

**SENATE, No. 2535**

**STATE OF NEW JERSEY**  
**220th LEGISLATURE**

INTRODUCED MAY 12, 2022

**Sponsored by:**

**Senator VINCENT J. POLISTINA**

**District 2 (Atlantic)**

**Co-Sponsored by:**

**Senators Diegnan and Bramnick**

**SYNOPSIS**

Requires health benefits coverage of hearing aids and cochlear implants for insureds aged 21 or younger.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 10/31/2022)**

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2

1 AN ACT requiring health benefits coverage for hearing aids and  
2 cochlear implants, amending P.L.2008, c.126 and supplementing  
3 P.L.2007, c.103 (C 52:14-17.46).

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

7  
8 1. Section 2 of P.L.2008, c.126 (C.17:48-6gg) is amended to  
9 read as follows:

10 2. a. A hospital service corporation contract that provides  
11 hospital and medical expense benefits and is delivered, issued,  
12 executed or renewed in this State pursuant to P.L.1938, c.366  
13 (C.17:48-1 et seq.), or approved for issuance or renewal in this State  
14 by the Commissioner of Banking and Insurance, on or after the  
15 effective date of this act, shall provide coverage for medically  
16 necessary expenses incurred in the purchase of a hearing aid or  
17 cochlear implant for a covered person **[15]** 21 years of age or  
18 younger, as provided in this section.

19 b. A hospital service corporation contract shall provide  
20 coverage that includes the purchase of a hearing aid for each ear,  
21 when medically necessary and as prescribed or recommended by a  
22 licensed physician or audiologist. **[A hospital service corporation**  
23 **may limit the benefit provided in this section to \$1,000 per hearing**  
24 **aid for each hearing-impaired ear every 24 months. A covered**  
25 **person may choose a hearing aid that is priced higher than the**  
26 **benefit payable under this section and may pay the difference**  
27 **between the price of the hearing aid and the benefit payable under**  
28 **this section, without financial or contractual penalty to the provider**  
29 **of the hearing aid.]**

30 c. (1) A hospital service corporation contract shall provide  
31 coverage of the cost of treatment related to cochlear implants,  
32 including procedures for the implantation of cochlear devices and  
33 costs for any parts, attachments, or accessories of the device.

34 (2) If a contract does not have in its network a provider who can  
35 provide any part, attachment, or accessory necessary to the  
36 continued function of a preexisting cochlear implant, the contract  
37 shall cover the part, attachment, or accessory when purchased from  
38 and provided by an out-of-network provider, and shall only impose  
39 cost sharing as if the out-of-network provider were part of the  
40 provider network.

41 d. The benefits shall be provided to the same extent as for any  
42 other condition under the contract.

43 e. This section shall apply to those hospital service corporation  
44 contracts in which the hospital service corporation has reserved the

**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 right to change the premium.

2 (cf: P.L.2008, c.126, s.2)

3

4 2. Section 3 of P.L.2008, c.126 (C.17:48A-7dd) is amended to  
5 read as follows:

6 3. a. A medical service corporation contract that provides  
7 hospital and medical expense benefits and is delivered, issued,  
8 executed or renewed in this State pursuant to P.L.1940, c.74  
9 (C.17:48A-1 et seq.), or approved for issuance or renewal in this  
10 State by the Commissioner of Banking and Insurance, on or after  
11 the effective date of this act, shall provide coverage for medically  
12 necessary expenses incurred in the purchase of a hearing aid or  
13 cochlear implant for a covered person **[15]** 21 years of age or  
14 younger, as provided in this section.

