

1748-6.15

**LEGISLATIVE HISTORY CHECKLIST**  
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(Child support--insurance)

**NJSA:** 17:48-6.15

**LAWS OF:** 1995 **CHAPTER:** 288

**BILL NO:** S2346

**SPONSOR(S):** Bassano

**DATE INTRODUCED:** November 9, 1995

**COMMITTEE:** **ASSEMBLY** Insurance  
**SENATE:** Human Services

**AMENDED DURING PASSAGE:** No

**DATE OF PASSAGE:** **ASSEMBLY:** December 21, 1995  
**SENATE:** December 11, 1996

**DATE OF APPROVAL:** December 22, 1995

**FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:**

**SPONSOR STATEMENT:** Yes

**COMMITTEE STATEMENT:** **ASSEMBLY:** Yes  
**SENATE:** Yes

**FISCAL NOTE:** No

**VETO MESSAGE:** No

**MESSAGE ON SIGNING:** No

**FOLLOWING WERE PRINTED:**

**REPORTS:** No

**HEARINGS:** No

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§§1,2-C.17:48-6.15  
& 17:48-6.16  
§§3,4-C.17:48A-7.10  
& 17:48A-7.11  
§§5,6-C.17:48E-32.1  
& 17:48E-32.2  
§§7,8-C.17B:27A-4.1  
& 17B:27A-4.2  
§§9,10-C.17B:27A-18.1  
& 17B:27A-18.2  
§§11,12-C.17B:27-30.1  
& 17B:27-30.2  
§§13,14-C.26:2]-10.1  
& 26:2]-10.2  
§§15,16-C.17B:27-30.3  
& 17B:27-30.4

P.L.1995, CHAPTER 288, approved December 22, 1995

1995 Senate No. 2346

1 AN ACT concerning enrollment of children and others for health  
2 insurance coverage and supplementing P.L.1938, c.366  
3 (C.17:48-1 et seq.), P.L.1940, c.74 (C.17:48A-1 et seq.),  
4 P.L.1985, c.236 (C.17:48E-1 et seq.), P.L.1992, c.161  
5 (C.17B:27A-2 et seq.), P.L.1992, c.162 (C.17B:27A-17 et seq.),  
6 chapter 27 of Title 17B of the New Jersey Statutes and  
7 P.L.1973, c.337 (C.26:2]-1 et seq.).  
8

9 BE IT ENACTED by the Senate and General Assembly of the  
10 State of New Jersey:

11 1. a. A hospital service corporation contract which provides  
12 hospital or medical expense benefits under which dependent  
13 coverage is available shall not deny coverage for a subscriber's  
14 child on the grounds that:

15 (1) The child was born out of wedlock;  
16 (2) The child is not claimed as a dependent on the subscriber's  
17 federal tax return; or

18 (3) The child does not reside with the subscriber or in the  
19 hospital service corporation's service area, provided that, in the  
20 case of a managed care plan, the child complies with the terms  
21 and conditions of the contract with respect to the use of  
22 specified providers.

23 b. If a child has coverage through a hospital service  
24 corporation contract of a non-custodial parent, the hospital  
25 service corporation shall:

26 (1) Provide such information to the custodial parent as may be  
27 necessary for the child to obtain benefits through the child's  
28 non-custodial parent's coverage;

29 (2) Permit the custodial parent, or the health care provider  
30 with the authorization of the custodial parent, to submit claims  
31 for covered services without the approval of the non-custodial  
32 parent; and

33 (3) Make payments on claims submitted in accordance with  
34 paragraph (2) of this subsection directly to the custodial parent,  
35 the health care provider or the Division of Medical Assistance  
36 and Health Services in the Department of Human Services which  
37 administers the State Medicaid program, as appropriate.

38 c. When a parent who is the subscriber is eligible for  
39 dependent coverage and is required by a court or administrative  
40 order to provide health insurance coverage for his child, the  
41 hospital service corporation shall:

42 (1) Permit the parent to enroll his child as a dependent,  
43 without regard to any enrollment season restrictions;

44 (2) Permit the child's other parent, or the Division of Medical  
45 Assistance and Health Services as the State Medicaid agency or  
46 the Division of Family Development as the State IV-D agency, in  
47 the Department of Human Services, to enroll the child under the

1 contract if the parent who is the subscriber fails to enroll the  
2 child; and

3 (3) Not terminate coverage of the child unless the parent who  
4 is the subscriber provides the hospital service corporation with  
5 satisfactory written evidence that: the court or administrative  
6 order is no longer in effect; or the child is or will be enrolled in a  
7 comparable health benefits plan whose coverage will be effective  
8 on the date of the termination of coverage.

