

SENATE, No. 2405

STATE OF NEW JERSEY
218th LEGISLATURE

INTRODUCED APRIL 5, 2018

Sponsored by:

Senator SHIRLEY K. TURNER

District 15 (Hunterdon and Mercer)

SYNOPSIS

Requires health insurance coverage and limits cost sharing for certain birth control methods.

CURRENT VERSION OF TEXT

As introduced.



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2

1 AN ACT concerning insurance coverage for birth control methods
2 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 and, regardless of whether
17 coverage for outpatient prescription drugs are provided, for male
18 sterilization procedures. For the purposes of this section,
19 "prescription female contraceptives" means any drug or device used
20 for contraception by a female, which is approved by the federal
21 Food and Drug Administration for that purpose, that can only be
22 purchased in this State with a prescription written by a health care
23 professional licensed or authorized to write prescriptions, and
24 includes, but is not limited to, birth control pills and diaphragms.
25 The coverage provided shall include prescriptions for dispensing
26 contraceptives for:

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

29 b. a six-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, except that
32 an entity subject to this section may provide coverage for a supply
33 of contraceptives that is for less than a six-month period, if a six-
34 month period would extend beyond the term of the contract.

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

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 employer that is a church, convention or association of churches or
2 an elementary or secondary school that is controlled, operated or
3 principally supported by a church or by a convention or association
4 of churches as defined in 26 U.S.C.s.3121(w)(3)(A), and that
5 qualifies as a tax-exempt organization under 26 U.S.C.s.501(c)(3).

6 The benefits shall be provided to the same extent as for any other
7 outpatient prescription drug under the contract, except no
8 deductible, coinsurance, copayment, or any other cost-sharing
9 requirement on the coverage shall be imposed. In the case of a
10 high-deductible health plan, the limitation on cost-sharing shall not
11 be applied until the expenditures applicable to the deductible under
12 the plan have met the amount of the minimum annual deductibles in
13 effect under section 223(c)(2)(A)(i) of the federal Internal Revenue
14 Code (26 U.S.C. 223(c)(2)(A)(i)) for self-only and family coverage,
15 respectively. Once the foregoing expenditure amount has been met
16 under the plan, coverage for the benefits shall be provided without
17 cost-sharing as provided in this section.

18 This section shall apply to those contracts in which the hospital
19 service corporation has reserved the right to change the premium.
20 (cf: P.L.2017, c.241, s.1)

21

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

24 2. A medical service corporation that provides hospital or
25 medical expense benefits for expenses incurred in the purchase of
26 outpatient prescription drugs under a contract shall provide
27 coverage under every such contract delivered, issued, executed or
28 renewed in this State or approved for issuance or renewal in this
29 State by the Commissioner of Banking and Insurance, on or after
30 the effective date of this act, for expenses incurred in the purchase
31 of prescription female contraceptives and, regardless of whether
32 coverage for outpatient prescription drugs are provided, for male
33 sterilization procedures. 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 six-month period for any subsequent dispensing of the
45 same contraceptive, regardless of whether coverage under the
46 contract was in effect at the time of the first dispensing, except that
47 an entity subject to this section may provide coverage for a supply

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1 of contraceptives that is for less than a six-month period, if a six-
2 month period would extend beyond the term of the contract.

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

20 The benefits shall be provided to the same extent as for any other
21 outpatient prescription drug under the contract, except no
22 deductible, coinsurance, copayment, or any other cost-sharing
23 requirement on the coverage shall be imposed. In the case of a
24 high-deductible health plan, the limitation on cost-sharing shall not
25 be applied until the expenditures applicable to the deductible under
26 the plan have met the amount of the minimum annual deductibles in
27 effect under section 223(c)(2)(A)(i) of the federal Internal Revenue
28 Code (26 U.S.C. 223(c)(2)(A)(i)) for self-only and family coverage,
29 respectively. Once the foregoing expenditure amount has been met
30 under the plan, coverage for the benefits shall be provided without
31 cost-sharing as provided in this section.

32 This section shall apply to those contracts in which the medical
33 service corporation has reserved the right to change the premium.
34 (cf: P.L.2017, c.241, s.2)

35
36 3. Section 3 of P.L.2005, c.251 (C.17:48E-35.29) is amended
37 to read as follows:

38 3. A health service corporation that provides hospital or
39 medical expense benefits for expenses incurred in the purchase of
40 outpatient prescription drugs under a contract shall provide
41 coverage under every such contract delivered, issued, executed or
42 renewed in this State or approved for issuance or renewal in this
43 State by the Commissioner of Banking and Insurance, on or after
44 the effective date of this act, for expenses incurred in the purchase
45 of prescription female contraceptives and, regardless of whether
46 coverage for outpatient prescription drugs are provided, for male
47 sterilization procedures. 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 six-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, except that
13 an entity subject to this section may provide coverage for a supply
14 of contraceptives that is for less than a six-month period, if a six-
15 month period would extend beyond the term of the contract.