15 b. A medical service corporation contract shall provide  
16 coverage that includes the purchase of a hearing aid for each ear,  
17 when medically necessary and as prescribed or recommended by a  
18 licensed physician or audiologist. **[A medical service corporation**  
19 **may limit the benefit provided in this section to \$1,000 per hearing**  
20 **aid for each hearing-impaired ear every 24 months. A covered**  
21 **person may choose a hearing aid that is priced higher than the**  
22 **benefit payable under this section and may pay the difference**  
23 **between the price of the hearing aid and the benefit payable under**  
24 **this section, without financial or contractual penalty to the provider**  
25 **of the hearing aid.]**

26 c. (1) A medical service corporation contract shall provide  
27 coverage of the cost of treatment related to cochlear implants,  
28 including procedures for the implantation of cochlear devices and  
29 costs for any parts, attachments, or accessories of the device.

30 (2) If a contract does not have in its network a provider who can  
31 provide any part, attachment, or accessory necessary to the  
32 continued function of a preexisting cochlear implant, the contract  
33 shall cover the part, attachment, or accessory when purchased from  
34 and provided by an out-of-network provider, and shall only impose  
35 cost sharing as if the out-of-network provider were part of the  
36 provider network.

37 d. The benefits shall be provided to the same extent as for any  
38 other condition under the contract.

39 e. This section shall apply to those medical service corporation  
40 contracts in which the medical service corporation has reserved the  
41 right to change the premium.

42 (cf: P.L.2008, c.126, s.3)

43

44 3. Section 4 of P.L.2008, c.126 (C.17:48E-35.31) is amended  
45 to read as follows:

46 4. a. A health service corporation contract that provides hospital  
47 and medical expense benefits and is delivered, issued, executed or  
48 renewed in this State pursuant to P.L.1985, c.236 (C.17:48E-1 et

1 al.), or approved for issuance or renewal in this State by the  
2 Commissioner of Banking and Insurance, on or after the effective  
3 date of this act, shall provide coverage for medically necessary  
4 expenses incurred in the purchase of a hearing aid or cochlear  
5 implant for a covered person **[15]** 21 years of age or younger, as  
6 provided in this section.

7 b. A health service corporation contract shall provide coverage  
8 that includes the purchase of a hearing aid for each ear, when  
9 medically necessary and as prescribed or recommended by a  
10 licensed physician or audiologist. **[A health service corporation**  
11 **may limit the benefit provided in this section to \$1,000 per hearing**  
12 **aid for each hearing-impaired ear every 24 months. A covered**  
13 **person may choose a hearing aid that is priced higher than the**  
14 **benefit payable under this section and may pay the difference**  
15 **between the price of the hearing aid and the benefit payable under**  
16 **this section, without financial or contractual penalty to the provider**  
17 **of the hearing aid.]**

18 c. (1) A health service corporation contract shall provide  
19 coverage of the cost of treatment related to cochlear implants,  
20 including procedures for the implantation of cochlear devices and  
21 costs for any parts, attachments, or accessories of the device.

22 (2) If a contract does not have in its network a provider who can  
23 provide any part, attachment, or accessory necessary to the  
24 continued function of a preexisting cochlear implant, the contract  
25 shall cover the part, attachment, or accessory when purchased from  
26 and provided by an out-of-network provider, and shall only impose  
27 cost sharing as if the out-of-network provider were part of the  
28 provider network.

29 d. The benefits shall be provided to the same extent as for any  
30 other condition under the contract.

31 e. This section shall apply to those health service corporation  
32 contracts in which the health service corporation has reserved the  
33 right to change the premium.

34 (cf: P.L.2008, c.126, s.4)

35

36 4. Section 5 of P.L.2008, c.126 (C.17B:26-2.1aa) is amended to  
37 read as follows:

38 5. a. An individual health insurance policy that provides  
39 hospital and medical expense benefits and is delivered, issued,  
40 executed or renewed in this State pursuant to chapter 26 of Title  
41 17B of the New Jersey Statutes, or approved for issuance or renewal  
42 in this State by the Commissioner of Banking and Insurance, on or  
43 after the effective date of this act, shall provide coverage for  
44 medically necessary expenses incurred in the purchase of a hearing  
45 aid or cochlear implant for a covered person **[15]** 21 years of age or  
46 younger, as provided in this section.

