

NEW JERSEY
INDIVIDUAL HEALTH COVERAGE PROGRAM

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ADVISORY BULLETIN
99-IHC-04

October 7, 1999

To: IHC Program Carriers that Issue Standard Health Benefits Plans

From: Ellen F. DeRosa, Deputy Executive Director

**Re: Adoption of Changes to Standard Individual Health Benefits Plans
Text to Include on Compliance and Variability Rider**

The individual Health Coverage Program Board (IHC Board) has adopted changes to Appendix Exhibits B, C, D, F and U. The proposal noted that carriers would have the option to use the Compliance and Variability Rider, N.J.A.C. 11:20 Appendix Exhibit S, to implement the forms changes. This Bulletin specifies the text that all carriers that elect to use the Compliance and Variability Rider to implement changes must include on such Rider. Carriers may elect to re-issue the standard plans rather than use the Rider option.

The adoption specifies a November 1, 1999 Operative Date. Please be guided accordingly with respect to new business and renewals business.

The IHC Board will begin a thorough review of the standard plans and expects to propose changes to the standard plans in 2000. If you would like to provide input with respect to the IHC Board's consideration of policy language, feel free to send comments and suggestions to me before the end of October 1999.

If you would like the text of this Bulletin along with the text for the Compliance and Variability Rider provided to you via e-mail, please send me an e-mail request. In addition, if you would like to receive the text of all of the forms that were amended in this recent adoption, please send me an e-mail request. My e-mail address is at the top of the Bulletin. Our system uses WORD 97. If you are using an earlier version of WORD or are using another software program, I can send the attachment in Rich Text Format. Please indicate in any e-mail request whether you can open a WORD 97 document or if you need it converted to Rich Text Format. If you do not use e-mail and would like to receive the text of the Bulletin on disk, please fax a request to me at the fax number given

at the top of this Bulletin. As with e-mail files, you must indicate whether the text on the disk should use WORD 97 or Rich Text Format.

If you have any questions, feel free to contact me.

Text for Compliance and Variability Rider to amend Standard Plans A/50, B, C and D

SECTION: DEFINITIONS

The definitions of **Alcohol Abuse** and **Substance Abuse** are deleted and replaced with the following:

ALCOHOLISM. Abuse of or addiction to alcohol. Alcoholism does **not** include abuse of or addiction to a substance. Please see the definition of Substance Abuse.

SUBSTANCE ABUSE. Abuse of or addiction to drugs. Substance Abuse does **not** include abuse of or addiction to alcohol. Please see the definition of Alcoholism.

The definition of **Mental or Nervous Condition** is deleted in its entirety. All references to Mental or Nervous Conditions are replaced with the term, **Non-Biologically-based Mental Illness**, as defined in this Rider.

The definitions of **Biologically-based Mental Illness** and **Non-Biologically-based Mental Illness** are added to the Definitions section of the Policy.

BIOLOGICALLY-BASED MENTAL ILLNESS. A mental or nervous condition that is caused by a biological disorder of the brain and results in a clinically significant or psychological syndrome or pattern that substantially limits the functioning of the person with the illness, including but not limited to: schizophrenia; schizoaffective disorder; major depressive disorder; bipolar disorder; paranoia and other psychotic disorders; obsessive-compulsive disorder; panic disorder and pervasive developmental disorder or autism.

NON-BIOLOGICALLY-BASED MENTAL ILLNESS. An Illness which manifests symptoms which are primarily mental or nervous for which the primary treatment is psychotherapy or psychotropic medication where the Illness is not biologically-based.

In Determining whether or not a particular condition is a Non-Biologically-based Mental Illness, We may refer to the current edition of the Diagnostic and Statistical Manual of Mental Conditions of the American Psychiatric Association.

SECTION: COVERED CHARGES **NEW SUBSECTION: BIOLOGICALLY-BASED MENTAL ILLNESS**

The **Covered Charges** section is amended to include the following benefit, immediately following the Benefits for a Covered Newborn Dependent benefit.

Biologically-based Mental Illness: We pay benefits for the treatment of a Biologically-based Mental Illness the same way We would for any other Illness, if such treatment is prescribed by a Practitioner. But We do not pay for Custodial Care, education, or training.

