A STUDY OF NEW JERSEY SENATE BILL 3558

REQUIRES HEALTH INSURANCE AND MEDICAID COVERAGE FOR THE TREATMENT OF STUTTERING

Report to the New Jersey Senate

February 27, 2025

Mandated Health Benefits Advisory Commission

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INTRODUCTION

The Mandated Health Benefits Advisory Commission (MHBAC) has been asked to review S3558 (see Appendix I for a copy of the legislation), a bill that requires health insurance coverage for the treatment of stuttering. The bill would apply to large group coverage issued by a health service corporation, hospital service corporation, medical service corporation, commercial group health insurer, and health maintenance organization, as well as individual health benefits plans, small employer health benefits plans, entities contracted to administer health benefits in connection with the State Health Benefits Program (SHBP) and School Employees' Health Benefits Program (SEHBP), and the State Medicaid program.[*]

S3558 would require coverage for "the treatment of stuttering, including habilitative speech therapy and rehabilitative speech therapy, as determined medically necessary by the subscriber's medical doctor." The bill specifies that benefits shall be provided without "the imposition of any prior authorization or other utilization management requirements…." and "no deductible, coinsurance, copayment, annual benefit limit, or any other cost-sharing requirement shall be imposed."

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

The National Institute on Deafness and Other Communication Disorders (NIDCD) defines stuttering as "a speech disorder characterized by repetition of sounds, syllables, or words; prolongation of sounds; and interruptions in speech known as blocks. An individual who stutters exactly knows what he or she would like to say but has trouble producing a normal flow of speech."[i] For individuals who stutter, these speech disruptions are sometimes accompanied by "struggle behaviors, such as rapid eye blinks or tremors of the lips."[ii] The Mayo Clinic adds several other characteristics of stuttering, including difficulty in starting a word, phrase, or

[*] Pursuant to the Mandated Health Benefits Advisory Commission Act (N.J.S.A. 17B:27D-1 et seq.), the Commission's review is limited to the application of mandates to the commercial market. Accordingly, this report does not directly address how the coverage mandate would potentially impact the Medicaid program.

sentence, and adding words such as “um” if the speaker anticipates having trouble moving to the next word or phrase.[iii]

The causes of stuttering are broadly categorized as developmental stuttering and stuttering from other causes, including neurogenic stuttering. Developmental stuttering, the most common type, occurs in young children when they are learning to speak and acquiring language skills. Stuttering occurs when the child’s speech and language abilities can’t keep up with the child’s verbal demands. The scientific evidence suggests that developmental stuttering is caused by the complex interactions of multiple factors, including genetics and problems with speech motor control that influence timing and sensory and motor coordination.[iv] The NIDCD reports that brain imaging studies have also demonstrated consistent differences in the brains of those who stutter and those who don’t.[v]

Other causes of stuttering include neurogenic factors, emotional distress, and psychogenic causes. Neurogenic stuttering can occur after a stroke, traumatic brain injury, or other neurological disorder.[vi,vii] With neurogenic causes, “the brain has difficulty coordinating the different brain regions involved in speaking, resulting in problems” producing “clear, fluid speech.”[viii] Emotional distress can also cause speakers who usually do not stutter to have pauses, repeated sounds, or other disruptions in their speech when they feel nervous or pressured. Emotional distress can also cause individuals who stutter to have even greater difficulties with fluency.[ix] Psychogenic stuttering, or difficulties with speech fluency that arise after emotional trauma, is considered rare.

There are a number of risk factors associated with stuttering, which occurs most often in children ages 2 to 6 years. Younger boys, for instance, are 2 to 3 times more likely to stutter than girls, and boys are 3 to 4 times more likely to continue to stutter than girls.[x] Children with other developmental conditions, such as attention-deficit/hyperactivity disorder, autism, other developmental delays, or other speech problems are more likely to stutter. Another risk factor is having relatives who stutter, as stuttering tends to run in families. Finally, living in a stressful or pressured environment can exacerbate existing stuttering.[xi]

An estimated 3 million Americans stutter, primarily young children. Roughly 5 to 10 percent of all children stutter at some point, with speech difficulties lasting from a few weeks to a few years. About 75 percent of children who stutter will stop at some point, while the remaining 25 percent will continue to have difficulties with speech the rest of their lives.[xii] Evaluation by a speech-language pathologist (SLP) is recommended if stuttering:

- lasts for more than six months.
- occurs with other speech or language problems.
- becomes worse or persists as a child grows older.

- is accompanied by muscle tightening or signs of physically struggling when the person who stutters tries to speak.
- affects the person's ability to communicate effectively at school, work, or in social situations.
- causes anxiety or emotional problems, such as fear of or avoiding situations that require speaking. or
- begins when the individual is an adult.[xiii]

A SLP will typically evaluate for stuttering by examining a number of factors. For example, the SLP will look for the number and types of disfluencies the person being evaluated exhibits, as well as how the person reacts when they stutter, for instance by getting upset or by demonstrating tension. The SLP will also focus on how the person being evaluated tries to "fix" their speech, such as by starting over or by simply stopping talking altogether. The SLP will try to determine if the suspected stuttering makes it harder for the person to participate in school, work, or other social situations. Finally, the SLP will test other aspects of the person's speech and language, including pronunciation and language comprehension.[xiv]

There is no "cure" for stuttering, but there are treatment options that can improve speaking fluency or reduce the anxiety associated with speaking. Most clinicians see great value in in early intervention for children who stutter, with some evidence suggesting "that early intervention programs may influence whether stuttering persists into adulthood."[xv, xvi] Evidence further suggests that early treatment can help children who stutter develop more positive attitudes and more effective communication skills.

