16 service corporation has reserved the right to change the premium.

17 (cf: P.L.2005, c.251, s.2)

18

19 3. Section 3 of P.L.2005, c.251 (C.17:48E-35.29) is amended
20 to read as follows:

21 3. A health service corporation that provides hospital or
22 medical expense benefits for expenses incurred in the purchase of
23 outpatient prescription drugs under a contract shall provide
24 coverage under every such contract delivered, issued, executed or
25 renewed in this State or approved for issuance or renewal in this
26 State by the Commissioner of Banking and Insurance, on or after
27 the effective date of this act, for expenses incurred in the purchase
28 of prescription female contraceptives. For the purposes of this
29 section, "prescription female contraceptives" means any drug or
30 device used for contraception by a female, which is approved by the
31 federal Food and Drug Administration for that purpose, that can
32 only be purchased in this State with a prescription written by a
33 health care professional licensed or authorized to write
34 prescriptions, and includes, but is not limited to, birth control pills
35 and diaphragms. The coverage provided shall include prescriptions
36 for dispensing contraceptives for:

37 a. a three-month period for the first dispensing of the
38 contraceptive; and

39 b. a ¹[twelve-month] six-month¹ period for any subsequent
40 dispensing of the same contraceptive, regardless of whether
41 coverage under the contract was in effect at the time of the first
42 dispensing ¹, except that an entity subject to this section may
43 provide coverage for a supply of contraceptives that is for less than
44 a six-month period, if a six-month period would extend beyond the
45 term of the contract¹.

46 A religious employer may request, and a health service
47 corporation shall grant, an exclusion under the contract for the
48 coverage required by this section if the required coverage conflicts

1 with the religious employer's bona fide religious beliefs and
2 practices. A religious employer that obtains such an exclusion shall
3 provide written notice thereof to prospective subscribers and
4 subscribers. The provisions of this section shall not be construed as
5 authorizing a health service corporation to exclude coverage for
6 prescription drugs that are prescribed for reasons other than
7 contraceptive purposes or for prescription female contraceptives
8 that are necessary to preserve the life or health of a subscriber. For
9 the purposes of this section, "religious employer" means an
10 employer that is a church, convention or association of churches or
11 an elementary or secondary school that is controlled, operated or
12 principally supported by a church or by a convention or association
13 of churches as defined in 26 U.S.C.s.3121(w)(3)(A), and that
14 qualifies as a tax-exempt organization under 26 U.S.C.s.501(c)(3).

15 The benefits shall be provided to the same extent as for any other
16 outpatient prescription drug under the contract.

17 This section shall apply to those contracts in which the health
18 service corporation has reserved the right to change the premium.

19 (cf: P.L.2005, c.251, s.3)

20

21 4. Section 4 of P.L.2005, c.251 (C.17B:27-46.1ee) is amended
22 to read as follows:

23 4. A group health insurer that provides hospital or medical
24 expense benefits for expenses incurred in the purchase of outpatient
25 prescription drugs under a policy shall provide coverage under
26 every such policy delivered, issued, executed or renewed in this
27 State or approved for issuance or renewal in this State by the
28 Commissioner of Banking and Insurance, on or after the effective
29 date of this act, for expenses incurred in the purchase of
30 prescription female contraceptives. For the purposes of this section,
31 "prescription female contraceptives" means any drug or device used
32 for contraception by a female, which is approved by the federal
33 Food and Drug Administration for that purpose, that can only be
34 purchased in this State with a prescription written by a health care
35 professional licensed or authorized to write prescriptions, and
36 includes, but is not limited to, birth control pills and diaphragms.
37 The coverage provided shall include prescriptions for dispensing
38 contraceptives for:

39 a. a three-month period for the first dispensing of the
40 contraceptive; and

41 b. a ¹twelve-month¹ six-month¹ period for any subsequent
42 dispensing of the same contraceptive, regardless of whether
43 coverage under the policy was in effect at the time of the first
44 dispensing ¹, except that an entity subject to this section may
45 provide coverage for a supply of contraceptives that is for less than
46 a six-month period, if a six-month period would extend beyond the
47 term of the contract¹.

1 A religious employer may request, and an insurer shall grant, an
2 exclusion under the policy for the coverage required by this section
3 if the required coverage conflicts with the religious employer's bona
4 fide religious beliefs and practices. A religious employer that
5 obtains such an exclusion shall provide written notice thereof to
6 prospective insureds and insureds. The provisions of this section
7 shall not be construed as authorizing an insurer to exclude coverage
8 for prescription drugs that are prescribed for reasons other than
9 contraceptive purposes or for prescription female contraceptives
10 that are necessary to preserve the life or health of an insured. For
11 the purposes of this section, "religious employer" means an
12 employer that is a church, convention or association of churches or
13 an elementary or secondary school that is controlled, operated or
14 principally supported by a church or by a convention or association
15 of churches as defined in 26 U.S.C.s.3121(w)(3)(A), and that
16 qualifies as a tax-exempt organization under 26 U.S.C.s.501(c)(3).

17 The benefits shall be provided to the same extent as for any other
18 outpatient prescription drug under the policy.

19 This section shall apply to those policies in which the insurer has
20 reserved the right to change the premium.

21 (cf: P.L.2005, c.251, s.4)

22

23 5. Section 5 of P.L.2005, c.251 (C.17B:26-2.1y) is amended to
24 read as follows:

25 5. An individual health insurer that provides hospital or
26 medical expense benefits for expenses incurred in the purchase of
27 outpatient prescription drugs under a policy shall provide coverage
28 under every such policy delivered, issued, executed or renewed in
29 this State or approved for issuance or renewal in this State by the
30 Commissioner of Banking and Insurance, on or after the effective
31 date of this act, for expenses incurred in the purchase of
32 prescription female contraceptives. For the purposes of this section,
33 "prescription female contraceptives" means any drug or device used
34 for contraception by a female, which is approved by the federal
35 Food and Drug Administration for that purpose, that can only be
36 purchased in this State with a prescription written by a health care
37 professional licensed or authorized to write prescriptions, and
38 includes, but is not limited to, birth control pills and diaphragms.
39 The coverage provided shall include prescriptions for dispensing
40 contraceptives for:

41 a. a three-month period for the first dispensing of the
42 contraceptive; and

43 b. a ¹[twelve-month] six-month¹ period for any subsequent
44 dispensing of the same contraceptive, regardless of whether
45 coverage under the policy was in effect at the time of the first
46 dispensing ¹, except that an entity subject to this section may
47 provide coverage for a supply of contraceptives that is for less than

1 a six-month period, if a six-month period would extend beyond the
2 term of the contract¹.

3 A religious employer may request, and an insurer shall grant, an
4 exclusion under the policy for the coverage required by this section
5 if the required coverage conflicts with the religious employer's bona
6 fide religious beliefs and practices. A religious employer that
7 obtains such an exclusion shall provide written notice thereof to
8 prospective insureds and insureds. The provisions of this section
9 shall not be construed as authorizing an insurer to exclude coverage
10 for prescription drugs that are prescribed for reasons other than
11 contraceptive purposes or for prescription female contraceptives
12 that are necessary to preserve the life or health of an insured. For
13 the purposes of this section, "religious employer" means an
14 employer that is a church, convention or association of churches or
15 an elementary or secondary school that is controlled, operated or
16 principally supported by a church or by a convention or association
17 of churches as defined in 26 U.S.C.s.3121(w)(3)(A), and that
18 qualifies as a tax-exempt organization under 26 U.S.C.s.501(c)(3).

19 The benefits shall be provided to the same extent as for any other
20 outpatient prescription drug under the policy.

21 This section shall apply to those policies in which the insurer has
22 reserved the right to change the premium.

23 (cf: P.L.2005, c.251, s.5)

24
25 6. Section 6 of P.L.2005, c.251 (C.26:2J-4.30) is amended to
26 read as follows:

27 6. A certificate of authority to establish and operate a health
28 maintenance organization in this State shall not be issued or
29 continued on or after the effective date of this act for a health
30 maintenance organization that provides health care services for
31 outpatient prescription drugs under a contract, unless the health
32 maintenance organization also provides health care services for
33 prescription female contraceptives. For the purposes of this section,
34 "prescription female contraceptives" means any drug or device used
35 for contraception by a female, which is approved by the federal
36 Food and Drug Administration for that purpose, that can only be
37 purchased in this State with a prescription written by a health care
38 professional licensed or authorized to write prescriptions, and
39 includes, but is not limited to, birth control pills and diaphragms.
40 The coverage provided shall include prescriptions for dispensing
41 contraceptives for:

42 a. a three-month period for the first dispensing of the
43 contraceptive; and

44 b. a ¹["twelve-month"] six-month¹ period for any subsequent
45 dispensing of the same contraceptive, regardless of whether
46 coverage under the contract was in effect at the time of the first
47 dispensing ¹, except that an entity subject to this section may
48 provide coverage for a supply of contraceptives that is for less than

1 a six-month period, if a six-month period would extend beyond the
2 term of the contract¹.

3 A religious employer may request, and a health maintenance
4 organization shall grant, an exclusion under the contract for the
5 health care services required by this section if the required health
6 care services conflict with the religious employer's bona fide
7 religious beliefs and practices. A religious employer that obtains
8 such an exclusion shall provide written notice thereof to prospective
9 enrollees and enrollees. The provisions of this section shall not be
10 construed as authorizing a health maintenance organization to
11 exclude health care services for prescription drugs that are
12 prescribed for reasons other than contraceptive purposes or for
13 prescription female contraceptives that are necessary to preserve the
14 life or health of an enrollee. For the purposes of this section,
15 "religious employer" means an employer that is a church,
16 convention or association of churches or an elementary or
17 secondary school that is controlled, operated or principally
18 supported by a church or by a convention or association of churches
19 as defined in 26 U.S.C.s.3121(w)(3)(A), and that qualifies as a tax-
20 exempt organization under 26 U.S.C.s.501(c)(3).

21 The health care services shall be provided to the same extent as
22 for any other outpatient prescription drug under the contract.

23 The provisions of this section shall apply to those contracts for
24 health care services by health maintenance organizations under
25 which the right to change the schedule of charges for enrollee
26 coverage is reserved.

