SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 374

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 18, 2026

The Senate Commerce Committee reports favorably and with committee amendments Senate Bill No. 374.

As amended, 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) to provide coverage for expenses incurred for the treatment of lipedema. The expenses for which coverage is to be provided include compression garments for all of the covered person's affected extremities, manual lymphatic drainage, medical nutrition therapy, mental health care, lipectomy that is determined to be medically necessary by the covered person's surgeon, and pre-and post-lipectomies appointments with the covered person's physician and surgeon.

The bill requires a covered person to provide a carrier with documentation from the covered person's physician diagnosing the covered person with lipedema and, if applicable, documentation from the covered person's surgeon that includes photographs of the covered person that support the diagnosis and information on the number of lipectomies the covered person's surgeon deems medically necessary.

Under the bill, a carrier is to provide coverage for the total number of lipectomies deemed medically necessary by the covered person's surgeon and shall not require a covered person's surgeon to remove less fat than the surgeon deems medically necessary to be removed from the covered person during lipectomy in order to receive coverage. If a carrier denies coverage for expenses incurred for the treatment of lipedema, the carrier is to provide the covered person with a detailed explanation of the reason for the denial. A carrier cannot deny coverage for expenses incurred for the treatment of lipedema solely based on photographs of the covered person submitted pursuant to the bill.

Additionally, the bill provides that prior authorization granted by a carrier for a lipectomy must be in accordance with prior authorization requirements established pursuant to the "Ensuring Transparency in

Prior Authorization Act." Coverage is to be provided consistent with the current standard of care for lipedema.

Lipedema is a chronic, progressive condition characterized by abnormal and often painful fat accumulation in specific areas of the body. The condition does not have a cure, but lipectomy can help remove fat and reduce the pain associated with the condition.

This bill was prefiled for introduction in the 2026-2027 session pending technical review. As amended and reported, the bill includes the changes required by technical review, which has been performed.

COMMITTEE AMENDMENTS:

The committee amended the bill to align prior authorization requirements with the "Ensuring Transparency in Prior Authorization Act."