47 b. A policy shall provide coverage that includes the purchase of  
48 a hearing aid for each ear, when medically necessary and as

1 prescribed or recommended by a licensed physician or audiologist.  
2 **【An insurer may limit the benefit provided in this section to \$1,000**  
3 **per hearing aid for each hearing-impaired ear every 24 months. A**  
4 **covered person may choose a hearing aid that is priced higher than**  
5 **the benefit payable under this section and may pay the difference**  
6 **between the price of the hearing aid and the benefit payable under**  
7 **this section, without financial or contractual penalty to the provider**  
8 **of the hearing aid.】**

9 c. (1) An individual health insurance policy shall provide  
10 coverage of the cost of treatment related to cochlear implants,  
11 including procedures for the implantation of cochlear devices and  
12 costs for any parts, attachments, or accessories of the device.

13 (2) If a policy does not have in its network a provider who can  
14 provide any part, attachment, or accessory necessary to the  
15 continued function of a preexisting cochlear implant, the policy  
16 shall cover the part, attachment, or accessory when purchased from  
17 and provided by an out-of-network provider, and shall only impose  
18 cost sharing as if the out-of-network provider were part of the  
19 provider network.

20 d. The benefits shall be provided to the same extent as for any  
21 other condition under the policy.

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

24 (cf: P.L.2008, c.126, s.5)

25

26 5. Section 6 of P.L.2008, c.126 (C.17B:27-46.1gg) is amended  
27 to read as follows:

28 6. a. A group health insurance policy that provides hospital  
29 and medical expense benefits and is delivered, issued, executed or  
30 renewed in this State pursuant to chapter 27 of Title 17B of the New  
31 Jersey Statutes, or approved for issuance or renewal in this State by  
32 the Commissioner of Banking and Insurance, on or after the  
33 effective date of this act, shall provide coverage for medically  
34 necessary expenses incurred in the purchase of a hearing aid or  
35 cochlear implant for a covered person **【15】** 21 years of age or  
36 younger, as provided in this section.

37 b. A policy shall provide coverage that includes the purchase of  
38 a hearing aid for each ear, when medically necessary and as  
39 prescribed or recommended by a licensed physician or audiologist.

40 **【An insurer may limit the benefit provided in this section to \$1,000**  
41 **per hearing aid for each hearing-impaired ear every 24 months. A**  
42 **covered person may choose a hearing aid that is priced higher than**  
43 **the benefit payable under this section and may pay the difference**  
44 **between the price of the hearing aid and the benefit payable under**  
45 **this section, without financial or contractual penalty to the provider**  
46 **of the hearing aid.】**

1       c. (1) A group health insurance policy shall provide coverage  
2 of the cost of treatment related to cochlear implants, including  
3 procedures for the implantation of cochlear devices and costs for  
4 any parts, attachments, or accessories of the device.

5       (2) If a policy does not have in its network a provider who can  
6 provide any part, attachment, or accessory necessary to the  
7 continued function of a preexisting cochlear implant, the policy  
8 shall cover the part, attachment, or accessory when purchased from  
9 and provided by an out-of-network provider, and shall only impose  
10 cost sharing as if the out-of-network provider were part of the  
11 provider network.

12       d. The benefits shall be provided to the same extent as for any  
13 other condition under the policy.

14       e. This section shall apply to those policies in which the insurer  
15 has reserved the right to change the premium.

16 (cf: P.L.2008, c.126, s.6)

17

18       6. Section 7 of P.L.2008, c.126 (C.17B:27A-7.14) is amended  
19 to read as follows:

20       7. a. An individual health benefits plan that provides hospital  
21 and medical expense benefits and is delivered, issued, executed or  
22 renewed in this State pursuant to P.L.1992, c.161 (C.17B:27A-2 et  
23 al.), on or after the effective date of this act, shall provide coverage  
24 for medically necessary expenses incurred in the purchase of a  
25 hearing aid or cochlear implant for a covered person **【15】** 21 years  
26 of age or younger, as provided in this section.

