

30: 4D-21.1

**LEGISLATIVE HISTORY CHECKLIST**

**NJSA:** 30:4D-21.1

(PAA - Limit repayment for recipient who become ineligible due to social security cost of living increase)

**LAWS OF:** 1983

**CHAPTER:** 293

**Bill No:** A1538

**Sponsor(s):** Kalik and Deverin

**Date Introduced:** June 3, 1982

**Committee:** **Assembly:** Corrections, Health and Human Services; Revenue, Finance and Appropriations

**Senate:** Institutions, Health and Welfare

**Amended during passage:** Yes                      Amendments during passage denoted by asterisks

**Date of Passage:** **Assembly:** February 28, 1983

**Senate:** June 27, 1983

**Date of Approval:** August 4, 1983

**Following statements are attached if available:**

**Sponsor statement:** Yes

**Committee statement:** **Assembly** Yes                      11-29-82 & 12-13-82

**Senate** Yes

**Fiscal Note:** Yes

**Veto Message:** No

**Message on Signing:** No

**Following were printed:**

**Reports:** No

**Hearings:** No

11-29-82  
12-13-82  
11-29-82 & 12-13-82  
11-29-82 & 12-13-82

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## ASSEMBLY, No. 1538

STATE OF NEW JERSEY

INTRODUCED JUNE 3, 1982

By Assemblywoman KALIK and Assemblyman DEVERIN

A SUPPLEMENT to "An act to supplement the 'New Jersey Medical Assistance and Health Services Act,' (P. L. 1968, c. 413) and making an appropriation therefor," approved August 21, 1975 (P. L. 1975, c. 194; C. 30:4D-20 et seq.).

1 BE IT ENACTED *by the Senate and General Assembly of the State*  
2 *of New Jersey:*

1 1. (New section) Notwithstanding any law or regulation to the  
2 contrary, any eligible person receiving benefits under the "Phar-  
3 maceutical Assistance to the Aged and Disabled" program whose  
4 annual income is increased \***[between July 1 and December 31 of**  
5 **any year by an amount]**\* *\*by reason of a Social Security Admin-*  
6 *istration cost of living adjustment applied to a social security*  
7 *benefit amount to a level\** which would disqualify him under the  
8 program, \***[shall be disqualified prospectively and shall not be**  
9 **required to repay the State for benefits received prior to]**\* the  
10 date of his ineligibility *\*shall be the date of notification of such*  
11 *ineligibility by the Department of Human Services. No repayment*  
12 *of benefits received prior to the date of notice of eligibility shall*  
13 *be required\*.*

1 2. This act shall take effect immediately.

**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 printed in italics thus is new matter.**

**Matter enclosed in asterisks or stars has been adopted as follows:**

**\*—Assembly committee amendments adopted December 16, 1982.**

ASSEMBLY, No. 1538

**STATE OF NEW JERSEY**

INTRODUCED JUNE 3, 1982

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A SUPPLEMENT to "An act to supplement the 'New Jersey Medical Assistance and Health Services Act,' (P. L. 1968, c. 413) and making an appropriation therefor," approved August 21, 1975 (P. L. 1975, c. 194; C. 30:4D-20 et seq.).

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5 any year by an amount which would disqualify him under the pro-  
6 gram, shall be disqualified prospectively and shall not be required  
7 to repay the State for benefits received prior to the date of his  
8 ineligibility.

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STATEMENT

Under the current accounting procedure for the "Pharmaceutical Assistance to the Aged and Disabled" program, the fiscal year begins in January and ends in December. Cost of living increases for Social Security are awarded in July based on the fiscal year beginning in July and ending in June.

If a person receives a cost of living increase in July which puts him over the income eligibility limit for the PAA program, he must pay back the benefits received retroactively to the first of the year.

This bill would deem a person ineligible in July when the cost of living increase is awarded but would not require that person to repay the State for benefits received prior to his ineligibility.

ASSEMBLY CORRECTIONS, HEALTH AND  
HUMAN SERVICES COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 1538**

**STATE OF NEW JERSEY**

DATED: NOVEMBER 29, 1982

This bill provides that a person receiving benefits under the "Pharmaceutical Assistance to the Aged and Disabled" program who becomes ineligible for the program because of an increase in income between July 1 and December 1 of any year shall not be required to repay the State for benefits received prior to the date of ineligibility.

ASSEMBLY REVENUE, FINANCE AND APPROPRIATIONS  
COMMITTEE

STATEMENT TO  
**ASSEMBLY, No. 1538**  
with committee amendments

**STATE OF NEW JERSEY**

DATED: DECEMBER 13, 1982

Under the current accounting procedure for the "Pharmaceutical Assistance to the Aged and Disabled" program, the fiscal year begins in January and ends in December. Cost of living increases for Social Security are awarded in July based on the fiscal year beginning in July and ending in June.

If a person receives a cost of living increase in July which puts him over the income eligibility limit for the PAA program, he must pay back the benefits received retroactively to the first of the year.

This bill would deem a person ineligible in July when the cost of living increase is awarded but would not require that person to repay the State for benefits received prior to his ineligibility.

SENATE INSTITUTIONS, HEALTH AND WELFARE  
COMMITTEE

STATEMENT TO  
**ASSEMBLY, No. 1538**

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**STATE OF NEW JERSEY**

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DATED: JUNE 16, 1983

This bill supplements the Pharmaceutical Assistance to the Aged and Disabled (PAAD) law to provide that a PAAD recipient whose income exceeds the program's eligibility level as of July 1, as a result of an annual Social Security cost of living adjustment shall be deemed ineligible for the program in July of that year when the cost of living was awarded.

Presently, if a PAAD recipient receives a cost of living increase in July which puts him over the PAAD income eligibility limit, PAAD regulations require that he must repay the State for all benefits received, retroactive to January 1 of that year.

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FISCAL NOTE TO  
**ASSEMBLY, No. 1538**

**STATE OF NEW JERSEY**

DATED: SEPTEMBER 14, 1982

Assembly Bill No. 1538, of 1982, would deem a recipient of the "Pharmaceutical Assistance to the Aged and Disabled" (PAAD) ineligible in July when the Social Security cost-of-living increase is awarded—and when such award puts him/her above the income eligibility limit—but would not require that recipients repay the State for benefits received prior to his/her ineligibility, i.e. from the prior January.

The Department of Human Services estimates the following savings to the Casino Revenue Fund:

FY 1983 .....	\$395,777.00
FY 1984 .....	\$435,369.00
FY 1985 .....	\$479,005.00

Due to the cost-of-living increase, 4,335 persons would be terminated from the PAAD program (3,942 aged ineligibles plus 394 disabled).

The Office of Legislative Services concurs with the Department and adds the comment that the proposed legislation also directly bears on "Lifeline" and "Tenants Lifeline Assistance." The provisions refer to "income" with qualification. Besides Social Security cost-of-living increases awarded, there are other increased income sources which may trigger ineligibility, e.g. interest earnings, dividends. Since July seems to be a cut-off point which therefore relates to Social Security, are all income sources to be considered?

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In compliance with written request received, there is hereby submitted a fiscal estimate for the above bill, pursuant to P. L. 1980, c. 67.

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