

30:40-21

**LEGISLATIVE HISTORY CHECKLIST**  
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(PAAD "cost of living")

**NJSA:** 30:4D-21

**LAWS OF:** 1995 **CHAPTER:** 27

**BILL NO:** S184

**SPONSOR(S):** Matheussen

**DATE INTRODUCED:** Pre-filed

**COMMITTEE:** **ASSEMBLY:** ---  
**SENATE:** Human Services; Budget

**AMENDED DURING PASSAGE:** Yes **Amendments during passage**  
First reprint enacted **denoted by superscript numbers**

**DATE OF PASSAGE:** **ASSEMBLY:** January 23, 1995  
**SENATE:** January 19, 1995

**DATE OF APPROVAL:** February 15, 1995

**FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:**

**SPONSOR STATEMENT:** Yes

**COMMITTEE STATEMENT:** **ASSEMBLY:** No  
**SENATE:** Yes 5/16/94 & 7/12/95

**FISCAL NOTE:** ~~No~~ Yes

**VETO MESSAGE:** No

**MESSAGE ON SIGNING:** ~~No~~ Yes

**FOLLOWING WERE PRINTED:**

**REPORTS:** No

**HEARINGS:** No

KBG:pp

§2  
T & E  
§3  
Repealer  
§4  
Note To §§1-3

P.L.1995, CHAPTER 27, approved February 15, 1995  
1994 Senate No. 184 (First Reprint)

1 AN ACT concerning eligibility for the "Pharmaceutical  
2 Assistance to the Aged and Disabled" program, amending  
3 P.L.1975, c.194<sup>1</sup>, supplementing P.L.1992, c.108,<sup>1</sup> and  
4 repealing P.L.1983, c.293.

5

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

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

10 2. a. Any resident of this State who is either a recipient of  
11 disability insurance benefits under Title II of the federal Social  
12 Security Act (42 U.S.C. § 401 et seq.) or 65 years of age and over  
13 and whose annual income is less than <sup>1</sup>[\$15,700] \$16,624<sup>1</sup> if single  
14 or, if married, whose annual income combined with that of his  
15 spouse is less than <sup>1</sup>[\$19,250] \$20,383<sup>1</sup>, shall be eligible for  
16 "Pharmaceutical Assistance to the Aged and Disabled" if he is  
17 not otherwise qualified for assistance under P.L.1968, c.413  
18 (C.30:4D-1 et seq.). Annual income shall not include gain from  
19 the sale of a principal residence that is excluded from gross  
20 income pursuant to N.J.S.54A:6-9.

21 b. Beginning January 1, <sup>1</sup>[1995] 1996<sup>1</sup> and annually thereafter,  
22 the income eligibility limits provided in subsection a. of this  
23 section shall increase by the amount of the maximum Social  
24 Security benefit cost-of-living increase for that year for single  
25 and married persons, respectively. The commissioner shall adopt  
26 the new income limits annually by regulation pursuant to the  
27 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1  
28 et seq.).

29 (cf. P.L.1991, c.84, s.1)

30 <sup>1</sup>2. (New section) a. The Casino Revenue Fund Advisory  
31 Council, established pursuant to P.L.1992, c.108 (C.5:12-145.3 et  
32 seq.), shall conduct a study of the "Pharmaceutical Assistance to  
33 the Aged and Disabled" program established pursuant to  
34 P.L.1975, c.194 (C.30:4D-20 et seq.) which shall analyze the  
35 effectiveness of the program including its cost and utilization,  
36 and possible ways of providing pharmaceutical assistance in a  
37 more cost effective manner. In addition, the council shall  
38 provide information in the study on the number of individuals who  
39 have not been terminated from the program or who have become  
40 eligible for the program as a result of the amendments to section

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.

Matter enclosed in superscript numerals has been adopted as follows:  
<sup>1</sup> Senate SBA committee amendments adopted January 12, 1995.

1 2 of P.L.1975, c.184 (C.30:4D-21) made by P.L. ...., c. ....  
2 (C. ....) (now pending before the Legislature as this bill).

