

# A STUDY OF NEW JERSEY ASSEMBLY BILL 5790

REQUIRES HEALTH BENEFITS COVERAGE FOR  
TREATMENT OF LIPEDEMA

Report to the New Jersey Assembly

November 7, 2025

Mandated Health Benefits Advisory Commission



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## INTRODUCTION

The Mandated Health Benefits Advisory Commission (MHBAC) has been asked to review A5790 (see Appendix I for a copy of the legislation), a bill that requires health benefits coverage for expenses incurred for the treatment of lipedema. Specifically, the bill states covered expenses “shall include compression garments for all...affected extremities, manual lymphatic drainage, medical nutrition therapy, mental health care, [medically necessary] lipectomy, and pre- and post-lipectomy appointments with the subscriber’s physician and surgeon.” The bill would apply to health insurers, including health service corporations, hospital service corporations, medical service corporations, commercial individual and group health insurers, health maintenance organizations, health benefits plans issued pursuant to the New Jersey Individual Health Coverage and Small Employer Health Benefits Programs, and the State Health Benefits Program (SHBP) and School Employees' Health Benefits Program (SEHBP).

A5790 would establish a new coverage mandate for treatment of lipedema, including the requirements for establishing the subscriber’s medical condition and need for surgical care, as well as the terms of prior authorization and coverage benefit details. Specifically, A5790 states that a carrier “shall only require...documentation from the subscriber’s physician diagnosing...lipedema, and, if applicable, documentation from the subscriber’s surgeon that includes photographs...that support the diagnosis and information on the number of lipectomies the subscriber’s surgeon deems medically necessary.” The bill further specifies that the carrier “shall provide coverage for the total number of lipectomies deemed medically necessary...and shall not require a subscriber’s surgeon to remove less fat than the surgeon deems medically necessary...during a lipectomy....”

A5790 also specifies the terms of prior authorization, stating that “prior authorization for a lipectomy shall be valid for a period of one year from the date the subscriber’s surgeon receives prior authorization....” The carrier is prohibited from changing the prior authorization in any way if the subscriber maintains insurance coverage, if the clinical information upon which the prior authorization was based was not misrepresented by the surgeon or subscriber, and if there is no “material change” in the clinical condition of the subscriber. Furthermore, “A carrier is required to honor a prior authorization granted to a covered person for a lipectomy by the covered person’s previous carrier for the remainder of the duration of the prior authorization.” Finally, A5790 specifies that “benefits...shall be provided to the same extent and with the same deductibles, coinsurance, and other cost sharing as apply to similar services under the contract and shall be consistent with the current standard of care for lipedema.”

The Mandated Health Benefits Advisory Commission Act (N.J.S.A. 17B:27D-1 *et seq.*) tasks the Commission with providing an independent analysis of the social, medical, and financial impact of proposed legislation referred to it for review. The Act does not ask the Commission to recommend whether to enact the legislation, and the Commission does not do so here. The MHBAC prepared this report using its own resources, including staff from the New Jersey

Department of Banking and Insurance. Commission members contributed their professional expertise, on a voluntary basis, in helping to shape the presentation of this report, analyzing published research, and drafting and editing its various sections. The MHBAC has sought to include information from a number of reputable sources that it found credible but recognizes that opinions and analyses may differ.

## **MEDICAL EVIDENCE**

Lipedema is a loose connective tissue disease that causes abnormal fat build up primarily in the lower part of the body such as the hips, legs, and buttocks, but which can also be found in the upper arms.<sup>i,ii</sup> Although lipedema is often confused with obesity, the conditions are distinct, with lipedema fat deemed as “exercise-resistant.”<sup>iii</sup> Lipedema predominately affects women, with an estimated 10% of the female population affected.<sup>iv</sup> Lipedema is characterized by “unusual nodular and/or fibrotic texture within the excess fat that can feel like rice, peas, or walnuts beneath the surface of the skin.”<sup>v</sup> Other symptoms of lipedema include pain (ranging from mild to severe, and ranging from constant pain to discomfort that only occurs when the affected areas are manipulated), swelling of affected tissue, fatigue, skin that bruises easily, limited mobility, bilateral and symmetrical fat buildup in the lower extremities, and heaviness in the fatty areas.<sup>vi,vii</sup>

Lipedema can be classified into different stages and types:<sup>viii</sup>

### **Stages:**

- Stage 1: Smooth skin, increase of enlarged subcutaneous fat tissue
- Stage 2: Uneven skin with indentations in the fat tissue and larger mounds of fat tissue (lipomas) able to be seen and felt
- Stage 3: Protrusion of fatty tissue, especially on the thighs and around the knees
- Stage 4: Development of lipolymphedema – a condition where both lipedema and lymphedema (swelling that mainly affects the legs and arms due to a buildup of lymph fluid, which can be present at any stage) are present in the body— with large overhangs of tissue on legs and/or arms<sup>ix,x</sup>

### **Types:**

- Type I: Fat between navel and hips
- Type II: Fat between pelvis and knees
- Type III: Fat between pelvis and ankles

- Type IV: Fat between shoulders and wrists
- Type V: Fat between knees and ankles<sup>xi</sup>

The cause of lipedema is not completely understood, however research has found that lipedema usually occurs during times of hormonal changes such as pregnancy, puberty, or menopause.<sup>xii</sup> Additionally, lipedema runs in families in 20% to 60% of cases, which has led some researchers to conclude that lipedema may be inherited.<sup>xiii</sup> In addition to having a family history and being female, another risk factors for lipedema is having a Body Mass Index (BMI) higher than 35.<sup>xiv</sup>

Lipedema is often under- and misdiagnosed, primarily because there are no standardized exams or screenings for the condition. Trained healthcare providers must perform a physical exam and review medical history to determine a lipedema diagnosis.<sup>xv</sup>

Treatment for lipedema consists of conservative (non-surgical, sometimes referred to as Comprehensive Decongestive Therapy (CDT)) and surgical treatments.<sup>xvi</sup> Conservative treatments include manual lymphatic drainage massage (MLD) of affected areas, massage therapy, wearing compression garments, the use of a pneumatic compression device, dieting, and nutritional supplements.<sup>xvii</sup> Compression garments should be replaced every 6 months costing \$200 per year. MLD sessions, on average, occur 1 time per month and are approximately \$155 per session, however frequency of the sessions can vary before or after surgery.<sup>xviii</sup> CDT is most effective in stage 4 of lipedema and aims to reduce swelling and pain.<sup>xix</sup> As lipedema progresses, surgical intervention may be necessary, utilizing lymph-sparing liposuction.<sup>xx</sup>

Recommendations for lipedema surgery differ among national guidelines. The UK guidelines suggest that surgery should only be performed within a research context due to “inadequate efficacy and safety data.”<sup>xxi</sup> In contrast, the U.S. guidelines identify surgery as the only available method for removing lipedema tissue. A total of 85 consensus statements consisting of lipedema overview, medical treatment, conservative and other therapies, surgical treatment, and arterial and venous disorders, were issued by 21 lipedema expert panelists and a parliamentarian regarding standards of care for lipedema, with 23 of them specifically addressing liposuction.<sup>xxii</sup> These recommendations were classified as strong or weak depending on the balance of benefits, risks, burden, and cost, as well as the level of confidence in the estimates of these factors. Also rated was the quality of evidence obtained for these consensus statements.<sup>xxiii</sup>

Some statements about liposuction included patients considering liposuction should generally be in good overall health.<sup>xxiv</sup> When treating lipedema, liposuction may involve higher-than-usual volumes of fat removal and can require multiple surgical sessions.<sup>xxv</sup> Prior to undergoing surgery, conservative treatment approaches should be attempted.<sup>xxvi</sup> Women with lipedema—particularly in the more advanced stages—are at an increased risk for venous thromboembolism (VTE) and pulmonary embolism (PE) following surgery.<sup>xxvii</sup> Therefore, appropriate screening for VTE risk should be conducted before the procedure.

