

DEPARTMENT OF HEALTH AND SENIOR SERVICES

OVERVIEW

The mission of the Department of Health and Senior Services (DHSS) is to foster accessible health and senior services of the highest quality for all people in New Jersey to ensure optimal health, dignity, and independence. The Department's initiatives prevent disease, promote and protect the well-being at all life stages, and encourage informed choices that enrich the quality of life for individuals and communities. This mission is accomplished through leadership, collaborative partnerships, accountability, advocacy, especially for those with the greatest need, and a strong commitment to informing and serving the diverse health needs of New Jersey citizens.

The Department's objectives are to:

Prepare New Jersey to rapidly detect, identify, and respond to health-related aspects of biological, chemical, radiological, nuclear, explosive, and incendiary acts of terrorism, as well as natural disasters and disease outbreaks.

Eliminate disparities in health care access, treatment, and clinical outcomes between racial, ethnic, and socioeconomic populations, in part through cultural competency, education, and partnering with minority-oriented health organizations.

Implement scientific evidence-based primary and secondary prevention programs designed to decrease mortality rates of health conditions such as heart disease, cancer, and stroke, and promote longer and healthier lives.

Strengthen New Jersey's public health infrastructure by adopting and implementing best practice standards, creating a comprehensive communications system that links health care providers and institutions statewide, forming a coordinated disease surveillance and response network, and providing comprehensive public health and environmental laboratory testing services.

Provide high quality services that promote independence, dignity, and choice for older adults in New Jersey.

Optimize access to the highest quality health care for the people of New Jersey.

Budget Highlights

The Fiscal 2007 Budget for the Department of Health and Senior Services totals \$1.942 billion, an increase of \$242.2 million or 14.2% over the fiscal 2006 adjusted appropriation of \$1.700 billion.

Health Services

The Fiscal 2007 Budget provides additional funding of \$2 million for the Family Planning Services program. A priority of the Governor, this increase is recommended to meet the rising cost of health care and to promote women's health. The \$2 million will allow the Family Planning Services program to continue serving the same number of patients as last year (about 124,000), support an additional 4,500 patients, expand hours of operation, and reduce waiting periods for patients scheduling appointments for clinic services.

Recognizing the fiscal constraints faced by the State, the Budget eliminates or reduces funding for Lead Testing Kits for Expectant Mothers, the Tourette Syndrome Association of New Jersey, St. Barnabas Medical Center, Stroke Centers, AIDS Grants, Rapid AIDS Testing, and Hospital Assistance Grants. In addition, 37 positions have been reduced for a savings of \$2.1 million.

Additionally, two programs will increase or implement cost sharing (co-pays) to assist in meeting the costs of each program.

In the Early Intervention Program (EI), the current family cost share of \$10 per month will be increased to \$30 for families at 350% of the Federal Poverty Level (currently \$70,000 for a family of four). The increase for families over 350% of poverty level will increase

proportionally based on a percentage of overall cost. This increase will generate \$3 million of additional cost share revenue offsetting rising costs to the program.

For the AIDS Drug Distribution Program (ADDP), a \$2 co-pay, with a \$10 per month cap, will be implemented on individuals over 100% of the Federal Poverty Level to offset \$200,000 of rising costs associated with this program.

Despite a reduction of \$23.3 million for funding largely related to operations and construction, the Fiscal 2007 Budget reflects a continued commitment to eradicating cancer by providing \$45 million for cancer research, prevention, and treatment. This is an increase of approximately 65% over last year's Governor's proposed budget.

The Budget recommends \$40 million, to increase the ability of existing Federally Qualified Health Centers (FQHC) to see more uninsured patients and to develop new access points throughout the state in areas designated as Medically Underserved Areas (MUA) by the U.S. Department of Health and Human Services/Health Resources and Services Administration. New Jersey currently has 21 community health centers that operate 69 facilities. The projected number of uninsured primary care visits to FQHC is expected to exceed 300,000 by the end of fiscal year 2006. In fiscal year 2007, \$5 million of the \$40 million appropriation is earmarked to expand capacity of existing Centers for Primary Health by increasing staff, hours or site locations, which will provide health care to thousands of additional New Jersey residents. This program has been transferred from Health Planning and Evaluation to Health Services within the Department.

Senior Services

The Fiscal 2007 Budget continues funding for the Department's major programs. Funding is provided to continue the Pharmaceutical Assistance to the Aged and Disabled Program (PAAD), which provides needed pharmaceutical services to seniors and disabled clients with incomes below \$21,850 if single and \$26,791 if married. The current \$5 co-pay for each prescription has not been increased. The Budget also includes funding for the Senior Gold Program that provides pharmaceutical services to aged and disabled clients with incomes below \$31,850 if single and \$36,791 if married. Senior Gold clients pay a \$15 co-pay and 50% of the remaining cost of the drug, which is the same as the current policy.

Under the federal government's recently enacted Medicare Modernization Act of 2003, the PAAD program will continue to provide a seamless transition for current recipients who will be enrolling into Medicare so that no one will experience a loss of benefits.

The Budget includes changes to the PAAD and Senior Gold programs that are designed to reduce overall costs, including:

The State will institute a bulk purchasing initiative across several programs to maximize our market presence and secure the best possible price available for prescription drugs. This will save the State \$6.3 million in the PAAD and Senior Gold programs.

A total of \$3.3 million will be saved by switching the reimbursement methodology for prescription drugs. The State will pay Average Wholesale Price (AWP) less 15% for the first 6 months of the year. Beginning January 1, 2007, single-source brand name drugs will be reimbursed at the federally-calculated Retail Survey Price, and generic and multi-source drugs will be reimbursed at the Average Manufacturer's Price (AMP).

These initiatives offset \$46.2 million of the Fiscal 2007 Budget growth attributable to increased utilization and the rising cost of drugs in the PAAD and Senior Gold programs.

HEALTH AND SENIOR SERVICES

The Budget also includes a number of changes in Medicaid nursing home reimbursement as well as nursing home alternatives, including:

Eliminating the inflation adjustment for Nursing Homes and Medical Day Care providers will result in a State savings of \$26 million.

Federal legislation (“The Deficit Reduction Act of 2005”) has increased the look-back period from three to five years for determining whether individuals improperly transferred assets to gain Medicaid eligibility. This will save \$15 million in State funds.

A reduction in Nursing Home non-Medicare patient days in fiscal 2006 reduced State revenue from the provider assessment from these facilities by \$8.5 million. Payments will be reduced by this amount to cover the lost State revenue. A supplemental appropriation was provided to nursing facilities on a one time basis in fiscal 2006.

Other reductions include eliminating funding for the Arthritis Quality of Life Initiative.

These initiatives offset \$45.9 million of the Fiscal 2007 Budget entitlement growth for nursing home and alternatives programs.

Health Planning and Evaluation

The Fiscal 2007 Budget continues funding for Charity Care payments to hospitals without a diversion from the Unemployment Compensation Fund. A total General Fund contribution of \$267.5 million to the Health Care Subsidy Fund (HCSF) will be used for Charity Care payments in fiscal 2007. The remaining \$66.5 million of the General Fund appropriation to the HCSF will be used to fund Hospital Relief Subsidy Fund payments and the Department of Health’s State share of the FamilyCare health insurance program. A Governor’s priority, this appropriation includes \$5 million State funds and \$9.3 million in federal matching funds for outreach expansion in the FamilyCare health insurance program allowing the State to serve an additional 50,000 uninsured children by the end of fiscal 2007. Total recommended fiscal 2007 Charity Care funding from all sources will equal \$583.4 million, the same as fiscal 2006. The majority of the Health Care Subsidy Fund appropriation results from the replacement of the Unemployment Fund resources that totaled \$350 million in fiscal 2006, \$300 million of which was used for Charity Care.

Department Accomplishments

Health Disparities

The Department’s campaign to increase awareness among African American and Latino women through free Rapid AIDS testing has been successful. As a result of this 20 minute rapid test, the percentage of women tested who learn their HIV status after testing has increased from 34% to 99%. The New Jersey Cancer Education and Early Detection Program (NJCEED) has increased State funded breast, cervical, and prostate cancer screening to low income and minority populations throughout the state by 37.8%.

Medicare Part D

The Department has led the implementation of the Medicare Part D Program for the PAAD and Senior Gold clients. Additionally, the Department has been designated as a Model State Program in recognition of best practices developed by the Department to assure that low-income Medicare beneficiaries continue to have access to prescription drugs.

Global Budgeting for Seniors

The Department has enacted a global budget pilot program known as Global Options. This program moves to rebalance nursing home and community based budgets in favor of more home care options to provide clients the best care in the least restrictive environment.

Influenza Pandemic Plan

The New Jersey Influenza Pandemic Plan has been revised and released to include details on the stockpiling of anti-viral agents.

Post-Partum Depression Task Force

The Department has developed, released, and implemented the report of the Post-Partum Depression Task Force to identify and provide services to women suffering from post-partum mood disorders.

Elective Angioplasty Demonstration

Nine hospitals were approved by the Commissioner and invited to participate in a Johns Hopkins multi-state research study of the safety and efficacy of elective angioplasty at non-cardiac surgery hospitals. The selected hospitals will assist in data collection for the duration of the study (three years) on patients consenting to participate.

Patient Safety

The Patient Safety Act requires all health care facilities to confidentially report serious medical errors to DHSS. The Department then confers this information to patient safety committees to encourage a culture focused on enhancing safety rather than assigning blame. Implementation of the Act will improve the quality of health care in State facilities by providing for a systematic approach to reduce medical errors. Mandatory reporting and analytical process was introduced for general hospitals on March 1, 2005, and DHSS has been working with stakeholders to adopt rules to extend reporting to all health care facilities.

Report Cards

The second New Jersey Hospital Performance Report on the State’s 82 hospitals was published September 2005. The report measures adherence to best practices in the treatment of heart attack and pneumonia. New Jersey is one of a handful of states to publish such a comprehensive report on hospital quality. Future reports will include information on the treatment of congestive heart failure and surgical infection prevention. Additionally, the seventh Cardiac Surgery Report in New Jersey was published June 2005. Between the first report and this latest report, cardiac surgery mortality in New Jersey has declined 53% on a risk-adjusted basis.

DEPARTMENT OF HEALTH AND SENIOR SERVICES

SUMMARY OF APPROPRIATIONS BY FUND

(thousands of dollars)

Orig. & (S) Supplemental	Year Ending June 30, 2005					Year Ending June 30, 2007		
	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recommended
75,076	11,593	11,078	97,747	94,084				
1,485,432	26,804	-702	1,511,534	1,444,773	GENERAL FUND			
9,508	---	---	9,508	9,269	Direct State Services	64,872	72,926	72,926
---	752	---	752	327	Grants-In-Aid	1,274,646	1,542,202	1,542,202
					State Aid	9,552	9,552	9,552
					Capital Construction	---	---	---
1,570,016	39,149	10,376	1,619,541	1,548,453	Total General Fund	1,349,070	1,624,680	1,624,680

HEALTH AND SENIOR SERVICES

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
871	31	128	1,030	979	CASINO REVENUE FUND			
352,409	143,565	-128	495,846	495,635	Direct State Services	871	871	871
					Grants-In-Aid	350,342	316,910	316,910
<u>353,280</u>	<u>143,596</u>	<u>---</u>	<u>496,876</u>	<u>496,614</u>	<i>Total Casino Revenue Fund</i>	<u>351,213</u>	<u>317,781</u>	<u>317,781</u>
<u>1,923,296</u>	<u>182,745</u>	<u>10,376</u>	<u>2,116,417</u>	<u>2,045,067</u>	<i>Total Appropriation, Department of Health and Senior Services</i>	<u>1,700,283</u>	<u>1,942,461</u>	<u>1,942,461</u>

SUMMARY OF APPROPRIATIONS BY PROGRAM (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
DIRECT STATE SERVICES - GENERAL FUND								
Health Services								
1,085	503	700	2,288	2,221	Vital Statistics	1,678	1,678	1,678
7,020	---	156	7,176	7,118	Family Health Services	2,079	2,179	2,179
32,226	1,441	775	34,442	34,141	Public Health Protection Services	30,706	30,706	30,706
---	1	-1	---	---	Addiction Services	---	---	---
7,697	617	-25	8,289	8,287	Laboratory Services	8,048	8,048	8,048
1,850	---	2,145	3,995	3,990	AIDS Services	1,993	1,993	1,993
<u>49,878</u>	<u>2,562</u>	<u>3,750</u>	<u>56,190</u>	<u>55,757</u>	<i>Subtotal</i>	<u>44,504</u>	<u>44,604</u>	<u>44,604</u>
Health Planning and Evaluation								
2,949	2,582	-751	4,780	4,724	Long Term Care Systems	3,749	3,549	3,549
2,125	5,790	-4,890	3,025	2,826	Health Care Systems Analysis	125	4,895	4,895
<u>5,074</u>	<u>8,372</u>	<u>-5,641</u>	<u>7,805</u>	<u>7,550</u>	<i>Subtotal</i>	<u>3,874</u>	<u>8,444</u>	<u>8,444</u>
Health Administration								
4,688	20	4,529	9,237	9,170	Administration and Support Services	5,238	3,767	3,767
<u>4,688</u>	<u>20</u>	<u>4,529</u>	<u>9,237</u>	<u>9,170</u>	<i>Subtotal</i>	<u>5,238</u>	<u>3,767</u>	<u>3,767</u>
Senior Services								
5,733	71	3,407	9,211	9,107	Medical Services for the Aged	6,193	6,193	6,193
8,560	568	4,701	13,829	11,034	Pharmaceutical Assistance to the Aged and Disabled	3,751	8,606	8,606
---	---	---	---	1	Lifeline	---	---	---
462	---	332	794	786	Programs for the Aged	462	462	462
---	---	---	---	---	Office of the Ombudsman	---	---	---
681	---	---	681	679	Office of the Public Guardian	850	850	850
<u>15,436</u>	<u>639</u>	<u>8,440</u>	<u>24,515</u>	<u>21,607</u>	<i>Subtotal</i>	<u>11,256</u>	<u>16,111</u>	<u>16,111</u>
<u>75,076</u>	<u>11,593</u>	<u>11,078</u>	<u>97,747</u>	<u>94,084</u>	<i>Total Direct State Services - General Fund</i>	<u>64,872</u>	<u>72,926</u>	<u>72,926</u>

