



Grace's Law

New Jersey's first law that requires limited insurance coverage for children's hearing aids

A consumer guide for determining if your insurance or health benefits plan is required to provide you assistance with the purchase of your child's hearing aids.

Prepared by

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

“Grace’s Law” refers to P.L.2008, c.126, a New Jersey statute, which requires certain health benefits plans to provide limited coverage toward the purchase of hearing aids for children “15 years of age or younger” (under 16 years of age).

Your health benefits plan may or may not be subject to the requirements of Grace’s Law. The following information should help determine if your health plan is required to comply with this law.

What are the benefits stated in Grace’s Law?

Grace’s Law states that benefits provided are “\$1,000 per hearing aid for each hearing-impaired ear every 24 months.” Additionally, under Grace’s Law, benefits covered include “. . . medically necessary expenses incurred in the purchase of a hearing aid . . .”

How do I know if my health plan must provide coverage for hearing aids under Grace’s Law?

It is important to understand your health benefits plan to determine if Grace’s Law applies to it.

If your child is enrolled in the FamilyCare Program or you are enrolled in the New Jersey State Health Benefits Program, Grace’s Law applies to your health benefits plan.

For other health plans, check with your employer or insurance company to see if the purchase of your child’s hearing aids are covered.

Ask them the following questions:

- **Is my health 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 my health 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.)
- **If my health plan is fully insured and written in New Jersey, what is the plan’s renewal date?** (If the plan is fully insured and written in New Jersey, it is eligible for the benefits described in Grace’s Law as of the renewal date of your health plan.)

If your insurance company is not fully insured, you should still inquire to see if they will voluntarily comply with the law.

If my health plan is required to comply with Grace’s Law, when can I take advantage of these benefits?

Although this law became effective March 30, 2009, your benefits may not start right away.

For existing plans, the benefits resulting from Grace’s Law take effect on the renewal date of the health plan on or following March 30, 2009 (for example, if an eligible health plan is renewed on January 1, the benefits start January 1, 2010).

For new plans, issued on or after March 30, 2009, Grace’s Law goes into effect at the time the new plan is issued.



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

Grace's Law states that coverage for hearing aids is provided "when medically necessary and as prescribed or recommended by a licensed physician or audiologist." This means that first, the hearing aid 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 address other costs incurred in the purchase of a hearing aid?

The law states that coverage for "medically necessary expenses" incurred in the purchase of a hearing aid shall be provided by any health benefits plan required to comply with Grace's Law. Check with your employer or insurance company to find out which incurred expenses are covered.

Will I be reimbursed for the cost of the hearing aid(s) from the insurance company or will the covered amount be deducted at the time of purchase?

This depends on the dispenser from whom you purchase your hearing aid. More than likely, this will be handled the same as your other medical expenses. To make sure you understand, ask your hearing aid dispenser to explain how they will process your bill before you agree to buy your child's hearing aid(s).



The hearing aid I'm purchasing costs more than \$1,000. Will I receive the maximum \$1,000 benefit payment according to Grace's Law?

Under Grace's Law, for hearing aids which cost more than \$1,000, the benefit payment is the allowable cost of the hearing aid minus the application of any co-pay, deductible, or coinsurance. The maximum amount the benefits plan will pay after these deductions are applied is \$1,000.

I have been denied coverage but I believe my health plan is required to provide benefits under Grace's Law. What should I do?

If you believe your health plan is required to provide benefits under Grace's Law but you have been denied coverage, contact the appropriate agency below according to your health plan.

For **FamilyCare**, contact the HMO in which you are enrolled. (Check the back of your enrollment card for contact information.)

For fully insured plans written in New Jersey contact:

Department of Banking & Insurance (DOBI)

Case Inquiry and Preparation Unit

609-292-7272

Ellen DeRosa, Executive Director

ellen.derosa@dobi.state.nj.us

609-633-1882 x50302, Voice

Gale Simon, Assistant Commissioner

gale.simon@dobi.state.nj.us

609-633-1882 x50333, Voice

NOTE: Interpretation of this new law is still subject to modification. The information in this brochure is the result of the current understanding of the law and its implications.

For additional information, contact:

New Jersey Division of the Deaf and Hard of Hearing

PO Box 074

Trenton, NJ 08625

800-792-8339 V/TTY

609-984-7281 V/TTY

866-771-7947 VP



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