27 (cf: P.L.2005, c.251, s.6)

28

29 7. Section 7 of P.L.2005, c.251 (C.17B:27A-7.12) is amended
30 to read as follows:

31 7. An individual health benefits plan required pursuant to
32 section 3 of P.L.1992, c.161 (C.17B:27A-4) that provides benefits
33 for expenses incurred in the purchase of outpatient prescription
34 drugs shall provide coverage for expenses incurred in the purchase
35 of prescription female contraceptives. For the purposes of this
36 section, "prescription female contraceptives" means any drug or
37 device used for contraception by a female, which is approved by the
38 federal Food and Drug Administration for that purpose, that can
39 only be purchased in this State with a prescription written by a
40 health care professional licensed or authorized to write
41 prescriptions, and includes, but is not limited to, birth control pills
42 and diaphragms. The coverage provided shall include prescriptions
43 for dispensing contraceptives for:

44 a. a three-month period for the first dispensing of the
45 contraceptive; and

46 b. a ¹["twelve-month"] six-month¹ period for any subsequent
47 dispensing of the same contraceptive, regardless of whether
48 coverage under the plan was in effect at the time of the first

1 dispensing¹, except that an entity subject to this section may
2 provide coverage for a supply of contraceptives that is for less than
3 a six-month period, if a six-month period would extend beyond the
4 term of the contract¹.

5 A religious employer may request, and a carrier shall grant, an
6 exclusion under the health benefits plan for the coverage required
7 by this section if the required coverage conflicts with the religious
8 employer's bona fide religious beliefs and practices. A religious
9 employer that obtains such an exclusion shall provide written notice
10 thereof to prospective covered persons and covered persons. The
11 provisions of this section shall not be construed as authorizing a
12 carrier to exclude coverage for prescription drugs that are
13 prescribed for reasons other than contraceptive purposes or for
14 prescription female contraceptives that are necessary to preserve the
15 life or health of a covered person. For the purposes of this section,
16 "religious employer" means an employer that is a church,
17 convention or association of churches or an elementary or
18 secondary school that is controlled, operated or principally
19 supported by a church or by a convention or association of churches
20 as defined in 26 U.S.C.s.3121(w)(3)(A), and that qualifies as a tax-
21 exempt organization under 26 U.S.C.s.501(c)(3).

22 The benefits shall be provided to the same extent as for any other
23 outpatient prescription drug under the health benefits plan.

24 This section shall apply to all individual health benefits plans in
25 which the carrier has reserved the right to change the premium.

26 (cf: P.L.2005, c.251, s.7)

27

28 8. Section 8 of P.L.2005, c.251 (C.17B:27A-19.15) is amended
29 to read as follows:

30 8. A small employer health benefits plan required pursuant to
31 section 3 of P.L.1992, c.162 (C.17B:27A-19) that provides benefits
32 for expenses incurred in the purchase of outpatient prescription
33 drugs shall provide coverage for expenses incurred in the purchase
34 of prescription female contraceptives. For the purposes of this
35 section, "prescription female contraceptives" means any drug or
36 device used for contraception by a female, which is approved by the
37 federal Food and Drug Administration for that purpose, that can
38 only be purchased in this State with a prescription written by a
39 health care professional licensed or authorized to write
40 prescriptions, and includes, but is not limited to, birth control pills
41 and diaphragms. The coverage provided shall include prescriptions
42 for dispensing contraceptives for:

43 a. a three-month period for the first dispensing of the
44 contraceptive; and

45 b. a **twelve-month** six-month¹ period for any subsequent
46 dispensing of the same contraceptive, regardless of whether
47 coverage under the plan was in effect at the time of the first
48 dispensing¹, except that an entity subject to this section may

1 provide coverage for a supply of contraceptives that is for less than
2 a six-month period, if a six-month period would extend beyond the
3 term of the contract¹.

4 A religious employer may request, and a carrier shall grant, an
5 exclusion under the health benefits plan for the coverage required
6 by this section if the required coverage conflicts with the religious
7 employer's bona fide religious beliefs and practices. A religious
8 employer that obtains such an exclusion shall provide written notice
9 thereof to prospective covered persons and covered persons. The
10 provisions of this section shall not be construed as authorizing a
11 carrier to exclude coverage for prescription drugs that are
12 prescribed for reasons other than contraceptive purposes or for
13 prescription female contraceptives that are necessary to preserve the
14 life or health of a covered person. For the purposes of this section,
15 "religious employer" means an employer that is a church,
16 convention or association of churches or an elementary or
17 secondary school that is controlled, operated or principally
18 supported by a church or by a convention or association of churches
19 as defined in 26 U.S.C.s.3121(w)(3)(A), and that qualifies as a tax-
20 exempt organization under 26 U.S.C.s.501(c)(3).

21 The benefits shall be provided to the same extent as for any other
22 outpatient prescription drug under the health benefits plan.

23 This section shall apply to all small employer health benefits
24 plans in which the carrier has reserved the right to change the
25 premium.

26 (cf: P.L.2005, c.251, s.8)

27

28 9. Section 9 of P.L.2005, c.251 (C.17:48F-13.2) is amended to
29 read as follows:

30 9. A prepaid prescription service organization that provides
31 benefits for expenses incurred in the purchase of outpatient
32 prescription drugs under a contract shall provide coverage under
33 every such contract delivered, issued, executed or renewed in this
34 State or approved for issuance or renewal in this State by the
35 Commissioner of Banking and Insurance, on or after the effective
36 date of this act, for expenses incurred in the purchase of
37 prescription female contraceptives. For the purposes of this section,
38 "prescription female contraceptives" means any drug or device used
39 for contraception by a female, which is approved by the federal
40 Food and Drug Administration for that purpose, that can only be
41 purchased in this State with a prescription written by a health care
42 professional licensed or authorized to write prescriptions, and
43 includes, but is not limited to, birth control pills and diaphragms.
44 The coverage provided shall include prescriptions for dispensing
45 contraceptives for:

46 a. a three-month period for the first dispensing of the
47 contraceptive; and

1 b. a ¹["twelve-month"] six-month¹ period for any subsequent
2 dispensing of the same contraceptive, regardless of whether
3 coverage under the contract was in effect at the time of the first
4 dispensing ¹, except that an entity subject to this section may
5 provide coverage for a supply of contraceptives that is for less than
6 a six-month period, if a six-month period would extend beyond the
7 term of the contract¹.

8 A religious employer may request, and a prepaid prescription
9 service organization shall grant, an exclusion under the contract for
10 the coverage required by this section if the required coverage
11 conflicts with the religious employer's bona fide religious beliefs
12 and practices. A religious employer that obtains such an exclusion
13 shall provide written notice thereof to prospective enrollees and
14 enrollees. The provisions of this section shall not be construed as
15 authorizing a prepaid prescription service organization to exclude
16 coverage for prescription drugs that are prescribed for reasons other
17 than contraceptive purposes or for prescription female
18 contraceptives that are necessary to preserve the life or health of an
19 enrollee. For the purposes of this section, "religious employer"
20 means an employer that is a church, convention or association of
21 churches or an elementary or secondary school that is controlled,
22 operated or principally supported by a church or by a convention or
23 association of churches as defined in 26 U.S.C.s.3121(w)(3)(A),
24 and that qualifies as a tax-exempt organization under 26
25 U.S.C.s.501(c)(3).

26 The benefits shall be provided to the same extent as for any other
27 outpatient prescription drug under the contract.

28 This section shall apply to those prepaid prescription contracts in
29 which the prepaid prescription service organization has reserved the
30 right to change the premium.

31 (cf: P.L.2005, c.251, s.9)

32
33 10. Section 10 of P.L.2005, c.251 (C.52:14-17.29j) is amended
34 to read as follows:

35 10. The State Health Benefits Commission shall ensure that
36 every contract purchased by the commission on or after the
37 effective date of this act that provides benefits for expenses
38 incurred in the purchase of outpatient prescription drugs shall
39 provide benefits for expenses incurred in the purchase of
40 prescription female contraceptives.

41 For the purposes of this section, "prescription female
42 contraceptives" means any drug or device used for contraception by
43 a female, which is approved by the federal Food and Drug
44 Administration for that purpose, that can only be purchased in this
45 State with a prescription written by a health care professional
46 licensed or authorized to write prescriptions, and includes, but is
47 not limited to, birth control pills and diaphragms. The coverage

1 provided shall include prescriptions for dispensing contraceptives
2 for:
3 a. a three-month period for the first dispensing of the
4 contraceptive; and
5 b. a ~~twelve-month~~ six-month¹ period for any subsequent
6 dispensing of the same contraceptive, regardless of whether
7 coverage under the contract was in effect at the time of the first
8 dispensing ¹, except that an entity subject to this section may
9 provide coverage for a supply of contraceptives that is for less than
10 a six-month period, if a six-month period would extend beyond the
11 term of the contract¹.

12 (cf: P.L.2005, c.251, s.10)

13
14 11. This act shall take effect on the 90th day next following
15 enactment and shall apply to policies and contracts delivered,
16 issued, executed or renewed on or after the effective date of this act.

17
18
19
20

21 _____
22 Requires health insurance coverage for contraceptives to include
prescriptions for six months.

ASSEMBLY, No. 2297

STATE OF NEW JERSEY 217th LEGISLATURE

INTRODUCED FEBRUARY 4, 2016

Sponsored by:

Assemblywoman VALERIE VAINIERI HUTTLE

District 37 (Bergen)

Assemblywoman L. GRACE SPENCER

District 29 (Essex)

Assemblywoman SHAVONDA E. SUMTER

District 35 (Bergen and Passaic)

Assemblyman RAJ MUKHERJI

District 33 (Hudson)

Assemblywoman MARLENE CARIDE

District 36 (Bergen and Passaic)

Assemblywoman JOANN DOWNEY

District 11 (Monmouth)

Assemblyman ANDREW ZWICKER

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Assemblyman BENJIE E. WIMBERLY

District 35 (Bergen and Passaic)

Senator SHIRLEY K. TURNER

District 15 (Hunterdon and Mercer)

Senator DIANE B. ALLEN

District 7 (Burlington)

Co-Sponsored by:

Assemblywoman Muoio, Assemblyman Johnson, Assemblywomen Lampitt, Quijano, Assemblymen McKeon, Wisniewski, Assemblywoman Jasey, Assemblyman Barclay, Senators Cunningham, Gordon, Ruiz, Assemblywomen McKnight, Tucker, Assemblymen Coughlin and Chiaravalloti

SYNOPSIS

Requires health insurance coverage for contraceptives to include prescriptions for 12 months.

CURRENT VERSION OF TEXT

As introduced.