Treatment methods focus on different aspects of stuttering, including emphasizing confident and effective communication, trying to help the person who stutters be less sensitive to the disruptions or disfluencies, modifying speech, and encouraging stuttering acceptance.[xvii] All treatment modalities need to be tailored to the individual. Fluency shaping is a treatment method that aims to eliminate all stuttering events by changing the way the person who stutters speaks. Another treatment technique, stuttering modification, focuses on limiting the impact of the stuttering. Stuttering modification attempts to "help a person who stutters reduce their physical tension, overcome their fear of speaking, and utilize tools to monitor their own speech." The goal with this treatment method is to reduce the anxiety associated with speaking, and ultimately seeks to make stuttering moments shorter and less tense. This treatment method is more common for older children and adults who stutter.[xix]

There are also stutter-affirming treatment approaches that, rather than trying to change speech patterns, focus on acceptance and advocacy by teaching individuals who stutter that stuttering can be seen as an identity rather than a deficit to be overcome. Treatment methods include peer-

to-peer relationships among children who stutter and the development of communication techniques beyond speech fluency.[xx]

Other stuttering treatment modalities, such as altered auditory feedback devices and ankyloglossia surgery, are sometimes recommended for the treatment of stuttering. Coverage for these other treatment modalities can vary by carrier and by plan.

Many SLP practices use a combination of these treatment methods. The overarching goals are to help individuals who stutter to improve their quality of life, reduce negative feelings about their stuttering, decrease the stress and anxiety they associate with speaking, and increase their participation in social activities. To achieve these ends, treatment for stuttering will also frequently entail group counseling and support sessions and family involvement in treatment.[xxi]

SOCIAL IMPACT

People who stutter can have difficulties communicating with others. Stuttering can cause low self-esteem and result in individuals who stutter avoiding speaking or foregoing situations that might require speaking. For children who stutter, this may affect school performance and social interactions, and children who stutter may be bullied or teased. For adults who stutter, this may have an impact on career choices, work activities, and opportunities for job advancement.[xxii] Stuttering may also affect interpersonal relationships and impact an individual's quality of life.[xxiii] Furthermore, the cost for speech therapy may be prohibitive for individuals or families of individuals who stutter who lack insurance coverage for treatment. Speech therapy can cost between $75 and $250 per session, and courses of treatment frequently require months or more involving one or more speech therapy sessions per week.[xxiv] This can put the cost of stuttering treatment beyond the means of many families who do not have insurance coverage for speech therapy.

SLPs have identified a number of ways that a child's stuttering can affect their success at school:

1) If a child's self-esteem and self-confidence are negatively impacted by stuttering, the child might be less likely to participate in classroom activities, such as asking questions or trying to clarify instructions or concepts. The child's responses to questions might be shorter and less complex than those of their peers; the child might be a less active participant in group activities; and the child might be called on by teachers less than other students. All of these factors can negatively affect the child's learning and the grades they earn.

2) A child's stuttering can result in diminished social communication skills, such as avoiding eye contact and fewer social interactions with peers. Children who stutter may

suffer from social isolation, because they have difficulty starting or participating in conversations. This can be even more pronounced in larger groups.

3) Children who stutter are more likely to be bullied, which can lead to even lower self-esteem and further avoidance of social interactions.

4) A child's stuttering may result in a discrepancy between measured and perceived verbal and written abilities and children who stutter may be regarded as "slow."[xxv, xxvi]

There is an established empirical association between stuttering and educational achievement, with one study reporting "a significant inverse relationship between stuttering severity and educational attainment."[xxvii] Although another study noted that "stuttering is negatively associated with high school grades, the probability of high school graduation, and the probability of college attendance," the authors of the study caution that much of the association can be explained by family characteristics, such as socioeconomic status, parental marital status, parental educational attainment, urbanicity, race, the presence of siblings and of an older sibling, and the level of parental attention to the child who stutters. When the child who stutters has other learning disabilities, such as attention deficit hyperactivity disorder or dyslexia, "the estimated effects of stuttering" on educational achievement "shrink dramatically and become statistically indistinguishable from zero…."[xxix] It is the interaction of familial characteristics and other learning challenges, these authors argue, that are jointly associated with stuttering and lower academic achievement. In other words, stuttering in and of itself is not the cause of measured lower educational attainment in individuals who stutter, although the association between stuttering and lower educational achievement was observable.

A similar negative association between stuttering and employment status was reported in several other studies. A study of British data, for instance, found that there was an association between individuals who stuttered at age 16 and lower-status employment at age 50, but not at age 23. The authors speculated that there might be a "higher likelihood of those who stutter working in lower-status positions" and that this "may reflect their preference for avoiding occupations perceived to require good spoken communication abilities."[xxx] There was no explanation for why this association was not seen at the younger age.

On the other hand, a 2018 study of data from the United States found significant differences in the earnings of people who stuttered versus people who did not stutter, as well as differences by gender among people who stuttered. Overall, people who stuttered earned in excess of $7,000 less than people who did not stutter. For male stutterers, most of the difference could be explained by measurable characteristics such as education, occupation, and hours worked, but for women who stuttered, these characteristics explained much less of the income differential. The authors concluded, the "evidence indicates that discrimination may have contributed to the n earnings gap associated with stuttering, particularly for females."[xxxi]

Depending on the plan design, some carriers may currently provide some coverage for medically necessary services for the treatment of stuttering. To the extent that carriers already provide coverage for stuttering treatment, the impact of the coverage mandate under the bill on those carriers, and to individuals covered under plans issued by those carriers, may be de minimis.

