

[Second Reprint]

SENATE, No. 2535

STATE OF NEW JERSEY

220th LEGISLATURE

INTRODUCED MAY 12, 2022

Sponsored by:

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Senator NELLIE POU

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**Senators Diegnan, Bramnick, Ruiz, Greenstein, Assemblyman Caputo,
Assemblywomen Chaparro, Murphy, Lopez, Mosquera and Assemblyman
McKeon**

SYNOPSIS

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

CURRENT VERSION OF TEXT

As reported by the Assembly Appropriations Committee on December 18, 2023, with amendments.

(Sponsorship Updated As Of: 12/21/2023)

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.] ¹A hospital service corporation may limit the
 30 benefit provided in this section to ²[one] \$2,500 per² hearing aid
 31 for each hearing-impaired ear every ²[24] 60² months.¹

32 c. ¹[(1)]¹ A hospital service corporation contract shall provide
 33 coverage of the cost of treatment related to cochlear implants,
 34 including procedures for the implantation of cochlear devices and
 35 costs for any parts, attachments, or accessories of the device ²,
 36 including replacement of obsolete external cochlear implant
 37 processors².

38 ¹[(2) If a contract does not have in its network a provider who
 39 can provide any part, attachment, or accessory necessary to the
 40 continued function of a preexisting cochlear implant, the contract
 41 shall cover the part, attachment, or accessory when purchased from
 42 and provided by an out-of-network provider, and shall only impose

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

Matter underlined thus is new matter

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SCM committee amendments adopted November 3, 2022.

²Assembly AAP committee amendments adopted December 18, 2023.

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

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

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

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

9
10 2. Section 3 of P.L.2008, c.126 (C.17:48A-7dd) is amended to
11 read as follows:

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

21 b. A medical service corporation contract shall provide
22 coverage that includes the purchase of a hearing aid for each ear,
23 when medically necessary and as prescribed or recommended by a
24 licensed physician or audiologist. **【A medical service corporation**
25 **may limit the benefit provided in this section to \$1,000 per hearing**
26 **aid for each hearing-impaired ear every 24 months. A covered**
27 **person may choose a hearing aid that is priced higher than the**
28 **benefit payable under this section and may pay the difference**
29 **between the price of the hearing aid and the benefit payable under**
30 **this section, without financial or contractual penalty to the provider**
31 **of the hearing aid.】¹A medical service corporation may limit the**
32 **benefit provided in this section to ²**【one】 \$2,500 per² hearing aid****
33 **for each hearing-impaired ear every ²**【24】 60² months.¹****

34 c. **¹**【(1)】¹**** A medical service corporation contract shall provide
35 coverage of the cost of treatment related to cochlear implants,
36 including procedures for the implantation of cochlear devices and
37 costs for any parts, attachments, or accessories of the device ²,
38 including replacement of obsolete external cochlear implant
39 processors².

40 **¹**【(2) If a contract does not have in its network a provider who****
41 **can provide any part, attachment, or accessory necessary to the**
42 **continued function of a preexisting cochlear implant, the contract**
43 **shall cover the part, attachment, or accessory when purchased from**
44 **and provided by an out-of-network provider, and shall only impose**
45 **cost sharing as if the out-of-network provider were part of the**
46 **provider network.】¹**

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

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

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

7

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

10 4. a. A health 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.1985, c.236
13 (C.17:48E-1 et al.), 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 health service corporation contract shall provide coverage
20 that includes the purchase of a hearing aid for each ear, when
21 medically necessary and as prescribed or recommended by a
22 licensed physician or audiologist. **[A health 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.]** ¹A health service corporation may limit the
30 benefit provided in this section to ²**[one]** \$2,500 per² hearing aid
31 for each hearing-impaired ear every ²**[24]** 60² months.¹

32 c. ¹**[(1)]**¹ A health service corporation contract shall provide
33 coverage of the cost of treatment related to cochlear implants,
34 including procedures for the implantation of cochlear devices and
35 costs for any parts, attachments, or accessories of the device ²,
36 including replacement of obsolete external cochlear implant
37 processors².