(Sponsorship Updated As Of: 8/1/2017)

1 AN ACT concerning insurance coverage for prescribed
2 contraceptives and amending P.L.2005, c.251.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. Section 1 of P.L.2005, c.251 (C.17:48-6ee) is amended to
8 read as follows:

9 1. A hospital service corporation that provides hospital or
10 medical expense benefits for expenses incurred in the purchase of
11 outpatient prescription drugs under a contract shall provide
12 coverage under every such contract delivered, issued, executed or
13 renewed in this State or approved for issuance or renewal in this
14 State by the Commissioner of Banking and Insurance, on or after
15 the effective date of this act, for expenses incurred in the purchase
16 of prescription female contraceptives. For the purposes of this
17 section, "prescription female contraceptives" means any drug or
18 device used for contraception by a female, which is approved by the
19 federal Food and Drug Administration for that purpose, that can
20 only be purchased in this State with a prescription written by a
21 health care professional licensed or authorized to write
22 prescriptions, and includes, but is not limited to, birth control pills
23 and diaphragms. The coverage provided shall include prescriptions
24 for dispensing contraceptives for:

25 a. a three-month period for the first dispensing of the
26 contraceptive; and

27 b. a twelve-month period for any subsequent dispensing of the
28 same contraceptive, regardless of whether coverage under the
29 contract was in effect at the time of the first dispensing.

30 A religious employer may request, and a hospital service
31 corporation shall grant, an exclusion under the contract for the
32 coverage required by this section if the required coverage conflicts
33 with the religious employer's bona fide religious beliefs and
34 practices. A religious employer that obtains such an exclusion shall
35 provide written notice thereof to prospective subscribers and
36 subscribers. The provisions of this section shall not be construed as
37 authorizing a hospital service corporation to exclude coverage for
38 prescription drugs that are prescribed for reasons other than
39 contraceptive purposes or for prescription female contraceptives
40 that are necessary to preserve the life or health of a subscriber. For
41 the purposes of this section, "religious employer" means an
42 employer that is a church, convention or association of churches or
43 an elementary or secondary school that is controlled, operated or
44 principally supported by a church or by a convention or association

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 underlined thus is new matter.

1 of churches as defined in 26 U.S.C.s.3121(w)(3)(A), and that
2 qualifies as a tax-exempt organization under 26 U.S.C.s.501(c)(3).

3 The benefits shall be provided to the same extent as for any other
4 outpatient prescription drug under the contract.

5 This section shall apply to those contracts in which the hospital
6 service corporation has reserved the right to change the premium.
7 (cf: P.L.2005, c.251, s.1)

8
9 2. Section 2 of P.L.2005, c.251 (C.17:48A-7bb) is amended to
10 read as follows:

11 2. A medical service corporation that provides hospital or
12 medical expense benefits for expenses incurred in the purchase of
13 outpatient prescription drugs under a contract shall provide
14 coverage under every such contract delivered, issued, executed or
15 renewed in this State or approved for issuance or renewal in this
16 State by the Commissioner of Banking and Insurance, on or after
17 the effective date of this act, for expenses incurred in the purchase
18 of prescription female contraceptives. For the purposes of this
19 section, "prescription female contraceptives" means any drug or
20 device used for contraception by a female, which is approved by the
21 federal Food and Drug Administration for that purpose, that can
22 only be purchased in this State with a prescription written by a
23 health care professional licensed or authorized to write
24 prescriptions, and includes, but is not limited to, birth control pills
25 and diaphragms. The coverage provided shall include prescriptions
26 for dispensing contraceptives for:

27 a. a three-month period for the first dispensing of the
28 contraceptive; and

29 b. a twelve-month period for any subsequent dispensing of the
30 same contraceptive, regardless of whether coverage under the
31 contract was in effect at the time of the first dispensing.

32 A religious employer may request, and a medical service
33 corporation shall grant, an exclusion under the contract for the
34 coverage required by this section if the required coverage conflicts
35 with the religious employer's bona fide religious beliefs and
36 practices. A religious employer that obtains such an exclusion shall
37 provide written notice thereof to prospective subscribers and
38 subscribers. The provisions of this section shall not be construed as
39 authorizing a medical service corporation to exclude coverage for
40 prescription drugs that are prescribed for reasons other than
41 contraceptive purposes or for prescription female contraceptives
42 that are necessary to preserve the life or health of a subscriber. For
43 the purposes of this section, "religious employer" means an
44 employer that is a church, convention or association of churches or
45 an elementary or secondary school that is controlled, operated or
46 principally supported by a church or by a convention or association
47 of churches as defined in 26 U.S.C.s.3121(w)(3)(A), and that
48 qualifies as a tax-exempt organization under 26 U.S.C.s.501(c)(3).

1 The benefits shall be provided to the same extent as for any other
2 outpatient prescription drug under the contract.

3 This section shall apply to those contracts in which the medical
4 service corporation has reserved the right to change the premium.
5 (cf: P.L.2005, c.251, s.2)

6
7 3. Section 3 of P.L.2005, c.251 (C.17:48E-35.29) is amended
8 to read as follows:

9 3. A health service corporation that provides hospital or
10 medical expense benefits for expenses incurred in the purchase of
11 outpatient prescription drugs under a contract shall provide
12 coverage under every such contract delivered, issued, executed or
13 renewed in this State or approved for issuance or renewal in this
14 State by the Commissioner of Banking and Insurance, on or after
15 the effective date of this act, for expenses incurred in the purchase
16 of prescription female contraceptives. For the purposes of this
17 section, "prescription female contraceptives" means any drug or
18 device used for contraception by a female, which is approved by the
19 federal Food and Drug Administration for that purpose, that can
20 only be purchased in this State with a prescription written by a
21 health care professional licensed or authorized to write
22 prescriptions, and includes, but is not limited to, birth control pills
23 and diaphragms. The coverage provided shall include prescriptions
24 for dispensing contraceptives for:

25 a. a three-month period for the first dispensing of the
26 contraceptive; and

27 b. a twelve-month period for any subsequent dispensing of the
28 same contraceptive, regardless of whether coverage under the
29 contract was in effect at the time of the first dispensing.

30 A religious employer may request, and a health service
31 corporation shall grant, an exclusion under the contract for the
32 coverage required by this section if the required coverage conflicts
33 with the religious employer's bona fide religious beliefs and
34 practices. A religious employer that obtains such an exclusion shall
35 provide written notice thereof to prospective subscribers and
36 subscribers. The provisions of this section shall not be construed as
37 authorizing a health service corporation to exclude coverage for
38 prescription drugs that are prescribed for reasons other than
39 contraceptive purposes or for prescription female contraceptives
40 that are necessary to preserve the life or health of a subscriber. For
41 the purposes of this section, "religious employer" means an
42 employer that is a church, convention or association of churches or
43 an elementary or secondary school that is controlled, operated or
44 principally supported by a church or by a convention or association
45 of churches as defined in 26 U.S.C.s.3121(w)(3)(A), and that
46 qualifies as a tax-exempt organization under 26 U.S.C.s.501(c)(3).

47 The benefits shall be provided to the same extent as for any other
48 outpatient prescription drug under the contract.

1 This section shall apply to those contracts in which the health
2 service corporation has reserved the right to change the premium.

3 (cf: P.L.2005, c.251, s.3)

4
5 4. Section 4 of P.L.2005, c.251 (C.17B:27-46.1ee) is amended
6 to read as follows:

7 4. A group health insurer that provides hospital or medical
8 expense benefits for expenses incurred in the purchase of outpatient
9 prescription drugs under a policy shall provide coverage under
10 every such policy delivered, issued, executed or renewed in this
11 State or approved for issuance or renewal in this State by the
12 Commissioner of Banking and Insurance, on or after the effective
13 date of this act, for expenses incurred in the purchase of
14 prescription female contraceptives. For the purposes of this section,
15 "prescription female contraceptives" means any drug or device used
16 for contraception by a female, which is approved by the federal
17 Food and Drug Administration for that purpose, that can only be
18 purchased in this State with a prescription written by a health care
19 professional licensed or authorized to write prescriptions, and
20 includes, but is not limited to, birth control pills and diaphragms.
21 The coverage provided shall include prescriptions for dispensing
22 contraceptives for:

23 a. a three-month period for the first dispensing of the
24 contraceptive; and

25 b. a twelve-month period for any subsequent dispensing of the
26 same contraceptive, regardless of whether coverage under the
27 policy was in effect at the time of the first dispensing.

28 A religious employer may request, and an insurer shall grant, an
29 exclusion under the policy for the coverage required by this section
30 if the required coverage conflicts with the religious employer's bona
31 fide religious beliefs and practices. A religious employer that
32 obtains such an exclusion shall provide written notice thereof to
33 prospective insureds and insureds. The provisions of this section
34 shall not be construed as authorizing an insurer to exclude coverage
35 for prescription drugs that are prescribed for reasons other than
36 contraceptive purposes or for prescription female contraceptives
37 that are necessary to preserve the life or health of an insured. For
38 the purposes of this section, "religious employer" means an
39 employer that is a church, convention or association of churches or
40 an elementary or secondary school that is controlled, operated or
41 principally supported by a church or by a convention or association
42 of churches as defined in 26 U.S.C.s.3121(w)(3)(A), and that
43 qualifies as a tax-exempt organization under 26 U.S.C.s.501(c)(3).

44 The benefits shall be provided to the same extent as for any other
45 outpatient prescription drug under the policy.

46 This section shall apply to those policies in which the insurer has
47 reserved the right to change the premium.

48 (cf: P.L.2005, c.251, s.4)

1 5. Section 5 of P.L.2005, c.251 (C.17B:26-2.1y) is amended to
2 read as follows:

3 5. An individual health insurer that provides hospital or
4 medical expense benefits for expenses incurred in the purchase of
5 outpatient prescription drugs under a policy shall provide coverage
6 under every such policy delivered, issued, executed or renewed in
7 this State or approved for issuance or renewal in this State by the
8 Commissioner of Banking and Insurance, on or after the effective
9 date of this act, for expenses incurred in the purchase of
10 prescription female contraceptives. For the purposes of this section,
11 "prescription female contraceptives" means any drug or device used
12 for contraception by a female, which is approved by the federal
13 Food and Drug Administration for that purpose, that can only be
14 purchased in this State with a prescription written by a health care
15 professional licensed or authorized to write prescriptions, and
16 includes, but is not limited to, birth control pills and diaphragms.
17 The coverage provided shall include prescriptions for dispensing
18 contraceptives for:

19 a. a three-month period for the first dispensing of the
20 contraceptive; and

21 b. a twelve-month period for any subsequent dispensing of the
22 same contraceptive, regardless of whether coverage under the
23 policy was in effect at the time of the first dispensing.