27       b. A health benefits plan shall provide coverage that includes  
28 the purchase of a hearing aid for each ear, when medically  
29 necessary and as prescribed or recommended by a licensed  
30 physician or audiologist. **【A carrier may limit the benefit provided**  
31 **in this section to \$1,000 per hearing aid for each hearing-impaired**  
32 **ear every 24 months. A covered person may choose a hearing aid**  
33 **that is priced higher than the benefit payable under this section and**  
34 **may pay the difference between the price of the hearing aid and the**  
35 **benefit payable under this section, without financial or contractual**  
36 **penalty to the provider of the hearing aid.】**

37       c. (1) An individual health benefits plan shall provide  
38 coverage of the cost of treatment related to cochlear implants,  
39 including procedures for the implantation of cochlear devices and  
40 costs for any parts, attachments, or accessories of the device.

41       (2) If a plan does not have in its network a provider who can  
42 provide any part, attachment, or accessory necessary to the  
43 continued function of a preexisting cochlear implant, the plan shall  
44 cover the part, attachment, or accessory when purchased from and  
45 provided by an out-of-network provider, and shall only impose cost  
46 sharing as if the out-of-network provider were part of the provider  
47 network.

1     d. The benefits shall be provided to the same extent as for any  
2 other condition under the health benefits plan.

3     e. This section shall apply to those health benefits plans in  
4 which the carrier has reserved the right to change the premium.  
5 (cf: P.L.2008, c.126, s.7)

6  
7     7. Section 8 of P.L.2008, c.126 (C.17B:27A-19.18) is amended  
8 to read as follows:

9     8. a. A small employer health benefits plan that provides  
10 hospital and medical expense benefits and is delivered, issued,  
11 executed or renewed in this State pursuant to P.L.1992, c.162  
12 (C.17B:27A-17 et seq.), on or after the effective date of this act,  
13 shall provide coverage for medically necessary expenses incurred in  
14 the purchase of a hearing aid or cochlear implant for a covered  
15 person **[15]** 21 years of age or younger, as provided in this section.

16     b. A health benefits plan shall provide coverage that includes  
17 the purchase of a hearing aid for each ear, when medically  
18 necessary and as prescribed or recommended by a licensed  
19 physician or audiologist. **[A carrier may limit the benefit provided**  
20 **in this section to \$1,000 per hearing aid for each hearing-impaired**  
21 **ear every 24 months. A covered person may choose a hearing aid**  
22 **that is priced higher than the benefit payable under this section and**  
23 **may pay the difference between the price of the hearing aid and the**  
24 **benefit payable under this section, without financial or contractual**  
25 **penalty to the provider of the hearing aid.]**

26     c. (1) A small employer health benefits plan shall provide  
27 coverage of the cost of treatment related to cochlear implants,  
28 including procedures for the implantation of cochlear devices and  
29 costs for any parts, attachments, or accessories of the device.

30     (2) If a plan does not have in its network a provider who can  
31 provide any part, attachment, or accessory necessary to the  
32 continued function of a preexisting cochlear implant, the plan shall  
33 cover the part, attachment, or accessory when purchased from and  
34 provided by an out-of-network provider, and shall only impose cost  
35 sharing as if the out-of-network provider were part of the provider  
36 network.

37     d. The benefits shall be provided to the same extent as for any  
38 other condition under the health benefits plan.

39     e. This section shall apply to those health benefits plans in  
40 which the carrier has reserved the right to change the premium.  
41 (cf: P.L.2008, c.126, s.8)

42  
43     8. Section 9 of P.L.2008, c.126 (C.26:2J-4.32) is amended to  
44 read as follows:

45     9. a. A health maintenance organization contract for health  
46 care services that is delivered, issued, executed or renewed in this  
47 State pursuant to P.L.1973, c.337 (C.26:2J-1 et seq.), or approved  
48 for issuance or renewal in this State by the Commissioner of

1 Banking and Insurance, on or after the effective date of this act,  
2 shall provide health care services for medically necessary expenses  
3 incurred in the purchase of a hearing aid or cochlear implant for an  
4 enrollee **【15】** 21 years of age or younger, as provided in this  
5 section.