OTHER STATES

Three states have recently enacted laws mandating insurance coverage for the treatment of stuttering, while two others have recently introduced such legislation.

States with Enacted Laws Mandating Coverage for Stuttering Treatment

Kentucky

Kentucky was the first state to pass an insurance coverage mandate for the treatment of stuttering. Kentucky's law, SB111 of 2024, signed into law as Chapter 69 of 2024, covers both habilitative services (i.e., "services that help a person keep, learn, or improve skills and functioning for daily living") and rehabilitative services (i.e., "services that help a person restore or improve skills and functioning for daily living that have been lost or impaired"). As written, Kentucky's law mandates insurance coverage for habilitative and rehabilitative therapy services for the treatment of stuttering if the insurance policy or plan covers other types of habilitative or rehabilitative services. Kentucky's insurance coverage mandate for the treatment of stuttering applies to limited health service benefit plans, Medicaid, self-insured employer group health plans provided by the governing board of a state postsecondary education institution, and the state employee health plan. Kentucky's law would also "suspend the application of any coverage requirement to a qualified health plan if the requirement would result in the state being required to make cost defrayal payments under federal law…."[xxxii]

Kentucky's insurance coverage mandate assures that treatment services for stuttering are not limited by a maximum annual benefit or limit on the number of visits an insured may have with a SLP, and the law prohibits applying cost sharing, such as deductibles and copays, to stuttering treatment services. Insurance coverage for stuttering therapy also cannot be limited based on the disorder, injury, or medical condition that resulted in stuttering. Kentucky's insurance coverage law requires that stuttering treatment cannot be subject to utilization review or utilization management qualifications, prior authorization, or a determination that speech therapy services are medically necessary. Finally, Kentucky's law mandating insurance coverage for stuttering treatment requires coverage for speech therapy provided in person and via telehealth.[xxxiii, xxxiv] The final version of the legislation passed the Kentucky House by a vote of 90-0, and the final bill passed the Senate by a vote of 35-1. The Governor signed the legislation on April 4, 2024, and it becomes effective on January 1, 2025.

Pennsylvania

Pennsylvania was the second state to pass an insurance coverage mandate for the treatment of stuttering, HB2286, adopted as Act No. 104 of 2024. Like the Kentucky law, the Pennsylvania law requires insurance companies to cover both habilitative and rehabilitative stuttering therapy. There are, however, important differences between the insurance coverage mandates of the two states. Pennsylvania's law, for example, limits its insurance coverage to the treatment of childhood stuttering, defined as children aged 2 to 6 years, and for adults who stutter as a result of traumatic brain injury.[xxxv] Pennsylvania's insurance coverage mandate also requires that treatment for stuttering be subject to the health insurance policy provisions relating to medical necessity, utilization review, and cost-sharing (cost-sharing being the out-of-pocket expenses that covered individuals pay in connection with covered services and treatments, such as deductibles, coinsurance, and copayments).

Pennsylvania's law requiring coverage for stuttering treatment applies to "health insurance policies for which either rates or forms are required to be filed," as well as "health insurance policies for which neither rates nor forms are required to be filed…."[xxxvii] The final bill passed the Pennsylvania House by a vote of 181-21 and passed the Senate 49-0. It was signed into law October 16, 2024.

Delaware

Delaware was the third and most recent state to pass a law mandating insurance coverage for speech therapy. Delaware's law, introduced as House Bill 273 of 2023-2024, references 7 speech-language diagnoses classified in the International Classification of Diseases (ICD-10) for billing purposes. Like Pennsylvania's law, the Delaware law limits the insurance coverage mandate to children, but defines "child" to mean any person under 18 years of age. Section 1 of Delaware's speech therapy law applies individual health insurance contracts, while Section 2 applies to group and blanket health insurance policies, but not to individual health policies.[xxxviii] Delaware's speech therapy coverage mandate maintains existing health policy provisions such as deductibles, coinsurance, and coordination of benefits, and restricts coverage to services provided by carrier-approved providers or facilities.

Delaware's legislation mandating insurance coverage for speech therapy passed the Senate by a vote of 16-5, and passed the House with 40 votes in favor and 1 vote absent. The Governor signed the bill into law on November 1, 2024, and the law applies to all health insurance contracts delivered, issued for delivery, or renewed after December 31, 2024.[xl]

Pending Legislation Mandating Coverage for Stuttering Treatment

West Virginia

West Virginia's bill mandating insurance coverage for the treatment of stuttering, HB4997, was introduced and referred to the House Banking and Insurance Committee on January 22, 2024. The bill contains slightly varying provisions based on lines of business but, as stated in a note to the bill, the legislation is designed to guarantee insurance coverage for both habilitative and rehabilitative speech therapy as treatment for stuttering. As introduced, the provisions of West Virginia's HB4997 are generally comparable to the provisions of Kentucky's stuttering treatment coverage mandate law. Specifically, HB4997 would mandate that health insurance policies, plans, certificates, or contracts that provide coverage for other types of habilitative or rehabilitative services provide habilitative or rehabilitative speech therapy as a treatment for stuttering. This coverage would not be subject to any maximum annual benefit limit, including the number of visits an insured may make to a SLP. The bill would also prohibit limiting coverage based on the type of disease, disorder, injury, or medical condition that resulted in stuttering. Coverage under the bill may not be subject to utilization review or utilization management requirements, including prior authorization or a determination that speech therapy services are medically necessary. HB4997 would also require coverage for habilitative and rehabilitative speech therapy services provided via telehealth. These same provisions would apply to all health maintenance organizations, accident and sickness coverage, and individual and group service and indemnity contracts issued by nonprofit corporations.[xli]