9 2. A hospital service corporation shall not impose  
10 requirements on the Division of Medical Assistance and Health  
11 Services in the Department of Human Services which has been  
12 assigned the rights of an individual who is eligible for medical  
13 assistance under the State Medicaid program, that are different  
14 from requirements applicable to an agent or assignee of any other  
15 subscriber.

16 3. a. A medical service corporation contract which provides  
17 hospital or medical expense benefits under which dependent  
18 coverage is available shall not deny coverage for a subscriber's  
19 child on the grounds that:

20 (1) The child was born out of wedlock;

21 (2) The child is not claimed as a dependent on the subscriber's  
22 federal tax return; or

23 (3) The child does not reside with the subscriber or in the  
24 medical service corporation's service area, provided that, in the  
25 case of a managed care plan, the child complies with the terms  
26 and conditions of the contract with respect to the use of  
27 specified providers.

28 b. If a child has coverage through a medical service  
29 corporation contract of a non-custodial parent, the medical  
30 service corporation shall:

31 (1) Provide such information to the custodial parent as may be  
32 necessary for the child to obtain benefits through the child's  
33 non-custodial parent's coverage;

34 (2) Permit the custodial parent, or the health care provider  
35 with the authorization of the custodial parent, to submit claims  
36 for covered services without the approval of the non-custodial  
37 parent; and

38 (3) Make payments on claims submitted in accordance with  
39 paragraph (2) of this subsection directly to the custodial parent,  
40 the health care provider or the Division of Medical Assistance  
41 and Health Services in the Department of Human Services which  
42 administers the State Medicaid program, as appropriate.

43 c. When a parent who is the subscriber is eligible for  
44 dependent coverage and is required by a court or administrative  
45 order to provide health insurance coverage for his child, the  
46 medical service corporation shall:

47 (1) Permit the parent to enroll his child as a dependent,  
48 without regard to any enrollment season restrictions;

49 (2) Permit the child's other parent, or the Division of Medical  
50 Assistance and Health Services as the State Medicaid agency or  
51 the Division of Family Development as the State IV-D agency, in  
52 the Department of Human Services, to enroll the child under the  
53 contract if the parent who is the subscriber fails to enroll the  
54 child; and

- 1 (3) Not terminate coverage of the child unless the parent who  
2 is the subscriber provides the medical service corporation with  
3 satisfactory written evidence that: the court or administrative  
4 order is no longer in effect; or the child is or will be enrolled in a  
5 comparable health benefits plan whose coverage will be effective  
6 on the date of the termination of coverage.
- 7 4. A medical service corporation shall not impose  
8 requirements on the Division of Medical Assistance and Health  
9 Services in the Department of Human Services which has been  
10 assigned the rights of an individual who is eligible for medical  
11 assistance under the State Medicaid program, that are different  
12 from requirements applicable to an agent or assignee of any other  
13 subscriber.
- 14 5. a. A health service corporation contract which provides  
15 hospital or medical expense benefits under which dependent  
16 coverage is available shall not deny coverage for a subscriber's  
17 child on the grounds that:
- 18 (1) The child was born out of wedlock;
- 19 (2) The child is not claimed as a dependent on the subscriber's  
20 federal tax return; or
- 21 (3) The child does not reside with the subscriber or in the  
22 health service corporation's service area, provided that, in the  
23 case of a managed care plan, the child complies with the terms  
24 and conditions of the contract with respect to the use of  
25 specified providers.
- 26 b. If a child has coverage through a health service corporation  
27 contract of a non-custodial parent, the health service corporation  
28 shall:
- 29 (1) Provide such information to the custodial parent as may be  
30 necessary for the child to obtain benefits through the child's  
31 non-custodial parent's coverage;
- 32 (2) Permit the custodial parent, or the health care provider  
33 with the authorization of the custodial parent, to submit claims  
34 for covered services without the approval of the non-custodial  
35 parent; and
- 36 (3) Make payments on claims submitted in accordance with  
37 paragraph (2) of this subsection directly to the custodial parent,  
38 the health care provider or the Division of Medical Assistance  
39 and Health Services in the Department of Human Services which  
40 administers the State Medicaid program, as appropriate.
- 41 c. When a parent who is the subscriber is eligible for  
42 dependent coverage and is required by a court or administrative  
43 order to provide health insurance coverage for his child, the  
44 health service corporation shall:
- 45 (1) Permit the parent to enroll his child as a dependent,  
46 without regard to any enrollment season restrictions;
- 47 (2) Permit the child's other parent, or the Division of Medical  
48 Assistance and Health Services as the State Medicaid agency or  
49 the Division of Family Development as the State IV-D agency, in  
50 the Department of Human Services, to enroll the child under the  
51 contract if the parent who is the subscriber fails to enroll the  
52 child; and
- 53 (3) Not terminate coverage of the child unless the parent who  
54 is the subscriber provides the health service corporation with

