



Grace's Law

A New Jersey law that requires limited insurance coverage for hearing aids and cochlear implants.

Your health benefits plan may or may not be subject to the requirements of Grace's Law. The following information may be helpful in determining if a health plan is required to comply.

NEW JERSEY HUMAN SERVICES



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DIVISION OF THE DEAF
AND HARD OF HEARING



Grace's Law

Grace's Law is a New Jersey law requiring health benefits coverage for hearing aids and cochlear implants, amending P.L.2008, c.126 and supplementing P.L.2007, c.103 (C 52:14-17.46). There may be benefit plans that are not subject to the requirements of Grace's Law. The following information may help determine if a health plan is required to comply with Grace's Law.

What are the benefits stated in Grace's Law?

Grace's Law applies to all NJ fully insured, individual plans, State Health Benefits Plan (SHBP), NJ FamilyCare, and small and large group plans. The law requires carriers to provide benefits for medically necessary expenses incurred in the purchase of a hearing aid or cochlear implant.

State Health Benefits Plan:

Individuals covered by the State Health Benefits Plan (SHBP) or the School Employees Health Benefits Plan (SEHBP) receive coverage up to \$2,500 per hearing aid, every 60 months.

Under Grace's Law, individuals enrolled in SHBP are eligible for hearing aid benefits from birth through age 21.

The hearing aid(s) or cochlear implant(s) must be medically necessary and prescribed by a licensed physician or audiologist.

Coverage includes the cost of treatment related to the cochlear implant(s), including procedures for the implantation of the cochlear device(s) and costs for any parts, attachments, or accessories of the device(s), including replacement of obsolete external cochlear implant processors.

State Regulated Plan:

For select state-regulated plans, such as individual and small or large group fully-insured plans, NJ FamilyCare, Grace's Law covers individuals of all ages, with no monetary limit.

Under Grace's Law, individuals are eligible for one (1) hearing aid or cochlear implant, for each ear, every twenty-four (24) months.

The hearing aid(s) or cochlear implant(s) must be medically necessary and prescribed by a licensed physician or audiologist.

Coverage includes the cost of treatment related to the cochlear implant(s), including procedures for the implantation of the cochlear device(s) and costs for any parts, attachments, or accessories of the device, including replacement of obsolete external cochlear implant processors

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

School Employees:

Under Grace's Law, school employees receive coverage for one (1) hearing aid or cochlear implant per ear, up to \$2,500, every sixty (60) months

The hearing aid(s) or cochlear implant(s) must be medically necessary and prescribed by a licensed physician or audiologist.

Coverage includes the cost of treatment related to the cochlear implant(s) (or hearing aid(s)), including procedures for the implantation of the cochlear device(s) and costs for any parts, attachments, or accessories of the device, including replacement of obsolete external cochlear implant processors.

EXAMPLE

Let's say an individual needs a hearing aid that costs \$5,000 and the insurance company agrees that is medically necessary to have that \$5,000 device and \$5,000 is the allowed charge.

Suppose the plan has a \$1,000 deductible then pays 70%.

$\$5,000 - \$1,000 = \$4,000$. $\$4,000 \times .70 = \$2,800$

The benefit would be \$2,800.

The family would pay $\$1,000 + \$1,200 = \$2,200$.



Ask the following questions:

- Is the health benefit plan self-funded or fully insured? (Only fully insured health plans, regulated by the state of New Jersey, are required to comply with Grace's Law.)
- If the health benefit plan is fully insured, in what state is the insurance policy written? (Only plans written in New Jersey are required to comply with Grace's Law.)

It is important to understand health benefit plans to determine if Grace's Law applies.

If the health benefit plan is not fully insured, inquire if the provider is willing to voluntarily comply with Grace's Law.

How is it determined that my hearing aids or cochlear implants are "medically necessary" for coverage under Grace's Law?

Grace's Law states that coverage for hearing aids or cochlear implants is provided "when medically necessary and as prescribed or recommended by a licensed

physician or audiologist.” This means that first, the hearing aid(s) or cochlear implant(s) must be prescribed or recommended by a licensed physician or audiologist; and second, the health plan determines it is medically necessary.

Does Grace’s Law cover additional expenses related to the purchase of the hearing aids or cochlear implants?

The law states that coverage for “medically necessary expenses” incurred in the purchase of the hearing aid(s) or cochlear implant(s) shall be provided by any health benefits plan required to comply with Grace’s Law. For more information about coverage of additional incurred expenses, contact the insurance provider.

Will the insurance company reimburse the cost for the hearing aid(s) or cochlear implant(s), or will the covered amount be applied at the time of purchase?

In most cases, individuals must submit for reimbursement. There may be providers that will process the insurance claim and then bill the individual, for the remaining balance.

What options are available if coverage has been denied?

NJ health care plans are required to provide benefits under Grace’s Law. For more information:

For **FamilyCare**, contact: The HMO listed on the back of the enrollment card

For **Fully Insured Plans** written in New Jersey contact:

**Department of Banking & Insurance (DOBI) Case Inquiry,
and Preparation Unit (609) 292-7272**



State of New Jersey

Mikie Sherrill, Governor | Dr. Dale G. Caldwell, Lt. Governor

Department of Human Services Division of the Deaf and Hard of Hearing

Dr. Stephen Cha, Acting Commissioner