38 ¹**[(2)** If a contract does not have in its network a provider who
39 can provide any part, attachment, or accessory necessary to the
40 continued function of a preexisting cochlear implant, the contract
41 shall cover the part, attachment, or accessory when purchased from
42 and provided by an out-of-network provider, and shall only impose
43 cost sharing as if the out-of-network provider were part of the
44 provider network.]¹

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

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

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

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

8 5. a. An individual health insurance policy that provides
9 hospital and medical expense benefits and is delivered, issued,
10 executed or renewed in this State pursuant to chapter 26 of Title
11 17B of the New Jersey Statutes, or approved for issuance or renewal
12 in this State by the Commissioner of Banking and Insurance, on or
13 after the effective date of this act, shall provide coverage for
14 medically necessary expenses incurred in the purchase of a hearing
15 aid or cochlear implant for a covered person ~~15~~ 21 years of age or
16 younger, as provided in this section.

17 b. A policy shall provide coverage that includes the purchase of
18 a hearing aid for each ear, when medically necessary and as
19 prescribed or recommended by a licensed physician or audiologist.
20 ~~1~~ An insurer may limit the benefit provided in this section to \$1,000
21 per hearing aid for each hearing-impaired ear every 24 months. A
22 covered person may choose a hearing aid that is priced higher than
23 the benefit payable under this section and may pay the difference
24 between the price of the hearing aid and the benefit payable under
25 this section, without financial or contractual penalty to the provider
26 of the hearing aid.] ~~1~~ An insurer may limit the benefit provided in
27 this section to ~~2~~ one ~~2~~ \$2,500 per ~~2~~ hearing aid for each hearing-
28 impaired ear every ~~2~~ 24 ~~2~~ 60 months.¹

29 c. ~~1~~ [(1)]¹ An individual health insurance policy shall provide
30 coverage of the cost of treatment related to cochlear implants,
31 including procedures for the implantation of cochlear devices and
32 costs for any parts, attachments, or accessories of the device ~~2~~,
33 including replacement of obsolete external cochlear implant
34 processors².

35 ~~1~~ [(2)]¹ If a policy does not have in its network a provider who can
36 provide any part, attachment, or accessory necessary to the
37 continued function of a preexisting cochlear implant, the policy
38 shall cover the part, attachment, or accessory when purchased from
39 and provided by an out-of-network provider, and shall only impose
40 cost sharing as if the out-of-network provider were part of the
41 provider network.]¹

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

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

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

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

3 6. a. A group health insurance policy that provides hospital
4 and medical expense benefits and is delivered, issued, executed or
5 renewed in this State pursuant to chapter 27 of Title 17B of the New
6 Jersey Statutes, or approved for issuance or renewal in this State by
7 the Commissioner of Banking and Insurance, on or after the
8 effective date of this act, shall provide coverage for medically
9 necessary expenses incurred in the purchase of a hearing aid or
10 cochlear implant for a covered person **[15]** 21 years of age or
11 younger, as provided in this section.

12 b. A policy shall provide coverage that includes the purchase of
13 a hearing aid for each ear, when medically necessary and as
14 prescribed or recommended by a licensed physician or audiologist.
15 **[An insurer may limit the benefit provided in this section to \$1,000**
16 **per hearing aid for each hearing-impaired ear every 24 months. A**
17 **covered person may choose a hearing aid that is priced higher than**
18 **the benefit payable under this section and may pay the difference**
19 **between the price of the hearing aid and the benefit payable under**
20 **this section, without financial or contractual penalty to the provider**
21 **of the hearing aid.]** ¹An insurer may limit the benefit provided in
22 this section to ²**[one]** \$2,500 per² hearing aid for each hearing-
23 impaired ear every ²**[24]** 60² months.¹

24 c. ¹**[(1)]**¹ A group health insurance policy shall provide
25 coverage of the cost of treatment related to cochlear implants,
26 including procedures for the implantation of cochlear devices and
27 costs for any parts, attachments, or accessories of the device ²,
28 including replacement of obsolete external cochlear implant
29 processors².

30 ¹**[(2)]** If a policy 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 policy
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.]¹

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

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

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

42

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

45 7. a. An individual health benefits plan that provides hospital
46 and medical expense benefits and is delivered, issued, executed or
47 renewed in this State pursuant to P.L.1992, c.161 (C.17B:27A-2 et

1 al.), on or after the effective date of this act, shall provide coverage
2 for medically necessary expenses incurred in the purchase of a
3 hearing aid or cochlear implant for a covered person ~~15~~ 21 years
4 of age or younger, as provided in this section.