24 A religious employer may request, and an insurer shall grant, an
25 exclusion under the policy for the coverage required by this section
26 if the required coverage conflicts with the religious employer's bona
27 fide religious beliefs and practices. A religious employer that
28 obtains such an exclusion shall provide written notice thereof to
29 prospective insureds and insureds. The provisions of this section
30 shall not be construed as authorizing an insurer to exclude coverage
31 for prescription drugs that are prescribed for reasons other than
32 contraceptive purposes or for prescription female contraceptives
33 that are necessary to preserve the life or health of an insured. For
34 the purposes of this section, "religious employer" means an
35 employer that is a church, convention or association of churches or
36 an elementary or secondary school that is controlled, operated or
37 principally supported by a church or by a convention or association
38 of churches as defined in 26 U.S.C.s.3121(w)(3)(A), and that
39 qualifies as a tax-exempt organization under 26 U.S.C.s.501(c)(3).

40 The benefits shall be provided to the same extent as for any other
41 outpatient prescription drug under the policy.

42 This section shall apply to those policies in which the insurer has
43 reserved the right to change the premium.

44 (cf: P.L.2005, c.251, s.5)

45

46 6. Section 6 of P.L.2005, c.251 (C.26:2J-4.30) is amended to
47 read as follows:

1 6. A certificate of authority to establish and operate a health
2 maintenance organization in this State shall not be issued or
3 continued on or after the effective date of this act for a health
4 maintenance organization that provides health care services for
5 outpatient prescription drugs under a contract, unless the health
6 maintenance organization also provides health care services for
7 prescription female contraceptives. For the purposes of this section,
8 "prescription female contraceptives" means any drug or device used
9 for contraception by a female, which is approved by the federal
10 Food and Drug Administration for that purpose, that can only be
11 purchased in this State with a prescription written by a health care
12 professional licensed or authorized to write prescriptions, and
13 includes, but is not limited to, birth control pills and diaphragms.
14 The coverage provided shall include prescriptions for dispensing
15 contraceptives for:

16 a. a three-month period for the first dispensing of the
17 contraceptive; and

18 b. a twelve-month period for any subsequent dispensing of the
19 same contraceptive, regardless of whether coverage under the
20 contract was in effect at the time of the first dispensing.

21 A religious employer may request, and a health maintenance
22 organization shall grant, an exclusion under the contract for the
23 health care services required by this section if the required health
24 care services conflict with the religious employer's bona fide
25 religious beliefs and practices. A religious employer that obtains
26 such an exclusion shall provide written notice thereof to prospective
27 enrollees and enrollees. The provisions of this section shall not be
28 construed as authorizing a health maintenance organization to
29 exclude health care services for prescription drugs that are
30 prescribed for reasons other than contraceptive purposes or for
31 prescription female contraceptives that are necessary to preserve the
32 life or health of an enrollee. For the purposes of this section,
33 "religious employer" means an employer that is a church,
34 convention or association of churches or an elementary or
35 secondary school that is controlled, operated or principally
36 supported by a church or by a convention or association of churches
37 as defined in 26 U.S.C.s.3121(w)(3)(A), and that qualifies as a tax-
38 exempt organization under 26 U.S.C.s.501(c)(3).

39 The health care services shall be provided to the same extent as
40 for any other outpatient prescription drug under the contract.

41 The provisions of this section shall apply to those contracts for
42 health care services by health maintenance organizations under
43 which the right to change the schedule of charges for enrollee
44 coverage is reserved.

45 (cf: P.L.2005, c.251, s.6)

46

47 7. Section 7 of P.L.2005, c.251 (C.17B:27A-7.12) is amended
48 to read as follows:

1 7. An individual health benefits plan required pursuant to
2 section 3 of P.L.1992, c.161 (C.17B:27A-4) that provides benefits
3 for expenses incurred in the purchase of outpatient prescription
4 drugs shall provide coverage for expenses incurred in the purchase
5 of prescription female contraceptives. For the purposes of this
6 section, "prescription female contraceptives" means any drug or
7 device used for contraception by a female, which is approved by the
8 federal Food and Drug Administration for that purpose, that can
9 only be purchased in this State with a prescription written by a
10 health care professional licensed or authorized to write
11 prescriptions, and includes, but is not limited to, birth control pills
12 and diaphragms. The coverage provided shall include prescriptions
13 for dispensing contraceptives for:

14 a. a three-month period for the first dispensing of the
15 contraceptive; and

16 b. a twelve-month period for any subsequent dispensing of the
17 same contraceptive, regardless of whether coverage under the plan
18 was in effect at the time of the first dispensing.

19 A religious employer may request, and a carrier shall grant, an
20 exclusion under the health benefits plan for the coverage required
21 by this section if the required coverage conflicts with the religious
22 employer's bona fide religious beliefs and practices. A religious
23 employer that obtains such an exclusion shall provide written notice
24 thereof to prospective covered persons and covered persons. The
25 provisions of this section shall not be construed as authorizing a
26 carrier to exclude coverage for prescription drugs that are
27 prescribed for reasons other than contraceptive purposes or for
28 prescription female contraceptives that are necessary to preserve the
29 life or health of a covered person. For the purposes of this section,
30 "religious employer" means an employer that is a church,
31 convention or association of churches or an elementary or
32 secondary school that is controlled, operated or principally
33 supported by a church or by a convention or association of churches
34 as defined in 26 U.S.C.s.3121(w)(3)(A), and that qualifies as a tax-
35 exempt organization under 26 U.S.C.s.501(c)(3).

36 The benefits shall be provided to the same extent as for any other
37 outpatient prescription drug under the health benefits plan.

38 This section shall apply to all individual health benefits plans in
39 which the carrier has reserved the right to change the premium.

40 (cf: P.L.2005, c.251, s.7)

41

42 8. Section 8 of P.L.2005, c.251 (C.17B:27A-19.15) is amended
43 to read as follows:

44 8. A small employer health benefits plan required pursuant to
45 section 3 of P.L.1992, c.162 (C.17B:27A-19) that provides benefits
46 for expenses incurred in the purchase of outpatient prescription
47 drugs shall provide coverage for expenses incurred in the purchase
48 of prescription female contraceptives. For the purposes of this

1 section, "prescription female contraceptives" means any drug or
2 device used for contraception by a female, which is approved by the
3 federal Food and Drug Administration for that purpose, that can
4 only be purchased in this State with a prescription written by a
5 health care professional licensed or authorized to write
6 prescriptions, and includes, but is not limited to, birth control pills
7 and diaphragms. The coverage provided shall include prescriptions
8 for dispensing contraceptives for:

9 a. a three-month period for the first dispensing of the
10 contraceptive; and

11 b. a twelve-month period for any subsequent dispensing of the
12 same contraceptive, regardless of whether coverage under the plan
13 was in effect at the time of the first dispensing.

14 A religious employer may request, and a carrier shall grant, an
15 exclusion under the health benefits plan for the coverage required
16 by this section if the required coverage conflicts with the religious
17 employer's bona fide religious beliefs and practices. A religious
18 employer that obtains such an exclusion shall provide written notice
19 thereof to prospective covered persons and covered persons. The
20 provisions of this section shall not be construed as authorizing a
21 carrier to exclude coverage for prescription drugs that are
22 prescribed for reasons other than contraceptive purposes or for
23 prescription female contraceptives that are necessary to preserve the
24 life or health of a covered person. For the purposes of this section,
25 "religious employer" means an employer that is a church,
26 convention or association of churches or an elementary or
27 secondary school that is controlled, operated or principally
28 supported by a church or by a convention or association of churches
29 as defined in 26 U.S.C.s.3121(w)(3)(A), and that qualifies as a tax-
30 exempt organization under 26 U.S.C.s.501(c)(3).

31 The benefits shall be provided to the same extent as for any other
32 outpatient prescription drug under the health benefits plan.

33 This section shall apply to all small employer health benefits
34 plans in which the carrier has reserved the right to change the
35 premium.

36 (cf: P.L.2005, c.251, s.8)

37
38 9. Section 9 of P.L.2005, c.251 (C.17:48F-13.2) is amended to
39 read as follows:

40 9. A prepaid prescription service organization that provides
41 benefits for expenses incurred in the purchase of outpatient
42 prescription drugs under a contract shall provide coverage under
43 every such contract delivered, issued, executed or renewed in this
44 State or approved for issuance or renewal in this State by the
45 Commissioner of Banking and Insurance, on or after the effective
46 date of this act, for expenses incurred in the purchase of
47 prescription female contraceptives. For the purposes of this section,
48 "prescription female contraceptives" means any drug or device used

1 for contraception by a female, which is approved by the federal
2 Food and Drug Administration for that purpose, that can only be
3 purchased in this State with a prescription written by a health care
4 professional licensed or authorized to write prescriptions, and
5 includes, but is not limited to, birth control pills and diaphragms.
6 The coverage provided shall include prescriptions for dispensing
7 contraceptives for:

8 a. a three-month period for the first dispensing of the
9 contraceptive; and

10 b. a twelve-month period for any subsequent dispensing of the
11 same contraceptive, regardless of whether coverage under the
12 contract was in effect at the time of the first dispensing.

13 A religious employer may request, and a prepaid prescription
14 service organization shall grant, an exclusion under the contract for
15 the coverage required by this section if the required coverage
16 conflicts with the religious employer's bona fide religious beliefs
17 and practices. A religious employer that obtains such an exclusion
18 shall provide written notice thereof to prospective enrollees and
19 enrollees. The provisions of this section shall not be construed as
20 authorizing a prepaid prescription service organization to exclude
21 coverage for prescription drugs that are prescribed for reasons other
22 than contraceptive purposes or for prescription female
23 contraceptives that are necessary to preserve the life or health of an
24 enrollee. For the purposes of this section, "religious employer"
25 means an employer that is a church, convention or association of
26 churches or an elementary or secondary school that is controlled,
27 operated or principally supported by a church or by a convention or
28 association of churches as defined in 26 U.S.C.s.3121(w)(3)(A),
29 and that qualifies as a tax-exempt organization under 26
30 U.S.C.s.501(c)(3).

31 The benefits shall be provided to the same extent as for any other
32 outpatient prescription drug under the contract.

33 This section shall apply to those prepaid prescription contracts in
34 which the prepaid prescription service organization has reserved the
35 right to change the premium.

36 (cf: P.L.2005, c.251, s.9)

37

38 10. Section 10 of P.L.2005, c.251 (C.52:14-17.29j) is amended
39 to read as follows:

40 10. The State Health Benefits Commission shall ensure that
41 every contract purchased by the commission on or after the
42 effective date of this act that provides benefits for expenses
43 incurred in the purchase of outpatient prescription drugs shall
44 provide benefits for expenses incurred in the purchase of
45 prescription female contraceptives.