1 satisfactory written evidence that: the court or administrative  
2 order is no longer in effect; or the child is or will be enrolled in a  
3 comparable health benefits plan whose coverage will be effective  
4 on the date of the termination of coverage.

5 6. A health service corporation shall not impose requirements  
6 on the Division of Medical Assistance and Health Services in the  
7 Department of Human Services which has been assigned the  
8 rights of an individual who is eligible for medical assistance under  
9 the State Medicaid program, that are different from  
10 requirements applicable to an agent or assignee of any other  
11 subscriber.

12 7. a. A policy or contract which provides hospital or medical  
13 expense benefits under which dependent coverage is available  
14 shall not deny coverage for a policy or contract holder's child on  
15 the grounds that:

16 (1) The child was born out of wedlock;

17 (2) The child is not claimed as a dependent on the policy or  
18 contract holder's federal tax return; or

19 (3) The child does not reside with the policy or contract holder  
20 or in the carrier's service area, provided that, in the case of a  
21 managed care plan, the child complies with the terms and  
22 conditions of the policy or contract with respect to the use of  
23 specified providers.

24 b. If a child has coverage through a policy or contract of a  
25 non-custodial parent, the carrier shall:

26 (1) Provide such information to the custodial parent as may be  
27 necessary for the child to obtain benefits through the child's  
28 non-custodial parent's coverage;

29 (2) Permit the custodial parent, or the health care provider  
30 with the authorization of the custodial parent, to submit claims  
31 for covered services without the approval of the non-custodial  
32 parent; and

33 (3) Make payments on claims submitted in accordance with  
34 paragraph (2) of this subsection directly to the custodial parent,  
35 the health care provider or the Division of Medical Assistance  
36 and Health Services in the Department of Human Services which  
37 administers the State Medicaid program, as appropriate.

38 c. When a parent who is the policy or contract holder is  
39 eligible for dependent coverage and is required by a court or  
40 administrative order to provide health insurance coverage for his  
41 child, the carrier shall:

42 (1) Permit the parent to enroll his child as a dependent,  
43 without regard to any enrollment season restrictions;

44 (2) Permit the child's other parent, or the Division of Medical  
45 Assistance and Health Services as the State Medicaid agency or  
46 the Division of Family Development as the State IV-D agency, in  
47 the Department of Human Services, to enroll the child under the  
48 policy or contract if the parent who is the policy or contract  
49 holder fails to enroll the child; and

50 (3) Not terminate coverage of the child unless the parent who  
51 is the policy or contract holder provides the carrier with  
52 satisfactory written evidence that: the court or administrative  
53 order is no longer in effect; or the child is or will be enrolled in a  
54 comparable health benefits plan whose coverage will be effective

1 on the date of the termination of coverage.

2 8. A carrier shall not impose requirements on the Division of  
3 Medical Assistance and Health Services in the Department of  
4 Human Services which has been assigned the rights of an  
5 individual who is eligible for medical assistance under the State  
6 Medicaid program, that are different from requirements  
7 applicable to an agent or assignee of any other policy or contract  
8 holder.

9 9. a. A policy or contract which provides hospital or medical  
10 expense benefits under which dependent coverage is available  
11 shall not deny coverage for a covered employee's child on the  
12 grounds that:

13 (1) The child was born out of wedlock;

14 (2) The child is not claimed as a dependent on the covered  
15 employee's federal tax return; or

16 (3) The child does not reside with the covered employee or in  
17 the carrier's service area, provided that, in the case of a  
18 managed care plan, the child complies with the terms and  
19 conditions of the policy or contract with respect to the use of  
20 specified providers.