6 b. The health care services shall include the purchase of a  
7 hearing aid for each ear, when medically necessary and as  
8 prescribed or recommended by a licensed physician or audiologist.  
9 **【A health maintenance organization may limit the health care**  
10 **services provided in this section to \$1,000 per hearing aid for each**  
11 **hearing-impaired ear every 24 months. An enrollee may choose a**  
12 **hearing aid that is priced higher than the health care services**  
13 **payable under this section and may pay the difference between the**  
14 **price of the hearing aid and the health care services payable under**  
15 **this section, without financial or contractual penalty to the provider**  
16 **of the hearing aid.】**

17 c. (1) A health maintenance organization contract shall  
18 provide coverage of the cost of treatment related to cochlear  
19 implants, including procedures for the implantation of cochlear  
20 devices and costs for any parts, attachments, or accessories of the  
21 device.

22 (2) If a contract does not have in its network a provider who can  
23 provide any part, attachment, or accessory necessary to the  
24 continued function of a preexisting cochlear implant, the contract  
25 shall cover the part, attachment, or accessory when purchased from  
26 and provided by an out-of-network provider, and shall only impose  
27 cost sharing as if the out-of-network provider were part of the  
28 provider network.

29 d. The health care services shall be provided to the same extent  
30 as for any other condition under the contract.

31 e. This section shall apply to those contracts for health care  
32 services under which the right to change the schedule of charges for  
33 enrollee coverage is reserved.

34 (cf: P.L.2008, c.126, s.9)

35

36 9. Section 10 of P.L.2008, c.126 (C.52:14-17.29n) is amended  
37 to read as follows:

38 10. a. The State Health Benefits Commission shall, on or after  
39 the effective date of this act, provide benefits for medically  
40 necessary expenses incurred in the purchase of a hearing aid or  
41 cochlear implant for a covered person **【15】** 21 years of age or  
42 younger, as provided in this section.

43 b. The benefits shall include the purchase of a hearing aid for  
44 each ear, when medically necessary and as prescribed or  
45 recommended by a licensed physician or audiologist. **【The**  
46 **commission may limit the benefit provided in this section to \$1,000**  
47 **per hearing aid for each hearing-impaired ear every 24 months. A**



1 covered person may choose a hearing aid that is priced higher than  
2 the benefit payable under this section and may pay the difference  
3 between the price of the hearing aid and the benefit payable under  
4 this section, without financial or contractual penalty to the provider  
5 of the hearing aid.】

6 c. (1) The benefits shall provide coverage of the cost of  
7 treatment related to cochlear implants, including procedures for the  
8 implantation of cochlear devices and costs for any parts,  
9 attachments, or accessories of the device.

10 (2) If a contract does not have in its network a provider who can  
11 provide any part, attachment, or accessory necessary to the  
12 continued function of a preexisting cochlear implant, the contract  
13 shall cover the part, attachment, or accessory when purchased from  
14 and provided by an out-of-network provider, and shall only impose  
15 cost sharing as if the out-of-network provider were part of the  
16 provider network.

17 (cf: P.L.2008, c.126, s.10)

18  
19 10. Section 11 of P.L.2008, c.126 (C.30:4J-12.2) is amended to  
20 read as follows:

21 11. a. The Commissioner of Human Services shall ensure that  
22 every contract for health care services under the NJ FamilyCare  
23 Program established pursuant to sections 3 through 5 of P.L.2005,  
24 c.156 (C.30:4J-10 through C.30:4J-12), entered into on or after the  
25 effective date of this act, provides benefits for medically necessary  
26 expenses incurred in the purchase of a hearing aid or cochlear  
27 implant for a covered person **【15】** 21 years of age or younger, as  
28 provided in this section.

