

SENATE, No. 1129

STATE OF NEW JERSEY

INTRODUCED MAY 9, 1996

By Senator ZANE

1 AN ACT concerning eligibility for Pharmaceutical Assistance to the  
2 Aged and Disabled and amending P.L.1975, c.194, P.L.1978,  
3 c.171, and P.L.1979, c.27.

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5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:

7  
8 1. Section 1 of P.L.1975, c.194 (C.30:4D-20) is amended to read  
9 as follows:

10 1. The commissioner shall establish a program which shall be  
11 known as "Pharmaceutical Assistance to the Aged and Disabled."  
12 (cf: P.L.1975, c.194, s.1)

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14 2. Section 2 of P.L.1975, c.194 (C.30:4D-21) is amended to read  
15 as follows:

16 2. a. Any resident of this State who is either a recipient of  
17 disability insurance benefits under Title II of the federal Social  
18 Security Act (42 U.S.C. § 401 et seq.); or a recipient of disability  
19 benefits under the federal "Railroad Retirement Act of 1974" (45  
20 U.S.C. § 231 et seq.), the federal civil service retirement program (5  
21 U.S.C. § 8331 et seq.) or any federal law administered by the United  
22 States Department of Veterans Affairs where the disability is rated as  
23 60%, or higher; or 65 years of age and over and whose annual income  
24 is less than \$16,624 if single or, if married, whose annual income  
25 combined with that of his spouse is less than \$20,383, shall be eligible  
26 for "Pharmaceutical Assistance to the Aged and Disabled" if he is not  
27 otherwise qualified for assistance under P.L.1968, c.413 (C.30:4D-1  
28 et seq.). Annual income shall not include gain from the sale of a  
29 principal residence that is excluded from gross income pursuant to  
30 N.J.S.54A:6-9.

31 In the case of a resident receiving disability benefits under the  
32 federal civil service retirement program, the resident shall provide the  
33 department with a statement in writing from the resident's physician  
34 that the resident is totally and permanently disabled. The resident shall

**EXPLANATION** - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

1 obtain the physician's statement at his own expense. Upon receipt of  
2 the statement the department shall determine if the resident is  
3 otherwise eligible for the Pharmaceutical Assistance to the Aged and  
4 Disabled program.

5 b. Beginning January 1, 1996 and annually thereafter, the income  
6 eligibility limits provided in subsection a. of this section shall increase  
7 by the amount of the maximum Social Security benefit cost-of-living  
8 increase for that year for single and married persons, respectively. The  
9 commissioner shall adopt the new income limits annually by regulation  
10 pursuant to the "Administrative Procedure Act," P.L.1968, c.410  
11 (C.52:14B-1 et seq.).

12 (cf: P.L.1995, c.27, s.1)

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14 3. Section 9 of P.L.1978, c.171 (C.30:4D-32) is amended to read  
15 as follows:

16 9. The commissioner shall issue an annual report to the Governor  
17 and the Legislature by October 1 of each year. Such report shall  
18 include a summary of "Pharmaceutical Assistance to the Aged and  
19 Disabled" program activities for the preceding fiscal year and any  
20 recommendations or suggestions form legislative consideration.

21 (cf: P.L.1978, c.171, s.9)

22  
23 4. Section 1 of P.L.1979, c.27 (C.30:4D-34) is amended to read as  
24 follows:

25 1. Any eligible person under the program of Pharmaceutical  
26 Assistance to the Aged and Disabled shall, upon the submission of  
27 [such] the application and proof of expenditure as the department may  
28 prescribe, be reimbursed for the cost of all prescription drugs  
29 purchased by [such] the person, minus a \$2.00 copayment per  
30 prescription, during the period commencing 30 days after [such] the  
31 person's properly completed application was received by the  
32 department and ending on the date on which [such] the person  
33 received his proof of eligibility from the department; provided,  
34 however, that no reimbursement under this act shall be made for any  
35 prescription drug purchased prior to the effective date of this act.

36 (cf: P.L.1979, c.383, s.1)

37  
38 5. This act shall take effect on the first day of the second month  
39 following enactment.

#### 40 41 42 STATEMENT

43  
44 This bill extends the benefits of the Pharmaceutical Assistance to  
45 the Aged and Disabled (PAAD) program to otherwise eligible  
46 individuals who receive disability benefits under certain federal

1 programs other than Social Security. These include the "Railroad  
2 Retirement Act of 1974," the federal civil service retirement program  
3 and any federal law administered by the Department of Veterans  
4 Affairs where the individual's disability is rated 60% or higher.

5 Presently, only those persons defined as disabled pursuant to the  
6 federal Social Security Act are eligible for PAAD. This limitation on  
7 eligibility for disabled persons has meant that State residents with  
8 comparable disabilities who, during their working years did not have  
9 the opportunity to contribute to Social Security and thus qualify for  
10 disability under that system, now cannot qualify for various State  
11 programs such as PAAD and Lifeline. Since eligibility for Lifeline is  
12 tied to eligibility for PAAD, an additional effect of this bill will be to  
13 extend eligibility for the Lifeline programs to these disabled residents.

14 In addition, this bill makes technical amendments to update the  
15 name of the program to include the disabled.

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20 Extends eligibility for PAAD to persons disabled under certain federal  
21 programs.