Effective surgical treatment may require multiple sessions. Some other surgical techniques that can be utilized are Water-Jet Assisted Liposuction (WAL) and Tumescent Local Anesthesia (TLA).<sup>xxviii</sup> There are circumstances where certain procedures need to be done before a person's lipedema advances to the point where liposuction is indicated, such as when sclerotherapy is required.<sup>xxix</sup> Sclerotherapy is a procedure that redirects blood flow through healthier veins by closing off damaged ones.<sup>xxx</sup>

Liposuction for lipedema sometimes requires multiple sessions in order to preserve intricate lymphatic structures.<sup>xxxi</sup> Following the last liposuction procedure, reduction in symptoms can last up to 12 years.<sup>xxxii</sup> Furthermore, aftercare for some patients requires combinations of conservative treatments, such as manual lymphatic drainage massage and compression garments.<sup>xxxiii</sup> This is because swelling, bruising, and tenderness are expected after surgery.

## **SOCIAL IMPACT**

Women with lipedema often face challenges that extend beyond the physical symptoms of the condition. Research has highlighted the additional mental and emotional toll lipedema can take. In one study, twelve women with lipedema were interviewed, and the overarching theme identified by the authors was that these women were experiencing “an uncertain uphill battle against a divergent body and societal ignorance.”<sup>xxxiv</sup> Many of the participants described perceiving themselves as “fat”, which negatively impacted their self-image. They feared receiving unwanted comments and silent judgment about their body shape, which, for some, became a constant worry.<sup>xxxv</sup>

The study also found that for some people with lipedema, the daily pain and heaviness associated with the condition could limit their ability to engage in routine activities, such as walking.<sup>xxxvi</sup> Other activities—like exercising, driving, and air travel — can be restricted due to body shape and size.<sup>xxxvii</sup> Some women report that physical symptoms leave them unable to work, which can lead to financial difficulties.<sup>xxxviii</sup>

Participants also discussed the challenge of being misdiagnosed early in their condition.<sup>xxxix</sup> This often led them to turn to social media as a resource, due to the lack of accessible information about lipedema. Some study participants reported that as their condition progressed, so did the psychological burden. The authors of the study emphasized that, in treating lipedema, preventive interventions aimed at slowing health deterioration should be prioritized.<sup>xl</sup>

Another study documented the testimonies of 148 women in the U.S. with lipedema stages 1-4 who underwent lipedema reduction surgery (liposuction) from 2013-2018.<sup>xli</sup> After surgery, participants reported the areas with the greatest reduction in excess adipose tissue. The most significant reductions were observed as follows: 44% under the knees, 38% in the ankle cuff area, 37% in the inner knee fit, and 23% in lower arm fat.<sup>xlii</sup> All participants had more than one lipedema-

related surgery, with one individual reporting six procedures. Nearly all women used compression garments post-surgery.<sup>xlili</sup>

Following surgery, 84% of participants reported improved quality of life, relief from physical symptoms, a reduction in disease stage, and better mobility—the results were constant regardless of the participant’s initial stage of lipedema.<sup>xliv</sup> Some participants reported post-surgical complications. These included lymphedema, anemia, loose skin, tissue regrowth in treated and untreated areas, deep vein thrombosis, blood clots, tissue fibrosis, and cellulitis. Still, most women reported no complications after surgery.<sup>xliv</sup>

A review of the literature involving a total of 1,785 patients who underwent liposuction to treat lipedema showed similar results.<sup>xlvi</sup> Analysis of these studies demonstrated significant improvements following the procedure, including reductions in pain, pressure sensitivity, bruising, heaviness, and difficulties with mobility.<sup>xlvi</sup> Some post-surgical complications were noted, such as inflammation, thrombosis, seroma, hematoma, and skin changes related to lymphedema. However, no severe complications or fatalities were reported.<sup>xlvi</sup> Moreover, the authors of this meta-analysis concluded that further high-quality, large-scale clinical trials are needed to thoroughly evaluate the safety and efficacy of different liposuction methods.<sup>xlvi</sup>

It should be kept in mind that many studies consisted mostly of self-reported data which could skew results. Although liposuction can offer symptomatic relief, “it should be considered an adjunct, experimental therapy rather than a definitive cure, emphasizing the need for a comprehensive approach to care.”<sup>l</sup>

## **OTHER STATES**

The Commission has been unable to identify any legislation introduced or adopted in any other state mandating coverage for lipedema treatment; accordingly, there is no relevant legislation from other states to discuss in this report. A5790’s companion bill, S4495, was introduced in the New Jersey Senate on May 22, 2025, and referred to the Senate Commerce Committee.

## **DISCUSSION**

A review of insurance carriers’ coverage guidelines for liposuction to treat lipedema suggests that, in current practice, patient and provider documentation requirements are generally extensive. In order to establish medical necessity, and therefore insurance coverage, for liposuction, carrier policies frequently require the patient and provider to document a number of different skin and fat deposit characteristics, indicate that the patient has hypersensitivity to touch in the affected areas, provide documentation of medical complications or significant physical functional limitations, and show that the lipedema symptoms have not responded to “standard conservative treatments...for

at least 3-6 months.”<sup>li</sup> All major carriers have similar commercial insurance coverage guidelines, requiring that all conditions be present and documented in order for treatment of lipedema to be considered medically necessary and therefore covered under commercial insurance policies; other liposuction treatment options in the absence of all of these conditions being satisfied are considered investigational.<sup>lii,liiii,liv,lv,lvi</sup>

As seen in the guidelines above, to determine a subscriber’s coverage status for the surgical treatment of lipedema, insurance carriers may require “documentation of failed non-surgical treatments, clinical evaluations, and medical records demonstrating lipedema’s limitations on the patient’s physical and mental well-being.”<sup>lvii</sup> Insurers “usually only cover the surgical treatment of lipedema when the disease significantly impacts instrumental functions in the patient’s daily life.”<sup>lviii</sup> The process of receiving approval for surgical treatment of lipedema may also require a subscriber to appeal a coverage determination, perhaps through more than one round of appeals.<sup>lix</sup>

A5790 also includes specific requirements related to prior authorization, including requiring that a prior authorization remain valid for one year and prohibiting carriers from revoking, limiting, conditioning, or restricting a prior authorization within that one-year period if the patient remains eligible for coverage, there were no misrepresentations of information at the time the prior authorization was granted, and there have been no material changes in the patient’s clinical circumstances or condition. Carriers are also required to honor a prior authorization granted by the patient’s previous carrier.

In 2023, New Jersey adopted the “Ensuring Transparency in Prior Authorization Act,” (ETPAA) P.L.2023, c.296 (C.17B:30-55.1 et al.), which established certain standard requirements for prior authorization. The prior authorization requirements that would be established under A5790 would differ from the requirements established under ETPAA in a number of ways, including expanding the length of the period during which a lipedema treatment prior authorization remains valid from 180 days to one year and providing requirements for carriers to honor a prior authorization approved by a prior carrier. To the extent A5790 would create different prior authorization standards than apply under ETPAA, it could create additional administrative requirements for carriers in setting up different processes for different conditions and for the state to ensure carriers are in compliance with both laws.

