

ASSEMBLY SENIOR ISSUES, TOURISM AND GAMING
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1966

STATE OF NEW JERSEY

DATED: MAY 16, 1996

The Assembly Senior Issues, Tourism and Gaming Committee reports favorably Assembly, No. 1966.

This bill, which is designated the "Pharmaceutical Discount Act," establishes the Pharmaceutical Discount Program (PDP) in the Department of Human Services.

A resident of this State who is a recipient of disability insurance benefits under Title II of the federal Social Security Act (42 U.S.C. §401 et seq.), or a person who is certified by a licensed physician to have acquired immune deficiency syndrome or to have tested positive for the human immunodeficiency virus, or a person 65 years of age and over, whose annual income is less than \$35,000 if single or, if married, whose annual income combined with that of a spouse is less than \$50,000, shall be eligible for PDP if the resident is not otherwise qualified for Medicaid or "Pharmaceutical Assistance to the Aged and Disabled" (PAAD). The PDP income eligibility limits shall increase annually by the amount of the maximum Social Security benefit cost-of-living increase for that year for single and married persons, respectively.

The Commissioner of Human Services shall issue to each person who, upon application to participate in PDP, is determined by the commissioner to be eligible therefor an identification card to be presented by the person at the time of payment for a prescription drug in a PAAD-participating pharmacy. Upon presentation of the PDP identification card, a person shall be required to pay only an amount for a prescription drug which is equal to the amount paid by PAAD plus the required PAAD copayment. The PAAD reimbursement rate for prescription drugs is significantly less than the usual and customary rate charged by pharmacists to customers without insurance coverage for prescription drug costs.