

ASSEMBLY, No. 3

STATE OF NEW JERSEY

220th LEGISLATURE

INTRODUCED MAY 18, 2023

Sponsored by:

Assemblyman P. CHRISTOPHER TULLY

District 38 (Bergen and Passaic)

Assemblyman PAUL D. MORIARTY

District 4 (Camden and Gloucester)

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District 31 (Hudson)

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District 16 (Hunterdon, Mercer, Middlesex and Somerset)

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District 20 (Union)

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District 33 (Hudson)

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District 38 (Bergen and Passaic)

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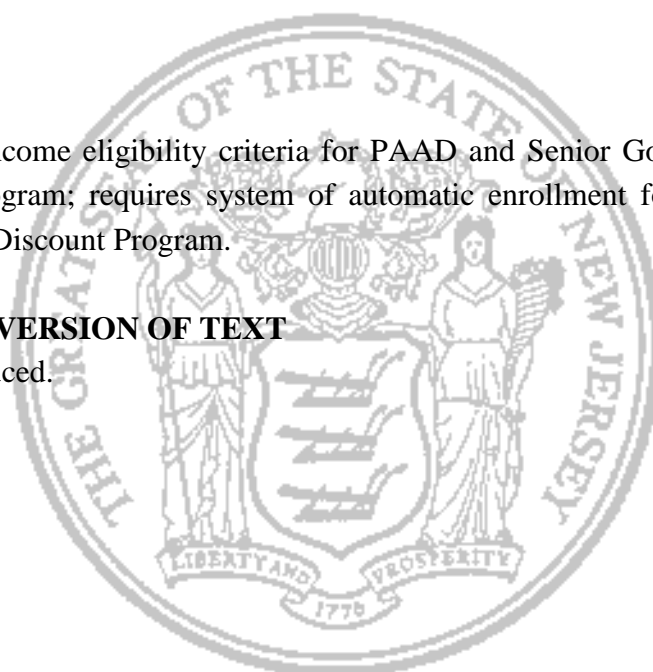
District 22 (Middlesex, Somerset and Union)

SYNOPSIS

Revises income eligibility criteria for PAAD and Senior Gold Prescription Discount Program; requires system of automatic enrollment for Senior Gold Prescription Discount Program.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/8/2023)

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1 AN ACT concerning prescription assistance and amending P.L.1975,
2 c.194 and P.L.2001, c.96.

3

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

6

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

9 2. a. Any resident of this State who is either a recipient of
10 disability insurance benefits under Title II of the federal Social
11 Security Act (42 U.S.C. s. 401 et seq.) or 65 years of age and over
12 and whose annual income is less than **[\$38,769 if single or, if**
13 **married, whose annual income combined with that of his spouse is**
14 **less than \$45,270]** or equal to 400 percent of the federal poverty
15 level, whether single or married, shall be eligible for
16 "Pharmaceutical Assistance to the Aged and Disabled" if **[he]** the
17 person is not otherwise qualified for assistance under P.L.1968,
18 c.413 (C.30:4D-1 et seq.). Annual income shall not include gain
19 from the sale of a principal residence that is excluded from gross
20 income pursuant to N.J.S.54A:6-9.

21 b. (1) **[Except as provided in paragraph (2) of this subsection,**
22 **beginning January 1, 1996 and annually thereafter, the income**
23 **eligibility limits provided in subsection a. of this section shall**
24 **increase by the amount of the maximum Social Security benefit**
25 **cost-of-living increase for that year for single and married persons,**
26 **respectively. The commissioner shall adopt the new income limits**
27 **annually by regulation pursuant to the "Administrative Procedure**
28 **Act," P.L.1968, c.410 (C.52:14B-1 et seq.).]** (Deleted by
29 amendment, P.L. , c. (C.)(pending before the Legislature as
30 this bill).)

31 (2) **[No cost-of-living increase shall be applied under paragraph**
32 **(1) of this subsection in calendar year 2022. The cost-of-living**
33 **increase shall resume beginning January 1, 2023, and the income**
34 **eligibility limits shall be annually increased thereafter consistent**
35 **with the requirements of paragraph (1) of this subsection.]** (Deleted
36 by amendment, P.L. , c. (C.)(pending before the Legislature
37 as this bill).)

38 (cf: P.L.2021, c.131, s.1)

39

40 2. Section 3 of P.L.2001, c.96 (C.30:4D-45) is amended to read
41 as follows:

42 3. a. There is established the "Senior Gold Prescription
43 Discount Program" in the Department of Human Services.

44 b. A resident of this State shall be eligible for the program if
45 the person is:

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

Matter underlined thus is new matter.