In practical effect, A5790 would limit the ability of carriers to establish or maintain preconditions for the treatment of lipedema, and would require coverage for most lipedema treatments, including surgery, based on a determination of medical necessity by the patient’s treating physician that meet certain requirements in the bill. This is consistent with the positions of some lipedema patient advocates and lipedema treatment providers.<sup>lx</sup>



## FINANCIAL IMPACT

There are several factors that determine the cost of surgical treatment for a lipedema patient. Among these are the patient's insurance coverage status, whether a surgeon is in-network or out-of-network, the location (*i.e.*, region, state, or town/city) where the surgery is performed, the severity of the patient's lipedema condition, the number of areas being treated surgically, and the total number of surgeries required.<sup>lxi,lxii</sup> There do not appear to be any objective studies or sources analyzing the typical cost of lipedema treatment, which, in combination with the factors listed above, make it difficult to produce a reliable estimate of the costs of lipedema treatment in New Jersey. Some anecdotal sources suggest the costs of lipedema treatment can range from \$10,000 to \$20,000 per course of treatment, while other anecdotal sources suggest the cost can be as much as \$65,200.<sup>lxiii,lxiv</sup> For reference, as reported in 2022, when they cover lipedema surgery, Medicaid programs reimbursed about \$2,000 per surgical treatment.<sup>lxv</sup> The authors of that report contend, "As a result, it is almost impossible to find a board-certified plastic surgeon in private practice willing to accept...Medicaid patients."<sup>lxvi</sup> The inability to independently verify the estimated costs of lipedema treatment available from anecdotal sources, or to control for the factors that can influence cost, suggests the costs of treatment will likely vary from patient to patient, which means it may not be possible to reliably estimate the potential cost changes that could result from the coverage mandate that would be established under A5790.

The text of A5790 states, "The benefits...shall be provided to the same extent and with the same deductibles, coinsurance, and other cost sharing as apply to similar services under contract and shall be consistent with the current standard of care for lipedema." New Jersey insurers will be required to cover the costs of lipedema treatment, subject to cost-sharing requirements similar to other types of treatment, when healthcare providers demonstrate the medical necessity for lipedema treatment. Some patient advocates argue that if the determination of medical necessity is shifted more in the direction of physicians and surgeons, with insurers covering lipedema surgical costs more frequently, this will lead to lipedema treatment being more available and more equitably accessible.<sup>lxvii</sup>

It may be expected that mandating coverage for the treatment of lipedema while limiting the ability of carriers to control when and how coverage applies would increase costs for carriers. The increase in costs would likely result from both the need to cover additional surgical interventions and from a potential uptick in patients seeking treatment for lipedema, particularly if they are no longer required to navigate the various preconditions that, under current practices, frequently apply to lipedema treatment coverage. One consideration is that lipedema is relatively common, which could result in a significant number of claims falling under the mandate; however, not all lipedema cases result in recommendations for surgical treatment. Additionally, the cost of the mandate would be offset to the extent that some treatments that would fall within the mandate are already covered by insurance, meaning the cost increase would generally be limited to treatments that would not otherwise currently be covered and treatments that are broader in scope than those that are currently covered. Some of the increased cost may be offset by reductions in reimbursements

for non-surgical lipedema treatments that may not be effective; however, the comparative costs of surgical and non-surgical treatments suggest the offset would likely be limited. Overall, increased costs to carriers for lipedema treatment are likely to result in increased premiums.

A fiscal estimate of New Jersey's A5790, produced by the Office of Legislative Services (OLS), confirms the assumptions laid out above. The OLS analysis reported that the SHBP and SEHBP "currently provide coverage for lipectomies and associated appointments, medical nutrition therapy, and mental health care, as long as the service receives precertification."<sup>lxviii</sup> The estimated increased costs provided by the OLS analysis were subject to several caveats, including that costs could be lower if covered members utilized lipedema treatments less frequently than predicted or if the commissions that determine the SHBP and SEHBP benefits limit coverage for lipedema treatment to some degree.<sup>lxix</sup>

Broadly, under A5790, the OLS fiscal analysis estimated that expanded coverage for lipedema treatment would increase State spending for the SHBP by \$13.7 million per year and local government spending for the SEHBP and SHBP by \$22.8 million per year, for a combined total increase in government expenditure for the SHBP and SEHBP of \$36.5 million. The OLS also found that, "Local government employers, including school districts, which provide employee health insurance through the private market, could...experience an indeterminate increase in annual costs."<sup>lxx</sup> It may be noted that OLS's fiscal analyses are limited to the cost impact of legislation to state and local governments; they do not measure the impact to the commercial markets, although they may be reflective of cost trends that would affect commercial markets.

An additional consideration is that the federal Patient Protection and Affordable Care Act requires states to defray the cost of any health insurance benefit mandate enacted after December 31, 2011, that is part of an insurance plan sold on a state exchange that is in addition to the state's essential health benefits (EHBs) and related to specific care, treatment, or services (P.L. 111-148 § 1311(d)(3) & 45 CFR 155.170). The State must then defray the cost of the additional mandates by making the appropriate payment directly to an enrollee or to the insurer on the enrollee's behalf (45 CFR 155.170). A 2017 federal final rule (§ 19) changed the entity responsible for identifying mandates and receiving excess cost reports from the state's exchange to the state. Defrayment does not apply to the large group market. For more information on State-required benefits, please refer to this CMS FAQ on Defrayal of State Additional Required Benefits.<sup>lxxi</sup> As part of the HHS Notice of Benefit and Payment Parameters for 2025, for plan years beginning on or after January 1, 2027, CMS revised the standards for state selection of EHB-benchmark plans to address long-standing requests from states to improve, and reduce the burden of, the EHB-benchmark plan update process.<sup>lxxii</sup> The process of updating the state's EHB-benchmark plan could create a pathway to adding benefits to the benchmark plan that may not trigger defrayal, provided certain parameters are met. Thus, although this is a state-by-state analysis and no such analysis has been performed for New Jersey, a coverage mandate for the treatment of lipedema may trigger the federal defrayment requirements.

## CONCLUSION

A5790 proposes to establish coverage requirements for the treatment of lipedema that would restrict the ability of insurers to establish and maintain procedural requirements or preconditions for coverage, revising the applicable prior authorization requirements, restricting the ability of carriers to limit the scope of covered treatment (such as limiting the amount of fat to be removed during a procedure), and restricting how and when carriers can deny coverage. Under the bill, coverage will generally be required based on a determination of medical necessity made by the patient's physician that is supported by certain materials as outlined in the bill. A survey of the coverage requirements for lipedema currently in place under many carriers' policies suggests the current requirements are frequently complex, and in the case of surgical treatment, frequently require the patient to have first tried a number of non-surgical interventions.

The medical literature and insurance coverage guidelines stress the need for better empirical evidence and higher quality and larger clinical trials to assess the effectiveness of liposuction surgical treatments for lipedema. In some cases, specific surgical procedures for lipedema performed on certain parts of the body are still considered investigational. There are some qualitative studies that indicate that surgical treatments resulted in improved quality of life, reduced pain and feeling of heaviness, greater mobility, and generally improved physical symptoms for lipedema patients. These positive outcomes were achieved with minimal negative side effects. Because an estimated 10% of the population have lipedema, the effects of increased access to treatment can be expected to reach a significant portion of the population.

As noted above, a variety of factors can affect the cost of lipedema treatment, including whether the patient has insurance coverage, the surgeon's network status, geographic location, the severity of the patient's condition, and the number of surgeries required. Lipedema is relatively common, and many patients will require more than one surgical procedure. On the other hand, not all lipedema patients are recommended for surgery, and many cases are responsive to non-surgical interventions.

The fiscal analysis by OLS estimates that the expanded insurance coverage for the treatment of lipedema could cost State and local government employers \$36.5 million per year. It is probable that mandating coverage for lipedema treatment while limiting various practices currently in place to restrict how and when coverage applies will result in increased costs to carriers in the private market, which in turn may result in higher health premiums.