21 b. If a child has coverage through a policy or contract of a  
22 non-custodial parent, the carrier shall:

23 (1) Provide such information to the custodial parent as may be  
24 necessary for the child to obtain benefits through the child's  
25 non-custodial parent's coverage;

26 (2) Permit the custodial parent, or the health care provider  
27 with the authorization of the custodial parent, to submit claims  
28 for covered services without the approval of the non-custodial  
29 parent; and

30 (3) Make payments on claims submitted in accordance with  
31 paragraph (2) of this subsection directly to the custodial parent,  
32 the health care provider or the Division of Medical Assistance  
33 and Health Services in the Department of Human Services which  
34 administers the State Medicaid program, as appropriate.

35 c. When a parent who is the covered employee is eligible for  
36 dependent coverage and is required by a court or administrative  
37 order to provide health insurance coverage for his child, the  
38 carrier shall:

39 (1) Permit the parent to enroll his child as a dependent,  
40 without regard to any enrollment season restrictions;

41 (2) Permit the child's other parent, or the Division of Medical  
42 Assistance and Health Services as the State Medicaid agency or  
43 the Division of Family Development as the State IV-D agency, in  
44 the Department of Human Services, to enroll the child under the  
45 policy or contract if the parent who is the covered employee fails  
46 to enroll the child; and

47 (3) Not terminate coverage of the child unless the parent who  
48 is the covered employee provides the carrier with satisfactory  
49 written evidence that: the court or administrative order is no  
50 longer in effect; or the child is or will be enrolled in a  
51 comparable health benefits plan whose coverage will be effective  
52 on the date of the termination of coverage.

53 10. A carrier shall not impose requirements on the Division of  
54 Medical Assistance and Health Services in the Department of

1 Human Services which has been assigned the rights of an  
2 individual who is eligible for medical assistance under the State  
3 Medicaid program, that are different from requirements  
4 applicable to an agent or assignee of any other covered employee.

5 11. a. A policy which provides hospital or medical expense  
6 benefits under which dependent coverage is available shall not  
7 deny coverage for an insured's child on the grounds that:

8 (1) The child was born out of wedlock;

9 (2) The child is not claimed as a dependent on the insured's  
10 federal tax return; or

11 (3) The child does not reside with the insured or in the  
12 insurer's service area, provided that, in the case of a managed  
13 care plan, the child complies with the terms and conditions of the  
14 policy with respect to the use of specified providers.

15 b. If a child has coverage through a health insurance policy of  
16 a non-custodial parent, the insurer shall:

17 (1) Provide such information to the custodial parent as may be  
18 necessary for the child to obtain benefits through the child's  
19 non-custodial parent's coverage;

20 (2) Permit the custodial parent, or the health care provider  
21 with the authorization of the custodial parent, to submit claims  
22 for covered services without the approval of the non-custodial  
23 parent; and

24 (3) Make payments on claims submitted in accordance with  
25 paragraph (2) of this subsection directly to the custodial parent,  
26 the health care provider or the Division of Medical Assistance  
27 and Health Services in the Department of Human Services which  
28 administers the State Medicaid program, as appropriate.

29 c. When a parent who is the insured is eligible for dependent  
30 coverage and is required by a court or administrative order to  
31 provide health insurance coverage for his child, the insurer shall:

32 (1) Permit the parent to enroll his child as a dependent,  
33 without regard to any enrollment season restrictions;

34 (2) Permit the child's other parent, or the Division of Medical  
35 Assistance and Health Services as the State Medicaid agency or  
36 the Division of Family Development as the State IV-D agency, in  
37 the Department of Human Services, to enroll the child under the  
38 health insurance policy if the parent who is the insured fails to  
39 enroll the child; and

40 (3) Not terminate coverage of the child unless the parent who  
41 is the insured provides the insurer with satisfactory written  
42 evidence that: the court or administrative order is no longer in  
43 effect; or the child is or will be enrolled in a comparable health  
44 benefits plan whose coverage will be effective on the date of the  
45 termination of coverage.

