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P.L. 2008, CHAPTER 126, *approved December 30, 2008*
Senate, No. 467 (*First Reprint*)

AN ACT concerning health benefits coverage for hearing aids for children and supplementing various parts of the statutory law.

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

1. This act shall be known and may be cited as "Grace's Law."

2. A hospital service corporation contract that provides hospital and medical expense benefits and is delivered, issued, executed or renewed in this State pursuant to P.L.1938, c.366 (C.17:48-1 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 coverage for medically necessary expenses incurred in the purchase of a hearing aid for a covered person 15 years of age or younger, as provided in this section.

A hospital service corporation contract shall provide coverage that includes the purchase of a hearing aid for each ear, when medically necessary and as prescribed or recommended by a licensed physician or audiologist. A hospital service corporation 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.

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

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

3. A medical service corporation contract that provides hospital and medical expense benefits and is delivered, issued, executed or renewed in this State pursuant to P.L.1940, c.74 (C.17:48A-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 coverage for medically necessary expenses incurred in the purchase of a hearing aid for a covered person 15 years of age or younger, as provided in this section.

A medical service corporation contract shall provide coverage that includes the purchase of a hearing aid for each ear, when medically necessary and as prescribed or recommended by a licensed physician or audiologist. A medical service corporation 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.

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

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

4. A health service corporation contract that provides hospital and medical expense benefits and is delivered, issued, executed or renewed in this State pursuant to P.L.1985, c.236 (C.17:48E-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 coverage for medically necessary expenses incurred in the purchase of a hearing aid for a covered person 15 years of age or younger, as provided in this section.

A health service corporation contract shall provide coverage that includes 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 service corporation 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.

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

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

5. An individual health insurance policy that provides hospital and medical expense benefits and is delivered, issued, executed or renewed in this State pursuant to chapter 26 of Title 17B of the New Jersey Statutes, 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 coverage for medically necessary expenses incurred in the purchase of a hearing aid for a covered person 15 years of age or younger, as provided in this section.

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

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

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

6. A group health insurance policy that provides hospital and medical expense benefits and is delivered, issued, executed or renewed in this State pursuant to chapter 27 of Title 17B of the New Jersey Statutes, 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 coverage for medically necessary expenses incurred in the purchase of a hearing aid for a covered person 15 years of age or younger, as provided in this section.

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

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

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

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

A health benefits plan shall provide coverage that includes the purchase of a hearing aid for each ear, when medically 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.

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

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

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

A health benefits plan shall provide coverage that includes the purchase of a hearing aid for each ear, when medically 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.

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

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

9. 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 for an enrollee 15 years of age or younger, as provided in this section.

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.

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

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.

10. 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 for a covered person 15 years of age or younger, as provided in this section.

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.

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

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 commissioner may limit the benefit provided in this section to \$1,000 per hearing aid for each hearing-impaired ear every 24 months in any of the NJ FamilyCare Program plans, and may provide, when applicable, that 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.

12. This act shall take effect on the ~~1[30th]~~ 90th¹ day after enactment.

"Grace's Law;" requires health insurers, State Health Benefits Program and NJ FamilyCare to provide coverage for hearing aids for covered persons 15 and younger.