## ENDNOTES

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<sup>v</sup> Lipedema Foundation, “What is Lipedema?,” 2016-2025. Accessed 6/13/25. [Lipedema Foundation](#)

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<sup>viii</sup> Cleveland Clinic, *op cit.*

<sup>ix</sup> Lipedema Foundation, “Staging of Lipedema,” July 2025. Accessed 6/19/25. [Staging of Lipedema — Lipedema Foundation](#)

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<sup>xvi</sup> The Lipedema Project, Inc., “Ultimate Guide for Treating Lipedema,” 2015-2025. Accessed 6/24/25. [Lipedema Treatment & Causes // The Lipedema Project](#)

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<sup>xviii</sup> Office of Legislative Services (New Jersey), Legislative Budget and Finance Office, “Legislative Fiscal Estimate [First Reprint], Assembly, No. 5790,” June 26, 2025. Accessed 7/30/25. [5790 E2.PDF](#)

<sup>xix</sup> *Ibid.*

<sup>xx</sup> *Ibid.*

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<sup>xxi</sup> Tran, *op cit.*

<sup>xxii</sup> Herbst, Kahn, *et al.*, *op cit.*

<sup>xxiii</sup> *Ibid.*

<sup>xxiv</sup> *Ibid.*

<sup>xxv</sup> *Ibid.*

<sup>xxvi</sup> *Ibid.*

<sup>xxvii</sup> *Ibid.*

<sup>xxviii</sup> *Ibid.*

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<sup>xxxvi</sup> *Ibid.*

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<sup>liii</sup> Aetna, "Abdominoplasty, Suction Lipectomy, and Ventral Hernia Repair," April 17, 2025. Accessed 7/16/25. [Abdominoplasty, Suction Lipectomy, and Ventral Hernia Repair - Medical Clinical Policy Bulletins | Aetna](#)

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<sup>lxi</sup> Lipedema Surgical Solutions, "Lipedema Surgery Costs," 2025. Accessed 6/16/25. [» Lipedema Surgery Costs - Lipedema](#)

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<sup>lxii</sup> The Elston Clinic, “What is Lipedema?” 2025. Accessed 6/19/25.

[Liposuction for Lipedema \(Dercum’s disease\) | Elston Clinic \(Gig Harbor\)](#)

<sup>lxiii</sup> *Ibid.*

<sup>lxiv</sup> Lipedema Surgical Solutions, , “Lipedema Surgery Costs,” *op cit.*

<sup>lxv</sup> Lipedema Coverage Connection, “Medicare and Medicaid for Lipedema Surgery Coverage Update,” July 6, 2022. Accessed 6/16/25. [Medicare and Medicaid for Lipedema Surgery Coverage Update –](#)

<sup>lxvi</sup> *Ibid.*

<sup>lxvii</sup> New York Liposuction Center, *op cit.*

<sup>lxviii</sup> Office of Legislative Services (New Jersey), *op cit.*

<sup>lxix</sup> *Ibid.*

<sup>lxx</sup> *Ibid.*

<sup>lxxi</sup> Federal Register, “Patient Protection and Affordable Care Act, HHS Notice of Benefit and Payment Parameters for 2025; Updating Section 1332 Waiver Public Notice Procedures; Medicaid; Consumer Operated and Oriented Plan (CO-OP) Program; and Basic Health Program,” April 15, 2024. Accessed 2/7/25.

<https://www.federalregister.gov/documents/2024/04/15/2024-07274/patient-protection-and-affordable-care-act-hhs-notice-of-benefit-and-payment-parameters-for-2025>.

<sup>lxxii</sup> *Ibid.*

ASSEMBLY, No. 5790

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED JUNE 12, 2025

Sponsored by:  
Assemblyman KEVIN P. EGAN  
District 17 (Middlesex and Somerset)

SYNOPSIS  
Requires health benefits coverage for treatment of lipedema.

CURRENT VERSION OF TEXT  
As introduced.





1 AN ACT concerning health insurance coverage for the treatment of  
2 lipedema and supplementing various parts of the statutory law.

3  
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
5 *of New Jersey:*

6  
7 1. a. A hospital service corporation contract that provides  
8 hospital and medical expense benefits and is delivered, issued,  
9 executed or renewed in this State pursuant to P.L.1938, c.366  
10 (C.17:48-1 et seq.), or approved for issuance or renewal in this State  
11 by the Commissioner of Banking and Insurance on or after the  
12 effective date of this act, shall provide coverage for expenses  
13 incurred for the treatment of lipedema. The expenses for which  
14 coverage shall be provided shall include compression garments for  
15 all of the subscriber's affected extremities, manual lymphatic  
16 drainage, medical nutrition therapy, mental health care, lipectomy  
17 that is determined to be medically necessary by the subscriber's  
18 surgeon, and pre-and post-lipectomy appointments with the  
19 subscriber's physician and surgeon.

20 b. To receive coverage for expenses incurred for the treatment  
21 of lipedema, a hospital service corporation shall only require a  
22 subscriber to provide documentation from the subscriber's  
23 physician diagnosing the subscriber with lipedema and, if  
24 applicable, documentation from the subscriber's surgeon that  
25 includes photographs of the subscriber that support the diagnosis  
26 and information on the number of lipectomies the subscriber's  
27 surgeon deems medically necessary. If a hospital service  
28 corporation denies coverage for expenses incurred for the treatment  
29 of lipedema, the hospital service corporation shall provide the  
30 subscriber with a detailed explanation of the reason for the denial.  
31 A hospital service corporation shall not deny coverage for expenses  
32 incurred for the treatment of lipedema solely based on photographs  
33 of the subscriber submitted pursuant to this subsection.

34 c. A hospital service corporation shall provide coverage for the  
35 total number of lipectomies deemed medically necessary by the  
36 subscriber's surgeon and shall not require a subscriber's surgeon to  
37 remove less fat than the surgeon deems medically necessary to be  
38 removed from the subscriber during a lipectomy in order to receive  
39 coverage.

40 d. Notwithstanding the provisions of any law, rule, or  
41 regulation to the contrary, prior authorization for a lipectomy shall  
42 be valid for a period of one year from the date the subscriber's  
43 surgeon receives the prior authorization and a hospital service  
44 corporation shall not revoke, limit, condition, or restrict a prior  
45 authorization within that period if (1) the subscriber continues to be  
46 eligible for coverage; (2) the clinical information provided at the  
47 time the prior authorization request was made has not been  
48 misrepresented by the surgeon or subscriber; and (3) there has not

1    been a material change in the clinical circumstances or condition of  
2    the subscriber. On receipt of information documenting a prior  
3    authorization from the subscriber or the subscriber's surgeon, a  
4    hospital service corporation shall honor a prior authorization  
5    granted to a subscriber for a lipectomy by the subscriber's previous  
6    carrier for the remainder of the duration of the prior authorization.

7       e. The benefits provided by this section shall be provided to the  
8    same extent and with the same deductibles, coinsurance, and other  
9    cost sharing as apply to similar services under the contract and shall  
10   be consistent with the current standard of care for lipedema.

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

14

15      2. a. A medical service corporation contract that provides  
16   hospital and medical expense benefits and is delivered, issued,  
17   executed or renewed in this State pursuant to P.L.1940, c.74  
18   (C.17:48A-1 et seq.), or approved for issuance or renewal in this  
19   State by the Commissioner of Banking and Insurance on or after the  
20   effective date of this act, shall provide coverage for expenses  
21   incurred for the treatment of lipedema. The expenses for which  
22   coverage shall be provided shall include compression garments for  
23   all of the subscriber's affected extremities, manual lymphatic  
24   drainage, medical nutrition therapy, mental health care, lipectomy  
25   that is determined to be medically necessary by the subscriber's  
26   surgeon, and pre-and post-lipectomy appointments with the  
27   subscriber's physician and surgeon.