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

33 The benefits shall be provided to the same extent as for any other
34 outpatient prescription drug under the contract, except no
35 deductible, coinsurance, copayment, or any other cost-sharing
36 requirement on the coverage shall be imposed. In the case of a
37 high-deductible health plan, the limitation on cost-sharing shall not
38 be applied until the expenditures applicable to the deductible under
39 the plan have met the amount of the minimum annual deductibles in
40 effect under section 223(c)(2)(A)(i) of the federal Internal Revenue
41 Code (26 U.S.C. 223(c)(2)(A)(i)) for self-only and family coverage,
42 respectively. Once the foregoing expenditure amount has been met
43 under the plan, coverage for the benefits shall be provided without
44 cost-sharing as provided in this section.

45 This section shall apply to those contracts in which the health
46 service corporation has reserved the right to change the premium.
47 (cf: P.L.2017, c.241, s.3)

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

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

21 a. a three-month period for the first dispensing of the
22 contraceptive; and

23 b. a six-month period for any subsequent dispensing of the
24 same contraceptive, regardless of whether coverage under the
25 policy was in effect at the time of the first dispensing, except that
26 an entity subject to this section may provide coverage for a supply
27 of contraceptives that is for less than a six-month period, if a six-
28 month period would extend beyond the term of the contract.

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

45 The benefits shall be provided to the same extent as for any other
46 outpatient prescription drug under the policy, except no deductible,
47 coinsurance, copayment, or any other cost-sharing requirement on
48 the coverage shall be imposed. In the case of a high-deductible

1 health plan, the limitation on cost-sharing shall not be applied until
2 the expenditures applicable to the deductible under the plan have
3 met the amount of the minimum annual deductibles in effect under
4 section 223(c)(2)(A)(i) of the federal Internal Revenue Code (26
5 U.S.C. 223(c)(2)(A)(i)) for self-only and family coverage,
6 respectively. Once the foregoing expenditure amount has been met
7 under the plan, coverage for the benefits shall be provided without
8 cost-sharing as provided in this section.

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

11 (cf: P.L.2017, c.241, s.4)

12

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

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

33 a. a three-month period for the first dispensing of the
34 contraceptive; and

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

41 A religious employer may request, and an insurer shall grant, an
42 exclusion under the policy for the coverage required by this section
43 if the required coverage conflicts with the religious employer's bona
44 fide religious beliefs and practices. A religious employer that
45 obtains such an exclusion shall provide written notice thereof to
46 prospective insureds and insureds. The provisions of this section
47 shall not be construed as authorizing an insurer to exclude coverage
48 for prescription drugs that are prescribed for reasons other than

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

9 The benefits shall be provided to the same extent as for any other
10 outpatient prescription drug under the policy, except no deductible,
11 coinsurance, copayment, or any other cost-sharing requirement on
12 the coverage shall be imposed. In the case of a high-deductible
13 health plan, the limitation on cost-sharing shall not be applied until
14 the expenditures applicable to the deductible under the plan have
15 met the amount of the minimum annual deductibles in effect under
16 section 223(c)(2)(A)(i) of the federal Internal Revenue Code (26
17 U.S.C. 223(c)(2)(A)(i)) for self-only and family coverage,
18 respectively. Once the foregoing expenditure amount has been met
19 under the plan, coverage for the benefits shall be provided without
20 cost-sharing as provided in this section.

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.2017, c.241, 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 and, regardless of whether
34 coverage for outpatient prescription drugs are provided, for male
35 sterilization procedures. For the purposes of this section,
36 "prescription female contraceptives" means any drug or device used
37 for contraception by a female, which is approved by the federal
38 Food and Drug Administration for that purpose, that can only be
39 purchased in this State with a prescription written by a health care
40 professional licensed or authorized to write prescriptions, and
41 includes, but is not limited to, birth control pills and diaphragms.
42 The coverage provided shall include prescriptions for dispensing
43 contraceptives for:

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

46 b. a six-month period for any subsequent dispensing of the
47 same contraceptive, regardless of whether coverage under the
48 contract was in effect at the time of the first dispensing, except that

