

# ASSEMBLY HEALTH COMMITTEE

## STATEMENT TO

### ASSEMBLY, No. 5760

# STATE OF NEW JERSEY

DATED: JUNE 2, 2021

The Assembly Health Committee reports favorably Assembly Bill No. 5760.

This bill requires the Catastrophic Illness in Children Relief Fund, the “Pharmaceutical Assistance to the Aged and Disabled” (PAAD) program, the “Senior Gold Prescription Discount Program,” and the Victims of Crime Compensation Office (VCCO) to cover the cost of medical cannabis dispensed to or on behalf of a registered qualifying patient eligible for or receiving benefits under any of those programs.

Specifically, the bill will require the Catastrophic Illness in Children Relief Fund to assist with the cost of medical cannabis for a child who is eligible for assistance from the program who is a registered qualifying patient under the State medical cannabis program, subject to rules and regulations promulgated by the Catastrophic Illness in Children Relief Fund Commission and the availability of monies in the fund.

Under the PAAD and Senior Gold programs, at the time of each purchase of medical cannabis, the eligible person or the eligible person’s caregiver will be required to pay a copayment that may not be waived, discounted, or rebated in whole or in part. The State will then reimburse the medical cannabis dispensary or clinical registrant for the balance of the purchase price of the medical cannabis, which purchase price will be the price listed on the medical cannabis dispensary’s or clinical registrant’s website as required pursuant to subsection h. of section 7 of P.L.2009, c.307 (C.24:6I-7) less any applicable discounts or price reductions.

Under the PAAD program, the copayment will be \$7. Under the Senior Gold program, the copayment will be equal to:

- 1) \$15 plus 50 percent of the remaining amount of the cost for the medical cannabis, or the cost for the medical cannabis, whichever is less; or

- 2) \$15, or the cost for the medical cannabis, whichever is less, in the case of an eligible person who has incurred out-of-pocket expenditures, including copayments and deductibles, for the purchase of prescription drugs and medical cannabis, which are not reimbursable by any other plan of assistance or insurance and are credited to that person's account for each 12-month period of eligibility in accordance with procedures established by the

Commissioner of Human Services, in the following amounts: \$2,000 for a single person and \$3,000 for a married couple. These out-of-pocket expense amounts will include only expenses incurred on or after the date that the person received proof of eligibility for the program.

An eligible person whose medical cannabis costs are covered in part by any other program or plan of assistance or insurance may be required to receive reduced assistance under the PAAD and Senior Gold programs. Under the PAAD program, if an eligible person's medical cannabis costs are covered in whole by any other program or plan of assistance or insurance, the person will be ineligible for PAAD assistance; under the Senior Gold program, if an eligible person's medical cannabis costs are covered in whole or in part by another plan of assistance or insurance, the Senior Gold program will be the payer of last resort.

The Commissioner of Human Services, in consultation with the Cannabis Regulatory Commission, may establish limits on the maximum quantity of medical cannabis that may be purchased by or on behalf of an eligible person in a 30-day period under the PAAD and Senior Gold programs, which limits may be in an amount lower than the maximum quantities of medical cannabis that may be dispensed to or on behalf of a registered qualifying patient pursuant to subsection f. of section 10 of P.L.2009, c.307 (C.24:6I-10).

The bill provides that eligible persons under the PAAD and Senior Gold programs may be reimbursed for 50 percent of the cost of medical cannabis purchased by or on behalf of that person in an amount that exceeds the required copayment, during the period commencing 30 days after the person's properly completed application was received by the department and ending on the date on which the person received proof of eligibility from the department; except that no reimbursement may be made for medical cannabis purchased prior to the effective date of the bill.

This bill requires the Victims of Crime Compensation Office (VCCO) to include the costs associated with the medical use of cannabis as an expense for which a victim may receive compensation, an emergency award, or a supplemental award.

Under current law, victims of certain crimes are eligible to receive compensation from the VCCO for certain expenses, including unreimbursed and unreimbursable expenses reasonably incurred for medical care or other services necessary as a result of the victim's injury. This bill provides that the expenses that are eligible for compensation from the VCCO will include the cost of medical cannabis dispensed to or on behalf of a victim who is a registered qualifying patient.

Current law also provides that the VCCO may make an emergency award to an applicant pending final determination of a case when the office determines that compensation is likely to be

provided and that the applicant will suffer undue hardship if funds are not made immediately available. Under current law, the funds are only permitted to be used to cover immediate costs of essential shelter, food, or medical expenses. The bill provides that medical expenses are to include the cost of medical cannabis dispensed to or on behalf of an applicant who is a registered qualifying patient.

In addition, current law provides that certain crime victims who are catastrophically injured are eligible to receive an additional, supplemental award to be used for certain rehabilitative services, including prescription drugs and medical supplies. This bill provides that the cost of medical cannabis dispensed to or on behalf of a catastrophically-injured crime victim who is a registered qualifying patient will be included as a rehabilitative service for which the victim may receive a supplemental award.

The bill specifies that the VCCO, in consultation with the Cannabis Regulatory Commission, may establish limits on the maximum quantity of medical cannabis that will be eligible for coverage, payment, or reimbursement from the VCCO under these various programs for an individual in a 30-day period. These limits may be in an amount lower than the maximum quantities of medical cannabis that may be dispensed to or on behalf of a registered qualifying patient pursuant to subsection f. of section 10 of P.L.2009, c.307 (C.24:6I-10).