46 For the purposes of this section, "prescription female
47 contraceptives" means any drug or device used for contraception by
48 a female, which is approved by the federal Food and Drug

1 Administration for that purpose, that can only be purchased in this
2 State with a prescription written by a health care professional
3 licensed or authorized to write prescriptions, and includes, but is
4 not limited to, birth control pills and diaphragms. The coverage
5 provided shall include prescriptions for dispensing contraceptives
6 for:

7 a. a three-month period for the first dispensing of the
8 contraceptive; and

9 b. a twelve-month period for any subsequent dispensing of the
10 same contraceptive, regardless of whether coverage under the
11 contract was in effect at the time of the first dispensing.

12 (cf: P.L.2005, c.251, s.10)

13

14 11. This act shall take effect on the 90th day next following
15 enactment and shall apply to policies and contracts delivered,
16 issued, executed or renewed on or after the effective date of this act.

17

18

19

STATEMENT

20

21 This bill amends P.L.2005, c.251, the statute requiring health
22 insurers that provide coverage for outpatient prescription drugs to
23 cover prescription female contraceptives, to include a requirement
24 for coverage of dispensing contraceptives for up to twelve months.

25 Under the bill, the coverage provided shall include prescriptions
26 for dispensing contraceptives for: (1) a three-month period for the
27 first dispensing of the contraceptive; and (2) a twelve-month period
28 for any subsequent dispensing of the same contraceptive, regardless
29 of whether coverage under that policy or contract was in effect at
30 the time of the first dispensing.

31 These amendments apply to hospital, medical, and health service
32 corporations, commercial, individual, small employer and group
33 health insurers, health maintenance organizations, prepaid
34 prescription service organizations, and the State Health Benefits
35 Program.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2297

STATE OF NEW JERSEY

DATED: JUNE 1, 2017

The Senate Budget and Appropriations Committee reports favorably Assembly Bill No. 2297.

This bill amends P.L.2005, c.251, the statute requiring health insurers that provide coverage for outpatient prescription drugs to cover prescription female contraceptives, to include a requirement for coverage of dispensing contraceptives for up to twelve months.

Under the bill, the coverage provided shall include prescriptions for dispensing contraceptives for: (1) a three-month period for the first dispensing of the contraceptive; and (2) a twelve-month period for any subsequent dispensing of the same contraceptive, regardless of whether coverage under that policy or contract was in effect at the time of the first dispensing.

The bill applies to hospital, medical, and health service corporations, commercial, individual, small employer and group health insurers, health maintenance organizations, prepaid prescription service organizations, the State Health Benefits Program and the School Employees' Health Benefits Program. The bill takes effect on the 90th day after enactment and will apply to policies and contracts delivered, issued, executed or renewed on or after that effective date.

As reported, this bill is identical to Senate Bill No. 659, as also reported by the committee.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that this bill will increase annual State health benefits plans prescription drug costs by indeterminate amounts. No data is available with which to quantify the potential cost increase, but based on the experience in other jurisdictions in which similar policies have been enacted (Oregon, California, District of Columbia), the increase may be insignificant. The OLS further notes that the access to contraceptive prescription drugs that a 12-month supply affords, relative to a series of three-month supplies, may result in a reduction in unintended pregnancies and resultant reductions in costs associated with those outcomes.

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 2297
STATE OF NEW JERSEY
217th LEGISLATURE

DATED: OCTOBER 26, 2016

SUMMARY

Synopsis: Requires health insurance coverage for contraceptives to include prescriptions for 12 months.

Type of Impact: Increase in State General Fund Expenditures, local government funds.

Agencies Affected: Division of Pensions and Benefits in the Department of the Treasury; local government entities.

Office of Legislative Services Estimate

Fiscal Impact	<u>2017</u>	<u>2018</u>	<u>2019</u>
State Cost	Minimal - See comments below		
Local Cost	Minimal - See comments below		

- This bill requires the State Health Benefits Program (SHBP) and the School Employees' Health Benefits Program (SEHBP) to provide contraception coverage to a member in a three-month supply for the first dispensing of the prescription and up to a 12-month supply for subsequent dispensing of the same prescription contraceptive.
- The Office of Legislative Services (OLS) estimates that this bill will have a minimal impact on the SHBP and the SEHBP because the bill extends the 90-day supply allowance to up to 12 months under State law.
- California, Oregon, and the District of Columbia have enacted legislation that requires contraceptives to be dispensed on a 12-month basis. Oregon estimated that there would be only a minimal effect on state expenditures. The District of Columbia estimated that there would be no increase in health insurance premiums and California estimated that employers, consumers, and government agencies could realize savings by extending access to contraceptives to a 12-month supply.

BILL DESCRIPTION

Assembly Bill No. 2297 of 2016 amends P.L.2005, c.251, the statute requiring health insurers that provide coverage for outpatient prescription drugs to cover prescription female contraceptives, to include a requirement for coverage of dispensing contraceptives for up to 12 months.

Under the bill, the coverage provided would include prescriptions for dispensing contraceptives for: (1) a three-month period for the first dispensing of the contraceptive; and (2) a 12-month period for any subsequent dispensing of the same contraceptive, regardless of whether coverage under that policy or contract was in effect at the time of the first dispensing.

These amendments apply to hospital, medical, and health service corporations, commercial, individual, small employer and group health insurers, health maintenance organizations, prepaid prescription service organizations, and the State Health Benefits Program.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

Current law requires the State Health Benefits Commission to ensure that every contract purchased by the commission, that provides benefits for expenses incurred in the purchase of outpatient prescription drugs, provide benefits for expenses incurred in the purchase of prescription female contraceptives on the same basis as all other prescription drugs. Currently, non-mail order prescriptions can be filled on a 30-day supply basis and mail order prescriptions can be filled on a 90-day supply basis. This bill would require prescriptions for contraceptives, after the first three-month dispensing period, also to be dispensed in up to 12-month allotments for both non-mail order and mail order prescriptions.

According to the Division of Pensions and Benefits at the March 18, 2016 Pension and Health Benefits Review Commission meeting, dispensing contraceptive prescription drugs may result in incurred costs, because a plan participant could stop using contraceptives prior to the end of the 12-month prescription period leaving a quantity of pills unused.

The OLS notes that in September 2016, California enacted the “Female Contraceptive Act” to allow, beginning in 2017, 12-month prescriptions for female contraceptives. University of California medical researchers estimated that the bill could save employers, consumers, and government agencies a combined \$42.8 million a year by reducing the number of unanticipated pregnancies that occur as a result of inconsistent dosing due to delays in patients’ diligence and barriers to access in filling their prescriptions. Barriers to access include “women who have financial constraints that make transportation, taking time off, and child care issues” difficult to get to the pharmacy to fill prescriptions regularly.

In an article in the March 2011 Journal of Obstetrics and Gynecology published by the United States Library of Medicine, National Institute of Health, researchers found that dispensing a one-year supply of contraceptives reduced unanticipated pregnancies by 30 percent compared to dispensing on a 30-day or 90-day basis. The researchers concluded that “making oral contraceptives more accessible may reduce the incidence of unintended pregnancy and

abortion. Health insurance programs and public health programs may avert costly unintended pregnancies by increasing dispensing limits on oral contraceptives to a one-year supply.”

In addition to California, Oregon and the District of Columbia (D.C.) have enacted laws to allow women access to 12-month prescriptions for contraceptives. Oregon was the first state to enact such a law in 2015. According to the Oregon Legislative Fiscal Office, the legislation was determined to have a “minimal expenditure impact on state or local government.”

In 2015, the Council of the District of Columbia enacted the “Access to Contraceptive Amendment Act of 2015” to allow women access to 12-month prescriptions. According to the National Women’s Law Center, quoted in an article published on September 25, 2015 in Kaiser Health News, “this law ‘is going to make a difference for D.C., there’s a high teen pregnancy rate, and pharmacies are not well located for low-income areas.” The Associate Commissioner of the District of Columbia Department of Insurance, Securities and Banking testified that “the bill would not have any effect on the cost of health insurance premiums.”

Section: State Government

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*Approved: Frank W. Haines III
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

ASSEMBLY FINANCIAL INSTITUTIONS AND INSURANCE
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2297

STATE OF NEW JERSEY

DATED: JUNE 2, 2016

The Assembly Financial Institutions and Insurance Committee reports favorably Assembly Bill No. 2297.

This bill amends P.L.2005, c.251, the statute requiring health insurers that provide coverage for outpatient prescription drugs to cover prescription female contraceptives, to include a requirement for coverage of dispensing contraceptives for up to twelve months.

Under the bill, the coverage provided shall include prescriptions for dispensing contraceptives for: (1) a three-month period for the first dispensing of the contraceptive; and (2) a twelve-month period for any subsequent dispensing of the same contraceptive, regardless of whether coverage under that policy or contract was in effect at the time of the first dispensing.

These amendments apply to hospital, medical, and health service corporations, commercial, individual, small employer and group health insurers, health maintenance organizations, prepaid prescription service organizations, and the State Health Benefits Program.

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 2297

STATE OF NEW JERSEY 217th LEGISLATURE

DATED: DECEMBER 12, 2017

SUMMARY

- Synopsis:** Requires health insurance coverage for contraceptives to include prescriptions for six months.
- Type of Impact:** No fiscal impact on State or local government funds.
- Agencies Affected:** Division of Pensions and Benefits in the Department of the Treasury; local government entities.

Office of Legislative Services Estimate

Fiscal Impact	<u>2017</u>	<u>2018</u>	<u>2019</u>
State Cost	No Fiscal Impact - See comments below		
Local Cost	No Fiscal Impact - See comments below		

- The Office of Legislative Services (OLS) estimates that this bill will have no fiscal impact on the State Health Benefits Program (SHBP), the School Employees' Health Benefits Program (SEHBP) and other local government health insurance plans because the potential for waste associated with unused pills on a 180-day supply basis is likely to be negligible.
- This bill requires the SHBP, the SEHBP and other insurance plans to provide contraception coverage to a member in a three-month supply for the first dispensing of the prescription and up to a six-month supply for subsequent dispensing of the same prescription contraceptive.

BILL DESCRIPTION

Assembly Bill No. 2297 (1R) of 2016 amends P.L.2005, c.251, the statute requiring health insurers that provide coverage for outpatient prescription drugs to cover prescription female contraceptives, to include a requirement for coverage of dispensing contraceptives for up to six months.