29 b. The benefits shall include the purchase of a hearing aid for  
30 each ear, when medically necessary and as prescribed or  
31 recommended by a licensed physician or audiologist. **【The**  
32 **commissioner may limit the benefit provided in this section to**  
33 **\$1,000 per hearing aid for each hearing-impaired ear every 24**  
34 **months in any of the NJ FamilyCare Program plans, and may**  
35 **provide, when applicable, that a covered person may choose a**  
36 **hearing aid that is priced higher than the benefit payable under this**  
37 **section and may pay the difference between the price of the hearing**  
38 **aid and the benefit payable under this section, without financial or**  
39 **contractual penalty to the provider of the hearing aid.】**

40 c. (1) The benefits shall provide coverage of the cost of  
41 treatment related to cochlear implants, including procedures for the  
42 implantation of cochlear devices and costs for any parts,  
43 attachments, or accessories of the device.

44 (2) If a contract does not have in its network a provider who can  
45 provide any part, attachment, or accessory necessary to the  
46 continued function of a preexisting cochlear implant, the contract  
47 shall cover the part, attachment, or accessory when purchased from  
48 and provided by an out-of-network provider, and shall only impose

1 cost sharing as if the out-of-network provider were part of the  
2 provider network.

3 (cf: P.L.2008, c.126, s.11)

4  
5 11. (New section) a. The School Employees' Health Benefits  
6 Commission shall ensure that every contract purchased by the  
7 commission on or after the effective date of this act provides  
8 benefits for medically necessary expenses incurred in the purchase  
9 of a hearing aid or cochlear implant for a covered person as  
10 provided in this section.

11 b. The benefits shall include the purchase of a hearing aid for  
12 each ear, when medically necessary and as prescribed or  
13 recommended by a licensed physician or audiologist.

14 c. (1) The benefits shall provide coverage of the cost of  
15 treatment related to cochlear implants, including procedures for the  
16 implantation of cochlear devices and costs for any parts,  
17 attachments, or accessories of the device.

18 (2) If a contract does not have in its network a provider who can  
19 provide any part, attachment, or accessory necessary to the  
20 continued function of a preexisting cochlear implant, the contract  
21 shall cover the part, attachment, or accessory when purchased from  
22 and provided by an out-of-network provider, and shall only impose  
23 cost sharing as if the out-of-network provider were part of the  
24 provider network.

25  
26 12. This act shall take effect on the 90th day next after the date  
27 of enactment.

28

29

30

#### STATEMENT

31

32 This bill amends P.L.2008, c.126, "Grace's Law," by removing  
33 the specification that health insurers (health, hospital, and medical  
34 service corporations, commercial individual and group health  
35 insurers, health maintenance organizations, health benefits plans  
36 issued pursuant to the New Jersey Individual Health Coverage and  
37 Small Employer Health Benefits Programs, the State Health  
38 Benefits Program, and the NJ FamilyCare Program) provide  
39 coverage for expenses incurred in the purchase of a hearing aid only  
40 for covered persons who are 15 years old or younger, and providing  
41 instead that they provide coverage for those expenses for covered  
42 persons who are 21 year old or younger.

43 The bill also requires that benefits provide coverage of the cost  
44 of treatment related to cochlear implants, including procedures for  
45 the implantation of cochlear devices and costs for any parts,  
46 attachments, or accessories of the device.

47 The bill provides that if a contract does not have in its network a  
48 provider who can provide any part, attachment, or accessory

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1 necessary to the continued function of a preexisting cochlear  
2 implant, the contract must cover the part, attachment, or accessory  
3 when purchased from and provided by an out-of-network provider,  
4 and shall only impose cost sharing as if the out-of-network provider  
5 were part of the provider network.

6 In addition, the bill supplements P.L.2007, c.103 (C.52:14-  
7 17.46.1 et seq.) to require the School Employees' Health Benefits  
8 Commission to ensure that every contract purchased by the  
9 commission meets the same requirements for hearing aid and  
10 cochlear implant coverage as "Grace's Law."