3 b. The council shall submit a report of its findings to the  
4 Commissioner of Human Services, the Joint Budget Oversight  
5 Committee and the Governor no later than nine months after the  
6 effective date of this act.<sup>1</sup>

7 <sup>1</sup>[2.] 3.<sup>1</sup> P.L.1983, c.293 (C.30:4D-21.1) is repealed.

8 <sup>1</sup>[3.] 4.<sup>1</sup> This act shall take effect <sup>1</sup>[on] immediately and shall  
9 be retroactive to<sup>1</sup> January 1, 1995.

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14 Increases the income eligibility limits for the PAAD program by  
15 the amount of the maximum Social Security benefit  
16 cost-of-living increase for that year.

SENATE, No. 184

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1994 SESSION

By Senators MATHEUSSEN and BENNETT

1 AN ACT concerning eligibility for the "Pharmaceutical  
2 Assistance to the Aged and Disabled" program, amending  
3 P.L.1975, c.194 and repealing P.L.1983, c.293.

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

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. § 401 et seq.) or 65 years of age and over  
12 and whose annual income is less than \$15,700 if single or, if  
13 married, whose annual income combined with that of his spouse is  
14 less than \$19,250, shall be eligible for "Pharmaceutical  
15 Assistance to the Aged and Disabled" if he is not otherwise  
16 qualified for assistance under P.L.1968, c.413 (C.30:4D-1 et  
17 seq.). Annual income shall not include gain from the sale of a  
18 principal residence that is excluded from gross income pursuant  
19 to N.J.S.54A:6-9.

20 b. Beginning January 1, 1993 and annually thereafter, the  
21 income eligibility limits provided in subsection a. of this section  
22 shall increase by the amount of the maximum Social Security  
23 benefit cost-of-living increase for that year for single and  
24 married persons, respectively. The commissioner shall adopt the  
25 new income limits annually by regulation pursuant to the  
26 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1  
27 et seq.).

28 (cf. P.L.1991, c.84, s.1)

29 2. P.L.1983, c.293 (C.30:4D-21.1) is repealed.

30 3. This act shall take effect on January 1, 1993.

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STATEMENT

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35 This bill establishes an automatic cost-of-living increase in the  
36 income eligibility limits for the "Pharmaceutical Assistance to  
37 the Aged and Disabled" program. It is tied to the maximum  
38 Social Security benefit cost-of-living increase each year.

39 The Commissioner of Human Services shall establish the  
40 increase in the program's income limits annually, by the amount  
41 of the maximum Social Security benefit increase for single and  
42 married persons, respectively.

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       The bill repeals P.L.1983, c.293 (C.30:4D-21.1) which  
2       disqualified "Pharmaceutical Assistance to the Aged and  
3       Disabled" program recipients from participating in the program if  
4       their annual income is increased by reason of a Social Security  
5       Administration cost-of-living adjustment applied to a social  
6       security benefit amount to a level which would disqualify them  
7       under the program.

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12       Increases the income eligibility limits for the PAAD program by  
13       the amount of the maximum Social Security benefit  
14       cost-of-living increase for that year.

**SENATE HUMAN SERVICES COMMITTEE**

**STATEMENT TO**

**SENATE, No. 184**

**STATE OF NEW JERSEY**

**DATED: MAY 16, 1994**

The Senate Human Services Committee favorably reports Senate Bill No. 184.

This bill establishes an automatic cost-of-living increase in the income eligibility limits for the "Pharmaceutical Assistance to the Aged and Disabled" program that is tied to the maximum Social Security benefit cost-of-living increase each year.

The Commissioner of Human Services shall establish the increase in the program's income limits annually, by the amount of the maximum Social Security benefit increase for single and married persons, respectively.

The bill repeals P.L.1983, c.293 (C.30:4D-21.1) which disqualified "Pharmaceutical Assistance to the Aged and Disabled" program recipients from participating in the program if their annual income is increased by reason of a Social Security Administration cost-of-living adjustment applied to a social security benefit amount to a level which would disqualify them under the program.

This bill was prefiled for introduction in the 1994-95 session pending technical review. As reported, the bill includes the changes required by technical review which has been performed.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

**SENATE, No. 184**

with Senate committee amendments

**STATE OF NEW JERSEY**

DATED: JANUARY 12, 1995

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 184, with amendments.