Under the bill, the coverage provided would include prescriptions for dispensing contraceptives for: (1) a three-month period for the first dispensing of the contraceptive; and (2)

a six-month period for any subsequent dispensing of the same contraceptive, regardless of whether coverage under that policy or contract was in effect at the time of the first dispensing.

These amendments apply to hospital, medical, and health service corporations, commercial, individual, small employer and group health insurers, health maintenance organizations, prepaid prescription service organizations, and the State Health Benefits Program.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

Current law requires the State Health Benefits Commission to ensure that every contract purchased by the commission, that provides benefits for expenses incurred in the purchase of outpatient prescription drugs, provide benefits for expenses incurred in the purchase of prescription female contraceptives on the same basis as all other prescription drugs. Currently, non-mail order prescriptions can be filled on a 30-day supply basis and mail order prescriptions can be filled on a 90-day supply basis. This bill would require prescriptions for contraceptives, after the first three-month dispensing period, also to be dispensed in up to six month allotments for both non-mail order and mail order prescriptions. The OLS estimates that extension of the supply basis from 90 days to 180 days will have no fiscal impact on the SHBP, the SEHBP and other local government health insurance plans because the potential for waste associated with unused pills on a 180-day supply basis is likely to be negligible.

Section: State Government

*Analyst: Kim Clemmensen
Senior Fiscal Analyst*

*Approved: Frank W. Haines III
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

SENATE, No. 659

STATE OF NEW JERSEY 217th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2016 SESSION

Sponsored by:

Senator SHIRLEY K. TURNER

District 15 (Hunterdon and Mercer)

SYNOPSIS

Requires health insurance coverage for contraceptives to include prescriptions for 12 months.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT concerning insurance coverage for prescribed
2 contraceptives and amending P.L.2005, c.251.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. Section 1 of P.L.2005, c.251 (C.17:48-6ee) is amended to
8 read as follows:

9 1. A hospital service corporation that provides hospital or
10 medical expense benefits for expenses incurred in the purchase of
11 outpatient prescription drugs under a contract shall provide
12 coverage under every such contract delivered, issued, executed or
13 renewed in this State or approved for issuance or renewal in this
14 State by the Commissioner of Banking and Insurance, on or after
15 the effective date of this act, for expenses incurred in the purchase
16 of prescription female contraceptives. For the purposes of this
17 section, "prescription female contraceptives" means any drug or
18 device used for contraception by a female, which is approved by the
19 federal Food and Drug Administration for that purpose, that can
20 only be purchased in this State with a prescription written by a
21 health care professional licensed or authorized to write
22 prescriptions, and includes, but is not limited to, birth control pills
23 and diaphragms. The coverage provided shall include prescriptions
24 for dispensing contraceptives for:

25 a. a three-month period for the first dispensing of the
26 contraceptive; and

27 b. a twelve-month period for any subsequent dispensing of the
28 same contraceptive, regardless of whether coverage under the
29 contract was in effect at the time of the first dispensing.

30 A religious employer may request, and a hospital service
31 corporation shall grant, an exclusion under the contract for the
32 coverage required by this section if the required coverage conflicts
33 with the religious employer's bona fide religious beliefs and
34 practices. A religious employer that obtains such an exclusion shall
35 provide written notice thereof to prospective subscribers and
36 subscribers. The provisions of this section shall not be construed as
37 authorizing a hospital service corporation to exclude coverage for
38 prescription drugs that are prescribed for reasons other than
39 contraceptive purposes or for prescription female contraceptives
40 that are necessary to preserve the life or health of a subscriber. For
41 the purposes of this section, "religious employer" means an
42 employer that is a church, convention or association of churches or
43 an elementary or secondary school that is controlled, operated or
44 principally supported by a church or by a convention or association

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 underlined thus is new matter.

S659 TURNER

1 of churches as defined in 26 U.S.C.s.3121(w)(3)(A), and that
2 qualifies as a tax-exempt organization under 26 U.S.C.s.501(c)(3).

3 The benefits shall be provided to the same extent as for any other
4 outpatient prescription drug under the contract.

5 This section shall apply to those contracts in which the hospital
6 service corporation has reserved the right to change the premium.

7 (cf: P.L.2005, c.251, s.1)

8

9 2. Section 2 of P.L.2005, c.251 (C.17:48A-7bb) is amended to
10 read as follows:

11 2. A medical service corporation that provides hospital or
12 medical expense benefits for expenses incurred in the purchase of
13 outpatient prescription drugs under a contract shall provide
14 coverage under every such contract delivered, issued, executed or
15 renewed in this State or approved for issuance or renewal in this
16 State by the Commissioner of Banking and Insurance, on or after
17 the effective date of this act, for expenses incurred in the purchase
18 of prescription female contraceptives. For the purposes of this
19 section, "prescription female contraceptives" means any drug or
20 device used for contraception by a female, which is approved by the
21 federal Food and Drug Administration for that purpose, that can
22 only be purchased in this State with a prescription written by a
23 health care professional licensed or authorized to write
24 prescriptions, and includes, but is not limited to, birth control pills
25 and diaphragms. The coverage provided shall include prescriptions
26 for dispensing contraceptives for:

27 a. a three-month period for the first dispensing of the
28 contraceptive; and

29 b. a twelve-month period for any subsequent dispensing of the
30 same contraceptive, regardless of whether coverage under the
31 contract was in effect at the time of the first dispensing.

32 A religious employer may request, and a medical service
33 corporation shall grant, an exclusion under the contract for the
34 coverage required by this section if the required coverage conflicts
35 with the religious employer's bona fide religious beliefs and
36 practices. A religious employer that obtains such an exclusion shall
37 provide written notice thereof to prospective subscribers and
38 subscribers. The provisions of this section shall not be construed as
39 authorizing a medical service corporation to exclude coverage for
40 prescription drugs that are prescribed for reasons other than
41 contraceptive purposes or for prescription female contraceptives
42 that are necessary to preserve the life or health of a subscriber. For
43 the purposes of this section, "religious employer" means an
44 employer that is a church, convention or association of churches or
45 an elementary or secondary school that is controlled, operated or
46 principally supported by a church or by a convention or association
47 of churches as defined in 26 U.S.C.s.3121(w)(3)(A), and that
48 qualifies as a tax-exempt organization under 26 U.S.C.s.501(c)(3).

S659 TURNER

1 The benefits shall be provided to the same extent as for any other
2 outpatient prescription drug under the contract.

3 This section shall apply to those contracts in which the medical
4 service corporation has reserved the right to change the premium.

5 (cf: P.L.2005, c.251, s.2)

6

7 3. Section 3 of P.L.2005, c.251 (C.17:48E-35.29) is amended
8 to read as follows:

9 3. A health service corporation that provides hospital or
10 medical expense benefits for expenses incurred in the purchase of
11 outpatient prescription drugs under a contract shall provide
12 coverage under every such contract delivered, issued, executed or
13 renewed in this State or approved for issuance or renewal in this
14 State by the Commissioner of Banking and Insurance, on or after
15 the effective date of this act, for expenses incurred in the purchase
16 of prescription female contraceptives. For the purposes of this
17 section, "prescription female contraceptives" means any drug or
18 device used for contraception by a female, which is approved by the
19 federal Food and Drug Administration for that purpose, that can
20 only be purchased in this State with a prescription written by a
21 health care professional licensed or authorized to write
22 prescriptions, and includes, but is not limited to, birth control pills
23 and diaphragms. The coverage provided shall include prescriptions
24 for dispensing contraceptives for:

25 a. a three-month period for the first dispensing of the
26 contraceptive; and

27 b. a twelve-month period for any subsequent dispensing of the
28 same contraceptive, regardless of whether coverage under the
29 contract was in effect at the time of the first dispensing.

30 A religious employer may request, and a health service
31 corporation shall grant, an exclusion under the contract for the
32 coverage required by this section if the required coverage conflicts
33 with the religious employer's bona fide religious beliefs and
34 practices. A religious employer that obtains such an exclusion shall
35 provide written notice thereof to prospective subscribers and
36 subscribers. The provisions of this section shall not be construed as
37 authorizing a health service corporation to exclude coverage for
38 prescription drugs that are prescribed for reasons other than
39 contraceptive purposes or for prescription female contraceptives
40 that are necessary to preserve the life or health of a subscriber. For
41 the purposes of this section, "religious employer" means an
42 employer that is a church, convention or association of churches or
43 an elementary or secondary school that is controlled, operated or
44 principally supported by a church or by a convention or association
45 of churches as defined in 26 U.S.C.s.3121(w)(3)(A), and that
46 qualifies as a tax-exempt organization under 26 U.S.C.s.501(c)(3).

47 The benefits shall be provided to the same extent as for any other
48 outpatient prescription drug under the contract.

1 This section shall apply to those contracts in which the health
2 service corporation has reserved the right to change the premium.
3 (cf: P.L.2005, c.251, s.3)
4

5 4. Section 4 of P.L.2005, c.251 (C.17B:27-46.1ee) is amended
6 to read as follows:

7 4. A group health insurer that provides hospital or medical
8 expense benefits for expenses incurred in the purchase of outpatient
9 prescription drugs under a policy shall provide coverage under
10 every such policy delivered, issued, executed or renewed in this
11 State or approved for issuance or renewal in this State by the
12 Commissioner of Banking and Insurance, on or after the effective
13 date of this act, for expenses incurred in the purchase of
14 prescription female contraceptives. For the purposes of this section,
15 "prescription female contraceptives" means any drug or device used
16 for contraception by a female, which is approved by the federal
17 Food and Drug Administration for that purpose, that can only be
18 purchased in this State with a prescription written by a health care
19 professional licensed or authorized to write prescriptions, and
20 includes, but is not limited to, birth control pills and diaphragms.
21 The coverage provided shall include prescriptions for dispensing
22 contraceptives for:

23 a. a three-month period for the first dispensing of the
24 contraceptive; and

25 b. a twelve-month period for any subsequent dispensing of the
26 same contraceptive, regardless of whether coverage under the
27 policy was in effect at the time of the first dispensing.

28 A religious employer may request, and an insurer shall grant, an
29 exclusion under the policy for the coverage required by this section
30 if the required coverage conflicts with the religious employer's bona
31 fide religious beliefs and practices. A religious employer that
32 obtains such an exclusion shall provide written notice thereof to
33 prospective insureds and insureds. The provisions of this section
34 shall not be construed as authorizing an insurer to exclude coverage
35 for prescription drugs that are prescribed for reasons other than
36 contraceptive purposes or for prescription female contraceptives
37 that are necessary to preserve the life or health of an insured. For
38 the purposes of this section, "religious employer" means an
39 employer that is a church, convention or association of churches or
40 an elementary or secondary school that is controlled, operated or
41 principally supported by a church or by a convention or association
42 of churches as defined in 26 U.S.C.s.3121(w)(3)(A), and that
43 qualifies as a tax-exempt organization under 26 U.S.C.s.501(c)(3).