28      b. To receive coverage for expenses incurred for the treatment  
29   of lipedema, a medical service corporation shall only require a  
30   subscriber to provide documentation from the subscriber's  
31   physician diagnosing the subscriber with lipedema and, if  
32   applicable, documentation from the subscriber's surgeon that  
33   includes photographs of the subscriber that support the diagnosis  
34   and information on the number of lipectomies the subscriber's  
35   surgeon deems medically necessary. If a medical service  
36   corporation denies coverage for expenses incurred for the treatment  
37   of lipedema, the medical service corporation shall provide the  
38   subscriber with a detailed explanation of the reason for the denial.  
39   A medical service corporation shall not deny coverage for expenses  
40   incurred for the treatment of lipedema solely based on photographs  
41   of the subscriber submitted pursuant to this subsection.

42      c. A medical service corporation shall provide coverage for the  
43   total number of lipectomies deemed medically necessary by the  
44   subscriber's surgeon and shall not require a subscriber's surgeon to  
45   remove less fat than the surgeon deems medically necessary to be  
46   removed from the subscriber during a lipectomy in order to receive  
47   coverage.

1 d. Notwithstanding the provisions of any law, rule, or  
2 regulation to the contrary, prior authorization for a lipectomy shall  
3 be valid for a period of one year from the date the subscriber's  
4 surgeon receives the prior authorization and a medical service  
5 corporation shall not revoke, limit, condition, or restrict a prior  
6 authorization within that period if (1) the subscriber continues to be  
7 eligible for coverage; (2) the clinical information provided at the  
8 time the prior authorization request was made has not been  
9 misrepresented by the surgeon or subscriber; and (3) there has not  
10 been a material change in the clinical circumstances or condition of  
11 the subscriber. On receipt of information documenting a prior  
12 authorization from the subscriber or the subscriber's surgeon, a  
13 medical service corporation shall honor a prior authorization  
14 granted to a subscriber for a lipectomy by the subscriber's previous  
15 carrier for the remainder of the duration of the prior authorization.

16 e. The benefits provided by this section shall be provided to the  
17 same extent and with the same deductibles, coinsurance, and other  
18 cost sharing as apply to similar services under the contract and shall  
19 be consistent with the current standard of care for lipedema.

20 f. This section shall apply to those medical service corporation  
21 contracts in which the hospital service corporation has reserved the  
22 right to change the premium.

23

24 3. a. A health service corporation contract that provides  
25 hospital and medical expense benefits and is delivered, issued,  
26 executed or renewed in this State pursuant to P.L.1985, c.236  
27 (C.17:48E-1 et seq.), or approved for issuance or renewal in this  
28 State by the Commissioner of Banking and Insurance on or after the  
29 effective date of this act, shall provide coverage for expenses  
30 incurred for the treatment of lipedema. The expenses for which  
31 coverage shall be provided shall include compression garments for  
32 all of the subscriber's affected extremities, manual lymphatic  
33 drainage, medical nutrition therapy, mental health care, lipectomy  
34 that is determined to be medically necessary by the subscriber's  
35 surgeon, and pre-and post-lipectomy appointments with the  
36 subscriber's physician and surgeon.

37 b. To receive coverage for expenses incurred for the treatment  
38 of lipedema, a health service corporation shall only require a  
39 subscriber to provide documentation from the subscriber's  
40 physician diagnosing the subscriber with lipedema and, if  
41 applicable, documentation from the subscriber's surgeon that  
42 includes photographs of the subscriber that support the diagnosis  
43 and information on the number of lipectomies the subscriber's  
44 surgeon deems medically necessary. If a health service  
45 corporation denies coverage for expenses incurred for the treatment  
46 of lipedema, the health service corporation shall provide the  
47 subscriber with a detailed explanation of the reason for the denial.  
48 A health service corporation shall not deny coverage for expenses

1 incurred for the treatment of lipedema solely based on photographs  
2 of the subscriber submitted pursuant to this subsection.

3 c. A health service corporation shall provide coverage for the  
4 total number of lipectomies deemed medically necessary by the  
5 subscriber's surgeon and shall not require a subscriber's surgeon to  
6 remove less fat than the surgeon deems medically necessary to be  
7 removed from the subscriber during a lipectomy in order to receive  
8 coverage.

9 d. Notwithstanding the provisions of any law, rule, or  
10 regulation to the contrary, prior authorization for a lipectomy shall  
11 be valid for a period of one year from the date the subscriber's  
12 surgeon receives the prior authorization and a health service  
13 corporation shall not revoke, limit, condition, or restrict a prior  
14 authorization within that period if (1) the subscriber continues to be  
15 eligible for coverage; (2) the clinical information provided at the  
16 time the prior authorization request was made has not been  
17 misrepresented by the surgeon or subscriber; and (3) there has not  
18 been a material change in the clinical circumstances or condition of  
19 the subscriber. On receipt of information documenting a prior  
20 authorization from the subscriber or the subscriber's surgeon, a  
21 health service corporation shall honor a prior authorization granted  
22 to a subscriber for a lipectomy by the subscriber's previous carrier  
23 for the remainder of the duration of the prior authorization.

24 e. The benefits provided by this section shall be provided to the  
25 same extent and with the same deductibles, coinsurance, and other  
26 cost sharing as apply to similar services under the contract and shall  
27 be consistent with the current standard of care for lipedema.

28 f. This section shall apply to those health service corporation  
29 contracts in which the hospital service corporation has reserved the  
30 right to change the premium.

31

32 4. a. An individual health insurance policy that provides  
33 hospital and medical expense benefits and is delivered, issued,  
34 executed or renewed in this State pursuant to N.J.S.17B:26-1 et  
35 seq., or approved for issuance or renewal in this State by the  
36 Commissioner of Banking and Insurance on or after the effective  
37 date of this act, shall provide coverage for expenses incurred for the  
38 treatment of lipedema. The expenses for which coverage shall be  
39 provided shall include compression garments for all of the insured's  
40 affected extremities, manual lymphatic drainage, medical nutrition  
41 therapy, mental health care, lipectomy that is determined to be  
42 medically necessary by the insured's surgeon, and pre-and post-  
43 lipectomy appointments with the insured's physician and surgeon.

44 b. To receive coverage for expenses incurred for the treatment  
45 of lipedema, an individual health insurance policy shall only require  
46 an insured to provide documentation from the insured's physician  
47 diagnosing the insured with lipedema and, if applicable,  
48 documentation from the insured's surgeon that includes

1 photographs of the insured that support the diagnosis and  
2 information on the number of lipectomies the insured's surgeon  
3 deems medically necessary. If an individual health insurance policy  
4 denies coverage for expenses incurred for the treatment of  
5 lipedema, the individual health insurance policy shall provide the  
6 insured with a detailed explanation of the reason for the denial. An  
7 individual health insurance policy shall not deny coverage for  
8 expenses incurred for the treatment of lipedema solely based on  
9 photographs of the insured submitted pursuant to this subsection.

10 c. An individual health insurance policy shall provide coverage  
11 for the total number of lipectomies deemed medically necessary by  
12 the insured's surgeon and shall not require an insured's surgeon to  
13 remove less fat than the surgeon deems medically necessary to be  
14 removed from the insured during a lipectomy in order to receive  
15 coverage.