HEALTH AND SENIOR SERVICES

Orig. & (S)Supplemental	Year Ending June 30, 2005					2006 Adjusted Approp.	Year Ending June 30, 2007	
	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended			Requested	Recommended
871	31	128	1,030	979				
871	31	128	1,030	979				
871	31	128	1,030	979				
75,947	11,624	11,206	98,777	95,063				
					DIRECT STATE SERVICES - CASINO REVENUE FUND			
					Senior Services			
					Programs for the Aged	871	871	871
					<i>Subtotal</i>	871	871	871
					<i>Total Direct State Services - Casino Revenue Fund</i>	871	871	871
					TOTAL DIRECT STATE SERVICES	65,743	73,797	73,797
					GRANTS-IN-AID - GENERAL FUND			
					Health Services			
87,186	9	11,012	98,207	92,081	Family Health Services	121,464	92,964	92,964
53,645	15	41	53,701	52,281	Public Health Protection Services	67,926	40,626	40,626
---	2,011	-2,011	---	---	Addiction Services	---	---	---
35,155	---	-1,759	33,396	32,950	AIDS Services	33,894	31,194	31,194
175,986	2,035	7,283	185,304	177,312	<i>Subtotal</i>	223,284	164,784	164,784
					Health Planning and Evaluation			
339,025	---	---	339,025	338,925	Health Care Systems Analysis	110,425	369,462	369,462
339,025	---	---	339,025	338,925	<i>Subtotal</i>	110,425	369,462	369,462
					Senior Services			
823,780	3,292	-3,954	823,118	817,787	Medical Services for the Aged	821,668	817,968	817,968
130,064	21,477	-3,850	147,691	94,750	Pharmaceutical Assistance to the Aged and Disabled	105,095	176,456	176,456
---	---	---	---	---	Lifeline	---	---	---
16,577	---	-181	16,396	15,999	Programs for the Aged	14,174	13,532	13,532
970,421	24,769	-7,985	987,205	928,536	<i>Subtotal</i>	940,937	1,007,956	1,007,956
1,485,432	26,804	-702	1,511,534	1,444,773	<i>Total Grants-In-Aid - General Fund</i>	1,274,646	1,542,202	1,542,202
					GRANTS-IN-AID - CASINO REVENUE FUND			
					Health Services			
500	---	---	500	497	Family Health Services	529	529	529
500	---	---	500	497	<i>Subtotal</i>	529	529	529
					Senior Services			
28,461	---	---	28,461	28,334	Medical Services for the Aged	30,531	30,629	30,629
309,086	143,565	---	452,651	452,570	Pharmaceutical Assistance to the Aged and Disabled	304,398	271,075	271,075
---	---	---	---	---	Lifeline	---	---	---
14,362	---	-128	14,234	14,234	Programs for the Aged	14,884	14,677	14,677
351,909	143,565	-128	495,346	495,138	<i>Subtotal</i>	349,813	316,381	316,381
352,409	143,565	-128	495,846	495,635	<i>Total Grants-In-Aid - Casino Revenue Fund</i>	350,342	316,910	316,910
1,837,841	170,369	-830	2,007,380	1,940,408	TOTAL GRANTS-IN-AID	1,624,988	1,859,112	1,859,112

HEALTH AND SENIOR SERVICES

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
---	---	---	---	---	STATE AID - GENERAL FUND			
					Health Services			
2,400	---	---	2,400	2,161	Family Health Services	---	---	---
					Public Health Protection Services	2,400	2,400	2,400
<u>2,400</u>	<u>---</u>	<u>---</u>	<u>2,400</u>	<u>2,161</u>	<i>Subtotal</i>	<u>2,400</u>	<u>2,400</u>	<u>2,400</u>
					Senior Services			
7,108	---	---	7,108	7,108	Programs for the Aged	7,152	7,152	7,152
<u>7,108</u>	<u>---</u>	<u>---</u>	<u>7,108</u>	<u>7,108</u>	<i>Subtotal</i>	<u>7,152</u>	<u>7,152</u>	<u>7,152</u>
<u>9,508</u>	<u>---</u>	<u>---</u>	<u>9,508</u>	<u>9,269</u>	Total State Aid - General Fund	<u>9,552</u>	<u>9,552</u>	<u>9,552</u>
<u>9,508</u>	<u>---</u>	<u>---</u>	<u>9,508</u>	<u>9,269</u>	TOTAL STATE AID	<u>9,552</u>	<u>9,552</u>	<u>9,552</u>
					CAPITAL CONSTRUCTION			
					Health Services			
---	741	---	741	327	Laboratory Services	---	---	---
<u>---</u>	<u>741</u>	<u>---</u>	<u>741</u>	<u>327</u>	<i>Subtotal</i>	<u>---</u>	<u>---</u>	<u>---</u>
					Health Administration			
---	11	---	11	---	Administration and Support Services	---	---	---
<u>---</u>	<u>11</u>	<u>---</u>	<u>11</u>	<u>---</u>	<i>Subtotal</i>	<u>---</u>	<u>---</u>	<u>---</u>
<u>---</u>	<u>752</u>	<u>---</u>	<u>752</u>	<u>327</u>	TOTAL CAPITAL CONSTRUCTION	<u>---</u>	<u>---</u>	<u>---</u>
<u>1,923,296</u>	<u>182,745</u>	<u>10,376</u>	<u>2,116,417</u>	<u>2,045,067</u>	Total Appropriation, Department of Health and Senior Services	<u>1,700,283</u>	<u>1,942,461</u>	<u>1,942,461</u>

20. PHYSICAL AND MENTAL HEALTH 21. HEALTH SERVICES

OBJECTIVES

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| <ol style="list-style-type: none"> 1. To provide a system for the registration of births, deaths, marriages and other vital statistics and to furnish certified copies as requested. 2. To reduce infant mortality and improve the health of mothers and children; to provide medical and dental services to special high risk populations; to provide access to quality medical and developmental intervention services for handicapped children; to provide and promote family planning services and to identify, treat and minimize the exposure of children at high risk of lead poisoning. 3. To promote and improve local health department practice and performance through regulation, licensing, technical assistance, education and health service grants. 4. To promote and improve local health delivery services, particularly for low income and minority families, and assist local health agencies in meeting recognized minimum standards of performance. 5. To assure the wholesomeness and safety of foods and cosmetics; to prevent food related illnesses and the misbranding, adulteration and illicit tampering of foods and cosmetics; to prevent the spread of animal diseases to man, | <ol style="list-style-type: none"> especially rabies; to enhance the Department's capabilities to protect the citizenry from environmental hazards; to assure the health and safety of youth attending camps and the safety of those persons swimming in recreational waters; to assure a high level of sanitation in health care facilities and various State operated institutions; and to administer animal population control programs. 6. To detect, prevent, control and treat chronic diseases with emphasis on assistance for persons with low or limited socioeconomic status. 7. To reduce the incidence and spread of tuberculosis. 8. To detect, prevent and control occupationally related diseases, fatal injuries and hazards in high-risk public and private workplaces. 9. To reduce abuse of and dependence on tobacco. 10. To provide a comprehensive range of timely and accurate public health, environmental and chemical laboratory analytical and diagnostic services to State and federal agencies, physicians, clinics, hospitals, local health departments, and other health care interests in the identification and control of disease and environmental threats and biological and biochemical terrorism preparedness. |
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HEALTH AND SENIOR SERVICES

11. To improve the quality of performance in New Jersey's clinical laboratories in the specialties of microbiology, blood banking, chemistry, hematology, serology and immunohematology and to serve as a reference resource for all laboratories, clinical and analytical, in New Jersey.
12. To reduce the spread of AIDS and HIV infection by providing an integrated continuum of AIDS health and social support services to promote cost-effective treatment, and to expand prevention and education efforts.
13. To reduce death and disability by improving response to medical emergencies, by assuring the availability of trained personnel for emergency medical services.
14. To ensure the timely identification and treatment of infants with biochemical or metabolic disorders, hearing impairments and/or birth defects.

PROGRAM CLASSIFICATIONS

01. **Vital Statistics.** Collects and records data such as births, deaths and marriages from the 566 local registrars; approves appointment of, instructs and supervises local registrars of vital statistics; receives and processes vital records, searches and makes certified copies of these records (R.S. 26:8-23 et seq.); processes legal changes of name, adoptions and corrections to vital records.
02. **Family Health Services.** Provides funding of specialized medical and rehabilitative services for handicapped children (R.S. 9:13-1 et seq.); provides and promotes family planning and genetic services (R.S. 26:5B), maternal and child health care (C.26:1A-37E) including supplemental nutrition services, prenatal care, child health supervision and screening of newborns for metabolic causes of mental retardation and deafness; administers poison control activities e.g., childhood lead poisoning (C.24:14A-1 et seq.); prenatal services for children; coordinates programs on fetal alcohol syndrome and child abuse; provides financial assistance to persons with hemophilia (C.26:2-87 et seq.); provides financial assistance to persons with chronic renal disease (C.26:2-87 et seq.) and general assistance to persons with other chronic diseases (C.26:1A-92 et seq.); provides assistance to local health departments for the provision of primary and preventive health services; develops community based chronic disease detection programs and supports the special health needs of the geriatric population.
03. **Public Health Protection Services.** Initiates programs to reduce incidence of sexually transmitted diseases (R.S. 26:4-27 et seq.); controls tuberculosis (R.S. 26:4-1 et seq.); monitors and initiates programs to reduce the incidence of

other communicable diseases such as hepatitis, measles, polio, pertussis and diphtheria; maintains a cancer registry which provides epidemiologic intelligence regarding cancer associated risk factors for control and prevention activities. Assists in training of emergency medical personnel and coordinating emergency medical services, including aeromedical response. Assures quality of food and milk, drugs, and general sanitation (C.26:1A-7); distributes vaccine for the prevention of rabies; and assures the appropriate utilization of funds from dog license fees (\$1.00 per dog) to support activities. Performs health investigations in private and public workplaces to evaluate occupational exposures; conducts medical screenings for individuals exposed to chemicals; implements the worker provisions of the Worker and Community Right to Know Act and the health provisions of the Public Employees Occupational Safety and Health Act; collects occupational illness and exposure data; conducts environmental monitoring, health assessments, health screening and epidemiologic investigations of community exposure to toxic substances, and implements the State asbestos policy; provides assistance to local health departments for the provision of primary and preventive health services. Directs the State's Comprehensive Tobacco Control Program to provide clients counseling and treatment services.

08. **Laboratory Services.** Performs comprehensive analytical and diagnostic laboratory services through five primary service categories on a 24 hour-7 day a week basis, which includes: Bacteriology (e.g. tuberculosis, dairy products, sexually transmitted diseases, gastrointestinal illnesses, drinking water, and ocean pollution); Virology (e.g. AIDS, influenza, Rubella, and rabies); Serology (e.g. Lyme, Legionella, and syphilis); Inborn Errors of Metabolism (e.g. sickle cell, hypothyroidism, PKU, and Galactosemia) and Environmental and Chemical (e.g. blood lead, asbestos, drugs, water, food, and other environmental and chemical contaminants). Clinical Laboratory Services performs tests and monitors the quality of laboratory testing performed in independent, hospital and public health laboratories in the state; inspects, proficiency tests and licenses all such laboratories (C.45:9-42.26 et seq.); improves techniques of laboratory personnel by conducting workshops and seminars as necessary; and certifies clinical laboratories for Medicare participation.
12. **AIDS Services.** Promotes the health of the people of New Jersey by reducing the spread of AIDS by establishing and maintaining a comprehensive system of HIV/AIDS-related prevention, surveillance, counseling and testing, health and supportive services.

EVALUATION DATA

PROGRAM DATA	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Vital Statistics				
Searches	99,208	148,478	130,000	110,000
Certified Copies Issued	76,314	114,214	98,000	85,000
Family Health Services				
Agencies receiving health services grants	305	434	460	460
Handicapped Children				
Physically disabled children receiving services	40,000	42,000	42,500	43,000
Children newly registered with Special Child Health Services	7,919	7,756	8,100	8,500
Maternal and Child Health				
Infant mortality rate/1,000 live births	6.2	5.7	5.7	5.7

HEALTH AND SENIOR SERVICES

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Infant born to mothers with no prenatal care/1,000 live births	1.2	1.2	1.2	1.2
Newborns screened for metabolic and genetic disorders ...	113,404	110,473	114,000	118,000
Number of infants to be followed	6,395	5,945	6,400	7,200
Number of infants in early intervention	15,829	16,000	18,000	19,750
HealthStart (prenatal)	35,000	36,500	37,000	37,000
Women assessed for alcohol use/abuse during pregnancy ..	29,892	34,000	35,000	40,000
Women, Infants and Children (WIC) receiving services ...	248,149	265,944	270,000	270,000
Family Planning				
Women in reproductive years applying for and receiving services	118,579	124,133	126,000	130,500
Poison Control				
Children screened for lead poisoning	181,265	200,000	222,000	240,000
Number of lead poisoned children identified	4,877	5,200	5,200	5,200
Adult Health				
Adults served with Cystic Fibrosis	95	100	100	105
Health Promotion				
Persons screened and educated for breast and cervical cancer	12,322	21,363	20,950	20,950
Number of renal patients served	1,100	1,276	1,300	1,350
Public Health Protection Services				
Cancer and Epidemiological Services				
Number of new cancer cases reported	80,000	125,033	125,000	125,000
Number of cumulative cancer reports in master file	1,509,383	1,868,366	1,933,300	2,068,300
Tuberculosis Control				
TB cases on register as of June 30	493	512	500	500
Visits to chest clinics	67,000	67,230	67,000	67,000
Percent of TB patients completing chemotherapy	82.5%	88.1%	88.1%	88.1%
Emergency Medical Services				
Mobile intensive care paramedics certified/recertified	789	790	790	790
Emergency Medical Technicians certified/recertified	7,500	8,000	8,000	8,000
Helicopter response missions	1,600	1,600	1,600	1,600
Mobile intensive care unit's patient charts audited	650	1,000	1,000	1,000
Ambulance/invalid services licensed	500	350	350	350
Ambulance/invalid vehicles licensed	3,000	2,500	2,500	2,500
EMT training agencies certified	64	64	64	64
Sexually Transmitted Diseases (STD)				
Percent of STD clinic patients receiving education about HIV infection	75%	75%	75%	75%
Reported cases of early syphilis	453	468	500	500
Syphilis cases (early and late) brought to treatment by Department of Health	904	780	850	850
Reported cases of gonorrhea	7,621	6,095	6,600	6,600
Gonorrhea cases brought to treatment by Department of Health	2,263	1,946	2,100	2,100
Visits to STD clinics	18,542	17,962	18,750	18,750
Patients receiving diagnostic services	10,856	10,326	11,000	11,000
Consumer Health				
Pet spay/neuter surgeries performed	5,565	5,346	6,000	6,000
Registration of dogs (rabies control)	473,159	466,941	475,000	475,000
Environmental and sanitary inspections and investigations conducted	5,600	6,500	6,500	6,500
Number of food, drug and cosmetic embargoes, destructions and recalls	16	25	35	35
Other Communicable Disease Control				
Number of disease cases reported	7,500	9,903	9,600	9,600
Number of investigations of outbreaks	100	110	150	150

