

## CHAPTER 83C

**PROVISION OF PHARMACEUTICAL SERVICES  
UNDER THE PHARMACEUTICAL ASSISTANCE TO  
THE AGED AND DISABLED PROGRAM (PAAD)**

**Authority**

N.J.S.A. 30:4D-24.

**Source and Effective Date**

R.2009 d.293, effective September 2, 2009.  
See: 41 N.J.R. 1637(a), 41 N.J.R. 3804(a).

**Chapter Expiration Date**

Chapter 83C, Provision of Pharmaceutical Services Under the Pharmaceutical Assistance to the Aged and Disabled Program (PAAD), expires on September 2, 2014.

**Chapter Historical Note**

Chapter 83C, Provision of Pharmaceutical Services Under the Pharmaceutical Assistance to the Aged and Disabled Program (PAAD), was recodified from N.J.A.C. 10:51-4 by R.1998 d.464, effective September 8, 1998. See: 30 N.J.R. 2197(a), 30 N.J.R. 3309(a). Chapter 83C, Provision of Pharmaceutical Services Under the Pharmaceutical Assistance to the Aged and Disabled Program (PAAD), expired on February 10, 2004.

Chapter 83C, Provision of Pharmaceutical Services Under the Pharmaceutical Assistance to the Aged and Disabled Program (PAAD), was adopted as new rules by R.2004 d.163, effective April 19, 2004. See: 35 N.J.R. 4416(a), 36 N.J.R. 2053(a).

Chapter 83C, Provision of Pharmaceutical Services Under the Pharmaceutical Assistance to the Aged and Disabled Program (PAAD), was readopted as R.2009 d.293, effective September 2, 2009. See: Source and Effective Date. See, also, section annotations.

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## SUBCHAPTER 1. REQUIREMENTS FOR PROVISION OF PHARMACEUTICAL SERVICES

**8:83C-1.1 Introduction**

This subchapter provides information about the provision of pharmaceutical services under the PAAD program, which shall extend assistance to certain persons whose level of income disqualifies them for medical assistance under the Medical Assistance and Health Services Act, but who have medical needs for prescribed drugs and/or insulin, insulin needles, insulin syringes and syringes and needles for injectable medicines used in the treatment of multiple sclerosis and are unable to fully meet the cost of such items. For additional information regarding PAAD eligibility, see N.J.A.C. 8:83.

Amended by R.1998 d.464, effective September 8, 1998.

See: 30 N.J.R. 2197(a), 30 N.J.R. 3309(a).

Inserted "and syringes and needles for injectable medicines used in the treatment of multiple sclerosis," in the first sentence, and changed N.J.A.C. reference in the second sentence.

Amended by R.2009 d.293, effective October 5, 2009.

See: 41 N.J.R. 1637(a), 41 N.J.R. 3804(a).

Inserted a comma following "program", and deleted "diabetic testing materials and" preceding the second occurrence of "syringes", and a comma following "sclerosis".

**8:83C-1.2 Definitions**

The following words and terms, when used in this chapter, shall have the following meanings unless the context clearly indicates otherwise:

"Annual income" means all income from whatever source derived, actually received or anticipated.

"Applicant" means an individual who applies for PAAD, either personally or through an authorized agent.

"Beneficiary" means an individual who has been found eligible for PAAD benefits.

"Calendar year" means a year beginning January 1 and ending on December 31. It is the base period utilized to determine annual income and PAAD eligibility.

"Centers for Medicare and Medicaid Services (CMS)" means the agency of the Federal Department of Health and Human Services which is responsible for the administration of the Medicare program in the United States. CMS was formerly known as the Health Care Financing Administration (HCFA).

“Commissioner” means the Commissioner of the Department of Health and Senior Services.

“Current year” means the calendar year in which a person applies or reapplies for PAAD.

“Department” means the Department of Health and Senior Services.

“Division” or “DMAHS” means the Division of Medical Assistance and Health Services in the New Jersey Department of Human Services.

“Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS)” means a type of Medicare Part B coverage that applies to certain types of medical equipment and supplies. Pharmacies enrolling as Medicare Part B suppliers for the purpose of PAAD’s Medicare Recovery initiative must enroll under DMEPOS.

“Electronic Data Interchange (EDI) Enrollment Form” means an agreement signed by a Medicare Part B Supplier authorizing PAAD to bill Medicare electronically on its behalf for claims that are eligible under both PAAD and Medicare.

“Expiration date” means the date when a beneficiary’s PAAD eligibility ends.

“Initial Prescription Claim” means a PAAD claim for a drug not previously paid by the State during the 200-day calendar period immediately preceding the service date of a claim being considered for payment; or a PAAD claim that exceeds a time period based on the service date of the previously paid PAAD claim.

“Legend drug” means any approved drug product which by Federal law cannot be dispensed without a prescription and bears the statement on the label: “Caution: Federal law prohibits dispensing without a prescription.”

“Medicare” means medical assistance provided to certain aged and disabled persons as authorized under Title XVIII (Medicare) of the Social Security Act.

“Medicare Part B Supplier” means a supplier of Medicare Part B (Medical Insurance) services to Medicare beneficiaries including Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS).

“Medicare Prescription Drug Program” or “Medicare Part D” means the prescription drug coverage program established under the Federal Medicare Prescription Drug, Improvement, and Modernization Act of 2003, Pub. L. 108-173 (42 U.S.C. §1395w-101 et seq.)

“National Supplier Clearinghouse (NSC)” means the entity that issues Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) supplier authorization numbers nationwide to Medicare Part B Suppliers for the Centers for Medicare and Medicaid Services (CMS). The National

Supplier Clearinghouse is located at P.O. Box 100142, Columbia, SC 29202-3142.

“NSC Supplier Number” means the authorization number issued by the National Supplier Clearinghouse (NSC) to a Medicare Part B Supplier of Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) for the Centers for Medicare and Medicaid Services (CMS).

“Pharmacy” means any pharmacy located in New Jersey, operating under a valid permit from the Board of Pharmacy of the State of New Jersey, which has filed an application and agreement of participation, which has been approved by the New Jersey Medicaid Program. The term “pharmacy” also includes any volunteer prescription drug mail-order program or specialty pharmacy in a Medicare Part D plan provider network or a mail order prescription drug program required by a PAAD beneficiary’s primary payer.

“Prescription drugs” means all approved legend drugs, including any interchangeable drug products contained in the latest list approved and published pursuant to N.J.A.C. 8:71 and in conformance with the provisions of the “Prescription Drug Price and Quality Stabilization Act,” and insulin, insulin syringes and insulin needles when prescribed.

1. The term “prescription drugs” includes:

i. Any drug product which by Federal law cannot be dispensed unless ordered by a physician, dentist or podiatrist;

ii. Every product considered to be a legend prescription drug which is required by the Federal Food, Drug and Cosmetic Act to have the following statement on the manufacturer’s original packaging label: “Caution: Federal law prohibits dispensing without a prescription”;

iii. Insulin, insulin syringes and insulin needles. While not legend drugs, these items are covered by this program when prescribed; and

iv. Syringes and needles for injectable medicines for the treatment of multiple sclerosis.

2. The term “prescription drugs” excludes cosmetic drugs as indicated at N.J.A.C. 8:83C-1.15 unless medically necessary.

“Previous year” means the calendar year preceding the year in which the person is applying or reapplying for PAAD. For example, 1995 is the “previous year” when referring to an application which is dated between January 1, 1996 through December 31, 1996, inclusive.

1. If a person, who is required to submit a Federal, State and/or City Income Tax return, applies for PAAD at the beginning of a calendar year but has not yet filed an income tax return for the previous year, the last year for which the person filed a tax return is considered to be the “previous year” when completing the PAAD application.