1 (1) either 65 years of age or older or a recipient of disability
2 insurance benefits under Title II of the federal Social Security Act
3 (42 U.S.C. s.401 et seq.);

4 (2) receiving an annual income, the amount of which is **[not]**
5 more than **[\$10,000 above]** the applicable PAAD income eligibility
6 limits for single and married persons**],** which amount is to be
7 determined on the same basis as income is determined for the
8 purpose of eligibility for PAAD**]** as established pursuant to section
9 4 of P.L.2000, c.28 (C.30:4D-21); and

10 (3) not eligible for any other program of State-funded
11 prescription drug benefits.

12 c. The program shall provide a payment to a pharmacy that is
13 participating in the program for the reasonable cost of one or more
14 prescription drugs purchased by an eligible person who presents an
15 identification card issued by the program in an amount that exceeds
16 the copayment paid by the eligible person. The payments to
17 pharmacies shall commence no later than 120 days after the
18 effective date of **[this act]** P.L.2001, c.96 (C.30:4D-43 et seq.) or
19 after enactment, whichever is later.

20 At the time of each purchase of a prescription drug, the eligible
21 person shall pay a copayment that shall not be waived, discounted,
22 or rebated in whole or in part, and shall be equal to:

23 (1) \$15 plus **[50%]** 50 percent of the remaining amount of the
24 reasonable cost for the prescription drug, or the reasonable cost for
25 the prescription drug, whichever is less; or

26 (2) \$15, or the reasonable cost for the prescription drug,
27 whichever is less, in the case of an eligible person who has incurred
28 out-of-pocket expenditures, including copayments and deductibles,
29 for the purchase of prescription drugs, which are not reimbursable
30 by any other plan of assistance or insurance and are credited to that
31 person's account for each 12-month period of eligibility in
32 accordance with procedures established by the commissioner, in the
33 following amounts: \$2,000 for a single person and \$3,000 for a
34 married couple. These out-of-pocket expense amounts shall include
35 only expenses incurred on or after the date that the person received
36 proof of eligibility for the program from the department.

37 d. If an interchangeable drug product contained in the latest list
38 approved and published by the Drug Utilization Review Council
39 pursuant to section 7 of P.L.1977, c.240 (C.24:6E-6) is available for
40 the prescribed prescription drug, an eligible person shall either:

41 (1) purchase an interchangeable drug product, the cost of which
42 is equal to or less than the maximum allowable cost as determined
43 by the commissioner; or

44 (2) if the prescriber specifically indicates that substitution is not
45 permissible, purchase the prescribed drug product that is higher in
46 cost than the maximum allowable cost as determined by the
47 commissioner and pay the amount of the price above that maximum

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1 allowable cost, in addition to the amount of the copayment paid by
2 the eligible person pursuant to subsection c. of this section.

3 e. An eligible person whose prescription drug costs are covered
4 in part by any other program or plan of assistance or insurance may
5 be required to receive reduced assistance under the Senior Gold
6 Prescription Discount Program. If an eligible person's prescription
7 drug costs are covered in whole or in part by any other program or
8 plan of assistance or insurance, the other program or plan shall be
9 the primary payer and the Senior Gold Prescription Discount
10 Program shall be the payer of last resort.

11 f. The commissioner may establish limits on the day supply or
12 maximum quantity of prescription drugs which may be purchased
13 by an eligible person under the program in a manner equivalent to
14 those established for prescription drug purchases under PAAD.

15 g. An eligible person under the program shall, upon the
16 submission of an application and proof of expenditure as the
17 department may prescribe, be reimbursed for **【50%】** 50 percent
18 of the cost of each prescription drug purchased by that person in an
19 amount that exceeds the required copayment, during the period
20 commencing 30 days after the person's properly completed
21 application was received by the department and ending on the date
22 on which the person received proof of eligibility from the
23 department; except that no reimbursement under this act shall be
24 made for a prescription drug purchased prior to the effective date of
25 **【this act】** P.L.2001, c.96 (C.30:4D-43 et seq.).