HEALTH AND SENIOR SERVICES

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Levels of protection for children entering school against:				
Rubella	98%	98%	98%	98%
Measles	98%	98%	98%	98%
Mumps	98%	98%	98%	98%
Polio	98%	98%	98%	98%
Diphtheria	98%	98%	98%	98%
Infectious disease consultations	20,000	27,600	30,000	30,000
Non-outbreak investigations	280	280	300	300
Lyme disease hotline calls	1,600	1,600	1,600	1,600
Public Employees Occupational Safety and Health				
Complaint inspections conducted	558	531	510	510
Telephone consultations	1,400	1,225	1,220	1,220
Educational seminars presented	130	193	160	160
Right to Know				
Factsheets written or revised	200	144	300	300
Public and private workplaces inspected	600	1,144	600	600
Telephone consultations	3,500	3,540	3,500	3,500
Occupational Health Surveillance				
Exposure and illness reports received	17,000	20,000	20,000	20,000
Educational materials mailed to public	3,000	4,000	4,000	4,000
In-depth industrial hygiene evaluations	45	50	50	50
Follow-up industrial hygiene evaluations	5	5	5	5
Work-related chronic disease and epidemiology studies ..	5	5	5	5
Worker interviews and mailings	500	600	600	600
Environmental Health Services				
Certification of private training agencies	35	35	35	35
Audits of asbestos and lead training agencies	100	100	100	100
Quality assurance inspections in schools	125	125	125	125
Major community health field study on-going	12	12	12	12
Telephone consultations	4,250	4,300	4,500	4,500
Responses to acute environmental emergencies	4	15	25	25
Consultations provided to other agencies and to the public	6	20	30	30
Local health consultations, evaluations, and training services	10,144	9,978	10,983	11,022
Laboratory Services				
Bacteriology				
Specimens analyzed	173,526	148,654	150,000	140,000
Inborn Errors of Metabolism				
Specimens performed	126,850	123,810	140,000	147,000
Chemistry				
Asbestos samples examined	344	38	---	---
Occupational health samples examined	5	---	5	5
Sewage, stream & trade waste samples examined	4,424	3,369	4,500	4,500
Narcotic samples examined	195,259	187,804	197,000	207,000
Potable water samples examined	2,563	2,607	2,500	2,500
Food and milk samples examined	5,101	5,982	6,000	6,000
Blood lead samples examined	7,399	7,091	7,000	7,000
Clinical Laboratory Services				
Clinical laboratories licensed	1,544	1,675	1,700	1,700
Proficiency test samples (percent acceptable)	95%	95%	95%	95%
Proficiency test samples reviewed	57,712	56,908	57,500	57,500
Blood banks inspected	49	58	75	80
Clinical laboratory inspections	298	389	400	400
Blood banks licensed	238	240	258	270
Serology				
Routine screen tests for syphilis	38,874	29,436	30,000	30,000
Virology				
Specimens analyzed	118,808	67,946	128,000	100,000

HEALTH AND SENIOR SERVICES

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
AIDS Services				
Number of clients tested and counseled	67,789	68,700	69,000	69,500
Contact tracing of individuals	300	400	400	400
Hotline network calls	8,000	11,909	10,000	10,000
Living AIDS clients	18,200	17,623	18,600	18,600
HIV positive clients	15,700	15,690	16,500	16,500
Clients receiving early intervention services	9,000	9,000	8,500	8,500
Individuals reached/HIV training	3,000	1,820	1,000	1,000
AIDS Drug Distribution Program clients served	7,200	6,899	7,200	7,500

PERSONNEL DATA

Position Data

Filled Positions by Funding Source

State Supported	335	357	349	365
Federal	519	573	570	590
All Other	56	94	105	115
Total Positions	910	1,024	1,024	1,070

Filled Positions by Program Class

Vital Statistics	54	56	58	56
Family Health Services	203	205	204	208
Public Health Protection Services	373	478	486	513
AIDS Services	149	147	132	150
Laboratory Services	131	138	144	143
Total Positions	910	1,024	1,024	1,070

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

The Evaluation Data and Personnel Data related to the Division of Addiction Services are now displayed in the Department of Human Services, Division of Addiction Services.

**APPROPRIATIONS DATA
(thousands of dollars)**

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	2006 Prog. Class.	Adjusted Approp.	Requested	Recom- mended	
DIRECT STATE SERVICES									
Distribution by Fund and Program									
1,085	503	700	2,288	2,221	01	1,678	1,678	1,678	
7,020	---	156	7,176	7,118	02	2,079	2,179	2,179	
32,226	1,441	775	34,442	34,141	03	30,706	30,706	30,706	
---	1	-1	---	---	04	---	---	---	
7,697	617	-25	8,289	8,287	08	8,048	8,048	8,048	
1,850	---	2,145	3,995	3,990	12	1,993	1,993	1,993	
49,878	2,562	3,750	56,190	55,757	Total Direct State Services		44,504^(a)	44,604	44,604
Distribution by Fund and Object									
Personal Services:									
14,271	1,459 ^R	1,920	17,651	17,578	Salaries and Wages		15,935	16,035	16,035
14,271	1,460	1,920	17,651	17,578	Total Personal Services		15,935	16,035	16,035
2,229	---	46	2,275	2,241	Materials and Supplies		2,229	2,229	2,229
964	---	2,401	3,365	3,344	Services Other Than Personal		964	964	964
153	---	---	153	151	Maintenance and Fixed Charges		153	153	153
Special Purpose:									
87	---	---	87	87	02	87	87	87	
5,000	---	---	5,000	4,980	02	---	---	---	
90	---	---	90	90	02	90	90	90	

HEALTH AND SENIOR SERVICES

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
<u>DIRECT STATE SERVICES</u>									
300	---	---	300	300					
500	---	---	500	500					
2,000	---	---	2,000	2,000					
1,450	---	---	1,450	1,450					
4,000	---	---	4,000	4,000					
400	---	---	400	397					
500	---	---	500	492					
50	---	---	50	43					
7,000	---	---	7,000	6,999					
4,000	---	---	4,000	3,999					
250 ^S	---	---	250	250					
1,000	263	---	1,263	1,180					
720	222	---	942	856					
200	---	---	200	200					
2,074	---	---	2,074	1,984					
200	---	---	200	199					
---	617 ^R	-617	---	---					
1,800	---	---	1,800	1,797					
640	---	---	640	640					
<u>GRANTS-IN-AID</u>									
Distribution by Fund and Program									
87,686	9	11,012	98,707	92,578					
87,186	9	11,012	98,207	92,081					
500	---	---	500	497					
53,645	15	41	53,701	52,281					
---	2,011	-2,011	---	---					
35,155	---	-1,759	33,396	32,950					
176,486	2,035	7,283	185,804	177,809					
175,986	2,035	7,283	185,304	177,312					
500	---	---	500	497					
Total Grants-in-Aid						223,813	165,313	165,313	
<i>(From General Fund)</i>						223,284	164,784	164,784	
<i>(From Casino Revenue Fund)</i>						529	529	529	
Distribution by Fund and Object									
Grants:									
4,300	---	---	4,300	4,300					
1,033	---	---	1,033	1,033					
---	---	---	---	---					
2,059	---	---	2,059	2,038					
430	---	---	430	430					
308	---	---	308	308					
25	---	---	25	25					
500	---	---	500	497					

HEALTH AND SENIOR SERVICES

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
GRANTS-IN-AID									
6,072	---	1,012	7,084	7,084	02	---	---	---	
3,403	---	---	3,403	3,403	02	5,587	5,587	5,587	
---	9	---	9	---	02	---	---	---	
1,000	---	---	1,000	1,000	02	1,000	---	---	
795	---	---	795	794	02	905	905	905	
490	---	---	490	490	02	538	538	538	
52,946	---	---	52,946	52,946	02	61,487	58,487	58,487	
610	---	---	610	610	02	668	668	668	
1,250	---	---	1,250	1,250	02	1,250	---	---	
5,400	---	---	5,400	5,332	02	5,536	5,536	5,536	
185	---	---	185	185	02	202	202	202	
280	---	---	280	280	02	305	305	305	
250	---	---	250	250	02	250	---	---	
3,000	---	---	6,000	---	02	3,000	---	---	
3,000 ^S	---	---	---	---	02	2,500	2,500	2,500	
---	---	---	---	---	02	2,000	2,000	2,000	
300	---	---	300	300	02	300	---	---	
50	---	---	50	50	02	50	50	50	
---	---	10,000	10,000	9,973	02	26,000	5,000	5,000	
---	---	---	---	---	02	500	---	---	
1,304	---	---	1,304	1,304	03	1,583	1,583	1,583	
1,500	---	---	1,500	1,495	03	1,500	1,500	1,500	
---	---	---	---	---	03	1,500	---	---	
---	---	---	---	---	03	2,500	---	---	
246	---	41	287	198	03	---	---	---	
795	---	---	795	788	03	855	855	855	
424	---	---	424	424	03	457	457	457	
2,500 ^S	15	---	2,515	1,196	03	---	---	---	
1,000	---	---	1,000	1,000	03	---	---	---	
36,000	---	---	42,000	42,000	03	22,250	22,250	22,250	
6,000 ^S	---	---	---	---	03	37,000	13,700	13,700	
---	---	---	3,250	3,250	03	---	---	---	
3,250	---	---	3,250	3,250	03	---	---	---	
345	---	---	345	345	03	---	---	---	
281	---	---	281	281	03	281	281	281	

Notes -- Direct State Services - General Fund

(a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program.

Notes -- Grants-In-Aid - General Fund

- (b) Adjusted Appropriation for Cost of Living Adjustment, Family Health Services has been allocated to other accounts.
- (c) Program was previously budgeted in fiscal year 2005 as a State Aid Program.
- (d) Program was previously budgeted in fiscal year 2005 as a Direct State Services Program.
- (e) In addition to the amount recommended in fiscal year 2007, \$35,000,000 is funded from the Health Care Subsidy Fund.
- (f) Program was previously budgeted in fiscal year 2005 as a Direct State Services Program.
- (g) Adjusted Appropriation for Cost of Living Adjustment, AIDS Services has been allocated to other accounts.

Language Recommendations -- Direct State Services - General Fund

The unexpended balance at the end of the preceding fiscal year in the New Jersey Emergency Medical Service Helicopter Response Program account is appropriated.

Notwithstanding the provisions of any other law to the contrary, there is \$150,000 appropriated from the Emergency Medical Technician Training Fund to fund the Emergency Medical Services for Children Program.

Notwithstanding the provisions of any other law to the contrary, there is appropriated from the Emergency Medical Technician Training Fund \$79,000 for Emergency Medical Services and \$125,000 for the First Response EMT Cardiac Training Program.

The amount hereinabove appropriated for the New Jersey State Commission on Cancer Research is charged to the Cancer Research Fund pursuant to section 5 of P.L.1982, c.40 (C.54:40A-37.1).

The unexpended balance at the end of the preceding fiscal year in the New Jersey State Commission on Cancer Research account is appropriated.

Amounts deposited in the New Jersey Breast Cancer Research Fund from the gross income tax check-offs pursuant to the provisions of P.L.1995, c.26 (C.54A:9-25.7 et al.) are appropriated to the New Jersey State Commission on Cancer Research for breast cancer research projects, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance at the end of the preceding fiscal year in the Medical Waste Management Program account, together with any receipts received by the Department of Health and Senior Services pursuant to the provisions of the "Comprehensive Regulated Medical Waste Management Act," P.L.1989, c.34 (C.13:1E-48.1 et al.), is appropriated.

Notwithstanding the provisions of the "Worker and Community Right to Know Act," P.L.1983, c.315 (C.34:5A-1 et seq.), the amount hereinabove appropriated for the Worker and Community Right to Know account is payable out of the Worker and Community Right to Know Fund, and the receipts in excess of the amount anticipated, not to exceed \$699,000, are appropriated. If receipts to that fund are less than anticipated, the appropriation shall be reduced proportionately.

Receipts derived from the agency surcharge on vehicle rentals pursuant to section 54 of P.L. 2002, c.34 (C.App.A:9-78), not to exceed \$4,722,000, are appropriated for the Medical Emergency Disaster Preparedness for Bioterrorism program and shall be deposited into a dedicated account, the expenditure of which shall be subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of any law to the contrary, the amounts hereinabove appropriated for the two anti-smoking programs (School Based Programs and Youth Anti-Smoking, and Anti-Smoking Programs) shall be charged to the proceeds of the increase in the cigarette tax, established pursuant to P.L. 2002, c.33.

Notwithstanding the provisions of section 4 of P.L. 1997, c.264 (C.26:2H-18.58g), \$11,000,000 is appropriated for anti-smoking programs (School Based Programs and Youth Anti-Smoking, and Anti-Smoking Programs).

In order to permit flexibility in the handling of the various appropriations for anti-tobacco initiative accounts hereinabove, funds may be transferred to and from the following items of appropriations: School Based Programs and Youth Anti-Smoking, and Anti-Smoking Programs. Such transfers are subject to the approval of the Director of the Division of Budget and Accounting. Notice thereof shall be provided to the Legislative Budget and Finance Officer on the effective date of the approved transfer.