16 d. Notwithstanding the provisions of any law, rule, or  
17 regulation to the contrary, prior authorization for a lipectomy shall  
18 be valid for a period of one year from the date the insured's surgeon  
19 receives the prior authorization and an individual health insurance  
20 policy shall not revoke, limit, condition, or restrict a prior  
21 authorization within that period if (1) the insured continues to be  
22 eligible for coverage; (2) the clinical information provided at the  
23 time the prior authorization request was made has not been  
24 misrepresented by the surgeon or insured; and (3) there has not been  
25 a material change in the clinical circumstances or condition of the  
26 insured. On receipt of information documenting a prior  
27 authorization from the insured or the insured's surgeon, an  
28 individual health insurance policy shall honor a prior authorization  
29 granted to an insured for a lipectomy by the insured's previous  
30 carrier for the remainder of the duration of the prior authorization.

31 e. The benefits provided by this section shall be provided to the  
32 same extent and with the same deductibles, coinsurance, and other  
33 cost sharing as apply to similar services under the policy and shall  
34 be consistent with the current standard of care for lipedema.

35 f. This section shall apply to those individual health insurance  
36 policies in which the individual health insurance policy has  
37 reserved the right to change the premium.

38

39 5. a. A group health insurance policy that provides  
40 hospital and medical expense benefits and is delivered, issued,  
41 executed or renewed in this State pursuant to N.J.S.17B:27-26 et  
42 seq., or approved for issuance or renewal in this State by the  
43 Commissioner of Banking and Insurance on or after the effective  
44 date of this act, shall provide coverage for expenses incurred for the  
45 treatment of lipedema. The expenses for which coverage shall be  
46 provided shall include compression garments for all of the insured's  
47 affected extremities, manual lymphatic drainage, medical nutrition  
48 therapy, mental health care, lipectomy that is determined to be

1 medically necessary by the insured's surgeon, and pre-and post-  
2 lipectomy appointments with the insured's physician and surgeon.

3 b. To receive coverage for expenses incurred for the treatment  
4 of lipedema, a group health insurance policy shall only require an  
5 insured to provide documentation from the insured's physician  
6 diagnosing the insured with lipedema and, if applicable,  
7 documentation from the insured's surgeon that includes  
8 photographs of the insured that support the diagnosis and  
9 information on the number of lipectomies the insured's surgeon  
10 deems medically necessary. If a group health insurance policy  
11 denies coverage for expenses incurred for the treatment of  
12 lipedema, the group health insurance policy shall provide the  
13 insured with a detailed explanation of the reason for the denial. A  
14 group health insurance policy shall not deny coverage for expenses  
15 incurred for the treatment of lipedema solely based on photographs  
16 of the insured submitted pursuant to this subsection.

17 c. A group health insurance policy shall provide coverage for  
18 the total number of lipectomies deemed medically necessary by the  
19 insured's surgeon and shall not require an insured's surgeon to  
20 remove less fat than the surgeon deems medically necessary to be  
21 removed from the insured during a lipectomy in order to receive  
22 coverage.

23 d. Notwithstanding the provisions of any law, rule, or  
24 regulation to the contrary, prior authorization for a lipectomy shall  
25 be valid for a period of one year from the date the insured's surgeon  
26 receives the prior authorization and a group health insurance policy  
27 shall not revoke, limit, condition, or restrict a prior authorization  
28 within that period if (1) the insured continues to be eligible for  
29 coverage; (2) the clinical information provided at the time the prior  
30 authorization request was made has not been misrepresented by the  
31 surgeon or insured; and (3) there has not been a material change in  
32 the clinical circumstances or condition of the insured. On receipt of  
33 information documenting a prior authorization from the insured or  
34 the insured's surgeon, a group health insurance policy shall honor a  
35 prior authorization granted to an insured for a lipectomy by the  
36 insured's previous carrier for the remainder of the duration of the  
37 prior authorization.

38 e. The benefits provided by this section shall be provided to the  
39 same extent and with the same deductibles, coinsurance, and other  
40 cost sharing as apply to similar services under the policy and shall  
41 be consistent with the current standard of care for lipedema.

42 f. This section shall apply to those group health insurance  
43 policies in which the group health insurance policy has reserved the  
44 right to change the premium.

45

46 6. a. An individual health benefits plan that provides  
47 hospital and medical expense benefits and is delivered, issued,  
48 executed or renewed in this State pursuant to P.L.1992, c.161

1 (C.17B:27A-2 et seq.), or approved for issuance or renewal in this  
2 State by the Commissioner of Banking and Insurance on or after the  
3 effective date of this act, shall provide coverage for expenses  
4 incurred for the treatment of lipedema. The expenses for which  
5 coverage shall be provided shall include compression garments for  
6 all of the covered person's affected extremities, manual lymphatic  
7 drainage, medical nutrition therapy, mental health care, lipectomy  
8 that is determined to be medically necessary by the covered  
9 person's surgeon, and pre-and post-lipectomy appointments with  
10 the covered person's physician and surgeon.

11 b. To receive coverage for expenses incurred for the treatment  
12 of lipedema, an individual health benefits plan shall only require an  
13 insured to provide documentation from the covered person's  
14 physician diagnosing the covered person with lipedema and, if  
15 applicable, documentation from the covered person's surgeon that  
16 includes photographs of the covered person that support the  
17 diagnosis and information on the number of lipectomies the covered  
18 person's surgeon deems medically necessary. If an individual  
19 health benefits plan denies coverage for expenses incurred for the  
20 treatment of lipedema, the individual health benefits plan shall  
21 provide the covered person with a detailed explanation of the reason  
22 for the denial. An individual health benefits plan shall not deny  
23 coverage for expenses incurred for the treatment of lipedema solely  
24 based on photographs of the covered person submitted pursuant to  
25 this subsection.

26 c. An individual health benefits plan shall provide coverage for  
27 the total number of lipectomies deemed medically necessary by the  
28 covered person's surgeon and shall not require a covered person's  
29 surgeon to remove less fat than the surgeon deems medically  
30 necessary to be removed from the covered person during a  
31 lipectomy in order to receive coverage.

32 d. Notwithstanding the provisions of any law, rule, or  
33 regulation to the contrary, prior authorization for a lipectomy shall  
34 be valid for a period of one year from the date the covered person's  
35 surgeon receives the prior authorization and an individual health  
36 benefits plan shall not revoke, limit, condition, or restrict a prior  
37 authorization within that period if (1) the covered person continues  
38 to be eligible for coverage; (2) the clinical information provided at  
39 the time the prior authorization request was made has not been  
40 misrepresented by the surgeon or covered person; and (3) there has  
41 not been a material change in the clinical circumstances or  
42 condition of the covered person. On receipt of information  
43 documenting a prior authorization from the covered person or the  
44 covered person's surgeon, an individual health benefits plan shall  
45 honor a prior authorization granted to a covered person for a  
46 lipectomy by the covered person's previous carrier for the  
47 remainder of the duration of the prior authorization.

1 e. The benefits provided by this section shall be provided to the  
2 same extent and with the same deductibles, coinsurance, and other  
3 cost sharing as apply to similar services under the health benefits  
4 plan and shall be consistent with the current standard of care for  
5 lipedema.

6 f. This section shall apply to those health benefits plans in  
7 which the carrier has reserved the right to change the premium.  
8

9 7. 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.), or approved for issuance or renewal in this  
13 State by the Commissioner of Banking and Insurance on or after the  
14 effective date of this act, shall provide coverage for expenses  
15 incurred for the treatment of lipedema. The expenses for which  
16 coverage shall be provided shall include compression garments for  
17 all of the covered person's affected extremities, manual lymphatic  
18 drainage, medical nutrition therapy, mental health care, lipectomy  
19 that is determined to be medically necessary by the covered  
20 person's surgeon, and pre-and post-lipectomy appointments with  
21 the covered person's physician and surgeon.