Senate Bill No. 184, as amended, increases the income eligibility limits for the "Pharmaceutical Assistance to the Aged and Disabled" (PAAD) program from \$16,171 to \$16,624 for a single individual and from \$15,828 to \$20,383 for a married couple to reflect the 1995 Social Security cost-of-living adjustment. In addition, the bill establishes an automatic cost-of-living increase in the income eligibility limits for the program. This increase will equal the maximum Social Security benefit cost-of-living increase each year.

The Casino Revenue Fund Advisory Council, established pursuant to P.L.1992, c.108 (C.5:12-145.3 et seq.), is required to conduct a study of the PAAD Program to analyze its effectiveness. The council will submit its report to the commissioner, the Joint Budget Oversight Committee and the Governor no later than nine months after enactment of the bill.

Finally, the bill repeals P.L.1983, c.293 (C.30:4D-21.1) which provided that PAAD recipients who were disqualified from participating in the program because of a Social Security cost-of-living adjustment would not be required to repay benefits received prior to the date of notice of eligibility.

COMMITTEE AMENDMENTS

The committee amended the bill to increase the income eligibility limits for the PAAD program from \$16,171 to \$16,624 for a single individual and from \$19,828 to \$20,383 for a married couple to reflect the 1995 Social Security cost-of-living adjustment and to require the Casino Revenue Fund Advisory Council to conduct a study of the program to analyze its effectiveness.

FISCAL IMPACT

In a fiscal estimate prepared by the Office of Legislative Services (OLS) prior to amendment of this bill, OLS stated that the number of people who will not be terminated and the number of new people that may now qualify for PAAD as a result of the enactment of this bill cannot be determined with any degree of confidence. However, based on current PAAD data, the cost for every 1,000 persons retained or who become eligible for PAAD will be \$768,000 in Casino Revenue Funds. Additional costs of up to \$250,000 will be incurred in the two Lifeline programs depending on how many households the 1,000 recipients represents.

[CORRECTED COPY]

LEGISLATIVE FISCAL ESTIMATE TO

**SENATE, No. 184**

**STATE OF NEW JERSEY**

DATED: July 20, 1994

Senate Bill No. 184 of 1994 establishes an automatic cost-of-living increase in the income eligibility limits for the "Pharmaceutical Assistance to the Aged and Disabled" (PAAD) program that is tied to the maximum Social Security benefit cost-of-living increase each year.

The Department of Human Services and the Office of Management and Budget have not provided any fiscal information on the legislation.

While the dollar amount that the PAAD income limits may be increased based on the maximum increase in Social Security benefits can be determined annually, the number of people who will not be terminated and the number of new people that may now qualify for PAAD cannot be determined with any degree of confidence. However, a cost for every 1,000 persons who either remain eligible for or who become eligible for PAAD can be estimated. Based on current PAAD data for every 1,000 persons retained or who become eligible for PAAD, the cost is estimated at \$788,000 in Casino Revenue Funds. Additional costs of up to \$250,000 would be incurred in the two Lifeline programs depending on how many households the 1,000 recipients represents.

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.





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## OFFICE OF THE GOVERNOR NEWS RELEASE

**CN-001**  
**Contact:** CARL GOLDEN  
609-777-2205

**TRENTON, N.J. 08625**  
**Release:** IMMEDIATE  
FEB. 15, 1995

Gov. Christie Whitman today signed legislation to increase the income eligibility limits for the state's pharmaceutical Assistance to the Aged and Disabled (PAAD) program.

The legislation keeps pace with the cost-of-living adjustment in Social Security benefits and will serve to continue the assistance for individuals currently in the program.

The bill, S-184, was sponsored by Sens. John Matheussen, R-Camden, and John Bennett, R-Monmouth. The Assembly version, A-95, was sponsored by Assemblymen John Gaffney, R-Atlantic, and David Wolfe, R-Ocean.

The new income eligibility limits under the bill are \$16,624 for a single person, and \$20,383 for a married couple.

The bill also provides that increases in the eligibility limits will be automatic to keep pace with cost-of-living adjustments in Social Security benefits.

The legislation requires, further, that the Casino Revenue Fund Advisory Council undertake a study of the PAAD program with an eye toward developing recommendations to make the program more cost-effective.