The Director of the Division of Budget and Accounting is empowered to transfer or credit appropriations to the Department of Health and Senior Services for diagnostic laboratory services provided to any other agency or department; provided further, however, that funds have been appropriated or allocated to such agency or department for the purpose of purchasing these services.

Receipts from fees established by the Commissioner of Health and Senior Services for licensing of clinical laboratories, pursuant to P.L.1975, c.166 (C.45:9-42.26 et seq.), and blood banks, pursuant to P.L.1963, c.33 (C.26:2A-2 et seq.), are appropriated.

Receipts from licenses, permits, fines, penalties and fees collected by the Department of Health and Senior Services in Health Services, in excess of those anticipated, are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Language Recommendations -- Grants-In-Aid - General Fund

Of the amounts hereinabove appropriated for Family Planning Services, \$2,000,000 shall be appropriated to the Office of Maternal and Child Health in the Department of Health and Senior Services for family planning.

In addition to the amount hereinabove, receipts from the federal Medicaid (Title XIX) program for handicapped infants are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

An amount not to exceed \$1,830,000 is appropriated to the Department of Health and Senior Services from the hospital and other health care initiatives account, established pursuant to section 12 of P.L.1992, c.160 (C.26:2H-18.62), to fund the Infant Mortality Reduction Program.

Of the amount hereinabove appropriated for Cancer Screening - Early Detection and Education Program, an amount may be transferred to Direct State Services in the Department of Health and Senior Services to cover administrative costs of the program, subject to the approval of the Director of the Division of Budget and Accounting.

HEALTH AND SENIOR SERVICES

There is appropriated \$570,000 from the Alcohol Education, Rehabilitation and Enforcement Fund to fund the Fetal Alcohol Syndrome Program.

Of the amount hereinabove appropriated for the Implementation of Comprehensive Cancer Control Program, an amount may be transferred to Direct State Services in the Department of Health and Senior Services to cover administrative costs of the program and to the corresponding program in Family Health Services in the Department of Health and Senior Services for the same purpose, subject to the approval of the Director of the Division of Budget and Accounting.

From the amount hereinabove appropriated for the Cancer Institute of New Jersey, \$250,000 shall be provided to the Ovarian Cancer Research Fund.

There are appropriated from the New Jersey Emergency Medical Service Helicopter Response Program Fund, established pursuant to section 2 of P.L.1992, c.87 (C.26:2K-36.1), such sums as are necessary to pay the reasonable and necessary expenses of the operation of the New Jersey Emergency Medical Service Helicopter Response Program, established pursuant to P.L.1986, c.106 (C.26:2K-35 et seq.), subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of any other laws or regulations to the contrary, in order to maximize prescription drug coverage under Part D of Title XVIII of the Federal Social Security Act, the AIDS Drug Distribution Program (ADDP) shall be designated the authorized representative for the purposes of coordinating benefits with the Medicare Drug Program, including enrollment and appeals of coverage determinations. ADDP is authorized to represent program beneficiaries in the pursuit of such coverage. ADDP representation shall not result in any additional financial liability on behalf of such program beneficiaries and shall include, but need not be limited to, the following actions: application for the premium and cost-sharing subsidies on behalf of eligible program beneficiaries; pursuit of appeals, grievances, or coverage determinations; facilitated enrollment in a prescription drug plan or MA-PD plan. If the beneficiary declines enrollment in any Part D plan, the beneficiary shall be barred from all benefits of the ADDP Program.

Notwithstanding the provisions of any other law or regulation to the contrary, the appropriations hereinabove to the AIDS Drug Distribution Program (ADDP) is conditioned upon the Department of Health and Senior Services coordinating the benefits of the ADDP program with the prescription drug benefits of the federal "Medicare Prescription Drug, Improvement, and Modernization Act of 2003" (MMA) as the primary payer due to the current federal prohibition against State automatic enrollment of ADDP recipients in the new federal program. The ADDP benefit and reimbursement shall only be available to cover the beneficiary cost share to in-network pharmacies and for deductible and coverage gap costs (as determined by the Commissioner of the Department of Health and Senior Services) associated with enrollment in Medicare Part D for beneficiaries of the ADDP program, and for Medicare Part D premium costs for ADDP beneficiaries.

Notwithstanding the provisions of any other law or regulation to the contrary, effective January 1, 2006, no funds appropriated in the AIDS Drug Distribution Program (ADDP) account, shall be available as payment as an ADDP benefit to any pharmacy that is not enrolled as a participating pharmacy in a pharmacy network under federal Medicare Part D.

Commencing with the start of the fiscal year, and consistent with the requirements of the federal "Medicare Prescription Drug, Improvement, and Modernization Act of 2003" (MMA) and the current federal prohibition against State automatic enrollment of AIDS Drug Distribution Program (ADDP) recipients, no funds hereinabove appropriated from the ADDP account shall be expended for any individual enrolled in the ADDP program unless the individual provides all data that may be necessary to enroll the individual in the federal Medicare Part D drug program, including data required for the subsidy assistance, as outlined by the Centers for Medicare and Medicaid Services.

Notwithstanding any other law to the contrary, the amount hereinabove appropriated for the AIDS Drug Distribution Program (ADDP) is subject to the following condition: the copayment in the ADDP program shall be \$2.00.

In order to permit flexibility in the handling of appropriations, amounts may be transferred to and from the various items of appropriation within the AIDS Services program classification in the Department of Health and Senior Services, subject to the approval of the Director of the Division of Budget and Accounting. Notice thereof shall be provided to the Legislative Budget and Finance Officer on the effective date of the approved transfer.

From the amount appropriated hereinabove for Cancer Research, \$13,700,000 shall be allocated as follows: Cancer Institute of New Jersey, Newark, \$4,650,675; Cancer Institute of New Jersey, South Jersey, \$3,405,675; Robert Wood Johnson University Hospital, New Brunswick, \$3,051,675; St. Barnabas Medical Center, \$1,000,000; The Cancer Center at Hackensack University Medical Center, \$808,853; Garden State Cancer Center, \$783,122.

Language Recommendations -- State Aid - General Fund

The capitation for Public Health Priority Funding is set not to exceed \$.40 for the current fiscal year for the purposes prescribed in P.L.1966, c.36 (C.26:2F-1 et seq.).

Notwithstanding any provision of law to the contrary, the amount hereinabove appropriated for the Public Health Priority Funding shall not be allocated to county health departments.

20. PHYSICAL AND MENTAL HEALTH 22. HEALTH PLANNING AND EVALUATION

OBJECTIVES

1. To ensure high quality health care accessible to all New Jerseyans, in a safe environment, utilizing the appropriate level of health care facilities, at reasonable costs; to enhance

the Department's response to consumer complaints and to conduct on-site visits at all health care facilities against which a complaint has been filed; to ensure that all new applications for licensure are capable of providing high quality care to the

ill, the aging, and the vulnerable elderly and young; to continue development and implementation of improved licensure regulations for health care delivery; to monitor the quality of health care personnel training programs and to ensure an adequate number of certified personnel capable of providing quality care; and to increase consumer and professional awareness of the quality of care at New Jersey's licensed health care facilities.

2. To coordinate the development of public health and regulatory databases and the publication of health services research.
3. To administer a Certificate of Need program for certain types of health care facilities/services in order to assure access to needed health care services that are of high quality, and to administer a comprehensive licensure and inspection program to assure quality of services in licensed health care facilities.
4. Allocate health care subsidy funds for hospitals and other health care initiatives; review and analyze issues related to health care financing.
5. To develop Medicaid reimbursement policies and procedures to refine the system in response to changes in the health care environment.
6. To develop analytical data on key hospital quality and outcome measures for dissemination to the public.

PROGRAM CLASSIFICATIONS

06. **Long Term Care Systems.** Conducts on-site inspections and licenses nursing homes, residential health care facilities,

assisted living residences, comprehensive personal care homes, alternate family care and medical day care; maintains a survey and certification program for nursing homes; investigates complaints received from consumers and other State and federal agencies; develops new and revises existing licensing standards; licenses nursing home administrators, certifies nurse aides in long term care facilities, including criminal background checks and training programs; and provides consumers and professionals with information. The mission is to ensure that New Jersey citizens receive quality health care at appropriate levels of care in the regulated facilities under the Division's purview. Emphasis is placed on senior services.

07. **Health Care Systems Analysis.** Contributes to the development of the State Health Plan; administers the Certificate of Need program; evaluates and controls capital expenditures for health facilities; establishes and maintains uniform health facility reporting systems; establishment of a subsidized health benefits program for workers and the temporarily unemployed; allocation of health care subsidy funds for hospitals and other health care initiatives; review and analysis of other issues related to health care financing; relates to other agencies in the State and federal government that are affected by the planning and reimbursement system; and the administration and development of analytical data, which includes data on all vital health events to determine the health status of New Jerseyans.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Long Term Care Systems				
Licensed health care facilities	883	873	766	800
Licensed nursing home administrators	1,050	1,100	925	975
Total licenses issued	991	986	936	1,000
Number of beds licensed	84,783	84,819	82,186	84,000
Total inspections	3,627	3,800	3,000	3,400
Total federally certified licensed facilities	9	9	9	9
Total federally certified licensed beds	3,646	3,627	3,665	3,665
Administrative actions/penalties	95	105	125	135
Federal Enforcement Actions	1,352	1,500	1,500	1,500
Nurse Aide applications processed	22,800	25,000	28,000	29,000
Health Care Systems Analysis				
Inspections of Acute Care facilities	621	728	1,680	2,104
Complaints investigations	815	1,028	2,087	2,713
Hospital charity care audits	340	328	232	328
Certificate of Need applications processed	160	60	60	60
Collection and analysis of hospital cost, financial, and utilization data				
By patient	3,000,000	4,500,000	4,100,000	4,200,000
By hospital	79	83	83	82
Acute Health Care facilities licensed	975	1,000	1,000	1,060
Acute Health Care facilities license applications processed	1,220	1,350	1,400	1,500
Acute Health Care facilities enforcement actions/penalties	37	40	40	40
Hospital Performance Report - Distribution	12,000	24,000	20,000	20,000
Cardiac Surgery Report - Consumer	2,000	500	500	500

HEALTH AND SENIOR SERVICES

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
State Supported	84	82	89	68
Federal	92	97	98	108
All Other	120	120	103	108
Total Positions	296	299	290	284
Filled Positions by Program Class				
Long Term Care Systems Development & Quality Assurance	144	143	146	151
Health Care Systems Analysis	152	156	144	133
Total Positions (a)	296	299	290	284

Notes:

- Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The Budget Estimate for fiscal year 2007 reflects the number of positions funded.
- (a) Per Executive Reorganization Plan No. 005-2005, the total positions listed for fiscal year 2007 reflect the transfer of 21 Managed Care positions to the Department of Banking and Insurance.

**APPROPRIATIONS DATA
(thousands of dollars)**

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended
DIRECT STATE SERVICES								
Distribution by Fund and Program								
2,949	2,582	-751	4,780	4,724	06	3,749	3,549	3,549
2,125	5,790	-4,890	3,025	2,826	07	125	4,895	4,895
5,074	8,372	-5,641	7,805	7,550		3,874	8,444	8,444
Distribution by Fund and Object								
Personal Services:								
3,787	5,790 ^R	-3,059	6,518	6,313		1,787	6,026	6,026
Salaries and Wages								
3,787	5,790	-3,059	6,518	6,313		1,787	6,026	6,026
Total Personal Services								
60	---	-10	50	21		60	96	96
Materials and Supplies								
179	---	10	189	185		179	506	506
Services Other Than Personal								
69	---	---	69	53		69	200	200
Maintenance and Fixed Charges								
Special Purpose:								
---	2,582 ^R	-2,582	---	---	06	---	---	---
979	---	---	979	978				
Long Term Care Systems								
Nursing Home Background Checks/Nursing Aide Certification Program								
---	---	---	---	---	06	1,179	979	979
Implement Patient Safety Act								
---	---	---	---	---	06	600	600	600
Additions, Improvements and Equipment								
						---	37	37

HEALTH AND SENIOR SERVICES

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom-mended	
GRANTS-IN-AID									
Distribution by Fund and Program									
339,025	---	---	339,025	338,925	Health Care Systems Analysis	07	110,425	369,462	369,462
<u>339,025</u>	<u>---</u>	<u>---</u>	<u>339,025</u>	<u>338,925</u>	Total Grants-in-Aid		<u>110,425</u>	<u>369,462</u>	<u>369,462</u>
Distribution by Fund and Object									
Grants:									
280,725					Health Care Subsidy Fund				
28,300 ^S	---	10,000	319,025	319,025	Payments	07	44,725	369,462	369,462
20,000	---	---	20,000	19,900	Hospital Assistance Grants	07	65,200	---	---
---	---	---	---	---	Atlantic Health Care - Patient ID System	07	500	---	---
<u>10,000</u>	<u>---</u>	<u>-10,000</u>	<u>---</u>	<u>---</u>	Federally Qualified Health Centers - Services to Family Care Clients ^(a)	07	---	---	---
<u>344,099</u>	<u>8,372</u>	<u>-5,641</u>	<u>346,830</u>	<u>346,475</u>	Grand Total State Appropriation		<u>114,299</u>	<u>377,906</u>	<u>377,906</u>
OTHER RELATED APPROPRIATIONS									
Federal Funds									
15,672	2,560	---	18,232	7,780	Long Term Care Systems	06	16,826	16,872	16,872
<u>72,439</u>	<u>260</u>	<u>605</u>	<u>73,304</u>	<u>69,682</u>	Health Care Systems Analysis	07	<u>71,062</u>	<u>72,262</u>	<u>72,262</u>
<u>88,111</u>	<u>2,820</u>	<u>605</u>	<u>91,536</u>	<u>77,462</u>	Total Federal Funds		<u>87,888</u>	<u>89,134</u>	<u>89,134</u>
All Other Funds									
---	1,517	---	1,887	---	Long Term Care Systems	06	117	117	117
---	370 ^R	---							
---	13,704	---							
<u>---</u>	<u>26,142^R</u>	<u>-16,210</u>	<u>23,636</u>	<u>14,861</u>	Health Care Systems Analysis	07	<u>40,336</u>	<u>47,537</u>	<u>47,537</u>
<u>---</u>	<u>41,733</u>	<u>-16,210</u>	<u>25,523</u>	<u>14,861</u>	Total All Other Funds		<u>40,453</u>	<u>47,654</u>	<u>47,654</u>
<u>432,210</u>	<u>52,925</u>	<u>-21,246</u>	<u>463,889</u>	<u>438,798</u>	GRAND TOTAL ALL FUNDS		<u>242,640</u>	<u>514,694</u>	<u>514,694</u>

Notes -- Grants-In-Aid - General Fund

(a) In fiscal years 2005 and 2006, the Federally Qualified Health Centers - Services to Family Care Clients program appropriation has been moved to the Health Services section of the Department of Health and Senior Services.