22 b. To receive coverage for expenses incurred for the treatment  
23 of lipedema, a small employer health benefits plan shall only  
24 require a covered person to provide documentation from the  
25 covered person's physician diagnosing the covered person with  
26 lipedema and, if applicable, documentation from the covered  
27 person's surgeon that includes photographs of the covered person  
28 that support the diagnosis and information on the number of  
29 lipectomies the covered person's surgeon deems medically  
30 necessary. If a small employer health benefits plan denies coverage  
31 for expenses incurred for the treatment of lipedema, the small  
32 employer health benefits plan shall provide the covered person with  
33 a detailed explanation of the reason for the denial. A small  
34 employer health benefits plan shall not deny coverage for expenses  
35 incurred for the treatment of lipedema solely based on photographs  
36 of the covered person submitted pursuant to this subsection.

37 c. A small employer health benefits plan shall provide  
38 coverage for the total number of lipectomies deemed medically  
39 necessary by the covered person's surgeon and shall not require a  
40 covered person's surgeon to remove less fat than the surgeon deems  
41 medically necessary to be removed from the covered person during  
42 a lipectomy in order to receive coverage.

43 d. Notwithstanding the provisions of any law, rule, or  
44 regulation to the contrary, prior authorization for a lipectomy shall  
45 be valid for a period of one year from the date the covered person's  
46 surgeon receives the prior authorization and a small employer  
47 health benefits plan shall not revoke, limit, condition, or restrict a  
48 prior authorization within that period if (1) the covered person



1 continues to be eligible for coverage; (2) the clinical information  
2 provided at the time the prior authorization request was made has  
3 not been misrepresented by the surgeon or covered person; and (3)  
4 there has not been a material change in the clinical circumstances or  
5 condition of the covered person. On receipt of information  
6 documenting a prior authorization from the covered person or the  
7 covered person's surgeon, a small employer health benefits plan  
8 shall honor a prior authorization granted to a covered person for a  
9 lipectomy by the covered person's previous carrier for the  
10 remainder of the duration of the prior authorization.

11 e. The benefits provided by this section shall be provided to the  
12 same extent and with the same deductibles, coinsurance, and other  
13 cost sharing as apply to similar services under the health benefits  
14 plan and shall be consistent with the current standard of care for  
15 lipedema.

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

18

19 8. a. A health maintenance organization contract for health  
20 care services that is delivered, issued, executed, or renewed in this  
21 State pursuant to P.L.1973, c.337 (C.26:2J-1 et seq.), or approved  
22 for issuance or renewal in this State by the Commissioner of  
23 Banking and Insurance on or after the effective date of this act,  
24 shall provide coverage for expenses incurred for the treatment of  
25 lipedema. The expenses for which coverage shall be provided shall  
26 include compression garments for all of the enrollee's affected  
27 extremities, manual lymphatic drainage, medical nutrition therapy,  
28 mental health care, lipectomy that is determined to be medically  
29 necessary by the enrollee's surgeon, and pre-and post-lipectomy  
30 appointments with the enrollee's physician and surgeon.

31 b. To receive coverage for expenses incurred for the treatment  
32 of lipedema, a health maintenance organization plan shall only  
33 require an enrollee to provide documentation from the enrollee's  
34 physician diagnosing the enrollee with lipedema and, if applicable,  
35 documentation from the enrollee's surgeon that includes  
36 photographs of the enrollee that support the diagnosis and  
37 information on the number of lipectomies the enrollee's surgeon  
38 deems medically necessary. If a health maintenance organization  
39 denies coverage for expenses incurred for the treatment of  
40 lipedema, the health maintenance organization shall provide the  
41 enrollee with a detailed explanation of the reason for the denial. A  
42 health maintenance organization shall not deny coverage for  
43 expenses incurred for the treatment of lipedema solely based on  
44 photographs of the enrollee submitted pursuant to this subsection.

45 c. A health maintenance organization shall provide coverage  
46 for the total number of lipectomies deemed medically necessary by  
47 the enrollee's surgeon and shall not require an enrollee's surgeon to  
48 remove less fat than the surgeon deems medically necessary to be

1 removed from the enrollee during a lipectomy in order to receive  
2 coverage.

3 d. Notwithstanding the provisions of any law, rule, or  
4 regulation to the contrary, prior authorization for a lipectomy shall  
5 be valid for a period of one year from the date the enrollee's  
6 surgeon receives the prior authorization and a health maintenance  
7 organization shall not revoke, limit, condition, or restrict a prior  
8 authorization within that period if (1) the enrollee continues to be  
9 eligible for coverage; (2) the clinical information provided at the  
10 time the prior authorization request was made has not been  
11 misrepresented by the surgeon or enrollee; and (3) there has not  
12 been a material change in the clinical circumstances or condition of  
13 the enrollee. On receipt of information documenting a prior  
14 authorization from the enrollee or the enrollee's surgeon, a health  
15 maintenance organization shall honor a prior authorization granted  
16 to an enrollee for a lipectomy by the enrollee's previous carrier for  
17 the remainder of the duration of the prior authorization.

18 e. The benefits provided by this section shall be provided to the  
19 same extent and with the same deductibles, coinsurance, and other  
20 cost sharing as apply to similar services under the contract and shall  
21 be consistent with the current standard of care for lipedema.

22 f. This section shall apply to those contracts for health care  
23 services under which the health maintenance organization has  
24 reserved the right to change the schedule of charges for enrollee  
25 coverage.

26

27 9. a. The State Health Benefits Commission shall ensure  
28 that every contract purchased by the commission on or after the  
29 effective date of this act that provides hospital and medical expense  
30 benefits shall provide coverage for expenses incurred for the  
31 treatment of lipedema. The expenses for which coverage shall be  
32 provided shall include compression garments for all of the covered  
33 person's affected extremities, manual lymphatic drainage, medical  
34 nutrition therapy, mental health care, lipectomy that is determined  
35 to be medically necessary by the covered person's surgeon, and pre-  
36 and post-lipectomy appointments with the covered person's  
37 physician and surgeon.

38 b. To receive coverage for expenses incurred for the treatment  
39 of lipedema, a contract purchased by the commission shall only  
40 require a covered person to provide documentation from the  
41 covered person's physician diagnosing the covered person with  
42 lipedema and, if applicable, documentation from the covered  
43 person's surgeon that includes photographs of the covered person  
44 that support the diagnosis and information on the number of  
45 lipectomies the covered person's surgeon deems medically  
46 necessary. If a contract purchased by the commission denies  
47 coverage for expenses incurred for the treatment of lipedema, the  
48 contract purchased by the commission shall provide the covered

1 person with a detailed explanation of the reason for the denial. A  
2 contract purchased by the commission shall not deny coverage for  
3 expenses incurred for the treatment of lipedema solely based on  
4 photographs of the covered person submitted pursuant to this  
5 subsection.

6 c. A contract purchased by the commission shall provide  
7 coverage for the total number of lipectomies deemed medically  
8 necessary by the covered person's surgeon and shall not require a  
9 covered person's surgeon to remove less fat than the surgeon deems  
10 medically necessary to be removed from the covered person during  
11 a lipectomy in order to receive coverage.

