

SENATE, No. 4018

STATE OF NEW JERSEY 221st LEGISLATURE

INTRODUCED JANUARY 14, 2025

Sponsored by:

Senator JOSEPH F. VITALE

District 19 (Middlesex)

Senator NICHOLAS P. SCUTARI

District 22 (Somerset and Union)

Co-Sponsored by:

Senator Diegnan

SYNOPSIS

Requires health insurance and Medicaid coverage for screening, prevention, and treatment services of behavioral health issues affecting children.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 1/30/2025)

1 AN ACT concerning insurance and Medicaid coverage for preventive
2 care for developmental and behavioral needs in children and
3 supplementing various parts of the statutory law.

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

7
8 1. a. A carrier that offers a health benefits plan in this State shall
9 provide benefits to any subscriber for medical expenses incurred in
10 screening, prevention, and treatment services of behavioral health
11 issues in children. A carrier shall accept and reimburse claims for
12 screening, prevention, and treatment using an at-risk diagnosis.

13 b. The benefits shall be provided to the same extent as for any
14 other service, drug, device, product, or procedure under the contract.

15 c. As used in this section:

16 "At-risk diagnosis" means a diagnosis made after consideration of
17 factors influencing behavioral health and child development, such as
18 family circumstances or life challenges, that does not lead to a formal
19 mental health diagnosis and instead, promotes preventive care.
20 Allowing providers to bill for an "at-risk diagnosis" authorizes
21 providers to use an alternative code, including a Social Determinants
22 of Health Z-code, to the codes of the American Psychiatric
23 Association Diagnostic and Statistical Manual of Mental Disorders
24 or the Diagnostic Classification of Mental Health and Developmental
25 Disorders of Infancy and Early Childhood, when billing for services,
26 without a formal mental health diagnosis, for children who are 18
27 years of age or younger.

28 "Carrier" means an insurance company, health service
29 corporation, hospital service corporation, medical service
30 corporation, or health maintenance organization authorized to issue
31 health benefits plans in this State.

32 "Screening, prevention, and treatment" includes the prevention
33 and early identification of mental health conditions, without a
34 behavioral health diagnosis. Services may include, but are not
35 limited to, screenings and individual, group, and family
36 psychotherapy to individuals with potential mental health disorders
37 not yet diagnosed.

38
39 2. a. The State Health Benefits Commission shall ensure that
40 every contract purchased by the commission on or after the effective
41 date of this act that provides hospital and medical expense benefits
42 shall provide benefits to any covered person for medical expenses
43 incurred in the screening, prevention, and treatment services of
44 behavioral health issues in children. The contract shall allow for
45 acceptance and reimbursement of claims for screening, prevention,
46 and treatment using an at-risk diagnosis.

47 b. The benefits shall be provided to the same extent as for any
48 other service, drug, device, product, or procedure under the contract.

1 c. As used in this section:

2 “At-risk diagnosis” means a diagnosis made after consideration of
3 factors influencing behavioral health and child development, such as
4 family circumstances or life challenges, that does not lead to a formal
5 mental health diagnosis and instead, promotes preventive care.
6 Allowing providers to bill for an “at-risk diagnosis” authorizes
7 providers to use an alternative code, including a Social Determinants
8 of Health Z-code, to the codes of the American Psychiatric
9 Association Diagnostic and Statistical Manual of Mental Disorders
10 or the Diagnostic Classification of Mental Health and Developmental
11 Disorders of Infancy and Early Childhood, when billing for services,
12 without a formal mental health diagnosis, for children who are 18
13 years of age or younger.

14 “Screening, prevention, and treatment” includes the prevention
15 and early identification of mental health conditions, without a
16 behavioral health diagnosis. Services may include, but are not
17 limited to, screenings and individual, group, and family
18 psychotherapy to individuals with potential mental health disorders
19 not yet diagnosed.

20

21 3. a. The School Employees' Health Benefits Commission shall
22 ensure that every contract purchased by the commission on or after
23 the effective date of this act that provides hospital and medical
24 expense benefits shall provide benefits to any covered person for
25 medical expenses incurred in the screening, prevention, and
26 treatment services of behavioral health issues in children. The
27 contract shall allow for acceptance and reimbursement of claims for
28 screening, prevention, and treatment using an at-risk diagnosis.

29 b. The benefits shall be provided to the same extent as for any
30 other service, drug, device, product, or procedure under the contract.