5 b. A health benefits plan shall provide coverage that includes
6 the purchase of a hearing aid for each ear, when medically
7 necessary and as prescribed or recommended by a licensed
8 physician or audiologist. ~~9 A carrier may limit the benefit provided~~
10 ~~in this section to \$1,000 per hearing aid for each hearing-impaired~~
11 ~~ear every 24 months. A covered person may choose a hearing aid~~
12 ~~that is priced higher than the benefit payable under this section and~~
13 ~~may pay the difference between the price of the hearing aid and the~~
14 ~~benefit payable under this section, without financial or contractual~~
15 ~~penalty to the provider of the hearing aid.]~~ ¹A carrier may limit the
16 benefit provided in this section to ²~~one~~ ²\$2,500 per ²hearing aid
for each hearing-impaired ear every ²~~24~~ ²60 ²months.¹

17 c. ¹~~[(1)]~~ ¹An individual health benefits plan shall provide
18 coverage of the cost of treatment related to cochlear implants,
19 including procedures for the implantation of cochlear devices and
20 costs for any parts, attachments, or accessories of the device ²,
21 including replacement of obsolete external cochlear implant
22 processors².

23 ¹~~[(2)]~~ ¹If a plan does not have in its network a provider who can
24 provide any part, attachment, or accessory necessary to the
25 continued function of a preexisting cochlear implant, the plan shall
26 cover the part, attachment, or accessory when purchased from and
27 provided by an out-of-network provider, and shall only impose cost
28 sharing as if the out-of-network provider were part of the provider
29 network.]¹

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

32 e. This section shall apply to those health benefits plans in
33 which the carrier has reserved the right to change the premium.

34 (cf: P.L.2008, c.126, s.7)

35
36 7. Section 8 of P.L.2008, c.126 (C.17B:27A-19.18) is amended
37 to read as follows:

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

45 b. A health benefits plan shall provide coverage that includes
46 the purchase of a hearing aid for each ear, when medically
47 necessary and as prescribed or recommended by a licensed

physician or audiologist. **[A carrier may limit the benefit provided in this section to \$1,000 per hearing aid for each hearing-impaired ear every 24 months. A covered person may choose a hearing aid that is priced higher than the benefit payable under this section and may pay the difference between the price of the hearing aid and the benefit payable under this section, without financial or contractual penalty to the provider of the hearing aid.]** ¹A carrier may limit the benefit provided in this section to ²[one] \$2,500 per² hearing aid for each hearing-impaired ear every ²[24] 60² months.¹

c. ¹**[(1)]**¹ A small employer health benefits plan shall provide coverage of the cost of treatment related to cochlear implants, including procedures for the implantation of cochlear devices and costs for any parts, attachments, or accessories of the device ², including replacement of obsolete external cochlear implant processors².

¹**[(2)]** If a plan does not have in its network a provider who can provide any part, attachment, or accessory necessary to the continued function of a preexisting cochlear implant, the plan shall cover the part, attachment, or accessory when purchased from and provided by an out-of-network provider, and shall only impose cost sharing as if the out-of-network provider were part of the provider network.¹

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

e. This section shall apply to those health benefits plans in which the carrier has reserved the right to change the premium.

(cf: P.L.2008, c.126, s.8)

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

9. a. A health maintenance organization contract for health care services that is delivered, issued, executed or renewed in this State pursuant to P.L.1973, c.337 (C.26:2J-1 et seq.), or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance, on or after the effective date of this act, shall provide health care services for medically necessary expenses incurred in the purchase of a hearing aid or cochlear implant for an enrollee **[15] 21** years of age or younger, as provided in this section.

b. The health care services shall include the purchase of a hearing aid for each ear, when medically necessary and as prescribed or recommended by a licensed physician or audiologist. **[A health maintenance organization may limit the health care services provided in this section to \$1,000 per hearing aid for each hearing-impaired ear every 24 months. An enrollee may choose a hearing aid that is priced higher than the health care services payable under this section and may pay the difference between the**

price of the hearing aid and the health care services payable under this section, without financial or contractual penalty to the provider of the hearing aid.】¹A health maintenance organization may limit the health care services provided in this section to²【one】 \$2,500 per² hearing aid for each hearing-impaired ear every²【24】 60² months.¹

c. ¹【(1)】¹ A health maintenance organization contract shall provide coverage of the cost of treatment related to cochlear implants, including procedures for the implantation of cochlear devices and costs for any parts, attachments, or accessories of the device², including replacement of obsolete external cochlear implant processors².