The provisions of HB4997 are slightly different for hospital service corporations, medical service corporations, dental service corporations, health service corporations, and health care corporations. For each of these types of insurance, the West Virgina bill would require coverage of habilitative speech therapy as a treatment for stuttering for school-age children up to 18 years of age. These types of insurance would be prohibited from requiring preauthorization or precertification for covered treatments for stuttering. If habilitative or rehabilitative services of any kind are offered under these types of insurance, habilitative and rehabilitative speech therapy service for the treatment of stuttering must also be covered. Coverage by these insurance types would apply without annual maximum benefit limits, without limits on number of visits to a SLP, without limits based on the type of disorder or injury that resulted in stuttering, and without utilization management requirements, prior authorization requirements, or a determination that treatment for stuttering is medically necessary. The insurance mandate would also require coverage for speech therapy provided via telehealth.[xlii] There have been no hearings or votes on HB4997 bill since its introduction and referral.

Illinois

Illinois' bill mandating insurance coverage for stuttering therapy, SB3972, was introduced and referred to the Senate Assignments Committee on October 11, 2024. As introduced, the provisions of SB3972 are generally comparable to the provisions of Kentucky's law covering habilitative and rehabilitative stuttering therapy for children and adults. The bill stipulates that coverage shall not be "subject to any maximum annual benefit limit, including any limits on the number of visits an insured may make to a speech-language pathologist." The bill also would prohibit any insurance coverage limitations based on the disorder, disease, injury, or medical condition that resulted in stuttering, and would prohibit applying utilization review or utilization management requirements to the coverage provisions, including prior authorization, if stuttering therapy is considered medically necessary as determined by the insured's treating provider. Like Kentucky's law, SB3972 would mandate insurance coverage for stuttering therapy provided via telehealth.[xliii]

SB3972 would apply to group and individual accident and health insurance policies, managed care plans, Medicaid, the State Employee Group Insurance Program, and municipal self-insured and school district plans. The bill exempts the state from providing reimbursement for the implementation of the stuttering insurance coverage mandate.[xliv] As with Kentucky's law, SB3972 states that if any federal agency determines that the State must provide funding "to defray the cost of any coverage outlined" in the bill "the State shall not assume any obligation for the cost of coverage…."[xlv] SB3972 would cover all policies and plans amended, delivered, issued, or renewed on or after January 1, 2026. There have been no hearings or votes on the bill since its introduction and referral.

DISCUSSION

As noted above, Kentucky, Pennsylvania, and Delaware passed laws mandating health insurance coverage for the treatment of stuttering, while West Virginia and Illinois introduced legislation mandating such coverage.

There are notable differences in the specific provisions and requirements of these laws and bills, including when compared with the provisions of New Jersey bill S3558. Kentucky's law, for example, covers habilitative and rehabilitative services for children and adults irrespective of the cause or condition resulting in stuttering, without limitations on the annual number of visits, utilization review or management, prior authorization, or determination of medical necessity. Kentucky's law also includes coverage for stuttering treatment services provided via telehealth and applies the coverage requirement to Kentucky's Medicaid program and Children's Health Insurance Program (CHIP).

Pennsylvania's law is much more limited, restricting mandated health insurance coverage to the treatment of children aged 2 to 6 years and adults who have stuttering as the result of traumatic brain injury. Pennsylvania's law also limits coverage for the treatment of stuttering by maintaining all health insurance provisions applicable to other covered services, such as requirements for a determination of medical necessity, utilization review, and applying cost-sharing to the services, including applicable deductibles, copays, and coinsurance. Pennsylvania's law does not apply to its Medicaid program or CHIP and does not require coverage for stuttering therapy services provided using telehealth.

Delaware's law mandates health insurance coverage for the treatment of stuttering for children from birth to age 18 years; the coverage requirement does not extend to adults. Delaware's required coverage also maintains existing health insurance policy provisions for other services, such as deductibles, coordination of benefits, and the restriction of coverage to carrier-approved providers and facilities. Delaware's insurance coverage mandate for the treatment of stuttering does not extend to its Medicaid program and CHIP and does not require coverage for stuttering therapy services provided using telehealth.

As introduced, West Virginia's legislation requiring health insurance coverage for the treatment of stuttering resembles Kentucky's law in many aspects. For instance, the bill mandates coverage without an annual limit on treatment visits, without utilization management or prior authorization, and without a determination that treatment for stuttering is medically necessary for many types of coverage. The insurance coverage mandate also requires treatment no matter the cause or condition that results in stuttering and extends to treatment via telehealth. The West Virginia legislation, as introduced, disallows the imposition of deductibles or copays for rehabilitative treatment services in some types of health insurance, while limiting coverage for habilitative services to school age children up to age 18 years in other lines. The West Virginia legislation would require coverage for stuttering treatment services provided using telehealth. Unlike Kentucky, West Virginia's proposed coverage requirement does not extend to its Medicaid program or CHIP.