SECTION: CHARGES COVERED WITH SPECIAL LIMITATIONS
SUBSECTION: DENTAL CARE AND TREATMENT

The **Dental Care and Treatment** subsection is amended to include the following:

For a Covered Person who is severely disabled or who is a Child under age 6, We cover:

- A. general anesthesia and Hospitalization for dental services; and
- B. dental services rendered by a dentist regardless of where the dental services are provided for a medical condition covered by this Policy which requires Hospitalization or general anesthesia.

SECTION: CHARGES COVERED WITH SPECIAL LIMITATIONS
SUBSECTION: MENTAL OR NERVOUS CONDITIONS AND SUBSTANCE ABUSE

The **Mental or Nervous Conditions and Substance Abuse** subsection is deleted and replaced with the following:

Non-Biologically-based Mental Illness and Substance Abuse: We limit what We pay for the treatment of Non-Biologically-based Mental Illness and Substance Abuse as those terms are defined in this Policy.

You may receive treatment as an Inpatient in a Hospital or a Substance Abuse Center. However, this Policy contains penalties for noncompliance with Our preapproval requirements. See the section of this Policy called "Utilization Review" for details. You may also receive treatment as an Outpatient from a Hospital, Substance Abuse Center, or Practitioner.

You must pay Coinsurance of [50%] [**Note to carriers: 50% applies to Plan A/50, for Plan B change to 40%, for Plan C, change to 30% and for Plan D change to 25%**] for Covered Charges for Inpatient and Outpatient treatment. We limit what We pay to \$5,000 for combined Inpatient and Outpatient treatment per Covered Person per Calendar Year. We will pay a Per Lifetime Maximum of \$25,000 combined Inpatient and Outpatient benefit.

Routine Practitioner's office visits for the monitoring of a Covered Person's use of maintenance Prescription Drugs shall be treated the same as Practitioner office visits for the treatment of any other Injury or Illness for determining benefits under this Policy. Charges for maintenance Prescription Drugs shall be covered in accordance with the terms and conditions of this Policy concerning Prescription

Drugs. Covered Charges for such office visits and maintenance Prescription
Drugs are not subject to and do not count towards the limitations defined above.

We do not pay for Custodial Care, education, or training.

SECTION: CHARGES COVERED WITH SPECIAL LIMITATIONS
SUBSECTION: PROSTHETIC DEVICES

The last sentence of the **Prosthetic Devices** subsection is amended to state:

We do not pay for repairs, or wigs. We do not cover dental prosthetics or devices other than as a replacement for natural teeth lost due to Injury, as stated in the Dental Care and Treatment provision of this Policy.

Text for Compliance and Variability Rider to amend Standard Plan HMO

SECTION: DEFINITIONS

The definitions of **Alcohol Abuse** and **Substance Abuse** are deleted and replaced with the following:

ALCOHOLISM. Abuse of or addiction to alcohol. Alcoholism does **not** include abuse of or addiction to a substance. Please see the definition of Substance Abuse.

SUBSTANCE ABUSE. Abuse of or addiction to drugs. Substance Abuse does **not** include abuse of or addiction to alcohol. Please see the definition of Alcoholism.

The definition of **Mental or Nervous Condition** is deleted in its entirety. All references to Mental or Nervous Conditions are replaced with the term, **Non-Biologically-based Mental Illness**, as defined in this Rider.

The definitions of **Biologically-based Mental Illness** and **Non-Biologically-based Mental Illness** are added to the Definitions section of the Contract.

BIOLOGICALLY-BASED MENTAL ILLNESS. A mental or nervous condition that is caused by a biological disorder of the brain and results in a clinically significant or psychological syndrome or pattern that substantially limits the functioning of the person with the illness, including but not limited to: schizophrenia; schizoaffective disorder; major depressive disorder; bipolar disorder; paranoia and other psychotic disorders; obsessive-compulsive disorder; panic disorder and pervasive developmental disorder or autism.

NON-BIOLOGICALLY-BASED MENTAL ILLNESS. An Illness which manifests symptoms which are primarily mental or nervous for which the primary treatment is psychotherapy or psychotropic medication where the Illness is not biologically-based.

In Determining whether or not a particular condition is a Non-Biologically-based Mental Illness, We may refer to the current edition of the Diagnostic and Statistical Manual of Mental Conditions of the American Psychiatric Association.

SECTION: COVERED SERVICES AND SUPPLIES **SUBSECTION: OUTPATIENT BENEFITS**

The last sentence of Item 8, **Prosthetic Devices and Durable Medical Equipment**, is replaced with the following:

We do not provide for replacements (unless Medically Necessary and Appropriate), repairs, or wigs. We do not cover dental prosthetics or devices other than as a replacement for natural teeth lost due to Injury as stated in the Dental Care and Treatment provision of this Contract.

