

# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

[First Reprint]

**SENATE, No. 1439**

# **STATE OF NEW JERSEY**

DATED: MARCH 20, 2025

The Assembly Appropriations Committee reports favorably Senate Bill No. 1439 (1R).

As reported, the bill requires health benefits coverage for an additional orthotic or prosthetic appliance from any licensed orthotist or prosthetist, any certified pedorthist, or licensed podiatrist, if the covered person's physician determines that the additional appliance is necessary to enable the covered person to engage in physical and recreational activities, including running, bicycling, swimming, climbing, skiing, snowboarding, and team and individual sports. The reimbursement for the additional orthotic or prosthetic appliance is at the same rate as reimbursement for the appliances under the federal Medicare reimbursement schedule.

The bill also requires health benefits coverage for orthotic or prosthetic appliances, as well as additional orthotics or prosthetic appliances for engaging in physical and recreational activities, obtained from a licensed podiatrist.

Current law requires health benefits coverage for expenses incurred in obtaining an orthotic or prosthetic appliance from any licensed orthotist or prosthetist, or any certified pedorthist, as determined medically necessary by the covered person's physician, but does not require coverage of an additional appliance for physical or recreational activities.

The bill would apply to hospital, medical, and health service corporations; commercial individual, small employer, and larger group insurers; health maintenance organizations; and the State Health Benefits Program and the School Employees' Health Benefits Program.

As reported by the committee, Senate Bill No. 1439 (1R) is identical to Assembly Bill No. 3856 (1R), which was amended and reported by the committee on this date.

### FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that requiring health benefits coverage for an additional orthotic or prosthetic applicant under certain circumstances will result in a total annual increase of \$461,000 to \$577,000 in State and local government unit

expenditures for the State Health Benefits Program and the School Employees' Health Benefits Program.

A report by the New Jersey Mandated Health Benefits Advisory Commission prior to the passage of the State's initial mandate for health benefits coverage for orthotic and prosthetic appliances found that health care premiums for the fully insured group insurance and individual insurance markets were likely to increase by 0.025 percent due to the mandate. A subsequent analysis for a related, but limited mandate in Maine suggested that expanding coverage for prosthetics for devices necessary for recreational activities would increase premiums by up to 0.02 percent.

The OLS does not know the actual number of covered individuals whose physicians will determine that an additional prosthetic appliance is medically necessary to engage in physical recreational activities, but assumes for the purpose of the analysis that half of all covered individuals granted prosthetic devices for medical necessity under current law could be approved for an additional prosthetic device for recreational use.