Out of the laws enacted and the bills proposed in other states, Illinois' proposed legislation contains the broadest coverage mandate for stuttering treatment, which mandate would extend to individual and group health insurance policies, managed care plans, the Medicaid program, and state employees' and teachers' plans. The coverage requirement would extend to children and adults, habilitative and rehabilitative treatment irrespective of the cause or condition that resulted in stuttering, and prohibit limitations on maximum annual benefits or number of treatment visits. The coverage mandate would also preclude the application of utilization management, prior authorization, and requirements for a determination that treatment for stuttering is medically necessary. The Illinois legislation would also require coverage for stuttering therapy provided via telehealth.

Finally, the Kentucky law and Illinois bill include language providing that, if any federal agency determines that the coverage requirement would require the state to make defrayal payments, that coverage requirement would be suspended and the state would not assume the obligation to pay for that coverage.

The stuttering treatment coverage requirements under New Jersey bill S3558 would apply to both habilitative speech therapy and rehabilitative speech therapy, provided the therapy is determined medically necessary by the subscriber's medical doctor, would require that benefits be provided without prior authorization or other utilization management requirements, and would prohibit the imposition of cost-sharing and annual benefit limits. The coverage requirement would apply without regard to the age of the patient, would include services provided using telehealth, and would apply to the state's Medicaid program.

Set forth below is a chart of the key provisions of existing bills/laws:

State Bills/Laws on Stuttering	**Pending Bills**			**Enacted Laws**		
	NJ	**IL**	**WV**	**DE**	**KY**	**PA**
Impacted Markets (Commercial, Medicaid, State Plan)	C, M, S	C, M, S	C	C	M, S	C
Any Age Limits	No	No	Depends*	Yes	No	Yes
Benefit Caps Restricted	Yes	Yes	Yes	No	Yes	No
Utilization Management Restricted	Yes	Yes	Yes	No	Yes	No
Coverage Conditioned on Cause of Stuttering	No	No	No	No**	No	Children – No Adults - Yes
Habilitative/Rehabilitative	Yes/Yes	Yes/Yes	Yes/Yes	Yes/Yes***	Yes/Yes	Yes/Yes
Cost Share Limits	Yes	No	No	No	Yes	No
Telehealth Mandate	Yes	Yes	Yes	No	Yes	No
Void if ACA defrayment required	No	Yes	No	No	Yes	No

* West Virginia bill restricts coverage to children under 18 years of age for certain lines of business; others have no age restriction.

** Delaware coverage mandate applies to "any child diagnosed with a phrenological disorder or receptive language disorder."

*** Delaware coverage mandate applies to "any therapy or services required" for treatment.

FINANCIAL IMPACT

Of the five states that have passed laws or introduced legislation requiring insurance coverage for the treatment of stuttering, only Kentucky and Pennsylvania have produced financial statements or fiscal notes that assess the potential financial impact of the new mandates. Both Pennsylvania's Senate Appropriations Committee and House Committee on Appropriations prepared fiscal notes on HB2268, the bill requiring health insurance companies to cover speech therapy for childhood stuttering. Both committees estimated that the insurance coverage mandate would have "no fiscal impact to the Commonwealth" and that the Insurance Department "did not anticipate any increase in administrative costs due to this legislation."[xlvi, xlvii] It should be noted that the Pennsylvania budget analyses measured the potential cost impact of the bill the state, but the Pennsylvania law does not apply to its Medicaid or CHIP program or to any public employee plans, and the analyses did not attempt to estimate the costs of the bill to commercial health plans.

The Commonwealth of Kentucky prepared a series of financial impact statements and actuarial analyses assessing the impact of its stuttering treatment coverage mandate bill (SB111) on health insurance premiums broadly and on specific pension funds. The Kentucky Department of Insurance, for example, prepared an overarching financial impact statement, while the Kentucky Legislative Research Commission received fiscal impact statements or actuarial analyses of SB111's impact on local governments, the Kentucky Public Pensions Authority, the Judicial Form Retirement System, and the Teachers' Retirement System.

The Kentucky Department of Insurance prepared a financial impact statement looking at the projected costs of SB111 on "health benefit plans, for all fully insured policies in Kentucky….excluding Medicaid and state employees." This analysis found that the proposed insurance coverage mandate was not expected to materially increase premiums, materially increase the total cost of health care in Kentucky, or materially increase administrative costs to Kentucky insurers.[xlviii] The Kentucky Legislative Research Commission, in its assessment of the impact of SB111 on local governments, found that the proposed requirement for insurance coverage for treatment for stuttering "would cause an increase in premiums which could have a negative but indeterminable fiscal impact on local governments."[xlix] The size of the potential premium increase for local governments could not be estimated because there was no way to assess the number of insured members who would utilize rehabilitative treatment sessions beyond the current covered annual limit of 20 visits to a SLP.[1]

Three Kentucky pension and retirement funds submitted actuarial analyses to the Legislative Research Commission assessing the financial impact of SB111 on their health insurance finances. Each of the actuarial analyses -- for the Kentucky Public Pensions Authority (KPPA, i.e., state employees), the Kentucky Teachers' Retirement System (TRS), and the Judicial Form Retirement System (the Judicial Retirement Plan and Legislators Retirement Plan) -- found three similar effects of the proposed insurance coverage mandate for the treatment of stuttering. The

actuarial analyses estimated that 1) the mandate would result in no change in benefit payments, 2) that requiring speech therapy coverage for treatment of stuttering without cost sharing might lead to higher health insurance premiums for the plans offered through their plans, potentially increasing employer costs, and 3) that the mandate would not change administrative expenses for insurers.[li, lii]

As outlined above, approximately 5 to 10 percent of all children experience stuttering, roughly 75 percent of whom will stop at some point; the remaining 25 percent of individuals who experience persistent stuttering represent approximately 1 percent of the population.[liii] Therefore, the prevalence of stuttering requiring treatment is relatively low. As noted above, the out-of-pocket costs of stuttering treatment can be significant when not covered by insurance.[liv] Accordingly, a coverage mandate could both reduce a significant cost burden on a relatively small population, while likely representing a relatively limited additional cost to carriers that do not currently provide the coverage that would be required under the bill.