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

4 A religious employer may request, and a health maintenance
5 organization shall grant, an exclusion under the contract for the
6 health care services required by this section if the required health
7 care services conflict with the religious employer's bona fide
8 religious beliefs and practices. A religious employer that obtains
9 such an exclusion shall provide written notice thereof to prospective
10 enrollees and enrollees. The provisions of this section shall not be
11 construed as authorizing a health maintenance organization to
12 exclude health care services 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 an enrollee. 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 health care services shall be provided to the same extent as
23 for any other outpatient prescription drug under the contract, except
24 no deductible, coinsurance, copayment, or any other cost-sharing
25 requirement on the coverage shall be imposed. In the case of a
26 high-deductible health plan, the limitation on cost-sharing shall not
27 be applied until the expenditures applicable to the deductible under
28 the plan have met the amount of the minimum annual deductibles in
29 effect under section 223(c)(2)(A)(i) of the federal Internal Revenue
30 Code (26 U.S.C. 223(c)(2)(A)(i)) for self-only and family coverage,
31 respectively. Once the foregoing expenditure amount has been met
32 under the plan, coverage for the benefits shall be provided without
33 cost-sharing as provided in this section.

34 The provisions of this section shall apply to those contracts for
35 health care services by health maintenance organizations under
36 which the right to change the schedule of charges for enrollee
37 coverage is reserved.

38 (cf: P.L.2017, c.241, s.6.)

39

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

42 7. An individual health benefits plan required pursuant to
43 section 3 of P.L.1992, c.161 (C.17B:27A-4) that provides benefits
44 for expenses incurred in the purchase of outpatient prescription
45 drugs shall provide coverage for expenses incurred in the purchase
46 of prescription female contraceptives and, regardless of whether
47 coverage for outpatient prescription drugs are provided, for male
48 sterilization procedures. For the purposes of this section,

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

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

11 b. a six-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, except that an entity
14 subject to this section may provide coverage for a supply of
15 contraceptives that is for less than a six-month period, if a six-
16 month period would extend beyond the term of the contract.

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

34 The benefits shall be provided to the same extent as for any other
35 outpatient prescription drug under the health benefits plan, except
36 no deductible, coinsurance, copayment, or any other cost-sharing
37 requirement on the coverage shall be imposed. In the case of a
38 high-deductible health plan, the limitation on cost-sharing shall not
39 be applied until the expenditures applicable to the deductible under
40 the plan have met the amount of the minimum annual deductibles in
41 effect under section 223(c)(2)(A)(i) of the federal Internal Revenue
42 Code (26 U.S.C. 223(c)(2)(A)(i)) for self-only and family coverage,
43 respectively. Once the foregoing expenditure amount has been met
44 under the plan, coverage for the benefits shall be provided without
45 cost-sharing as provided in this section.

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

48 (cf: P.L.2017, c.241, s.7)

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

3 8. A small employer health benefits plan required pursuant to
4 section 3 of P.L.1992, c.162 (C.17B:27A-19) that provides benefits
5 for expenses incurred in the purchase of outpatient prescription
6 drugs shall provide coverage for expenses incurred in the purchase
7 of prescription female contraceptives and, regardless of whether
8 coverage for outpatient prescription drugs are provided, for male
9 sterilization procedures. For the purposes of this section,
10 "prescription female contraceptives" means any drug or device used
11 for contraception by a female, which is approved by the federal
12 Food and Drug Administration for that purpose, that can only be
13 purchased in this State with a prescription written by a health care
14 professional licensed or authorized to write prescriptions, and
15 includes, but is not limited to, birth control pills and diaphragms.
16 The coverage provided shall include prescriptions for dispensing
17 contraceptives for:

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

20 b. a six-month period for any subsequent dispensing of the
21 same contraceptive, regardless of whether coverage under the plan
22 was in effect at the time of the first dispensing, except that an entity
23 subject to this section may provide coverage for a supply of
24 contraceptives that is for less than a six-month period, if a six-
25 month period would extend beyond the term of the contract.

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

43 The benefits shall be provided to the same extent as for any other
44 outpatient prescription drug under the health benefits plan, except
45 no deductible, coinsurance, copayment, or any other cost-sharing
46 requirement on the coverage shall be imposed. In the case of a
47 high-deductible health plan, the limitation on cost-sharing shall not
48 be applied until the expenditures applicable to the deductible under

1 the plan have met the amount of the minimum annual deductibles in
2 effect under section 223(c)(2)(A)(i) of the federal Internal Revenue
3 Code (26 U.S.C. 223(c)(2)(A)(i)) for self-only and family coverage,
4 respectively. Once the foregoing expenditure amount has been met
5 under the plan, coverage for the benefits shall be provided without
6 cost-sharing as provided in this section.