SECTION: COVERED SERVICES AND SUPPLIES
SUBSECTION: BENEFITS FOR SUBSTANCE ABUSE AND MENTAL OR NERVOUS CONDITIONS

The Benefits for Substance Abuse and Mental or Nervous Conditions subsection is deleted and replaced with the following:

d) **BENEFITS FOR SUBSTANCE ABUSE AND NON-BIOLOGICALLY-BASED MENTAL ILLNESSES.** The following Services are covered when rendered by a [Network] [Participating] Practitioner at Practitioner's office [, Health Center] or at a [Network] [Participating] Substance Abuse Center upon prior written referral by Your [Primary Care Physician] [[or] Care Manager]. Please note that this section does **not** address coverage for a Biologically-based Mental Illness.

1. **Outpatient.** You are entitled to receive up to twenty (20) Outpatient visits or Partial Hospitalization days during any period of 365 consecutive days. Benefits include diagnosis, medical, psychiatric and psychological treatment and medical referral services by Your Primary Care Physician [or Care Manager] for the abuse of or addiction to drugs and Non-Biologically-based Mental Illnesses. Payment for non-medical ancillary services (such as vocational rehabilitation or employment counseling) is not provided, but information regarding appropriate agencies will be provided if available. You are additionally eligible, upon referral by Your Primary Care Physician [or Care Manager], for up to sixty (60) more Outpatient visits or Partial Hospitalization days by exchanging one or more of the inpatient hospital days described in paragraph 2 below where each exchanged inpatient day provides two outpatient visits.

2. **Inpatient Hospital Care.** You are entitled to receive up to thirty (30) days of Inpatient care benefits for detoxification, medical treatment for medical conditions resulting from the Substance Abuse, referral services for Substance Abuse or addiction, and Non-Biologically-based Mental Illnesses. The following services shall be covered under inpatient treatment: (1) lodging and dietary services; (2) physician, psychologist, Nurse, certified addictions counselor and trained staff services; (3) diagnostic x-ray; (4) psychiatric, psychological and medical laboratory testing; (5) drugs, medicines, equipment use and supplies.

3. **Repeat Detoxification Treatment.** Repeated detoxification treatment for chronic Substance Abuse will not be covered unless in Our Sole Discretion it is Determined that You have been cooperative with an on-going treatment plan

developed by a [Network] [Participating Practitioner. Failure to comply with treatment shall constitute cause for non-coverage of Substance Abuse services.

Court-ordered Substance Abuse or Non-Biologically-based Mental Illnesses admissions are not covered unless Medically Necessary and Appropriate and only to the extent of the covered benefit as described above.

SECTION: COVERED SERVICES AND SUPPLIES
NEW SUBSECTION: BIOLOGICALLY-BASED MENTAL ILLNESS

The following new subsection is added immediately prior to the Alcoholism Benefits subsection.

BIOLOGICALLY-BASED MENTAL ILLNESS. We cover treatment of a Biologically-based Mental Illness in the same way as We would cover any other Illness, if treatment is rendered by a [Participating Provider] [Network Practitioner] upon prior written referral by Your [Primary Care Physician] [[or] Care Manager]. We do not pay for Custodial Care, education or training.

SECTION: COVERED SERVICES AND SUPPLIES
NEW SUBSECTION: DENTAL CARE AND TREATMENT

The following new subsection is added immediately following the Therapeutic Manipulation subsection.

DENTAL CARE AND TREATMENT - We cover the diagnosis and treatment of oral tumors and cysts; and the surgical removal of bony impacted teeth.

We also cover treatment of an Injury to natural teeth or the jaw, but only if:

1. the Injury occurs while You are covered under any health benefit plan;
2. the Injury was not caused, directly or indirectly by biting or chewing; and
3. all treatment is finished within 6 months of the date of the Injury.

Treatment includes replacing natural teeth lost due to such Injury. But in no event do We cover orthodontic treatment.

For a Member who is severely disabled or who is a Child under age 6, We cover:

- A. general anesthesia and Hospitalization for dental services; and
- B. dental services rendered by a dentist regardless of where the dental services are provided for a medical condition covered by this Contract which requires Hospitalization or general anesthesia.

SECTION: EXCLUSIONS

The Exclusion for **injectable drugs** that immediately precedes the exclusion for Allergy and biological sera is deleted.