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). Federal law requires (1) the state to identify benefit mandates that are in addition to the state's EHB, and (2) insurers to report the cost of those benefits back to the state (i.e., excess cost reports). 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.[lv] As part of the HHS Notice of Benefit and Payment Parameters for 2025, for plan years beginning on or after January 1, 2027, CMS is proposing revisions to 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.[lvi] 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 stuttering treatment may trigger the federal defrayment requirements.

Lastly, the bill's prohibition on cost sharing for commercial market coverage could impact consumers' access to Health Savings Accounts (HSAs) typically available with qualified high deductible health plans (HDHPs). Generally, federal rules require that "HSA-qualified" HDHPs

meet certain requirements, including that the plan deductible apply to all covered benefits received from in-network medical providers. Therefore, requiring coverage be provided without a deductible would likely violate this requirement and could impact access to HSAs, which are eligible for federal tax advantages.[lvii]

CONCLUSION

As detailed above, roughly three-quarters of children who stutter will stop stuttering before they become adults without any medical intervention. While there is no "cure," treatment for stuttering can improve fluency and the effectiveness of communication, while teaching techniques to help individuals who stutter reduce the anxiety they feel when speaking. There is broad agreement among speech clinicians that the greatest improvements in stuttering are made with treatment as early in childhood as possible.

Although limited, there is evidence that early treatment may help to reduce the likelihood that stuttering persists into adulthood. Treatment for childhood stuttering may also help children develop better self-image and the skills they need to improve performance in school or in the workforce.

Effective speech therapy for treating stuttering can require ongoing weekly treatment sessions with a SLP over a long period of time. The cost of therapy can be significant and may be prohibitive for many families. Yet, the percentage of people that will need to avail themselves of that care will be relatively small. Expanding insurance coverage for stuttering treatment services and reducing or eliminating the steps needed to be taken to receive treatment may help make stuttering therapy more accessible.

Several states have passed laws or are considering legislation to require insurance coverage for the treatment of stuttering. Although only two states have conducted fiscal impact analyses of expanding coverage for services for the treatment of stuttering, these analyses suggest that a new mandate may increase insurance premiums and costs to employers, although the size of these increases has not been estimated. Factors that may drive increases in premium rates include the potential for increased utilization of services and placing limits on the ability of carriers to apply cost-sharing, such as copays as well as restrictions on utilization management. Although the fiscal analyses prepared in connection the Pennsylvania coverage mandate law may have certain limitations, the fiscal analyses prepared in connection with the Kentucky coverage mandate law concluded that the costs to state and local authorities of an insurance coverage mandate for stuttering treatment are likely to be minimal.

ENDNOTES

[i] National Institute on Deafness and Other Communication Disorders (NIDCD), "Stuttering," March 6, 2017. Accessed 10/28/24. What Is Stuttering? Diagnosis & Treatment | NIDCD

[ii] *Ibid.*

[iii] Mayo Clinic, "Stuttering: Symptoms and Causes," March 2, 2024. Accessed 10/28/24. Stuttering - Symptoms and causes - Mayo Clinic

[iv] *Ibid.*

[v] NIDCD, *op cit.*

[vi] *Ibid.*

[vii] Mayo Clinic, *op cit.*

[viii] NIDCD, *op cit.*

[ix] Mayo Clinic, *op cit.*

[x] NIDCD, *op cit.*

[xi] Mayo Clinic, *op cit.*

[xii] NIDCD, *op cit.*

[xiii] Mayo Clinic, *op cit.*

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SENATE, No. 3558

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED SEPTEMBER 12, 2024

Sponsored by:
Senator JAMES BEACH
District 6 (Burlington and Camden)

SYNOPSIS

Requires health insurance and Medicaid coverage for the treatment of stuttering.

CURRENT VERSION OF TEXT

As introduced.

AN ACT concerning insurance and Medicaid coverage for the treatment of stuttering and supplementing various parts of the statutory law.

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

1. a. A hospital service corporation contract that provides hospital or medical expense benefits and is delivered, issued, executed or renewed in this State, 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 benefits to any subscriber for medical expenses incurred in the treatment of stuttering, including habilitative speech therapy and rehabilitative speech therapy, as determined medically necessary by the subscriber's medical doctor. The benefits shall be provided whether the services are delivered in-person or through telemedicine or telehealth. The benefits shall be provided without the imposition of any prior authorization or other utilization management requirements.

b. The benefits shall be provided to the same extent as for any other service, drug, device, product, or procedure under the contract, except that no deductible, coinsurance, copayment, annual benefit limit, or any other cost-sharing requirement shall be imposed.

c. The provisions of this section shall apply to all hospital service corporation contracts in which the hospital service corporation has reserved the right to change the premium.

d. As used in this section:

"Habilitative speech therapy" means speech therapy that helps a person keep, learn, or improve skills and functioning for daily living.

"Rehabilitative speech therapy" means speech therapy that helps a person restore or improve skills and functioning for daily living that have been lost or impaired.