Language Recommendations -- Direct State Services - General Fund

Receipts from licenses, permits, fines, penalties and fees collected by the Department of Health and Senior Services in Health Planning and Evaluation, in excess of those anticipated, are appropriated subject to a plan approved by the Director of the Division of Budget and Accounting.

Available funds are appropriated to the Health Care Facilities Improvement Fund to provide available resources in an emergency situation at a health care facility, as defined by the Commissioner of Health and Senior Services, or for closure of a health care facility, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts derived from fees charged for processing Certificate of Need applications and the unexpended balances at the end of the preceding fiscal year of such receipts are appropriated for the cost of this program, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance at the end of the preceding fiscal year in the Implement Patient Safety Act account is appropriated.

Language Recommendations -- Grants-In-Aid - General Fund

There are appropriated such sums as are necessary to pay prior-year obligations of programs within the Health Care Subsidy Fund, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of any other law to the contrary, \$6,000,000 of the amount hereinabove for the Health Care Subsidy Fund Payments account is appropriated from the Admission Charge Hospital Assessment revenue item.

Notwithstanding the provisions of any law to the contrary, the amounts hereinabove appropriated for Health Care Subsidy Fund Payments shall be charged to the revenues derived from the \$0.35 increase in the cigarette tax rate imposed pursuant to P.L.2004, c.67.

Notwithstanding any law to the contrary, all revenues collected from the tax on cosmetic medical procedures enacted by P.L. 2004, c.53 (C.54:32E-1) shall be deposited in the Health Care Subsidy Fund established pursuant to section 8 of P.L. 1992, c.160 (C.26:2H-18.58).

Notwithstanding any provision of law to the contrary, the appropriation for Health Care Subsidy Fund Payments shall be conditioned upon the following provision: in fiscal year 2007 Charity Care subsidy payments to hospitals shall be in the same amounts as indicated on

HEALTH AND SENIOR SERVICES

the schedule attached to the Department of Health and Senior Services August 5, 2005 notice to hospitals of the fiscal year 2006 charity care subsidy allocation, except that: (a) these payments, whether alone or in combination with other federal Medicaid Disproportionate Share Hospital payments, shall not cause an individual hospital to exceed in fiscal year 2007 its federal Medicaid Disproportionate Share Hospital upper payment limit; and (b) any reductions of individual hospitals' subsidy payments in accordance with paragraph a shall be aggregated and distributed on a pro-rated basis to the other hospitals, so long as such distribution does not cause an individual hospital to exceed in fiscal year 2007 its federal Medicaid Disproportionate Share Hospital upper payment limit; and (c) with respect to charity care subsidies allocated to hospitals that closed prior to June 1, 2006, those subsidies shall be reallocated in the same amounts and to the same hospitals as in SFY 2006, except that the Irvington General Hospital subsidy to be reallocated shall equal the total charity care subsidy allocated to Irvington General Hospital in SFY 06.

In addition to the amounts hereinabove appropriated, \$1,000,000 is appropriated to the Health Care Subsidy Fund Payments account, from the hospital and other health care initiatives account, established pursuant to section 12 of P.L.1992, c.160 (C.26:2H-18.62).

Of the amounts hereinabove appropriated for Health Care Subsidy Fund Payments, \$5,000,000 shall be appropriated to the NJ FamilyCare program in the Department of Human Services to provide health care for uninsured children.

20. PHYSICAL AND MENTAL HEALTH 25. HEALTH ADMINISTRATION

OBJECTIVES

1. To execute legislative mandates and to assure the health and well-being of the citizens in New Jersey through the development of responsive public health policy and the provision of appropriate public health programs.
2. To plan, develop, and maintain financial, human resource, information processing and managerial support services which will ensure the delivery of effective and efficient public health programs.

PROGRAM CLASSIFICATIONS

99. **Administration and Support Services.** The Commissioner and staff (C.26:1A-13 et seq.) provide Department-wide support in policy and planning development, legal services, legislative services, public information, program evaluation; the Office of Minority Health; and a full range of centralized support services to the operating divisions including:

Financial and General Services-Prepares Department budgets; ensures the meeting of financial requirements for all federal, State and private grants; maintains Department financial records in accordance with legal requirements and generally accepted accounting principles; supervises Department auditing, procurement and grant processes and provides technical financial guidance to the Department and its grantees. Warehousing, printing, facilities, and mail handling are also provided.

Management and Information Services-Develops and maintains electronic data processing services for the Department; ensures the collection, storage and retrieval of data in a uniform, centralized system; provides systems analysis, design and implementation.

Human Resource Services-Provides personnel management and development, labor relations and affirmative action services for the Department.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PERSONNEL DATA				
Affirmative Action Data				
Male Minority	157	178	181	183
Male Minority %	7.3	8.1	8.1	8.2
Female Minority	564	597	608	612
Female Minority %	26.4	27.0	27.2	27.3
Total Minority	721	775	789	795
Total Minority %	33.7	35.1	35.2	35.5
Position Data				
Filled Positions by Funding Source				
State Supported	101	99	90	67
Federal	3	17	15	19
All Other	155	128	126	134
Total Positions	259	244	231	220
Filled Positions by Program Class				
Administration and Support Services	259	244	231	220
Total Positions	259	244	231	220

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

HEALTH AND SENIOR SERVICES

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
4,688	20	4,529	9,237	9,170	Administration and Support Services	99	5,238	3,767	3,767
4,688	20	4,529	9,237	9,170	Total Direct State Services		5,238 (a)	3,767	3,767
Distribution by Fund and Object									
Personal Services:									
2,468	20 ^R	3,911	6,399	6,337	Salaries and Wages		3,018	1,547	1,547
2,468	20	3,911	6,399	6,337	Total Personal Services		3,018	1,547	1,547
49	---	---	49	49	Materials and Supplies		49	49	49
587	---	618	1,205	1,205	Services Other Than Personal		587	587	587
Special Purpose:									
1,500	---	---	1,500	1,495	Office of Minority and Multicultural Health	99	1,500	1,500	1,500
84	---	---	84	84	Affirmative Action and Equal Employment Opportunity	99	84	84	84
<u>CAPITAL CONSTRUCTION</u>									
Distribution by Fund and Program									
---	11	---	11	---	Administration and Support Services	99	---	---	---
---	11	---	11	---	Total Capital Construction		---	---	---
Distribution by Fund and Object									
Division of Management and Administration									
---	1	---	1	---	Information Processing Network - Infrastructure Upgrade	99	---	---	---
---	3	---	3	---	Infrastructure Network	99	---	---	---
---	7	---	7	---	"E" Public Health	99	---	---	---
4,688	31	4,529	9,248	9,170	Grand Total State Appropriation		5,238	3,767	3,767
OTHER RELATED APPROPRIATIONS									
Federal Funds									
4,717	1,436	-366	5,787	2,866	Administration and Support Services	99	4,717	4,708	4,708
4,717	1,436	-366	5,787	2,866	Total Federal Funds		4,717	4,708	4,708
All Other Funds									
---	5,900 1,514 ^R	2,507	9,921	5,301	Administration and Support Services	99	1,300	1,300	1,300
---	7,414	2,507	9,921	5,301	Total All Other Funds		1,300	1,300	1,300
9,405	8,881	6,670	24,956	17,337	GRAND TOTAL ALL FUNDS		11,255	9,775	9,775

Notes -- Direct State Services - General Fund

(a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program and reallocation of administrative efficiencies.

HEALTH AND SENIOR SERVICES

20. PHYSICAL AND MENTAL HEALTH

26. SENIOR SERVICES

OBJECTIVES

1. To provide a variety of medical and health services to individuals in their own homes to avoid unnecessary institutional placement.
2. To provide prescription drugs, insulin and insulin syringes for state residents qualifying for the Pharmaceutical Assistance to the Aged and Disabled (PAAD) and Senior Gold programs (C.30:4D-21 et seq.).
3. To promote and encourage advocacy for the aging population at the federal, State, county and municipal levels in order to ensure that the elderly will not be deprived of their rights, privileges, entitlements or benefits.
4. To promote, advocate and insure, as a whole and in particular cases, the adequacy of the care received, and the quality of life experienced, by elderly patients, residents and clients of institutional facilities within this state.
5. To assure through the County Offices on Aging that congregate and in-home nutrition services are provided on a daily basis to residents aged 60 years and older with emphasis on those in greatest need.
6. To continue to serve as an effective and visible advocate for the elderly through programs for the aging.
7. To provide assistance to elderly citizens who have been found by the court to need a guardian or conservator and to administer those services in order to provide a better quality of life for each individual represented.
8. To set nursing facility Medicaid reimbursement through the rate setting process.

care services are also provided to persons previously ineligible because of income limits.

24. **Pharmaceutical Assistance to the Aged and Disabled (PAAD).** The Pharmaceutical Assistance to the Aged (PAA) Program provides prescription drug benefits to persons over 65 years of age with an income of up to \$9,000 if single or \$12,000 if married. Eligible individuals above these income limits and the disabled are funded from the Casino Revenue Fund through the Pharmaceutical Assistance to the Aged and Disabled (PAAD) Program, which provides prescription drug benefits to persons over 65 years of age, or disabled as defined by the Federal Social Security Act, with an income of up to \$21,850 if single or \$26,791 if married. The Senior Gold program provides prescription drug benefits to everyone over 65 years of age or receiving Social Security Disability benefits, whose annual income is \$10,000 above the applicable PAAD income eligibility limits for single and married persons, which amount is to be determined on the same basis as income is determined for the purpose for eligibility for PAAD.

55. **Programs for the Aged.** The Division of Senior Affairs (C.52:27D-28.1) supports programs which improve the quality of life for New Jersey's older citizens through technical assistance and grants to local entities. Funded programs include congregate and home delivered meals, informational assistance, outreach, personal care, legal services, transportation, telephone reassurance, housekeeping and chore services, and case management. These programs are financed with both State and federal funds. The 21 County Offices on Aging are also supported with State aid.

57. **Office of the Public Guardian.** The Public Guardian (C.52:27G-20 et seq.) provides guardianship services for elderly adults who have been deemed by the courts to be in need of a guardian or conservator. Services include legal assistance, individualized social service plans, investigations into family/social history, and financial management, dependent on the client's personal needs.

PROGRAM CLASSIFICATIONS

22. **Medical Services for the Aged.** Supports medically related services to eligible elderly and disabled individuals including community-based services to clients who would normally be eligible for Medicaid coverage only in an institution. Rebates for hearing aids purchased are provided to persons eligible for Pharmaceutical Assistance to the Aged and Disabled. Home

EVALUATION DATA

PROGRAM DATA	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Medical Services for the Aged				
Nursing Home Services:				
Per diem	\$131.67	\$155.06	\$157.23	\$162.18
Patient days	10,645,163	10,665,698	10,680,084	10,480,084
Gross annual cost (a)	\$1,401,648,612	\$1,653,825,228	\$1,679,200,000	\$1,699,700,000
Medical Day Care Services				
Per diem	\$73.01	\$78.60	\$83.06	\$89.16
Total days	1,513,416	1,681,341	1,942,044	2,015,562
Gross annual cost	\$110,499,536	\$132,146,633	\$161,297,502	\$179,702,000
Community Care Programs:				
Community Care Program for the Elderly and Disabled clients served	5,200	5,200	5,200	5,200
Community Care Program for the Elderly and Disabled amount expended	\$ 56,257,208 ^(b)	\$ 57,780,159 ^(b)	\$ 58,605,778 ^(b)	\$ 60,716,000
Assisted Living/ Alternative Family Care Clients served	2,450	3,200	3,575	3,575