31 c. As used in this section:

32 “At-risk diagnosis” means a diagnosis made after consideration of
33 factors influencing behavioral health and child development, such as
34 family circumstances or life challenges, that does not lead to a formal
35 mental health diagnosis and instead, promotes preventive care.
36 Allowing providers to bill for an “at-risk diagnosis” authorizes
37 providers to use an alternative code, including a Social Determinants
38 of Health Z-code, to the codes of the American Psychiatric
39 Association Diagnostic and Statistical Manual of Mental Disorders
40 or the Diagnostic Classification of Mental Health and Developmental
41 Disorders of Infancy and Early Childhood, when billing for services,
42 without a formal mental health diagnosis, for children who are 18
43 years of age or younger.

44 “Screening, prevention, and treatment” includes the prevention
45 and early identification of mental health conditions, without a
46 behavioral health diagnosis. Services may include, but are not
47 limited to, screenings and individual, group, and family

1 psychotherapy to individuals with potential mental health disorders
2 not yet diagnosed.

3
4 4. a. Notwithstanding any law, rule, or regulation to the
5 contrary, the Division of Medical Assistance and Health Services
6 within the Department of Human Services, or a managed care
7 organization that contracts with the division to provide medical
8 services to beneficiaries of the NJ FamilyCare program, shall ensure
9 the provision of benefits for medical expenses incurred in screening,
10 prevention, and treatment services of behavioral health issues in
11 children. The division or the managed care organization shall accept
12 and reimburse claims for screening, prevention, and treatment using
13 an at-risk diagnosis.

14 b. The department may take any administrative action necessary
15 to effectuate the provisions of this section, including modifying or
16 amending any applicable contract or promulgating, amending, or
17 repealing any guidance, guidelines, or rules, which rules or
18 amendments thereto shall be effective immediately upon filing with
19 the Office of Administrative Law for a period not to exceed 12
20 months, and may, thereafter, be amended, adopted or readopted in
21 accordance with the provisions of the “Administrative Procedure
22 Act,” P.L.1968, c.410 (C.52:14B-1 et seq.).

23 c. The Commissioner of Human Services shall apply for such
24 State plan amendments or waivers as may be necessary to implement
25 the provisions of this section and to secure federal financial
26 participation for State Medicaid expenditures under the federal
27 Medicaid program.

28 d. As used in this section:

29 “At-risk diagnosis” means a diagnosis made after consideration of
30 factors influencing behavioral health and child development, such as
31 family circumstances or life challenges, that does not lead to a formal
32 mental health diagnosis and instead, promotes preventive care.
33 Allowing providers to bill for an “at-risk diagnosis” authorizes
34 providers to use an alternative code, including a Social Determinants
35 of Health Z-code, to the codes of the American Psychiatric
36 Association Diagnostic and Statistical Manual of Mental Disorders
37 or the Diagnostic Classification of Mental Health and Developmental
38 Disorders of Infancy and Early Childhood, when billing for services,
39 without a formal mental health diagnosis, for children who are 18
40 years of age or younger.

41 “Screening, prevention, and treatment” includes the prevention
42 and early identification of mental health conditions, without a
43 behavioral health diagnosis. Services may include, but are not
44 limited to, screenings and individual, group, and family
45 psychotherapy to individuals with potential mental health disorders
46 not yet diagnosed.

1 5. This act shall take effect on the 90th day next following
2 enactment and shall apply to policies, plans, and contracts delivered,
3 executed, issued, or renewed on or after that date.

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STATEMENT

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8 This bill requires health insurers (health, hospital and medical
9 service corporations, commercial individual and group health
10 insurers, health maintenance organizations, health benefits plans
11 issued pursuant to the New Jersey Individual Health Coverage and
12 Small Employer Health Benefits Programs, the State Health Benefits
13 Program, and the School Employees' Health Benefits Program) and
14 the State Medicaid program to provide benefits to any covered person
15 for medical expenses incurred relating to screening, prevention, and
16 treatment of behavioral health issues in children. Carriers and the
17 State Medicaid program are required to accept and reimburse claims
18 for screening, prevention, and treatment using an at-risk diagnosis.

19 As used in the bill, an "at-risk diagnosis" is a diagnosis made after
20 consideration of factors influencing behavioral health and child
21 development, such as family circumstances or life challenges, that
22 does not lead to a formal mental health diagnosis and instead,
23 promotes preventive care. Allowing providers to bill for an "at-risk
24 diagnosis" authorizes providers to use an alternative code, including
25 a Social Determinants of Health Z-code, to the codes of the American
26 Psychiatric Association Diagnostic and Statistical Manual of Mental
27 Disorders or the Diagnostic Classification of Mental Health and
28 Developmental Disorders of Infancy and Early Childhood when
29 billing for services, without a formal mental health diagnosis for
30 children who are 18 years of age or younger.