2. a. A medical service corporation contract that provides hospital or 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 benefits to any subscriber for medical expenses incurred in the treatment of stuttering, including habilitative speech therapy and rehabilitative speech therapy, as determined medically necessary by the subscriber's medical doctor. The benefits shall be provided whether the services are delivered in-person or through telemedicine or telehealth. The benefits shall be

provided without the imposition of any prior authorization or other utilization management requirements.

b. The benefits shall be provided to the same extent as for any other service, drug, device, product, or procedure under the contract, except that no deductible, coinsurance, copayment, annual benefit limit, or any other cost-sharing requirement shall be imposed.

c. The provisions of this section shall apply to all medical service corporation contracts in which the medical service corporation has reserved the right to change the premium.

d. As used in this section:

"Habilitative speech therapy" means speech therapy that helps a person keep, learn, or improve skills and functioning for daily living.

"Rehabilitative speech therapy" means speech therapy that helps a person restore or improve skills and functioning for daily living that have been lost or impaired.

3. a. A health service corporation contract that provides hospital or 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 al.), 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 benefits to any subscriber for medical expenses incurred in the treatment of stuttering, including habilitative speech therapy and rehabilitative speech therapy, as determined medically necessary by the subscriber's medical doctor. The benefits shall be provided whether the services are delivered in-person or through telemedicine or telehealth. The benefits shall be provided without the imposition of any prior authorization or other utilization management requirements.

b. The benefits shall be provided to the same extent as for any other service, drug, device, product, or procedure under the contract, except that no deductible, coinsurance, copayment, annual benefit limit, or any other cost-sharing requirement shall be imposed.

c. The provisions of this section shall apply to all health service corporation contracts in which the health service corporation has reserved the right to change the premium.

d. As used in this section:

"Habilitative speech therapy" means speech therapy that helps a person keep, learn, or improve skills and functioning for daily living.

"Rehabilitative speech therapy" means speech therapy that helps a person restore or improve skills and functioning for daily living that have been lost or impaired.

4. a. 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 benefits to any insured for medical expenses incurred in the treatment of stuttering, including habilitative speech therapy and rehabilitative speech therapy, as determined medically necessary by the insured's medical doctor. The benefits shall be provided whether the services are delivered in-person or through telemedicine or telehealth. The benefits shall be provided without the imposition of any prior authorization or other utilization management requirements.

b. The benefits shall be provided to the same extent as for any other service, drug, device, product, or procedure under the policy, except that no deductible, coinsurance, copayment, annual benefit limit, or any other cost-sharing requirement shall be imposed.

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

d. As used in this section:

"Habilitative speech therapy" means speech therapy that helps a person keep, learn, or improve skills and functioning for daily living.

"Rehabilitative speech therapy" means speech therapy that helps a person restore or improve skills and functioning for daily living that have been lost or impaired.

5. a. 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 benefits to any insured for medical expenses incurred in the treatment of stuttering, including habilitative speech therapy and rehabilitative speech therapy, as determined medically necessary by the insured's medical doctor. The benefits shall be provided whether the services are delivered in-person or through telemedicine or telehealth. The benefits shall be provided without the imposition of any prior authorization or other utilization management requirements.

b. The benefits shall be provided to the same extent as for any other service, drug, device, product, or procedure under the policy, except that no deductible, coinsurance, copayment, annual benefit limit, or any other cost-sharing requirement shall be imposed.

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

d. As used in this section:

"Habilitative speech therapy" means speech therapy that helps a person keep, learn, or improve skills and functioning for daily living.

"Rehabilitative speech therapy" means speech therapy that helps a person restore or improve skills and functioning for daily living that have been lost or impaired.

6. a. 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.), 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 benefits to any covered person for medical expenses incurred in the treatment of stuttering, including habilitative speech therapy and rehabilitative speech therapy, as determined medically necessary by the covered person's medical doctor. The benefits shall be provided whether the services are delivered in-person or through telemedicine or telehealth. The benefits shall be provided without the imposition of any prior authorization or other utilization management requirements.

b. The benefits shall be provided to the same extent as for any other service, drug, device, product, or procedure under the health benefits plan, except that no deductible, coinsurance, copayment, annual benefit limit, or any other cost-sharing requirement shall be imposed.

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

d. As used in this section:

"Habilitative speech therapy" means speech therapy that helps a person keep, learn, or improve skills and functioning for daily living.

"Rehabilitative speech therapy" means speech therapy that helps a person restore or improve skills and functioning for daily living that have been lost or impaired.

7. a. 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.), 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 benefits to any covered person for medical expenses incurred in the treatment of stuttering, including habilitative speech therapy and rehabilitative speech therapy, as determined medically necessary by the covered person's medical doctor. The benefits shall be provided whether the services are delivered in-person or through telemedicine or telehealth. The benefits shall be provided without the imposition of any prior authorization or other utilization management requirements.

b. The benefits shall be provided to the same extent as for any other service, drug, device, product, or procedure under the health benefits plan, except that no deductible, coinsurance, copayment, annual benefit limit, or any other cost-sharing requirement shall be imposed.

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

d. As used in this section:

"Habilitative speech therapy" means speech therapy that helps a person keep, learn, or improve skills and functioning for daily living.

"Rehabilitative speech therapy" means speech therapy that helps a person restore or improve skills and functioning for daily living that have been lost or impaired.

