

[N.J. Rev. Stat. § 17:48-1.]

§ 17:48-1. Definitions: Hospital Service Corporations

A hospital service corporation is hereby declared to be any corporation organized, without capital stock and not for profit, for the purpose of establishing, maintaining and operating a nonprofit hospital service plan. A hospital service plan is hereby defined as a plan whereunder service benefit contracts are issued providing complete prepayment or postpayment of eligible health care services and supplies for a given period to persons covered under such contracts, and arrangements are made for payment for such health care services and supplies directly to the provider thereof, including but not limited to, health care facilities and other suppliers of health care services; in addition, hospital service corporations may issue contracts providing for whole or partial payment for health care services and supplies furnished to persons covered under such contracts; provided, however, that not more than 20% of persons covered by other than service benefit contracts may be covered by contracts which include deductible options exceeding \$1,000.00 or such higher amount as the Commissioner of Insurance may permit by regulation, or co-insurance exceeding 30% of the total amount billed for covered health care services or supplies. Arrangements may be made for payment for such health care services and supplies directly to the provider thereof, including but not limited to, health care facilities and other suppliers of health care services, or to the subscribers under such contracts. Such providers or suppliers may include but are not limited to:

(a) A hospital service corporation; (b) a health care facility with which the corporation has a contract for such health care services or supplies to persons who become subscribers under contracts with the corporation; (c) a health care facility which is maintained by a State or any of its political subdivisions; (d) a health care facility licensed by the Department of Health; (e) such other health care facilities as shall have been designated by the Department of Health for health care services; (f) health care facilities located in other States, which are subject to the supervision of such other States provided that such last mentioned health care facilities, if they were to be located in this State, would be eligible to be licensed or designated by the Department of Health; or (g) nonprofit hospital service plans of other states approved by the Commissioner of Insurance.