44 The benefits shall be provided to the same extent as for any other
45 outpatient prescription drug under the policy.

46 This section shall apply to those policies in which the insurer has
47 reserved the right to change the premium.

48 (cf: P.L.2005, c.251, s.4)

1 5. Section 5 of P.L.2005, c.251 (C.17B:26-2.1y) is amended to
2 read as follows:

3 5. An individual health insurer that provides hospital or
4 medical expense benefits for expenses incurred in the purchase of
5 outpatient prescription drugs under a policy shall provide coverage
6 under every such policy delivered, issued, executed or renewed in
7 this State or approved for issuance or renewal in this State by the
8 Commissioner of Banking and Insurance, on or after the effective
9 date of this act, for expenses incurred in the purchase of
10 prescription female contraceptives. For the purposes of this section,
11 "prescription female contraceptives" means any drug or device used
12 for contraception by a female, which is approved by the federal
13 Food and Drug Administration for that purpose, that can only be
14 purchased in this State with a prescription written by a health care
15 professional licensed or authorized to write prescriptions, and
16 includes, but is not limited to, birth control pills and diaphragms.
17 The coverage provided shall include prescriptions for dispensing
18 contraceptives for:

19 a. a three-month period for the first dispensing of the
20 contraceptive; and

21 b. a twelve-month period for any subsequent dispensing of the
22 same contraceptive, regardless of whether coverage under the
23 policy was in effect at the time of the first dispensing.

24 A religious employer may request, and an insurer shall grant, an
25 exclusion under the policy for the coverage required by this section
26 if the required coverage conflicts with the religious employer's bona
27 fide religious beliefs and practices. A religious employer that
28 obtains such an exclusion shall provide written notice thereof to
29 prospective insureds and insureds. The provisions of this section
30 shall not be construed as authorizing an insurer to exclude coverage
31 for prescription drugs that are prescribed for reasons other than
32 contraceptive purposes or for prescription female contraceptives
33 that are necessary to preserve the life or health of an insured. For
34 the purposes of this section, "religious employer" means an
35 employer that is a church, convention or association of churches or
36 an elementary or secondary school that is controlled, operated or
37 principally supported by a church or by a convention or association
38 of churches as defined in 26 U.S.C.s.3121(w)(3)(A), and that
39 qualifies as a tax-exempt organization under 26 U.S.C.s.501(c)(3).

40 The benefits shall be provided to the same extent as for any other
41 outpatient prescription drug under the policy.

42 This section shall apply to those policies in which the insurer has
43 reserved the right to change the premium.

44 (cf: P.L.2005, c.251, s.5)

45

46 6. Section 6 of P.L.2005, c.251 (C.26:2J-4.30) is amended to
47 read as follows:

1 6. A certificate of authority to establish and operate a health
2 maintenance organization in this State shall not be issued or
3 continued on or after the effective date of this act for a health
4 maintenance organization that provides health care services for
5 outpatient prescription drugs under a contract, unless the health
6 maintenance organization also provides health care services for
7 prescription female contraceptives. For the purposes of this section,
8 "prescription female contraceptives" means any drug or device used
9 for contraception by a female, which is approved by the federal
10 Food and Drug Administration for that purpose, that can only be
11 purchased in this State with a prescription written by a health care
12 professional licensed or authorized to write prescriptions, and
13 includes, but is not limited to, birth control pills and diaphragms.
14 The coverage provided shall include prescriptions for dispensing
15 contraceptives for:

16 a. a three-month period for the first dispensing of the
17 contraceptive; and

18 b. a twelve-month period for any subsequent dispensing of the
19 same contraceptive, regardless of whether coverage under the
20 contract was in effect at the time of the first dispensing.

21 A religious employer may request, and a health maintenance
22 organization shall grant, an exclusion under the contract for the
23 health care services required by this section if the required health
24 care services conflict with the religious employer's bona fide
25 religious beliefs and practices. A religious employer that obtains
26 such an exclusion shall provide written notice thereof to prospective
27 enrollees and enrollees. The provisions of this section shall not be
28 construed as authorizing a health maintenance organization to
29 exclude health care services for prescription drugs that are
30 prescribed for reasons other than contraceptive purposes or for
31 prescription female contraceptives that are necessary to preserve the
32 life or health of an enrollee. For the purposes of this section,
33 "religious employer" means an employer that is a church,
34 convention or association of churches or an elementary or
35 secondary school that is controlled, operated or principally
36 supported by a church or by a convention or association of churches
37 as defined in 26 U.S.C.s.3121(w)(3)(A), and that qualifies as a tax-
38 exempt organization under 26 U.S.C.s.501(c)(3).

39 The health care services shall be provided to the same extent as
40 for any other outpatient prescription drug under the contract.

41 The provisions of this section shall apply to those contracts for
42 health care services by health maintenance organizations under
43 which the right to change the schedule of charges for enrollee
44 coverage is reserved.

45 (cf: P.L.2005, c.251, s.6)

46

47 7. Section 7 of P.L.2005, c.251 (C.17B:27A-7.12) is amended
48 to read as follows:

1 7. An individual health benefits plan required pursuant to
2 section 3 of P.L.1992, c.161 (C.17B:27A-4) that provides benefits
3 for expenses incurred in the purchase of outpatient prescription
4 drugs shall provide coverage for expenses incurred in the purchase
5 of prescription female contraceptives. For the purposes of this
6 section, "prescription female contraceptives" means any drug or
7 device used for contraception by a female, which is approved by the
8 federal Food and Drug Administration for that purpose, that can
9 only be purchased in this State with a prescription written by a
10 health care professional licensed or authorized to write
11 prescriptions, and includes, but is not limited to, birth control pills
12 and diaphragms. The coverage provided shall include prescriptions
13 for dispensing contraceptives for:

14 a. a three-month period for the first dispensing of the
15 contraceptive; and

16 b. a twelve-month period for any subsequent dispensing of the
17 same contraceptive, regardless of whether coverage under the plan
18 was in effect at the time of the first dispensing.

19 A religious employer may request, and a carrier shall grant, an
20 exclusion under the health benefits plan for the coverage required
21 by this section if the required coverage conflicts with the religious
22 employer's bona fide religious beliefs and practices. A religious
23 employer that obtains such an exclusion shall provide written notice
24 thereof to prospective covered persons and covered persons. The
25 provisions of this section shall not be construed as authorizing a
26 carrier to exclude coverage for prescription drugs that are
27 prescribed for reasons other than contraceptive purposes or for
28 prescription female contraceptives that are necessary to preserve the
29 life or health of a covered person. For the purposes of this section,
30 "religious employer" means an employer that is a church,
31 convention or association of churches or an elementary or
32 secondary school that is controlled, operated or principally
33 supported by a church or by a convention or association of churches
34 as defined in 26 U.S.C.s.3121(w)(3)(A), and that qualifies as a tax-
35 exempt organization under 26 U.S.C.s.501(c)(3).

36 The benefits shall be provided to the same extent as for any other
37 outpatient prescription drug under the health benefits plan.

38 This section shall apply to all individual health benefits plans in
39 which the carrier has reserved the right to change the premium.
40 (cf: P.L.2005, c.251, s.7)

41

42 8. Section 8 of P.L.2005, c.251 (C.17B:27A-19.15) is amended
43 to read as follows:

44 8. A small employer health benefits plan required pursuant to
45 section 3 of P.L.1992, c.162 (C.17B:27A-19) that provides benefits
46 for expenses incurred in the purchase of outpatient prescription
47 drugs shall provide coverage for expenses incurred in the purchase
48 of prescription female contraceptives. For the purposes of this

1 section, "prescription female contraceptives" means any drug or
2 device used for contraception by a female, which is approved by the
3 federal Food and Drug Administration for that purpose, that can
4 only be purchased in this State with a prescription written by a
5 health care professional licensed or authorized to write
6 prescriptions, and includes, but is not limited to, birth control pills
7 and diaphragms. The coverage provided shall include prescriptions
8 for dispensing contraceptives for:

9 a. a three-month period for the first dispensing of the
10 contraceptive; and

11 b. a twelve-month period for any subsequent dispensing of the
12 same contraceptive, regardless of whether coverage under the plan
13 was in effect at the time of the first dispensing.

14 A religious employer may request, and a carrier shall grant, an
15 exclusion under the health benefits plan for the coverage required
16 by this section if the required coverage conflicts with the religious
17 employer's bona fide religious beliefs and practices. A religious
18 employer that obtains such an exclusion shall provide written notice
19 thereof to prospective covered persons and covered persons. The
20 provisions of this section shall not be construed as authorizing a
21 carrier to exclude coverage for prescription drugs that are
22 prescribed for reasons other than contraceptive purposes or for
23 prescription female contraceptives that are necessary to preserve the
24 life or health of a covered person. For the purposes of this section,
25 "religious employer" means an employer that is a church,
26 convention or association of churches or an elementary or
27 secondary school that is controlled, operated or principally
28 supported by a church or by a convention or association of churches
29 as defined in 26 U.S.C.s.3121(w)(3)(A), and that qualifies as a tax-
30 exempt organization under 26 U.S.C.s.501(c)(3).

31 The benefits shall be provided to the same extent as for any other
32 outpatient prescription drug under the health benefits plan.

33 This section shall apply to all small employer health benefits
34 plans in which the carrier has reserved the right to change the
35 premium.

36 (cf: P.L.2005, c.251, s.8)

37
38 9. Section 9 of P.L.2005, c.251 (C.17:48F-13.2) is amended to
39 read as follows:

40 9. A prepaid prescription service organization that provides
41 benefits for expenses incurred in the purchase of outpatient
42 prescription drugs under a contract shall provide coverage under
43 every such contract delivered, issued, executed or renewed in this
44 State or approved for issuance or renewal in this State by the
45 Commissioner of Banking and Insurance, on or after the effective
46 date of this act, for expenses incurred in the purchase of
47 prescription female contraceptives. For the purposes of this section,
48 "prescription female contraceptives" means any drug or device used

1 for contraception by a female, which is approved by the federal
2 Food and Drug Administration for that purpose, that can only be
3 purchased in this State with a prescription written by a health care
4 professional licensed or authorized to write prescriptions, and
5 includes, but is not limited to, birth control pills and diaphragms.
6 The coverage provided shall include prescriptions for dispensing
7 contraceptives for:

8 a. a three-month period for the first dispensing of the
9 contraceptive; and

10 b. a twelve-month period for any subsequent dispensing of the
11 same contraceptive, regardless of whether coverage under the
12 contract was in effect at the time of the first dispensing.