26 h. The commissioner shall by regulation provide for:

27 (1) arrangements for providing notice of the availability of the
28 program and the distribution of application forms therefor;

29 (2) a system of payments to pharmacies that includes the same
30 dispensing fee structure that is used for PAAD and a system for
31 determining eligibility for the program, including evidence of
32 complete or partial coverage of prescription drug costs by any other
33 program or plan of assistance or insurance; **【and】**

34 (3) the issuance of program identification cards to persons who
35 are determined eligible for the program; and

36 (4) a system of automatic enrollment in the Senior Gold
37 Prescription Discount Program, in which any New Jersey resident,
38 65 years of age or older, who presents at a pharmacy that is
39 participating in the program to purchase a prescription drug, shall
40 be automatically enrolled in the program. In a method and manner
41 prescribed by the commissioner, the pharmacy shall collect, and
42 submit to the Department of Human Services, the name, age,
43 address, phone number, and any information necessary to comply
44 with the provisions of subsection e. of this section of an individual
45 who qualifies for automatic enrollment under this paragraph. The
46 pharmacy shall also issue an individual who qualifies for automatic
47 enrollment under this paragraph a program identification card,
48 which card shall provide the individual immediate access to the

1 applicable Senior Gold Prescription Discount Program benefits, and
2 a NJSAVE application with instructions to submit the printed
3 application, or an online application, to the department in order to
4 be screened for additional programs. As used in this paragraph,
5 “NJSAVE application” means the application administered by the
6 Division of Aging Services in the Department of Human Services
7 which screens and enrolls eligible applicants, at a minimum, in the
8 following programs: the Pharmaceutical Assistance to the Aged and
9 Disabled program; the Lifeline Utility Assistance program; the
10 Qualified Medicare Beneficiary Program; the Specified Low-Income
11 Medicare Beneficiary Program; the Qualifying Individual Program;
12 the Low Income Subsidy Program under Medicare Part D; and the
13 Hearing Aid Assistance to the Aged and Disabled program.

14 If, at the end of the month following the month in which a
15 pharmacy automatically enrolled an individual in the Senior Gold
16 Prescription Discount Program, the department has not received the
17 individual’s NJSAVE application, the department shall mail the
18 individual an NJSAVE application with instructions for the individual
19 to submit the printed application or an online application to the
20 department in order to be screened for additional programs. This
21 notice shall provide information on the eligibility criteria, and
22 benefits available, for each program screened with the NJSAVE
23 application.

24 (cf: P.L.2012, c.17, s.387)

25

26 3. This act shall take effect immediately.

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STATEMENT

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31 This bill revises the income eligibility criteria for the
32 Pharmaceutical Assistance to the Aged and Disabled (PAAD)
33 Program and the Senior Gold Prescription Discount (Senior Gold)
34 Program, and requires the Commissioner of Human Services to
35 establish a system of automatic enrollment for Senior Gold. PAAD
36 and Senior Gold are State-funded prescription programs, which help
37 low- to middle-income New Jersey residents, who are age 65 or
38 older or between ages 18 and 64 and receiving Social Security
39 Disability benefits, with the cost of their prescription drugs.

40 Under the bill, an applicant with an income equal to or less than
41 400 percent of the federal poverty level (FPL), whether single or
42 married, is eligible for PAAD. In 2023, 400 percent FPL for an
43 individual is \$58,320 and \$78,880 if married. By comparison,
44 currently, an applicant with an income less than \$42,142 if single or
45 less than \$49,209 if married will qualify for PAAD.

46 Additionally, the bill increases the Senior Gold income threshold to
47 capture all seniors and individuals with disabilities above the PAAD
48 income cap of 400 percent FPL. Currently, an applicant with an

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1 income between \$42,142 and \$52,142 if single or between \$49,209
2 and \$59,209 if married qualifies for Senior Gold.

3 The bill also requires the Commissioner of Human Services to
4 establish, via regulation, a system of automatic enrollment in Senior
5 Gold, in which any New Jersey resident, 65 years of age or older,
6 who presents at a pharmacy that is participating in the program to
7 purchase a prescription drug, is automatically enrolled in the
8 program. To accomplish this task, the bill requires the pharmacy to
9 collect and submit to the department, in a method and manner
10 prescribed by the commissioner, an applicable individual's name,
11 age, address, phone number, and any information necessary to
12 comply with the provisions of existing law stating that a beneficiary
13 may receive reduced assistance under the Senior Gold if the
14 beneficiary's prescription drug costs are covered in part by any
15 other program, plan of assistance, or insurance.

16 Moreover, the bill directs the pharmacy to issue the individual a
17 program identification card and a NJSAVE application. If
18 completed, the NJSAVE application will screen the individual for
19 various other cost-saving programs, such as the Pharmaceutical
20 Assistance to the Aged and Disabled program; the Lifeline Utility
21 Assistance program; multiple Medicare Savings programs; the Low
22 Income Subsidy Program under Medicare Part D; and the Hearing Aid
23 Assistance to the Aged and Disabled program. If, at the end of the
24 month following the month in which the pharmacy automatically
25 enrolled an individual in the Senior Gold, the department has not
26 received the individual's NJSAVE application, the bill directs the
27 department to mail the individual an NJSAVE application.