

30:4D-34 and 30:4D-35

LEGISLATIVE HISTORY CHECKLIST

MJSA 30:4D-34 and 30:4D-35 (Pharmaceutical assistance to the aged -- reimbursement for drug costs incurred during delay in processing application)

LAWS OF 1979 CHAPTER 27

Bill No. A933

Sponsor(s) Matthews

Date Introduced March 2, 1978

Committee: Assembly Institutions, Health & Welfare

Senate Revenue, Finance & Appropriations

Amended during passage Yes Amendments during passage denoted by asterisks.

Date of Passage: Assembly March 17, 1978

Senate August 12, 1978

Date of approval February 22, 1979

Following statements are attached if available:

Sponsor statement Yes

Committee Statement: Assembly Yes

Senate Yes

Fiscal Note Yes

Veto message No

Message on signing No

Following were printed:

Reports No

Hearings No

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ASSEMBLY, No. 933

STATE OF NEW JERSEY

INTRODUCED MARCH 2, 1978

By Assemblyman MATTHEWS

Referred to Committee on Institutions, Health and Welfare

A SUPPLEMENT to the "New Jersey Medical Assistance and Health Services Act," approved January 15, 1969 (P. L. 1968, c. 413).

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

1 1. Any eligible person under the program of Pharmaceutical
2 Assistance to the Aged shall, upon the submission of such appli-
3 cation and proof of expenditure as the department may prescribe,
4 be reimbursed for the cost of all prescription drugs purchased by
5 such person, minus a \$1.00 copayment per prescription, during the
6 period commencing ***[3 days prior to the date on which such per-**
7 **son's]*** ****[*on the first day of the month in which]**** **30 days
8 *after** such person's properly completed** application was received
9 by the department and ending on the date on which such person
10 received his proof of eligibility from the department; provided,
11 however, that no reimbursement ***under this act*** shall be made
12 for any prescription drug purchased prior to ****[January 1, 1978]****
13 ***the effective date of this act***.

1 2. The department shall provide a notice of the availability of
2 such reimbursement and an application form therefor to every
3 eligible person.

1 3. This act shall take effect ****[immediately]**** ***on the first day*
2 *of the month following enactment***.

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

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1 BE IT ENACTED *by the Senate and General Assembly of the State*
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1 1. Any eligible person under the program of Pharmaceutical
2 Assistance to the Aged shall, upon the submission of such appli-
3 cation and proof of expenditure as the department may prescribe,
4 be reimbursed for the cost of all prescription drugs purchased by
5 such person, minus a \$1.00 copayment per prescription, during the
6 period commencing 3 days prior to the date on which such person's
7 application was received by the department and ending on the date
8 on which such person received his proof of eligibility from the
9 department; provided, however, that no reimbursement shall be
10 made for any prescription drug purchased prior to January 1, 1978.

1 2. The department shall provide a notice of the availability of
2 such reimbursement and an application form therefor to every
3 eligible person.

1 3. This act shall take effect immediately.

STATEMENT

The program of Pharmaceutical Assistance to the Aged provides for State assumption of the cost of prescription drugs (minus a \$1.00 copayment) for low-income senior citizens. Since the program switched from a complicated reimbursement formula to the \$1.00 copayment procedure on January 1, 1978, its popularity has resulted in a serious backlog in the processing of applications by the Division of Medical Assistance and Health Services in the Department of Human Services. Senior citizens who should be presently benefiting from the program are still waiting to obtain their eligibility cards.

The purpose of this bill is to provide for the reimbursement of drug costs which are incurred while the application is being processed. Persons who are determined to be eligible for the program would be entitled to reimbursement for any drugs (minus the \$1.00 copayment) which were purchased from the time the application was completed until the person received his eligibility card for the regular program. In order to allow for delay in the mail, the bill provides that the reimbursement period shall commence 3 days prior to the date on which the department receives the application.

ASSEMBLY INSTITUTIONS, HEALTH AND
WELFARE COMMITTEE

STATEMENT TO

ASSEMBLY, No. 933

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: MARCH 6, 1978

The purpose of this bill is to provide for the reimbursement of prescription drug costs which are incurred while the application is being processed. Persons who are determined to be eligible for the program would be entitled to reimbursement for any drugs, minus the \$1.00 copayment per prescription.

The committee amended the bill so that the reimbursement period shall commence on the first day of the month in which such person's properly completed application was received by the Department of Human Services and end on the date on which such person received his proof of eligibility from the department. No reimbursement shall be made for any prescription drug purchased prior to January 1, 1978.

SENATE REVENUE, FINANCE AND
APPROPRIATIONS COMMITTEE

STATEMENT TO
ASSEMBLY, No. 933

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STATE OF NEW JERSEY

DATED: JUNE 5, 1978

PROVISIONS:

This bill proposes a supplemental provision of the "New Jersey Medical Assistance and Health Services Act" providing for eligibility under the program for the period from the first day of the month in which a properly completed application is received by the Department of Human Services to the date on which proof of eligibility is received by the applicant.

FISCAL IMPACT

Precise estimates of the fiscal impact of this bill are difficult. A fiscal note is not yet available, however, the committee has received cost estimates through the Office of Fiscal Affairs. There had been a one-month waiting period in processing applications for PAA. There had been an average of 80,000 applications awaiting processing. Each qualified person is expected to average 1.5 prescriptions per month at an average cost of \$6.00 (after the \$1.00 deductible). It was estimated, therefore, that the minimum cost of this bill may be an approximate \$720,000 per month. As the application processing time decreased, the cost of this supplemental act will decrease proportionately. At present, the application processing time approximates two to three weeks, with no current backlog. Therefore, the current cost per month is substantially reduced and approximates \$115,000 per month.

FISCAL NOTE TO
ASSEMBLY, No. 933

STATE OF NEW JERSEY

DATED: AUGUST 14, 1978

The Senate Reprint of the Official Copy Reprint of Assembly Bill No. 933 would entitle any Pharmaceutical Assistance to the Aged eligible to reimbursement for drugs purchased 30 days after his application was received by the Division of Medical Assistance and Health Services until the date on which he received his proof of program eligibility.

Pharmaceutical Assistance to the Aged eligibility determinations are now numbering approximately 22,000 a month for both reapplications and new applications and the processing time for applications has taken approximately three weeks according to the Division of Medical Assistance. Presently, the cost for processing each application is \$10.00.

Annually, every participant of the Pharmaceutical Assistance to the Aged, numbering 242,000 persons at the end of fiscal year 1978, must complete a reapplication form. Many of these reapplication forms are lost or not completed by the senior citizen even though the Division notifies the individual 120 days in advance. Assuming 5% (12,100) of these applications are not processed within the time period required by Assembly Bill No. 933 and that the additional administrative costs would run \$5.00 per applicant, it is estimated that Assembly Bill No. 933 will cost the State \$63,525.00 in Fiscal Year 1979-80 and \$66,701.00 in Fiscal Year 1980-81.

In compliance with written request received, there is hereby submitted a fiscal estimate for the above Bill, pursuant to P. L. 1962, c. 27.