13 A religious employer may request, and a prepaid prescription
14 service organization shall grant, an exclusion under the contract for
15 the coverage required by this section if the required coverage
16 conflicts with the religious employer's bona fide religious beliefs
17 and practices. A religious employer that obtains such an exclusion
18 shall provide written notice thereof to prospective enrollees and
19 enrollees. The provisions of this section shall not be construed as
20 authorizing a prepaid prescription service organization to exclude
21 coverage for prescription drugs that are prescribed for reasons other
22 than contraceptive purposes or for prescription female
23 contraceptives that are necessary to preserve the life or health of an
24 enrollee. For the purposes of this section, "religious employer"
25 means an employer that is a church, convention or association of
26 churches or an elementary or secondary school that is controlled,
27 operated or principally supported by a church or by a convention or
28 association of churches as defined in 26 U.S.C.s.3121(w)(3)(A),
29 and that qualifies as a tax-exempt organization under 26
30 U.S.C.s.501(c)(3).

31 The benefits shall be provided to the same extent as for any other
32 outpatient prescription drug under the contract.

33 This section shall apply to those prepaid prescription contracts in
34 which the prepaid prescription service organization has reserved the
35 right to change the premium.

36 (cf: P.L.2005, c.251, s.9)

37
38 10. Section 10 of P.L.2005, c.251 (C.52:14-17.29j) is amended
39 to read as follows:

40 10. The State Health Benefits Commission shall ensure that
41 every contract purchased by the commission on or after the
42 effective date of this act that provides benefits for expenses
43 incurred in the purchase of outpatient prescription drugs shall
44 provide benefits for expenses incurred in the purchase of
45 prescription female contraceptives.

46 For the purposes of this section, "prescription female
47 contraceptives" means any drug or device used for contraception by
48 a female, which is approved by the federal Food and Drug

1 Administration for that purpose, that can only be purchased in this
2 State with a prescription written by a health care professional
3 licensed or authorized to write prescriptions, and includes, but is
4 not limited to, birth control pills and diaphragms. The coverage
5 provided shall include prescriptions for dispensing contraceptives
6 for:

7 a. a three-month period for the first dispensing of the
8 contraceptive; and

9 b. a twelve-month period for any subsequent dispensing of the
10 same contraceptive, regardless of whether coverage under the
11 contract was in effect at the time of the first dispensing.

12 (cf: P.L.2005, c.251, s.10)

13

14 11. This act shall take effect on the 90th day next following
15 enactment and shall apply to policies and contracts delivered,
16 issued, executed or renewed on or after the effective date of this act.

17

18

19

STATEMENT

20

21 This bill amends P.L.2005, c.251, the statute requiring health
22 insurers that provide coverage for outpatient prescription drugs to
23 cover prescription female contraceptives, to include a requirement
24 for coverage of dispensing contraceptives for up to twelve months.

25 Under the bill, the coverage provided shall include prescriptions
26 for dispensing contraceptives for: (1) a three-month period for the
27 first dispensing of the contraceptive; and (2) a twelve-month period
28 for any subsequent dispensing of the same contraceptive, regardless
29 of whether coverage under that policy or contract was in effect at
30 the time of the first dispensing.

31 These amendments apply to hospital, medical, and health service
32 corporations, commercial, individual, small employer and group
33 health insurers, health maintenance organizations, prepaid
34 prescription service organizations, and the State Health Benefits
35 Program.

SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 659

STATE OF NEW JERSEY

DATED: JUNE 6, 2016

The Senate Commerce Committee reports favorably Senate Bill No 659.

This bill amends P.L.2005, c.251, the statute requiring health insurers that provide coverage for outpatient prescription drugs to cover prescription female contraceptives, to include a requirement for coverage of dispensing contraceptives for up to twelve months.

Under the bill, the coverage provided shall include prescriptions for dispensing contraceptives for: (1) a three-month period for the first dispensing of the contraceptive; and (2) a twelve-month period for any subsequent dispensing of the same contraceptive, regardless of whether coverage under that policy or contract was in effect at the time of the first dispensing.

These amendments apply to hospital, medical, and health service corporations, commercial, individual, small employer and group health insurers, health maintenance organizations, prepaid prescription service organizations, and the State Health Benefits Program.

This bill was pre-filed for introduction in the 2016-2017 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 659

STATE OF NEW JERSEY

DATED: JUNE 1, 2017

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The bill applies to hospital, medical, and health service corporations, commercial, individual, small employer and group health insurers, health maintenance organizations, prepaid prescription service organizations, the State Health Benefits Program and the School Employees' Health Benefits Program. The bill takes effect on the 90th day after enactment and will apply to policies and contracts delivered, issued, executed or renewed on or after that effective date.

As reported, this bill is identical to Assembly Bill No. 2297, as also reported by the committee.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that this bill will increase annual State health benefits plans prescription drug costs by indeterminate amounts. No data is available with which to quantify the potential cost increase, but based on the experience in other jurisdictions in which similar policies have been enacted (Oregon, California, District of Columbia), the increase may be insignificant. The OLS further notes that the access to contraceptive prescription drugs that a 12-month supply affords, relative to a series of three-month supplies, may result in a reduction in unintended pregnancies and resultant reductions in costs associated with those outcomes.

July 21, 2017

ASSEMBLY BILL NO. 2297

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Assembly Bill No. 2297 with my recommendations for reconsideration.

This bill would require all health insurers that provide coverage for prescription drugs, as well as the State and School Health Benefits Plans, to cover twelve month prescriptions for female contraceptives.

Since the beginning of my Administration, I have strongly supported increasing access to women's health care. My administration has provided funding for vital health care services for women throughout New Jersey, most particularly Federally Qualified Health Clinics (FQHCs). We fund, now at a greater level than ever before, health care for women. I have signed legislation requiring insurance companies to cover breast exams and other testing, and I recently signed legislation expanding infertility coverage for all women in New Jersey.

While I support the bill's intention to increase access to medically-appropriate prescription drugs, including contraceptives, I am concerned that the bill would lead to unnecessary drug waste and could potentially limit patient choice in this area. Moreover, mandating twelve full months of coverage with no patient cost-sharing, regardless of where an individual is in their policy term, affords special treatment to one particular class of drugs and will unfairly shift the cost to policy holders in the form of unnecessary premium increases.

In order to strike a more appropriate balance between the desire for increased access and the overarching concern for prescription drug waste and cost as well as patient choice, I propose that carriers be required to provide six months of

coverage for contraceptives after the initial three month prescription. In addition, I recommend that a carrier may provide less than six months of coverage for a supply of prescription contraceptives if a six month supply would extend beyond the applicable plan year.

These common sense changes achieve the bill's goal of increasing access to contraceptives, but will not lead to premium increases for our citizens.

Accordingly, I herewith return Assembly Bill No. 2297 and recommend that it be amended as follows:

Page 2, Section 1, Line 27: Delete "twelve" and insert "six"

Page 2, Section 1, Line 29: After "dispensing" insert ", except that an entity subject to this section may provide coverage for a supply of contraceptives that is for less than a six month period, if a six month period would extend beyond the term of the contract"

Page 3, Section 2, Line 29: Delete "twelve" and insert "six"

Page 3, Section 2, Line 31: After "dispensing" insert ", except that an entity subject to this section may provide coverage for a supply of contraceptives that is for less than a six month period, if a six month period would extend beyond the term of the contract"

Page 4, Section 3, Line 27: Delete "twelve" and insert "six"

Page 4, Section 3, Line 29: After "dispensing" insert ", except that an entity subject to this section may provide coverage for a supply of contraceptives that is for less than a six month period, if a six month period would extend beyond the term of the contract"

Page 5, Section 4, Line 25: Delete "twelve" and insert "six"

Page 5, Section 4, Line 27: After "dispensing" insert ", except that an entity subject to this section may provide

coverage for a supply of contraceptives that is for less than a six month period, if a six month period would extend beyond the term of the contract"

Page 6, Section 5, Line 21:

Delete "twelve" and insert "six"

Page 6, Section 5, Line 23:

After "dispensing" insert ", except that an entity subject to this section may provide coverage for a supply of contraceptives that is for less than a six month period, if a six month period would extend beyond the term of the contract"

Page 7, Section 6, Line 18:

Delete "twelve" and insert "six"

Page 7, Section 6, Line 20:

After "dispensing" insert ", except that an entity subject to this section may provide coverage for a supply of contraceptives that is for less than a six month period, if a six month period would extend beyond the term of the contract"

Page 8, Section 7, Line 16:

Delete "twelve" and insert "six"

Page 8, Section 7, Line 18:

After "dispensing" insert ", except that an entity subject to this section may provide coverage for a supply of contraceptives that is for less than a six month period, if a six month period would extend beyond the term of the contract"

Page 9, Section 8, Line 11:

Delete "twelve" and insert "six"

Page 9, Section 8, Line 13:

After "dispensing" insert ", except that an entity subject to this section may provide coverage for a supply of contraceptives that is for less than a six month period, if a six month period would extend beyond the term of the contract"

Page 10, Section 9, Line 10:

Delete "twelve" and insert "six"

Page 10, Section 9, Line 12:

After "dispensing" insert ", except that an entity subject to this section may provide coverage for a supply of contraceptives that is for less than a six month period,

if a six month period would extend beyond the term of the contract"

Page 11, Section 10, Line 9:

Delete "twelve" and insert "six"

Page 11, Section 10, Line 11:

After "dispensing" insert ", except that an entity subject to this section may provide coverage for a supply of contraceptives that is for less than a six month period, if a six month period would extend beyond the term of the contract"

[seal]

Respectfully,

/s/ Chris Christie

Governor

Attest:

/s/ James J. DiGiulio

Chief Counsel to the Governor

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BILLS SIGNED:

A-2297wGR/S-659 (Vainieri Huttle, Sumter, Mukherji, Caride, Downey, Zwicker, Wimberly/Turner, Allen) - Requires health insurance coverage for contraceptives to include prescriptions for six months

A-3338wGR/S-862 (Eustace, Lagana, Vainieri Huttle, Muoio, Mukherji, Benson, Jimenez, Giblin, Moriarty, Lampitt/Stack, Weinberg) - Dedicates one percent of cigarette and other tobacco products tax revenues to anti-smoking initiatives

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