HEALTH AND SENIOR SERVICES

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Pharmaceutical Assistance to the Aged and Disabled				
Pharmaceutical Assistance to the Aged (PAA) Only:				
Average monthly eligibles	16,657	15,023	14,105	13,843
Average monthly prescriptions per eligible	2.47	2.60	2.62	2.65
Annual prescriptions	493,713	469,130	443,461	440,210
Cost per prescription (excludes co-payment)	\$65.88	\$48.18	\$67.28	\$71.04
Gross Cost PAA Program	\$32,527,859	\$22,604,189	\$29,835,000	\$29,835,000
Recoveries (c)	---	---	---	---
Annual Cost	\$32,527,859	\$22,604,189	\$29,835,000	\$29,835,000
Pharmaceutical Assistance to the Aged & Disabled (PAAD) Only:				
Aged				
Average monthly eligibles	148,349	148,280	147,508	146,790
Average monthly prescriptions per eligible	3.08	3.30	3.37	2.45
Annual prescriptions	5,477,045	5,838,243	5,965,224	4,315,626
Cost per prescription (excludes co-payment)	\$71.07	\$66.45	\$66.47	\$71.04
Gross Cost PAAD Program (Aged only)	\$389,266,584	\$387,922,270	\$396,487,454	\$306,583,853
Recoveries (c)	(\$5,638,260)	(\$12,058,310)	(\$6,857,250)	(\$838,634)
PAAD manufacturers' rebates (c)	(\$95,940,109)	(\$107,673,783)	(\$146,250,000)	(\$11,181,968)
Net Annual Cost	\$287,648,215	\$268,190,176	\$243,380,204	\$294,563,250
Disabled				
Average monthly eligibles	27,902	28,274	28,921	29,583
Average monthly prescriptions per eligible	3.99	3.94	3.98	2.88
Annual prescriptions	1,334,832	1,396,133	1,381,267	1,022,382
Cost per prescription (excludes co-payment)	\$97.20	\$92.62	\$95.68	\$99.96
Gross Cost PAAD Program (Disabled only)	\$129,742,195	\$129,307,423	\$132,162,485	\$102,194,618
Recoveries (c)	(\$1,879,420)	(\$4,019,437)	(\$2,285,750)	(\$279,545)
PAAD manufacturers' rebates (c)	(\$31,980,036)	(\$35,891,261)	(\$48,750,000)	(\$3,727,323)
Net Annual Cost	\$95,882,738	\$89,396,725	\$81,126,735	\$98,187,750
Total General Fund	\$161,411,859	\$71,186,073	\$49,943,938	\$151,511,000
Total Casino Revenue Fund	\$254,646,953	\$309,005,018	\$304,398,000	\$271,075,000
Senior Gold				
Aged				
Average monthly eligibles	28,257	28,591	28,750	28,910
Average monthly prescriptions per eligible	2.08	2.09	2.11	2.16
Annual prescriptions	705,295	734,710	741,218	747,783
Cost per prescription (excludes cost sharing)	\$27.13	\$29.39	\$31.48	\$33.80
Gross Cost Senior Gold Program (Aged only)	\$19,135,019	\$21,596,430	\$23,331,189	\$25,274,550
Senior Gold manufacturers' rebates	(\$4,028,510)	(\$5,677,173)	(\$6,000,000)	(\$6,500,000)
Net Annual Cost	\$15,106,509	\$15,919,257	\$17,331,189	\$18,774,550
Disabled				
Average monthly eligibles	1,461	1,672	1,839	2,023
Average monthly prescriptions per eligible	2.34	2.30	2.25	2.18
Annual prescriptions	41,025	46,080	49,653	52,962
Cost per prescription (excludes cost sharing)	\$38.00	\$42.70	\$43.14	\$43.81
Gross Cost Senior Gold Program (Disabled only)	\$1,558,839	\$1,967,549	\$2,142,057	\$2,320,450
Net Annual Cost	\$1,558,839	\$1,967,549	\$2,142,057	\$2,320,450
Total General Fund (e)	\$16,665,348	\$17,886,805	\$19,473,246	\$21,095,000

HEALTH AND SENIOR SERVICES

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Programs for the Aged				
Services and Service Units Provided:				
Congregate meals service	2,046,365	2,033,193	2,034,000	2,034,000
Home delivered meals service	3,728,549	3,721,850	3,722,000	3,722,000
Transportation service	990,346	890,825	891,000	891,000
Information and referral service	378,094	256,573	357,000	357,000
Telephone reassurance service	263,542	290,969	291,000	291,000
Outreach service	89,097	75,370	76,000	76,000
Personal care service	992,075	815,884	816,000	816,000
Legal service	26,161	23,114	24,000	24,000
Housekeeping and chore services	488,684	418,277	419,000	419,000
Education and training services	17,936	32,798	33,000	33,000
Case management service	210,890	192,030	193,000	193,000
Physical health services	65,637	89,103	90,000	90,000
Congregate Housing Services Program				
Persons served	2,916	2,747	3,000	4,200
Site locations	70	60	62	78
Adult Protective Services				
Persons served	4,621	4,787	4,800	4,800
Health Insurance Counseling				
Clients served	90,980	134,000	175,000	175,000
Security Housing and Transportation				
Clients served	7,083	6,527	6,600	6,600
Gerontology Services				
Geriatric Patients Served	3,004	3,514	3,500	3,500
Alzheimer's Day Care Units Provided	55,700	58,843	61,800	61,700
Persons Trained in Gerontology	4,402	4,803	4,800	4,800
Caregivers Receiving Respite Care	3,964	2,500	2,500	2,500
Office of the Public Guardian				
Office of the Public Guardian				
Number of inquiries	539	609	625	719
Number of cases handled	1,796	2,022	2,282	2,581
Number of court-appointed cases	182	259	260	299

PERSONNEL DATA

Position Data

Filled Positions by Funding Source

State Supported	282	297	286	293
Federal	114	121	168	172
All Other	25	28	28	27
Total Positions	421	446	482	492

Filled Positions by Program Class

Medical Services for the Aged	172	194	195	202
Pharmaceutical Assistance to the Aged & Disabled	146	147	183	184
Lifeline	22	21	20	20
Programs for the Aged	53	49	47	53
Office of the Public Guardian	28	35	37	33
Total Positions	421	446	482	492

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

The actual fiscal year 2004 amount has been restated to reflect accurate accounts.

The appropriation and evaluation data for the Lifeline Credits and Tenants Assistance Rebates Programs have been adjusted for all fiscal years to reflect the transfer of these programs to the Board of Public Utilities (BPU), in accordance with a Memorandum of Understanding (MOU) between the BPU and the Department of Health and Senior Services (DHSS). The administrative portion of Lifeline will remain in the Department of Health and Senior Services.

- (a) Includes expenses for Medicaid High Occupancy, federal Peer Grouping, and SOBRA funded in the General Fund.
- (b) Includes resources from the Casino Revenue Fund, Grants-in-Aid, the Health Care Subsidy Fund, and matching federal funds.
- (c) Rebates and recoveries earned by all portions of the PAA/PAAD program; rebates are applied to the PAAD program only.

HEALTH AND SENIOR SERVICES

- (d) Definition was changed to standardize reporting by Adult Protective Services agencies.
 (e) Excludes \$3,850,000 appropriated for administration.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	2006 Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
<u>DIRECT STATE SERVICES</u>								
Distribution by Fund and Program								
5,733	71	3,407	9,211	9,107	22	6,193	6,193	6,193
8,560	568	4,701	13,829	11,034				
---	---	---	---	1	24	3,751	8,606	8,606
1,333	31	460	1,824	1,765	28	---	---	---
462	---	332	794	786	55	1,333	1,333	1,333
871	31	128	1,030	979		462	462	462
681	---	---	681	679		871	871	871
					57	850	850	850
16,307	670	8,568	25,545	22,586		12,127	16,982	16,982
15,436	639	8,440	24,515	21,607		11,256	16,111	16,111
871	31	128	1,030	979		871	871	871
Distribution by Fund and Object								
Personal Services:								
8,649	---	-591	8,058	7,449		5,549		
						95 ^S	9,505	9,505
796	---	---	796	598		658	658	658
---	---	---	---	198		138	138	138
9,445	---	-591	8,854	8,245		6,440	10,301	10,301
8,649	---	-591	8,058	7,449		5,644	9,505	9,505
796	---	---	796	796		796	796	796
163	70	-159	74	72		163	163	163
14	---	---	14	14		14	14	14
1,145	---	1,421	2,566	2,561		1,145	2,139	2,139
47	---	128	175	169		47	47	47
437	---	-113	324	321		437	437	437
2	---	---	2	---		2	2	2
Special Purpose:								
737	---	---	737	737		737	737	737
---	---	3,700	3,700	3,606	22	---	---	---
4,134	568	---	4,702	3,515	22	---	---	---
---	---	3,850	3,850	2,848	24	2,959	2,959	2,959
---	---	332	332	331	24	---	---	---
143	---	---	143	143	55	---	---	---
28	1	---	29	24	55	143	143	143
12	31	---	43	---		28	28	28
						12	12	12
<u>GRANTS-IN-AID</u>								
Distribution by Fund and Program								
852,241	3,292	-3,954	851,579	846,121	22	852,199	848,597	848,597
823,780	3,292	-3,954	823,118	817,787		821,668	817,968	817,968
28,461	---	---	28,461	28,334		30,531	30,629	30,629
439,150	165,042	-3,850	600,342	547,320	24	409,493	447,531	447,531

HEALTH AND SENIOR SERVICES

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
130,064	21,477	-3,850	147,691	94,750		105,095	176,456	176,456	
309,086	143,565	---	452,651	452,570		304,398	271,075	271,075	
30,939	---	-309	30,630	30,233	Programs for the Aged	29,058	28,209	28,209	
16,577	---	-181	16,396	15,999	(From General Fund)	14,174	13,532	13,532	
14,362	---	-128	14,234	14,234	(From Casino Revenue Fund)	14,884	14,677	14,677	
1,322,330	168,334	-8,113	1,482,551	1,423,674	Total Grants-in-Aid	1,290,750	1,324,337	1,324,337	
970,421	24,769	-7,985	987,205	928,536	(From General Fund)	940,937	1,007,956	1,007,956	
351,909	143,565	-128	495,346	495,138	(From Casino Revenue Fund)	349,813	316,381	316,381	
Distribution by Fund and Object									
Grants:									
23,540	---	-2,740	20,800	20,767	Assisted Living Program	22	23,540	23,540	23,540
1,000 ^S	---	-133	867	867	Community Care Alternatives	22	---	---	---
28,026	---	---	28,026	28,025	Community Care Alternatives (CRF)	22	30,141	30,358	30,358
---	---	---	---	---	Global Budget Long Term Care Initiative	22	15,000	15,000	15,000
680,917					Payments for Medical Assistance Recipients - Nursing Homes (a)	22	648,000	660,700	660,700
22,000 ^S	3,292	4,115	710,324	705,038			28,500 ^S		
48,446	---	-246	67,200	67,200	Medical Day Care Services	22	73,751	89,851	89,851
19,000 ^S	---	---	---	---	Medicaid High Occupancy - Nursing Homes	22	4,000 ^S	9,000	9,000
9,000	---	---	9,000	9,000	ElderCare Initiatives	22	19,877	19,877	19,877
19,877	---	-4,950	14,927	14,915	Home Care Expansion (CRF)	22	190	71	71
235	---	---	235	190	Hearing Aid Assistance for the Aged and Disabled (CRF)	22	200	200	200
200	---	---	200	119	Pharmaceutical Assistance to the Aged - Claims	24	29,835	29,835	29,835
29,835	---	-4,500	25,335	22,604	Pharmaceutical Assistance to the Aged and Disabled - Claims (b)	24	51,238	121,676	121,676
100,238	15,800	4,500	95,582	48,582	Pharmaceutical Assistance to the Aged and Disabled - Claims (CRF) (c)	24	304,398	271,075	271,075
-24,956 ^S					Senior Gold Prescription Assistance Program	24	24,022	24,945	24,945
284,130					Arthritis Quality of Life Initiative Act	55	642	---	---
24,956 ^S	143,565 ^R	---	452,651	452,570	Purchase of Social Services	55	9,296	9,296	9,296
24,947	5,677 ^R	-3,850	26,774	23,564	ElderCare Advisory Commission Initiatives	55	2,500	2,500	2,500
620	---	---	620	619	Cost-of-Living Adjustment, Senior Services	55	---	---	---
8,673	---	---	8,673	8,673	Alzheimer's Disease Program	55	831	831	831
2,500	---	-332	2,168	2,168	Demonstration Adult Day Care Center Program - Alzheimer's Disease (CRF)	55	2,724	2,724	2,724
1,164	---	151	1,315	919	Adult Protective Services	55	905	905	905
775	---	---	775	775	Adult Protective Services (CRF)	55	1,842	1,842	1,842
2,632	---	-50	2,582	2,582	Senior Citizen Housing-Safe Housing and Transportation (CRF)	55	---	---	---
845	---	---	845	845	Senior Citizen Housing-Safe Housing and Transportation (CRF)	55	1,726	1,726	1,726
1,780	---	-78	1,702	1,702	Respite Care for the Elderly (CRF)	55	5,566	5,359	5,359
2,000	---	---	2,000	2,000					
1,668	---	---	1,668	1,668					
5,359	---	---	5,359	5,359					

HEALTH AND SENIOR SERVICES

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
GRANTS-IN-AID									
1,938	---	---	1,938	1,938	Congregate Housing Support Services (CRF)	55	2,006	2,006	2,006
985	---	---	985	985	Home Delivered Meals Expansion (CRF)	55	1,020	1,020	1,020
STATE AID									
Distribution by Fund and Program									
7,108	---	---	7,108	7,108	Programs for the Aged	55	7,152	7,152	7,152
<u>7,108</u>	<u>---</u>	<u>---</u>	<u>7,108</u>	<u>7,108</u>	Total State Aid		<u>7,152</u>	<u>7,152</u>	<u>7,152</u>
Distribution by Fund and Object									
State Aid:									
2,832	---	---	2,832	2,832	County Offices on Aging	55	2,498	2,498	2,498
4,276	---	---	4,276	4,276	Older Americans Act-State Share	55	4,654	4,654	4,654
<u>1,345,745</u>	<u>169,004</u>	<u>455</u>	<u>1,515,204</u>	<u>1,453,368</u>	Grand Total State Appropriation		<u>1,310,029</u>	<u>1,348,471</u>	<u>1,348,471</u>
OTHER RELATED APPROPRIATIONS									
Federal Funds									
924,800					Medical Services for the Aged	22	1,119,516	1,136,333	1,136,333
158,000 ^S	-7,476	-605	1,074,719	979,096	Pharmaceutical Assistance to the Aged and Disabled	24	11,366	3,842	3,842
90,994					Programs for the Aged	55	45,432	47,170	47,170
2,842 ^S	---	---	93,836	3,740	Office of the Public Guardian	57	801	951	951
44,472					Total Federal Funds		<u>1,177,115</u>	<u>1,188,296</u>	<u>1,188,296</u>
609 ^S	2,646	15	47,742	40,832					
801	---	---	801	631					
<u>1,222,518</u>	<u>-4,830</u>	<u>-590</u>	<u>1,217,098</u>	<u>1,024,299</u>					
All Other Funds									
---	135,374 ^R	---	135,374	83,366	Medical Services for the Aged	22	135,374	135,374	135,374
---	184	---	321	89	Programs for the Aged	55	300	150	150
---	137 ^R	---	789	789	Office of the Public Guardian	57	600	800	800
---	8	---	<u>136,484</u>	<u>84,244</u>	Total All Other Funds		<u>136,274</u>	<u>136,324</u>	<u>136,324</u>
---	781 ^R	---	<u>2,568,263</u>	<u>2,561,911</u>	GRAND TOTAL ALL FUNDS		<u>2,623,418</u>	<u>2,673,091</u>	<u>2,673,091</u>
---	<u>136,484</u>	---	<u>2,868,786</u>	<u>2,561,911</u>					
<u>2,568,263</u>	<u>300,658</u>	<u>-135</u>	<u>2,868,786</u>	<u>2,561,911</u>					

Notes -- Grants-In-Aid - General Fund

- (a) The fiscal 2005 actual amount reflects an \$18,000,000 federal revenue maximization offset for the Enhanced Peer Grouping initiative. The fiscal 2006 adjusted appropriation amount and the fiscal 2007 recommended and requested amount reflects an \$18,000,000 offset for a new federal initiative.
- (b) Amounts represent partial costs of the Pharmaceutical Assistance to the Aged and Disabled program. The remainder is funded by the Casino Revenue Fund.