46 12. An insurer shall not impose requirements on the Division of  
47 Medical Assistance and Health Services in the Department of  
48 Human Services which has been assigned the rights of an  
49 individual who is eligible for medical assistance under the State  
50 Medicaid program, that are different from requirements  
51 applicable to an agent or assignee of any other insured.

52 13. a. A health maintenance organization contract or  
53 certificate in which dependent coverage is available shall not  
54 deny coverage for an enrollee's child for health care services on

1 the grounds that:

2 (1) The child was born out of wedlock;

3 (2) The child is not claimed as a dependent on the enrollee's  
4 federal tax return; or

5 (3) The child does not reside with the enrollee or in the health  
6 maintenance organization's service area, provided that the child  
7 complies with the terms and conditions of the coverage with  
8 respect to the use of specified providers.

9 b. If a child has coverage through a health maintenance  
10 organization plan of a non-custodial parent, the health  
11 maintenance organization shall:

12 (1) Provide such information to the custodial parent as may be  
13 necessary for the child to obtain health care services through the  
14 child's non-custodial parent's coverage;

15 (2) Permit the custodial parent, or the health care provider  
16 with the authorization of the custodial parent, to submit claims  
17 for health care services without the approval of the non-custodial  
18 parent; and

19 (3) Make payments on claims submitted in accordance with  
20 paragraph (2) of this subsection directly to the custodial parent,  
21 the health care provider or the Division of Medical Assistance  
22 and Health Services in the Department of Human Services which  
23 administers the State Medicaid program, as appropriate.

24 c. When a parent who is the enrollee is eligible for dependent  
25 coverage and is required by a court or administrative order to  
26 provide health insurance coverage for his child, the health  
27 maintenance organization shall:

28 (1) Permit the parent to enroll his child as a dependent,  
29 without regard to any enrollment season restrictions;

30 (2) Permit the child's other parent, or the Division of Medical  
31 Assistance and Health Services as the State Medicaid agency or  
32 the Division of Family Development as the State IV-D agency, in  
33 the Department of Human Services, to enroll the child if the  
34 parent who is the enrollee fails to enroll the child; and

35 (3) Not terminate coverage of the child unless the parent who  
36 is the enrollee provides the health maintenance organization with  
37 satisfactory written evidence that: the court or administrative  
38 order is no longer in effect; or the child is or will be enrolled in a  
39 comparable health benefits plan whose coverage will be effective  
40 on the date of the termination of coverage.

41 14. A health maintenance organization shall not impose  
42 requirements on the Division of Medical Assistance and Health  
43 Services in the Department of Human Services which has been  
44 assigned the rights of an individual who is eligible for medical  
45 assistance under the State Medicaid program, that are different  
46 from requirements applicable to an agent or assignee of any other  
47 enrollee.

48 15. a. A group health plan as defined in section 607(1) of the  
49 "Employee Retirement Income Security Act of 1974," 29  
50 U.S.C. § 1167(1) which provides hospital or medical expense  
51 benefits under which dependent coverage is available shall not  
52 deny coverage for a covered employee's child on the grounds that:

53 (1) The child was born out of wedlock;

54 (2) The child is not claimed as a dependent on the covered



1 employee's federal tax return; or

2 (3) The child does not reside with the covered employee or in  
3 the group health plan's service area, provided that, in the case of  
4 a managed care plan, the child complies with the terms and  
5 conditions of the plan with respect to the use of specified  
6 providers.

7 b. If a child has coverage through a group health plan of a  
8 non-custodial parent, the plan shall:

9 (1) Provide such information to the custodial parent as may be  
10 necessary for the child to obtain benefits through the child's  
11 non-custodial parent's coverage;

12 (2) Permit the custodial parent, or the health care provider  
13 with the authorization of the custodial parent, to submit claims  
14 for covered services without the approval of the non-custodial  
15 parent; and

16 (3) Make payments on claims submitted in accordance with  
17 paragraph (2) of this subsection directly to the custodial parent,  
18 the health care provider or the Division of Medical Assistance  
19 and Health Services in the Department of Human Services which  
20 administers the State Medicaid program, as appropriate.