¹【(2) If a contract does not have in its network a provider who can provide any part, attachment, or accessory necessary to the continued function of a preexisting cochlear implant, the contract shall cover the part, attachment, or accessory when purchased from and provided by an out-of-network provider, and shall only impose cost sharing as if the out-of-network provider were part of the provider network.】¹

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

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

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

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

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

b. The benefits shall include the purchase of a hearing aid for each ear, when medically necessary and as prescribed or recommended by a licensed physician or audiologist. **【The** commission may limit the benefit provided in this section to \$1,000 per hearing aid for each hearing-impaired ear every 24 months. A covered person may choose a hearing aid that is priced higher than the benefit payable under this section and may pay the difference between the price of the hearing aid and the benefit payable under this section, without financial or contractual penalty to the provider of the hearing aid.】¹The commission may limit the benefit provided in this section to²【one】 \$2,500 per² hearing aid for each hearing-impaired ear every²【24】 60² months.¹

c. ¹【(1)】¹ The benefits shall provide coverage of the cost of treatment related to cochlear implants, including procedures for the

1 implantation of cochlear devices and costs for any parts,
 2 attachments, or accessories of the device ², including replacement of
 3 obsolete external cochlear implant processors².

4 ¹[(2) If a contract does not have in its network a provider who
 5 can provide any part, attachment, or accessory necessary to the
 6 continued function of a preexisting cochlear implant, the contract
 7 shall cover the part, attachment, or accessory when purchased from
 8 and provided by an out-of-network provider, and shall only impose
 9 cost sharing as if the out-of-network provider were part of the
 10 provider network.]]¹

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

12
 13 10. Section 11 of P.L.2008, c.126 (C.30:4J-12.2) is amended to
 14 read as follows:

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

23 b. The benefits shall include the purchase of a hearing aid for
 24 each ear, when medically necessary and as prescribed or
 25 recommended by a licensed physician or audiologist. **[The**
 26 **commissioner may limit the benefit provided in this section to**
 27 **\$1,000 per hearing aid for each hearing-impaired ear every 24**
 28 **months in any of the NJ FamilyCare Program plans, and may**
 29 **provide, when applicable, that a covered person may choose a**
 30 **hearing aid that is priced higher than the benefit payable under this**
 31 **section and may pay the difference between the price of the hearing**
 32 **aid and the benefit payable under this section, without financial or**
 33 **contractual penalty to the provider of the hearing aid.]** ¹The
 34 commissioner may limit the benefit provided in this section to
 35 ²**[one]** \$2,500 per² hearing aid for each hearing-impaired ear every
 36 ²**[24]** 60² months.¹

37 c. ¹**[(1)]** ¹The benefits shall provide coverage of the cost of
 38 treatment related to cochlear implants, including procedures for the
 39 implantation of cochlear devices and costs for any parts,
 40 attachments, or accessories of the device ², including replacement of
 41 obsolete external cochlear implant processors².

42 ¹[(2) If a contract does not have in its network a provider who
 43 can provide any part, attachment, or accessory necessary to the
 44 continued function of a preexisting cochlear implant, the contract
 45 shall cover the part, attachment, or accessory when purchased from
 46 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.】¹

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. ¹The
14 commission may limit the benefit provided in this section to ²【one】
15 \$2,500 per² hearing aid for each hearing-impaired ear every ²【24】
16 60² months.¹

17 c. ¹【(1)】¹ The benefits shall provide coverage of the cost of
18 treatment related to cochlear implants, including procedures for the
19 implantation of cochlear devices and costs for any parts,
20 attachments, or accessories of the device ², including replacement of
21 obsolete external cochlear implant processors².

22 ¹【(2) If a contract does not have in its network a provider who
23 can 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.】¹

29
30 12. This act shall take effect on the 90th day next after the date
31 of enactment.