7 This section shall apply to all small employer health benefits
8 plans in which the carrier has reserved the right to change the
9 premium.

10 (cf: P.L.2017, c.241, s.8)

11

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

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

32 a. a three-month period for the first dispensing of the
33 contraceptive; and

34 b. a six-month period for any subsequent dispensing of the
35 same contraceptive, regardless of whether coverage under the
36 contract was in effect at the time of the first dispensing, except that
37 an entity subject to this section may provide coverage for a supply
38 of contraceptives that is for less than a six-month period, if a six-
39 month period would extend beyond the term of the contract.

40 A religious employer may request, and a prepaid prescription
41 service organization shall grant, an exclusion under the contract for
42 the coverage required by this section if the required coverage
43 conflicts with the religious employer's bona fide religious beliefs
44 and practices. A religious employer that obtains such an exclusion
45 shall provide written notice thereof to prospective enrollees and
46 enrollees. The provisions of this section shall not be construed as
47 authorizing a prepaid prescription service organization to exclude
48 coverage for prescription drugs that are prescribed for reasons other

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

10 The benefits shall be provided to the same extent as for any other
11 outpatient prescription drug under the contract, except no
12 deductible, coinsurance, copayment, or any other cost-sharing
13 requirement on the coverage shall be imposed. In the case of a
14 high-deductible health plan, the limitation on cost-sharing shall not
15 be applied until the expenditures applicable to the deductible under
16 the plan have met the amount of the minimum annual deductibles in
17 effect under section 223(c)(2)(A)(i) of the federal Internal Revenue
18 Code (26 U.S.C. 223(c)(2)(A)(i)) for self-only and family coverage,
19 respectively. Once the foregoing expenditure amount has been met
20 under the plan, coverage for the benefits shall be provided without
21 cost-sharing as provided in this section.

22 This section shall apply to those prepaid prescription contracts in
23 which the prepaid prescription service organization has reserved the
24 right to change the premium.
25 (cf: P.L.2017, c.241, s.9)

26

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

29 10. The State Health Benefits Commission shall ensure that
30 every contract purchased by the commission on or after the
31 effective date of this act that provides benefits for expenses
32 incurred in the purchase of outpatient prescription drugs shall
33 provide benefits for expenses incurred in the purchase of
34 prescription female contraceptives and, regardless of whether
35 coverage for outpatient prescription drugs are provided, for male
36 sterilization procedures.

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

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

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

7 The contract shall specify that no deductible, coinsurance,
8 copayment, or any other cost-sharing requirement may be imposed
9 on the coverage required pursuant to this section. In the case of a
10 high-deductible health plan, the limitation on cost-sharing shall not
11 be applied until the expenditures applicable to the deductible under
12 the plan have met the amount of the minimum annual deductibles in
13 effect under section 223(c)(2)(A)(i) of the federal Internal Revenue
14 Code (26 U.S.C. 223(c)(2)(A)(i)) for self-only and family coverage,
15 respectively. Once the foregoing expenditure amount has been met
16 under the plan, coverage for the benefits shall be provided without
17 cost-sharing as provided in this section.

18 (cf: P.L.2017, c.241, s.10)

19
20 11. This act shall take effect on the 90th day next following
21 enactment and shall apply to policies or contracts issued or renewed
22 on or after the effective date.

23
24
25 STATEMENT

26
27 This bill amends P.L.2005, c.251, the statute requiring health
28 insurance carriers and the State health benefits programs to cover
29 prescription female contraceptives, by also requiring coverage for
30 male sterilization procedures and by prohibiting insurers from
31 imposing a deductible, coinsurance, copayment, or any other cost-
32 sharing requirement on these coverages.

33 Currently, federal law requires coverage for female
34 contraceptives to be provided without cost sharing in certain
35 circumstances. This bill would expand State law to also require
36 coverage for female contraceptives and male sterilization
37 procedures to be provided without cost sharing.

38 The bill also specifies that, in the case of a high deductible health
39 plan, the limitation on cost-sharing shall not be applied until the
40 expenditures applicable to the deductible under federal law have
41 been met. Once the foregoing expenditure amount has been met
42 under the plan, coverage for prescription female contraceptives and
43 male sterilization procedures benefits is to be provided without
44 cost-sharing.