21 c. When a parent who is the covered employee is eligible for  
22 dependent coverage and is required by a court or administrative  
23 order to provide health insurance coverage for his child, the  
24 group health plan shall:

25 (1) Permit the parent to enroll his child as a dependent,  
26 without regard to any enrollment season restrictions;

27 (2) Permit the child's other parent, or the Division of Medical  
28 Assistance and Health Services as the State Medicaid agency or  
29 the Division of Family Development as the State IV-D agency, in  
30 the Department of Human Services, to enroll the child under the  
31 group health plan if the parent who is the covered employee fails  
32 to enroll the child; and

33 (3) Not terminate coverage of the child unless the parent who  
34 is the covered employee provides the group health plan with  
35 satisfactory written evidence that: the court or administrative  
36 order is no longer in effect; or the child is or will be enrolled in a  
37 comparable health benefits plan whose coverage will be effective  
38 on the date of the termination of coverage.

39 16. A group health plan as defined in section 607(1) of the  
40 "Employee Retirement Income Security Act of 1974," 29  
41 U.S.C. §1167(1) shall not impose requirements on the Division of  
42 Medical Assistance and Health Services in the Department of  
43 Human Services which has been assigned the rights of an  
44 individual who is eligible for medical assistance under the State  
45 Medicaid program, that are different from requirements  
46 applicable to an agent or assignee of any other covered employee.

47 17. This act shall take effect immediately.

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#### 51 STATEMENT

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53 The provisions of this bill implement requirements under the  
54 federal "Omnibus Budget Reconciliation Act of 1993,"  
Pub.L.103-66, concerning responsibilities of health insurers in

1 assisting in the enforcement of child support orders concerning  
2 medical support of a child.

3 Specifically, the bill provides that a hospital, medical or health  
4 service corporation, commercial insurer (i.e., individual, small  
5 employer and group), health maintenance organization and group  
6 health plan, as that term is defined in section 607(1) of the  
7 "Employee Retirement Income Security Act of 1974" (ERISA), is  
8 prohibited from denying enrollment of a covered person's child  
9 on the grounds that the child was born out of wedlock, is not  
10 claimed by the covered person as a dependent on the person's  
11 federal income tax return, or does not reside with the covered  
12 person or in the carrier's service area. In the case of a child who  
13 resides outside of the service area of a managed care plan or  
14 health maintenance organization, the bill provides that the child  
15 shall comply with the terms and conditions of the plan with  
16 respect to the use of specified providers.

17 The bill requires carriers to facilitate payment for health care  
18 services to the child when the child has coverage through a  
19 non-custodial parent, by permitting the custodial parent to  
20 submit claims directly to the carrier without the approval of the  
21 non-custodial parent and authorizing that payments on such  
22 claims may be made directly to the custodial parent or the State  
23 Medicaid agency (the Division of Medical Assistance and Health  
24 Services), as appropriate.

25 Also, the bill provides that in cases in which a parent is  
26 required by court or administrative order to provide health  
27 insurance coverage for his child, a carrier: shall allow that parent  
28 to enroll his child as a dependent, without regard to enrollment  
29 season restrictions; shall allow the child's other parent or the  
30 State Medicaid agency or State IV-D child support enforcement  
31 agency (the Division of Family Development) to enroll the child if  
32 the covered parent fails to enroll the child pursuant to the order;  
33 and shall not terminate the coverage of the child unless the  
34 covered parent provides written proof that the child has or will  
35 be enrolled in a comparable health benefits plan on the effective  
36 date of the termination.

37 Finally, the bill prohibits a carrier from imposing requirements  
38 on the State Medicaid agency which has been assigned the rights  
39 of an individual who is eligible for Medicaid, that are different  
40 from requirements applicable to an agent or assignee of any other  
41 covered person.

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46 Establishes responsibilities of health insurers in assisting in the  
47 enforcement of child support orders regarding health insurance  
48 coverage.

1 employee's federal tax return; or

2 (3) The child does not reside with the covered employee or in  
3 the group health plan's service area, provided that, in the case of  
4 a managed care plan, the child complies with the terms and  
5 conditions of the plan with respect to the use of specified  
6 providers.