12 d. Notwithstanding the provisions of any law, rule, or  
13 regulation to the contrary, prior authorization for a lipectomy shall  
14 be valid for a period of one year from the date the covered person's  
15 surgeon receives the prior authorization and a contract purchased by  
16 the commission shall not revoke, limit, condition, or restrict a prior  
17 authorization within that period if (1) the covered person continues  
18 to be eligible for coverage; (2) the clinical information provided at  
19 the time the prior authorization request was made has not been  
20 misrepresented by the surgeon or covered person; and (3) there has  
21 not been a material change in the clinical circumstances or  
22 condition of the covered person. On receipt of information  
23 documenting a prior authorization from the covered person or the  
24 covered person's surgeon, a contract purchased by the commission  
25 shall honor a prior authorization granted to a covered person for a  
26 lipectomy by the covered person's previous carrier for the  
27 remainder of the duration of the prior authorization.

28 e. The benefits provided by this section shall be provided to the  
29 same extent and with the same deductibles, coinsurance, and other  
30 cost sharing as apply to similar services under the contract and shall  
31 be consistent with the current standard of care for lipedema.

32

33 10. a. The School Employees' Health Benefits Commission  
34 shall ensure that every contract purchased by the commission on or  
35 after the effective date of this act that provides hospital and medical  
36 expense benefits shall provide coverage for expenses incurred for  
37 the treatment of lipedema. The expenses for which coverage shall  
38 be provided shall include compression garments for all of the  
39 covered person's affected extremities, manual lymphatic drainage,  
40 medical nutrition therapy, mental health care, lipectomy that is  
41 determined to be medically necessary by the covered person's  
42 surgeon, and pre-and post-lipectomy appointments with the covered  
43 person's physician and surgeon.

44 b. To receive coverage for expenses incurred for the treatment  
45 of lipedema, a contract purchased by the commission shall only  
46 require a covered person to provide documentation from the  
47 covered person's physician diagnosing the covered person with  
48 lipedema and, if applicable, documentation from the covered

1 person's surgeon that includes photographs of the covered person  
2 that support the diagnosis and information on the number of  
3 lipectomies the covered person's surgeon deems medically  
4 necessary. If a contract purchased by the commission denies  
5 coverage for expenses incurred for the treatment of lipedema, the  
6 contract purchased by the commission shall provide the covered  
7 person with a detailed explanation of the reason for the denial. A  
8 contract purchased by the commission shall not deny coverage for  
9 expenses incurred for the treatment of lipedema solely based on  
10 photographs of the covered person submitted pursuant to this  
11 subsection.

12 c. A contract purchased by the commission shall provide  
13 coverage for the total number of lipectomies deemed medically  
14 necessary by the covered person's surgeon and shall not require a  
15 covered person's surgeon to remove less fat than the surgeon deems  
16 medically necessary to be removed from the covered person during  
17 a lipectomy in order to receive coverage.

18 d. Notwithstanding the provisions of any law, rule, or  
19 regulation to the contrary, prior authorization for a lipectomy shall  
20 be valid for a period of one year from the date the covered person's  
21 surgeon receives the prior authorization and a contract purchased by  
22 the commission shall not revoke, limit, condition, or restrict a prior  
23 authorization within that period if (1) the covered person continues  
24 to be eligible for coverage; (2) the clinical information provided at  
25 the time the prior authorization request was made has not been  
26 misrepresented by the surgeon or covered person; and (3) there has  
27 not been a material change in the clinical circumstances or  
28 condition of the covered person. On receipt of information  
29 documenting a prior authorization from the covered person or the  
30 covered person's surgeon, a contract purchased by the commission  
31 shall honor a prior authorization granted to a covered person for a  
32 lipectomy by the covered person's previous carrier for the  
33 remainder of the duration of the prior authorization.

34 e. The benefits provided by this section shall be provided to the  
35 same extent and with the same deductibles, coinsurance, and other  
36 cost sharing as apply to similar services under the contract and shall  
37 be consistent with the current standard of care for lipedema.

38

39 11. This act shall take effect on the first day of the sixth month  
40 next following enactment and shall apply to contracts entered into  
41 or renewed after that date.

42

43

44

#### STATEMENT

45

46 This bill requires health insurers (health, hospital and medical  
47 service corporations, commercial individual and group health  
48 insurers; health maintenance organizations, health benefits plans

1 issued pursuant to the New Jersey Individual Health Coverage and  
2 Small Employer Health Benefits Programs, the State Health  
3 Benefits Program, and the School Employees' Health Benefits  
4 Program) to provide coverage for expenses incurred for the  
5 treatment of lipedema. The expenses for which coverage is to be  
6 provided include compression garments for all of the covered  
7 person's affected extremities, manual lymphatic drainage, medical  
8 nutrition therapy, mental health care, lipectomy that is determined  
9 to be medically necessary by the covered person's surgeon, and pre-  
10 and post-lipectomies appointments with the covered person's  
11 physician and surgeon.

12 The bill requires a covered person to provide a carrier with  
13 documentation from the covered person's physician diagnosing the  
14 covered person with lipedema and, if applicable, documentation  
15 from the covered person's surgeon that includes photographs of the  
16 covered person that support the diagnosis and information on the  
17 number of lipectomies the covered person's surgeon deems  
18 medically necessary.

19 Under the bill, a carrier is to provide coverage for the total  
20 number of lipectomies deemed medically necessary by the covered  
21 person's surgeon and shall not require a covered person's surgeon  
22 to remove less fat than the surgeon deems medically necessary to be  
23 removed from the covered person during lipectomy in order to  
24 receive coverage. If a carrier denies coverage for expenses incurred  
25 for the treatment of lipedema, the carrier is to provide the covered  
26 person with a detailed explanation of the reason for the denial. A  
27 carrier cannot deny coverage for expenses incurred for the treatment  
28 of lipedema solely based on photographs of the covered person  
29 submitted pursuant to the bill.

30 Additionally, the bill provides that prior authorization granted by  
31 a carrier for a lipectomy is valid for a period of one year from the  
32 date the covered person's surgeon receives the prior authorization.  
33 A carrier is required to honor a prior authorization granted to a  
34 covered person for a lipectomy by the covered person's previous  
35 carrier for the remainder of the duration of the prior authorization.  
36 Coverage is to be provided consistent with the current standard of  
37 care for lipedema.

38 Lipedema is a chronic, progressive condition characterized by  
39 abnormal and often painful fat accumulation in specific areas of the  
40 body. The condition does not have a cure, but lipectomy can help  
41 remove fat and reduce the pain associated with the condition.



**NEW JERSEY GENERAL ASSEMBLY**

**ROY FREIMAN**

ASSEMBLYMAN

16TH DISTRICT

390 AMWELL ROAD, SUITE 301  
HILLSBOROUGH, NJ 08844  
EMAIL: [asmfreiman@njleg.org](mailto:asmfreiman@njleg.org)  
PHONE: (908) 829-4191  
FAX: (908) 829-4913

**COMMITTEES**  
CHAIR, FINANCIAL INSTITUTIONS AND  
INSURANCE  
VICE CHAIR, OVERSIGHT, REFORM AND  
FEDERAL RELATIONS  
BUDGET

June 12, 2025

NJ Mandated Health Benefits Advisory Commission  
P.O. Box 325  
Trenton, NJ 08625

Dear Members of the Commission:

As the Chairman of the Assembly Financial Institutions and Insurance Committee, I respectfully request the Commission review and prepare a written report of A5790, which requires health benefits coverage for the treatment of lipedema.

If you have any questions, please do not hesitate to contact Mark Iaconelli, Jr., Esq., Deputy General Counsel, at 609-847-3500.

Thank you for your immediate attention to this matter.

Sincerely,

A handwritten signature in dark ink, appearing to read "Roy Freiman", with a long horizontal flourish extending to the right.

CC: Mark Iaconelli, Jr., Esq.  
Deputy General Counsel  
Assembly Majority Office