Notes -- Grants-In-Aid - Casino Revenue Fund

- (c) In fiscal 2005, \$75,282,000 has been shifted to the General Fund due to insufficient resources in the Casino Revenue Fund. In fiscal 2006, \$51,238,000 has been shifted to the General Fund.
- The Department of the Public Advocate was created in fiscal year 2006 pursuant to P.L. 2005, c.155. For comparison purposes, appropriations in fiscal years 2005 and 2006 for salary and other operating costs were transferred from the following departments: Corrections Ombudsperson in the Department of Corrections; Office of the Ombudsman in the Department of Health and Senior Services; Child Advocate Agency in-but-not-of the Department of Law and Public Safety; and the Ratepayer Advocacy, Dispute Settlement and Mental Health Screening Services in the Department of Treasury.

Language Recommendations -- Direct State Services - General Fund

When any action by a county welfare agency, whether alone or in combination with the Division of Medical Assistance and Health Services in the Department of Human Services or the Department of Health and Senior Services, results in a recovery of improperly granted medical assistance, the Division of Medical Assistance and Health Services or the Department of Health and Senior Services may reimburse the county welfare agency in the amount of 25% of the gross recovery.

Notwithstanding the provisions of any other State law to the contrary, any third party, as defined in subsection m. of section 3 of P.L.1968, c.413 (C.30:4D-3), writing health, casualty or malpractice insurance policies in the State or covering residents of this State, shall

HEALTH AND SENIOR SERVICES

enter into an agreement with the Department of Health and Senior Services to permit and assist the matching of the Department of Health and Senior Services' program eligibility and/or adjudication claims filed against that third party's eligibility and/or adjudicated claims filed for the purpose of the coordination of benefits, utilizing, if necessary, social security numbers as common identifiers.

The unexpended balance at the end of the preceding fiscal year in the Payments to Fiscal Agent - PAA account are appropriated.

Such sums as may be necessary, not to exceed \$1,669,000, may be credited from the Energy Assistance program account in the Board of Public Utilities to the Lifeline program account and shall be applied in accordance with a Memorandum of Understanding between the President of the Board of Public Utilities and the Commissioner of Health and Senior Services, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts from the Office of the Public Guardian for Elderly Adults are appropriated.

Language Recommendations -- Grants-In-Aid - General Fund

The amounts hereinabove appropriated for Payments for Medical Assistance Recipients-Nursing Homes are available for the payment of obligations applicable to prior fiscal years.

In order to permit flexibility in the handling of appropriations and ensure the timely payment of claims to providers of medical services, amounts may be transferred to and from the various items of appropriation within the General Medical Services program classification in the Division of Medical Assistance and Health Services in the Department of Human Services and the Medical Services for the Aged program classification in Senior Services in the Department of Health and Senior Services, subject to the approval of the Director of the Division of Budget and Accounting. Notice thereof shall be provided to the Legislative Budget and Finance Officer on the effective date of the approved transfer.

All funds recovered pursuant to P.L.1968, c.413 (C.30:4D-1 et seq.) and P.L.1975, c.194 (C.30:4D-20 et seq.) during the fiscal year ending June 30, 2006 are appropriated for payments to providers in the same program class from which the recovery originated.

The Division of Medical Assistance and Health Services in the Department of Human Services and the Department of Health and Senior Services, subject to federal approval, shall implement policies that would limit the ability of persons who have the financial ability to provide for their own long-term care needs to manipulate current Medicaid rules to avoid payment for that care. The Division of Medical Assistance and Health Services and the Department of Health and Senior Services shall require, in the case of a married individual requiring long-term care services, that the portion of the couple's resources which are not protected for the needs of the community spouse be used solely for the purchase of long-term care services.

Notwithstanding the provisions of any other law to the contrary, a sufficient portion of receipts generated or savings realized in the Medical Services for the Aged Grants-In-Aid accounts from initiatives included in the current fiscal year appropriations act may be transferred to administration accounts to fund costs incurred in realizing these additional receipts or savings, subject to the approval of the Director of the Division of Budget and Accounting.

Such sums as may be necessary are appropriated from enhanced audit recoveries obtained by the Department of Health and Senior Services to fund the costs of enhanced audit recovery efforts of the Department within the Medical Services for the Aged program classification, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of any other law to the contrary, reimbursement for nursing facility services, which are funded hereinabove in the Payments for Medical Assistance Recipients-Nursing Homes account, shall be 50% of the per diem rate when a Medicaid beneficiary is hospitalized. These payments shall be limited to the first 10 days of the hospitalization. Medicaid reimbursement for nursing facility services shall be discontinued beyond the tenth day of the hospitalization.

The funds hereinabove appropriated for Payments for Medical Assistance Recipients-Medicaid High Occupancy-Nursing Homes shall be distributed for patient services among those nursing homes where the Medicaid patient day occupancy level is at or above 75%. Each such facility shall receive its distribution through a prospective per diem rate adjustment according to the following formula: $E = A \text{ Medicaid days} / T \text{ Medicaid days} \times F$; where E is the entitlement for a specific nursing home resulting from this allocation; A Medicaid days is an individual nursing home's reported Medicaid days on June 30, 2006; T Medicaid days is the total reported Medicaid days for all affected nursing homes; and F is the total amount of State and federal funds to be distributed. No nursing home shall receive a total allocation greater than the amount lost, due to adjustments in Medicaid reimbursement methodology, which became effective April 1, 1995. Any balances remaining undistributed, from the abovementioned amount, shall be deposited in a reserve account in the General Fund.

Notwithstanding the provisions of any other law or regulation to the contrary, each prescription order dispensed in the Pharmaceutical Assistance to the Aged and Disabled program and the Senior Gold Prescription Discount Program for Maximum Allowable Cost (MAC) drugs, which are appropriated hereinabove in the Pharmaceutical Assistance to the Aged and Disabled-Claims program and Senior Gold Prescription Discount Program, shall state "Brand Medically Necessary" in the prescriber's own handwriting if the prescriber determines that it is necessary to override generic substitution of drugs, and each prescription order shall follow the requirements of P.L.1977, c.240 (C.24:6E-1 et seq.).

The amounts hereinabove appropriated for payments for the Pharmaceutical Assistance to the Aged and Disabled program, P.L.1975, c.194 (C.30:4D-20 et seq.), and the Senior Gold Prescription Discount Program, P.L.2001, c.96 (C.30:4D-43 et seq.), are available for the payment of obligations applicable to prior fiscal years.

Benefits provided under the Pharmaceutical Assistance to the Aged and Disabled (PAAD) program, P.L.1975, c.194 (C.30:4D-20 et seq.), and the Senior Gold Prescription Discount Program, P.L.2001, c.96 (C.30:4D-43 et seq.), shall be the last resource benefits, notwithstanding any provisions contained in contracts, wills, agreements or other instruments. Any provision in a contract of insurance, will, trust agreement or other instrument which reduces or excludes coverage or payment to an individual because of that individual's eligibility for, or receipt of, PAAD or Senior Gold Prescription Discount Program benefits shall be void, and no PAAD and Senior Gold Prescription Discount Program payments shall be made as a result of any such provision.

HEALTH AND SENIOR SERVICES

Of the amount hereinabove appropriated in the Pharmaceutical Assistance to the Aged and Disabled-Claims program, notwithstanding the provisions of section 3 of P.L.1975, c.194 (C.30:4D-22) to the contrary, the copayment in the Pharmaceutical Assistance to the Aged and Disabled program shall be \$5.00.

Notwithstanding the provisions of any other law or regulation to the contrary, effective July 1, 2003, no State funds are appropriated for a Drug Utilization Review Council in the Department of Health and Senior Services and therefore the functions of the Council shall cease.

Notwithstanding the provisions of any other law to the contrary, no funds appropriated for the Pharmaceutical Assistance to the Aged and Disabled (PAAD) program, pursuant to P.L.1975, c.194 (C.30:4D-20 et seq.), and the Senior Gold Prescription Discount Program, pursuant to P.L.2001, c.96 (C.30:4D-43 et seq.), shall be expended, when PAAD or Senior Gold is the primary payer, unless participating pharmaceutical manufacturing companies execute contracts with the Department of Health and Senior Services, through the Department of Human Services, providing for the payment of rebates to the State. Furthermore, rebates from pharmaceutical manufacturing companies for prescriptions purchased by the PAAD program and the Senior Gold Prescription Discount Program shall continue during the current fiscal year, provided that the manufacturer's rebates for the Senior Gold Prescription Discount Program shall apply only to the amount paid by the State under the Senior Gold Prescription Discount program. All revenues from such rebates during this fiscal year are appropriated for the PAAD program and the Senior Gold Prescription Discount Program. Provided further that for fiscal year 2007, the Commissioner of the Department of Health and Senior Services, in consultation with the State Treasurer, shall negotiate and implement additional measures to maximize savings and cost recoveries in the PAAD and Senior Gold Prescription Discount Programs to ensure that the State of New Jersey is an aggressively cost-conscious purchaser of prescription drugs.

Notwithstanding the provisions of any other law or regulation to the contrary, no funds appropriated in the Pharmaceutical Assistance to the Aged and Disabled program classification and the Senior Gold Prescription Discount Program account shall be expended for prescription claims with no Medicare D coverage except under the following conditions: (a) reimbursement for prescription drugs shall be based on the Average Wholesale Price less a 15% discount from July 1, 2006 through December 31, 2006. In accordance with the federal Deficit Reduction Act, effective January 1, 2007, reimbursement for multiple source drugs shall not exceed 250% of the lowest Average Manufacturer's Price (AMP) or AWP less a 20% discount, whichever is lower, and reimbursement for single source innovator drugs will be calculated using the retail survey price or AWP less a 20% discount, whichever is lower; (b) the current prescription drug dispensing fee structure set as a variable rate of \$3.73 to \$4.07 shall remain in effect through the current fiscal year, including the current increments for patient consultation, impact allowances and allowances for 24-hour emergency services; and (c) multisource generic and single source brand name drugs shall be dispensed without prior authorization but multisource brand name drugs shall require prior authorization issued by the Department of Health and Senior Services or its authorizing agent, however, a 10-day supply of the multisource brand name drug shall be dispensed pending receipt of prior authorization. Certain multisource brand name drugs with a narrow therapeutic index, other drugs recommended by the Drug Utilization Review Board or brand name drugs with a lower cost per unit than the generic may be excluded from prior authorization by the Department of Health and Senior Services.

In addition to the amount hereinabove, there are appropriated from the General Fund and available federal matching funds such additional sums as may be required for the payment of claims, credits and rebates, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of any other law to the contrary, no funds appropriated for the Pharmaceutical Assistance to the Aged and Disabled (PAAD) programs and the Senior Gold Prescription Discount Program are available to pharmacies that have not submitted an application to enroll as an approved medical supplier in the Medicare program, unless they already are an approved Medicare medical supplier. Pharmacies will not be required to bill Medicare directly for Medicare Part B drugs and supplies, but must agree to allow PAAD to bill Medicare on their behalf by completing and submitting an electronic data interchange (EDI) form to PAAD. Beneficiaries are responsible for the applicable PAA/D or Senior Gold Prescription Discount Program copayment.

Notwithstanding the provisions of any other law to the contrary, no funds appropriated for the Pharmaceutical Assistance to the Aged and Disabled program and the Senior Gold Prescription Discount Program shall be used to pay for quantities of erectile dysfunction therapy medication in excess of four treatments per month. Moreover, payment will only be provided if the diagnosis of erectile dysfunction is written on the prescription form and the treatment is provided to males over the age of 18 years. Furthermore, no payments for erectile dysfunction therapy will be made on behalf of sex offenders.

Notwithstanding the provisions of any other law to the contrary, the appropriation hereinabove for PAAD and Senior Gold is conditioned upon the Commissioner of Health and Senior Services establishing a retrospective Polypharmacy drug utilization review program to study the efficacy, necessity, and safety of prescriptions in excess of 10 per month per PAAD or Senior Gold Prescription Discount Program client and shall approve or disallow future payments for clients whose prescriptions exceed 10 per client per month if the prescriptions have been proven inefficient, unnecessary, or unsafe.

Notwithstanding the provisions of any law or regulation to the contrary, the Department of Health and Senior Services shall have the authority to establish a voluntary prescription drug mail-order program. The mail-order program may waive, discount or rebate the beneficiary copay and mail-order pharmacy providers may dispense up to a 90-day supply on prescription refills with the voluntary participation of the beneficiary, subject to the approval of the Commissioner of Health and Senior Services and the Director of the Division of Budget and Accounting.

At any point during the year, and notwithstanding the provisions of any other law or regulation to the contrary, subject to the approval of a plan by the Commissioner of Health and Senior Services, no funds appropriated for the Pharmaceutical Assistance to the Aged and Disabled (PAAD) program, pursuant to P.L. 1975, c.194 (C.30:4D-20 et seq.), or the Senior Gold Prescription Discount program, pursuant to P.L. 2001, c.96 (C.30:4D-43 et seq.), shall be expended, when PAAD or Senior Gold is the primary payer, unless participating pharmaceutical manufacturing companies execute contracts with the Department of Health and Senior Services, through the Department of Human Services, providing for the payment of rebates to the State on the same basis as provided for in section

HEALTH AND SENIOR SERVICES

1927 (a) through (c) of the federal Social Security Act, 42 U.S.C.s.1396r-8(a)-(c). Provided further that for Fiscal Year 2007, the Commissioner of the Department of Health and Senior Services, in consultation with the State Treasurer, shall negotiate and implement additional measures to maximize savings and cost recoveries in the PAAD and Senior Gold Prescription Discount Programs to ensure that the State of New Jersey is an aggressively cost-conscious purchaser of prescription drugs.