7 b. If a child has coverage through a group health plan of a  
8 non-custodial parent, the plan shall:

9 (1) Provide such information to the custodial parent as may be  
10 necessary for the child to obtain benefits through the child's  
11 non-custodial parent's coverage;

12 (2) Permit the custodial parent, or the health care provider  
13 with the authorization of the custodial parent, to submit claims  
14 for covered services without the approval of the non-custodial  
15 parent; and

16 (3) Make payments on claims submitted in accordance with  
17 paragraph (2) of this subsection directly to the custodial parent,  
18 the health care provider or the Division of Medical Assistance  
19 and Health Services in the Department of Human Services which  
20 administers the State Medicaid program, as appropriate.

21 c. When a parent who is the covered employee is eligible for  
22 dependent coverage and is required by a court or administrative  
23 order to provide health insurance coverage for his child, the  
24 group health plan shall:

25 (1) Permit the parent to enroll his child as a dependent,  
26 without regard to any enrollment season restrictions;

27 (2) Permit the child's other parent, or the Division of Medical  
28 Assistance and Health Services as the State Medicaid agency or  
29 the Division of Family Development as the State IV-D agency, in  
30 the Department of Human Services, to enroll the child under the  
31 group health plan if the parent who is the covered employee fails  
32 to enroll the child; and

33 (3) Not terminate coverage of the child unless the parent who  
34 is the covered employee provides the group health plan with  
35 satisfactory written evidence that: the court or administrative  
36 order is no longer in effect; or the child is or will be enrolled in a  
37 comparable health benefits plan whose coverage will be effective  
38 on the date of the termination of coverage.

39 16. A group health plan as defined in section 607(1) of the  
40 "Employee Retirement Income Security Act of 1974," 29  
41 U.S.C. § 1167(1) shall not impose requirements on the Division of  
42 Medical Assistance and Health Services in the Department of  
43 Human Services which has been assigned the rights of an  
44 individual who is eligible for medical assistance under the State  
45 Medicaid program, that are different from requirements  
46 applicable to an agent or assignee of any other covered employee.

47 17. This act shall take effect immediately.

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#### STATEMENT

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52 The provisions of this bill implement requirements under the  
53 federal "Omnibus Budget Reconciliation Act of 1993,"  
54 Pub.L. 103-66, concerning responsibilities of health insurers in

1 assisting in the enforcement of child support orders concerning  
2 medical support of a child.

3 Specifically, the bill provides that a hospital, medical or health  
4 service corporation, commercial insurer (i.e., individual, small  
5 employer and group), health maintenance organization and group  
6 health plan, as that term is defined in section 607(1) of the  
7 "Employee Retirement Income Security Act of 1974" (ERISA), is  
8 prohibited from denying enrollment of a covered person's child  
9 on the grounds that the child was born out of wedlock, is not  
10 claimed by the covered person as a dependent on the person's  
11 federal income tax return, or does not reside with the covered  
12 person or in the carrier's service area. In the case of a child who  
13 resides outside of the service area of a managed care plan or  
14 health maintenance organization, the bill provides that the child  
15 shall comply with the terms and conditions of the plan with  
16 respect to the use of specified providers.

17 The bill requires carriers to facilitate payment for health care  
18 services to the child when the child has coverage through a  
19 non-custodial parent, by permitting the custodial parent to  
20 submit claims directly to the carrier without the approval of the  
21 non-custodial parent and authorizing that payments on such  
22 claims may be made directly to the custodial parent or the State  
23 Medicaid agency (the Division of Medical Assistance and Health  
24 Services), as appropriate.

25 Also, the bill provides that in cases in which a parent is  
26 required by court or administrative order to provide health  
27 insurance coverage for his child, a carrier: shall allow that parent  
28 to enroll his child as a dependent, without regard to enrollment  
29 season restrictions; shall allow the child's other parent or the  
30 State Medicaid agency or State IV-D child support enforcement  
31 agency (the Division of Family Development) to enroll the child if  
32 the covered parent fails to enroll the child pursuant to the order;  
33 and shall not terminate the coverage of the child unless the  
34 covered parent provides written proof that the child has or will  
35 be enrolled in a comparable health benefits plan on the effective  
36 date of the termination.

37 Finally, the bill prohibits a carrier from imposing requirements  
38 on the State Medicaid agency which has been assigned the rights  
39 of an individual who is eligible for Medicaid, that are different  
40 from requirements applicable to an agent or assignee of any other  
41 covered person.

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46 Establishes responsibilities of health insurers in assisting in the  
47 enforcement of child support orders regarding health insurance  
48 coverage.