8. a. A health maintenance organization contract for health care services that is delivered, issued, executed, or renewed in this State pursuant to P.L.1973, c.337 (C.26:2J-1 et seq.), or approved for issuance or renewal in this State by the Commissioner of Banking and Insurance, on or after the effective date of this act, shall provide benefits to any enrollee for medical expenses incurred in the treatment of stuttering, including habilitative speech therapy and rehabilitative speech therapy, as determined medically necessary by the enrollee's medical doctor. The benefits shall be provided whether the services are delivered in-person or through telemedicine or telehealth. The benefits shall be provided without the imposition of any prior authorization or other utilization management requirements.

b. The benefits shall be provided to the same extent as for any other service, drug, device, product, or procedure under the contract, except that no deductible, coinsurance, copayment, annual benefit limit, or any other cost-sharing requirement shall be imposed.

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

d. As used in this section:

"Habilitative speech therapy" means speech therapy that helps a person keep, learn, or improve skills and functioning for daily living.

"Rehabilitative speech therapy" means speech therapy that helps a person restore or improve skills and functioning for daily living that have been lost or impaired.

9. a. The State Health Benefits Commission shall ensure that every contract purchased by the commission on or after the effective date of this act that provides hospital and medical expense

benefits shall provide benefits to any covered person for medical expenses incurred in the treatment of stuttering, including habilitative speech therapy and rehabilitative speech therapy, as determined medically necessary by the covered person's medical doctor. The benefits shall be provided whether the services are delivered in-person or through telemedicine or telehealth. The benefits shall be provided without the imposition of any prior authorization or other utilization management requirements.

b. The benefits shall be provided to the same extent as for any other service, drug, device, product, or procedure under the contract, except that no deductible, coinsurance, copayment, annual benefit limit, or any other cost-sharing requirement shall be imposed.

c. As used in this section:

"Habilitative speech therapy" means speech therapy that helps a person keep, learn, or improve skills and functioning for daily living.

"Rehabilitative speech therapy" means speech therapy that helps a person restore or improve skills and functioning for daily living that have been lost or impaired.

10. a. The School Employees' Health Benefits Commission shall ensure that every contract purchased by the commission on or after the effective date of this act that provides hospital and medical expense benefits shall provide benefits to any covered person for medical expenses incurred in the treatment of stuttering, including habilitative speech therapy and rehabilitative speech therapy, as determined medically necessary by the covered person's medical doctor. The benefits shall be provided whether the services are delivered in-person or through telemedicine or telehealth. The benefits shall be provided without the imposition of any prior authorization or other utilization management requirements.

b. The benefits shall be provided to the same extent as for any other service, drug, device, product, or procedure under the contract, except that no deductible, coinsurance, copayment, annual benefit limit, or any other cost-sharing requirement shall be imposed.

c. As used in this section:

"Habilitative speech therapy" means speech therapy that helps a person keep, learn, or improve skills and functioning for daily living.

"Rehabilitative speech therapy" means speech therapy that helps a person restore or improve skills and functioning for daily living that have been lost or impaired.

11. a. Notwithstanding any State law or regulation to the contrary, the Department of Human Services shall ensure provide benefits to persons served under the Medicaid program, established pursuant to

P.L.1968, c.413 (C.30:4D-1 et seq.), for medical expenses incurred in the treatment of stuttering, including habilitative speech therapy and rehabilitative speech therapy, as determined medically necessary by the person's medical doctor. The benefits shall be provided whether the services are delivered in-person or through telemedicine or telehealth. The benefits shall be provided without the imposition of any prior authorization or other utilization management requirements.

b. Any copayment, coinsurance, deductible, or annual benefit limit that may be required pursuant to the contract for services covered pursuant to subsection a. of this section shall not apply.

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

d. As used in this section:

"Habilitative speech therapy" means speech therapy that helps a person keep, learn, or improve skills and functioning for daily living.

"Rehabilitative speech therapy" means speech therapy that helps a person restore or improve skills and functioning for daily living that have been lost or impaired.

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

STATEMENT

This bill requires health insurers (health, hospital and 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, the State Health Benefits Program, and the School Employees' Health Benefits Program) and the State Medicaid program to provide coverage for medical expenses incurred in the treatment of stuttering, including habilitative speech therapy and rehabilitative speech therapy. Whether treatment is a medical necessity is to be determined by the covered person's medical doctor.

The bill requires coverage to be provided whether the services are delivered in-person or through telemedicine or telehealth,

without the imposition of any prior authorization or other utilization management requirements, and without cost-sharing.

Pursuant to the bill, “habilitative speech therapy" means speech therapy that helps a person keep, learn, or improve skills and functioning for daily living; and “rehabilitative speech therapy" means speech therapy that helps a person restore or improve skills and functioning for daily living that have been lost or impaired.

Appendix II

NEW JERSEY STATE LEGISLATURE

SENATE COMMERCE COMMITTEE

STATE HOUSE ANNEX • P.O. BOX 068 • TRENTON, NJ
08625-0068
www.njleg.state.nj.us

October 21, 2024

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

Dear Members of the Commission:

As the Chair of the Senate Commerce Committee, I respectfully request the Commission to review and prepare a written report of Senate Bill 3558, sponsored by Senator Beach. The bill would require health insurance and Medicaid coverage for the treatment of stuttering.

If you have any questions, please do not hesitate to contact Allison Meyers or David Smith, Senate Commerce Committee Aides, at 609-847-3700. Thank you for your immediate attention to this matter.

Sincerely,

Nellie Pou
Senator, 35th District

CC: Allison Meyers
Policy Analyst
Senate Majority Office

David Smith
Senior Policy Analyst
Senate Majority Office