ASSEMBLY INSURANCE COMMITTEE

STATEMENT TO

SENATE, No. 2346

STATE OF NEW JERSEY

DATED: DECEMBER 14, 1995

The Assembly Insurance Committee reports favorably Senate, No. 2346.

The provisions of this bill implement requirements under the federal "Omnibus Budget Reconciliation Act of 1993," Pub.L.103-66, concerning responsibilities of health insurers in assisting in the enforcement of child support orders concerning medical support of a child.

Specifically, the bill provides that a hospital, medical or health service corporation, commercial insurer (i.e., individual, small employer and group), health maintenance organization and group health plan, as that term is defined in section 607(1) of the "Employee Retirement Income Security Act of 1974" (ERISA), is prohibited from denying enrollment of a covered person's child on the grounds that the child was born out of wedlock, is not claimed by the covered person as a dependent on the person's federal income tax return, or does not reside with the covered person or in the carrier's service area. In the case of a child who resides outside of the service area of a managed care plan or health maintenance organization, the bill provides that the child shall comply with the terms and conditions of the plan with respect to the use of specified providers.

The bill requires carriers to facilitate payment for health care services to the child when the child has coverage through a non-custodial parent, by permitting the custodial parent to submit claims directly to the carrier without the approval of the non-custodial parent and authorizing that payments on such claims may be made directly to the custodial parent or the State Medicaid agency (the Division of Medical Assistance and Health Services), as appropriate.

Also, the bill provides that in cases in which a parent is required by court or administrative order to provide health insurance coverage for his child, a carrier: shall allow that parent to enroll his child as a dependent, without regard to enrollment season restrictions; shall allow the child's other parent or the State Medicaid agency or State IV-D child support enforcement agency (the Division of Family Development) to enroll the child if the covered parent fails to enroll the child pursuant to the order; and shall not terminate the coverage of the child unless the covered parent provides written proof that the child has or will be enrolled in a comparable health benefits plan on the effective date of the termination.

Finally, the bill prohibits a carrier from imposing requirements on the State Medicaid agency which has been assigned the rights of an individual who is eligible for Medicaid, that are different from requirements applicable to an agent or assignee of any other covered person.

SENATE HUMAN SERVICES COMMITTEE

STATEMENT TO

SENATE, No. 2346

STATE OF NEW JERSEY

DATED: NOVEMBER 27, 1995

The Senate Human Services Committee favorably reports Senate Bill No. 2346.

The provisions of this bill implement requirements under the federal "Omnibus Budget Reconciliation Act of 1993," Pub.L.103-66, concerning responsibilities of health insurers in assisting in the enforcement of child support orders concerning medical support of a child.

Specifically, the bill provides that a hospital, medical or health service corporation, commercial insurer (i.e., individual, small employer and group), health maintenance organization and group health plan, as that term is defined in section 607(1) of the "Employee Retirement Income Security Act of 1974" (ERISA), is prohibited from denying enrollment of a covered person's child on the grounds that the child was born out of wedlock, is not claimed by the covered person as a dependent on the person's federal income tax return, or does not reside with the covered person or in the carrier's service area. In the case of a child who resides outside of the service area of a managed care plan or health maintenance organization, the bill provides that the child shall comply with the terms and conditions of the plan with respect to the use of specified providers.

The bill requires carriers to facilitate payment for health care services to the child when the child has coverage through a non-custodial parent, by permitting the custodial parent to submit claims directly to the carrier without the approval of the non-custodial parent and authorizing that payments on such claims may be made directly to the custodial parent or the State Medicaid agency (the Division of Medical Assistance and Health Services), as appropriate.

Also, the bill provides that in cases in which a parent is required by court or administrative order to provide health insurance coverage for his child, a carrier: shall allow that parent to enroll his child as a dependent, without regard to enrollment season restrictions; shall allow the child's other parent or the State Medicaid agency or State IV-D child support enforcement agency (the Division of Family Development) to enroll the child if the covered parent fails to enroll the child pursuant to the order; and shall not terminate the coverage of the child unless the covered parent provides written proof that the child has or will be enrolled in a comparable health benefits plan on the effective date of the termination.

Finally, the bill prohibits a carrier from imposing requirements on the State Medicaid agency which has been assigned the rights of an individual who is eligible for Medicaid, that are different from requirements applicable to an agent or assignee of any other covered person.