Notwithstanding the provisions of any law or regulation to the contrary, from the amount hereinabove appropriated for the Pharmaceutical Assistance to the Aged and Disabled (PAAD) program and Senior Gold Prescription Discount Program, the Commissioner of Health and Senior Services shall establish a disease management program to improve the quality of care for beneficiaries and reduce costs in the PAAD program and Senior Gold Prescription Discount Program.

From the amount hereinabove appropriated for the Senior Gold Prescription Discount Program, an amount not to exceed \$3,850,000 may be transferred to various accounts as required, including Direct State Services accounts, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of any other law to the contrary and subject to the notice provisions of 42 CFR 447.205, for rates implemented on or after July 1, 2000, target occupancy as determined pursuant to N.J.A.C.10:63-3.16 shall not apply to those facilities receiving enhanced rates of reimbursement pursuant to N.J.A.C.10:63-2.21. The per diem amounts for all other expenses of the enhanced rates shall be based upon reasonable base period costs divided by actual base period patient days, but no less than 85% of licensed bed days shall be used.

In order to permit flexibility in the handling of appropriations and ensure the timely payment of claims to providers of medical services, amounts may be transferred between the various items of appropriation within the Medical Services for the Aged and Programs for the Aged program classifications to ensure the continuity of long-term care support services for beneficiaries receiving services within the Medical Services for the Aged program classification in the Division of Senior Services in the Department of Health and Senior Services, subject to the approval of the Director of Budget and Accounting. Notice thereof shall be provided to the Legislative Budget and Finance Officer on the effective date of the approved transfer.

Notwithstanding the provisions of any law to the contrary, effective January 1, 2005, no payment for Medicaid Adult or Pediatric Medical Day Care services, as hereinabove appropriated in the Medical Day Care Services account, shall be provided unless the services are prior authorized by professional staff designated by the Department of Health and Senior Services.

From the amount hereinabove appropriated for Payments for Medical Assistance Recipients - Nursing Homes, the Commissioner of Health and Senior Services shall increase the reasonableness limit for total nursing care up to 120% of the median costs in the Medicaid nursing home rate-setting system during the current fiscal year.

Such sums as may be necessary, not to exceed \$70,840,000, for payments for the Lifeline Credit and Tenants' Lifeline Assistance programs, may be credited from the Energy Assistance program account in the Board of Public Utilities to the Lifeline program account and shall be applied in accordance with a Memorandum of Understanding between the President of the Board of Public Utilities and the Commissioner of Health and Senior Services, subject to the approval of the Director of the Division of Budgeting and Accounting.

Such sums as may be necessary are appropriated from the General Fund for the payment of increased nursing home rates to reflect the costs incurred due to the payment of a nursing home provider assessment, pursuant to the "Nursing Home Quality of Care Improvement Fund Act," P.L.2003, c.105 (C.26:2H-92 et seq) and P.L.2004, c.41, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of any law or regulation to the contrary, the appropriation hereinabove for Medical Day Care Services is conditioned upon rate increases for the nursing home provider assessment not being included in the calculation of the Adult/Pediatric Day Care payment rates.

Notwithstanding the provisions of any other law or regulation to the contrary, the appropriations hereinabove to the Pharmaceutical Assistance to the Aged and Pharmaceutical Assistance to the Aged and Disabled (PAA/D) programs is conditioned upon the Department of Health and Senior Services coordinating the benefits of the PAA/D programs with the prescription drug benefits of the federal "Medicare Prescription Drug, Improvement, and Modernization Act of 2003" (MMA) as the primary payer due to the current federal prohibition against State automatic enrollment of PAA/D recipients in the new federal program. The PAA/D benefit and reimbursement shall only be available to cover the beneficiary cost share to in-network pharmacies and for deductible and coverage gap costs (as determined by the Commissioner of the Department of Health and Senior Services) associated with enrollment in Medicare Part D for beneficiaries of the PAA/D and Senior Gold programs, and for Medicare Part D premium costs for PAA/D beneficiaries.

Notwithstanding the provisions of any other law or regulation to the contrary, effective January 1, 2006, no funds appropriated in the Pharmaceutical Assistance to the Aged or Pharmaceutical Assistance to the Aged and Disabled (PAA/D) and Senior Gold programs shall be available as payment as a PAA/D or Senior Gold benefit to any pharmacy that is not enrolled as a participating pharmacy in a pharmacy network under federal Medicare Part D.

Consistent with the requirements of the federal "Medicare Prescription Drug, Improvement, and Modernization Act of 2003" (MMA) and the current federal prohibition against State automatic enrollment of Pharmaceutical Assistance to the Aged and Pharmaceutical Assistance to the Aged and Disabled (PAA/D) recipients, no funds hereinabove appropriated from the PAA/D accounts shall be expended unless any individual enrolled in the PAA/D program provides all data that may be necessary to enroll them in the federal Medicare Part D drug program, including data required for the low income subsidy assistance, as outlined by the Centers for Medicare and Medicaid Services.

Notwithstanding the provisions of any other law or regulation to the contrary, the appropriations hereinabove for the Pharmaceutical Assistance to the Aged, Pharmaceutical Assistance to the Aged and Disabled, and Senior Gold programs shall be conditioned upon the following provision: no funds shall be appropriated for the refilling of a prescription drug until such time as the original prescription is 85% finished.

Notwithstanding the provisions of any other laws or regulations to the contrary, in order to maximize prescription drug coverage under Part D of Title XVIII of the Federal Social Security Act, the Pharmaceutical Assistance to the Aged and Disabled (PAAD) Program shall be designated the authorized representative for the purposes of coordinating benefits with the Medicare Drug Program, including enrollment and appeals of coverage determinations. PAAD is authorized to represent program beneficiaries in the pursuit of such coverage. PAAD representation shall not result in any additional financial liability on behalf of such program beneficiaries and shall include, but need not be limited to, the following actions: application for the premium and cost-sharing subsidies on behalf of eligible program beneficiaries; pursuit of appeals, grievances, or coverage determinations; facilitated enrollment in a prescription drug plan or MA-PD plan. If the beneficiary declines enrollment in any Part D plan, the beneficiary shall be barred from all benefits of the PAAD Program.

Notwithstanding the provisions of any law to the contrary, the appropriation hereinabove for the ElderCare Initiatives program shall be conditioned upon the following provision: State funded home and community care (Jersey Assistance for Community Caregiving (JACC)) benefits paid incorrectly on behalf of JACC beneficiaries may be recovered from individuals found ineligible.

The monies hereinabove appropriated for "global budget" shall only be expended if federal approvals are received for such a program and only if federal Medicaid reimbursement or other federal matching funds are available to support the State appropriation.

Notwithstanding the provisions of any law or regulation to the contrary, effective commencing with the start of this fiscal year, reimbursement for Nursing Facility Rates, as appropriated hereinabove in the Payments for Medical Assistance Recipients - Nursing Homes account, shall not include an inflation factor adjustment for the purpose of rate calculation.

The amounts hereinabove appropriated for Nursing Home, Assisted Living, Community Care Alternatives, Medical Day Care Services, Global Budget Long-Term Care Initiative, and Medicaid High Occupancy are conditioned upon the Commissioner of the Department of Health and Senior Services making changes to such programs to make them consistent with the Deficit Reduction Act of 2005.

Language Recommendations -- Grants-In-Aid - Casino Revenue Fund

In addition to the amount hereinabove, there are appropriated from the Casino Revenue Fund and available federal matching funds such additional sums as may be required for the payment of claims, credits and rebates, subject to the approval of the Director of the Division of Budget and Accounting.

All funds recovered under P.L.1968, c.413 (C.30:4D-1 et seq.) and P.L.1975, c.194 (C.30:4D-20 et seq.), during the current fiscal year, are appropriated for payments to providers in the same program class from which the recovery originated.

In order to permit flexibility in the handling of appropriations and ensure the timely payment of claims to providers of medical services, amounts may be transferred to and from the various items of appropriation within the Medical Services for the Aged program classification, subject to the approval of the Director of the Division of Budget and Accounting. Notice thereof shall be provided to the Legislative Budget and Finance Officer on the effective date of the approved transfer.

For the purposes of account balance maintenance, all object accounts in the Medical Services for the Aged program classification shall be considered as one object. This will allow timely payment of claims to providers of medical services, but ensure that no overspending will occur in the program classification.

Notwithstanding the provisions of P.L.1988, c.92 (C.30:4E-5 et seq.) to the contrary, funds appropriated for the Home Care Expansion Program (HCEP) shall be paid only for individuals enrolled in the program as of June 30, 1996 who are not eligible for the Community Care Program for the Elderly and Disabled or alternative programs, and only for so long as those individuals require services covered by the HCEP. Individuals enrolled in the HCEP as of June 30, 1996 and eligible for the Community Care Program for the Elderly and Disabled, may apply to be enrolled in that program.

Notwithstanding the provisions of any other law to the contrary, a sufficient portion of receipts generated or savings realized in Casino Revenue Fund Medical Services for the Aged or Pharmaceutical Assistance to the Aged and Disabled Grants-In-Aid accounts from initiatives included in the current year's annual appropriations act may be transferred to administration accounts to fund costs incurred in realizing these additional receipts or savings, subject to the approval of the Director of the Division of Budget and Accounting.

The amounts hereinabove appropriated for payments for the Pharmaceutical Assistance to the Aged and Disabled program, P.L.1975, c.194 (C.30:4D-20 et seq.), are available for the payment of obligations applicable to prior fiscal years.

Benefits provided under the Pharmaceutical Assistance to the Aged and Disabled (PAAD) program, P.L.1975, c.194 (C.30:4D-20 et seq.), shall be the last resource benefits, notwithstanding any provision contained in contracts, wills, agreements or other instruments. Any provision in a contract of insurance, will, trust agreement or other instrument which reduces or excludes coverage or payment to an individual because of that individual's eligibility for or receipt of PAAD benefits shall be void, and no PAAD payments shall be made as a result of any such provision.

Of the amount hereinabove appropriated in the Pharmaceutical Assistance to the Aged and Disabled-Claims program, notwithstanding the provisions of section 3 of P.L.1975, c.194 (C.30:4D-22) to the contrary, the copayment in the Pharmaceutical Assistance to the Aged and Disabled program shall be \$5.00.

Notwithstanding the provisions of any other law or regulation to the contrary, each prescription order dispensed in the Pharmaceutical Assistance to the Aged and Disabled program and the Senior Gold Prescription Discount Program for Maximum Allowable Cost (MAC) drugs, which are hereinabove appropriated in the Pharmaceutical Assistance to the Aged and Disabled-Claims program and Senior Gold Prescription Discount Program, shall state "Brand Medically Necessary" in the prescriber's own handwriting if the prescriber determines that it is necessary to override generic substitution of drugs, and each prescription order shall follow the requirements of P.L.1977, c.240 (C.24:6E-1 et seq.).

Notwithstanding the provisions of any other law or regulation to the contrary, effective July 1, 2003, no State funds are appropriated for a Drug Utilization Review Council in the Department of Health and Senior Services and therefore the functions of the Council shall cease.

Notwithstanding the provisions of any other law to the contrary, no funds appropriated for the Pharmaceutical Assistance to the Aged and Disabled (PAAD) program, pursuant to P.L.1975, c.194 (C.30:4D-20 et seq.), shall be expended, when PAAD is the primary payer,

HEALTH AND SENIOR SERVICES

unless participating pharmaceutical manufacturing companies execute contracts with the Department of Health and Senior Services, through the Department of Human Services, providing for the payment of rebates to the State. Furthermore, rebates from pharmaceutical manufacturing companies for prescriptions purchased by the PAAD program and the Senior Gold Prescription Discount Program shall continue during the current fiscal year, provided that the manufacturer's rebates for the Senior Gold Prescription Discount Program shall apply only to the amount paid by the State under the Senior Gold Prescription Discount Program. All revenues from such rebates during the current fiscal year are appropriated for the PAAD program and the Senior Gold Prescription Discount Program. Provided further that for Fiscal Year 2007, the Commissioner of the Department of Health and Senior Services, in consultation with the State Treasurer, shall negotiate and implement additional measures to maximize savings and cost recoveries in the PAAD and Senior Gold Prescription Discount Programs to ensure that the State of New Jersey is an aggressively cost-conscious purchaser of prescription drugs.

Notwithstanding the provisions of any other law to the contrary, no funds appropriated for the Pharmaceutical Assistance to the Aged and Disabled (PAAD) program are available to pharmacies that have not submitted an application to enroll as an approved medical supplier in the Medicare program, unless they already are an approved Medicare medical supplier. Pharmacies will not be required to bill Medicare directly for Medicare Part B drugs and supplies, but must agree to allow PAAD to bill Medicare on their behalf by completing and submitting an electronic data interchange (EDI) form to PAAD. Beneficiaries are responsible for the applicable PAAD copayment.

Notwithstanding the provisions of any other law to the contrary, no funds appropriated for the Pharmaceutical Assistance to the Aged and the Disabled program shall be used to pay for quantities of erectile dysfunction therapy medication in excess of four treatments per month. Moreover, payment will only be provided if the diagnosis of erectile dysfunction is written on the prescription form and the treatment is provided to males over the age of 18 years. Furthermore, no payments for erectile dysfunction therapy will be made on behalf of sex offenders.

Notwithstanding the provisions of any other law or regulation to the contrary, no funds appropriated in the Pharmaceutical Assistance to the Aged and Disabled program classification and the Senior Gold Prescription Discount Program account shall be expended for prescription claims with no Medicare D coverage except under the following conditions: (a) reimbursement for prescription drugs shall be based on the Average Wholesale Price less a 15% discount from July 1, 2006 through December 31, 2006. In accordance with the federal Deficit Reduction Act, effective January 1, 2007, reimbursement for multiple source drugs shall not exceed 250% of the lowest Average Manufacturer's Price (AMP) or AWP less a 20% discount, whichever is lower, and reimbursement for single source innovator drugs will be calculated using the retail survey price or AWP less a 20% discount, whichever is lower; (b) the current prescription drug dispensing fee structure set as a variable rate of \$3.73 to \$4.07 shall remain in effect through the current fiscal year, including the current increments for patient consultation, impact allowances and allowances for 24-hour emergency services; and (c) multisource generic and single source brand name drugs shall be dispensed without prior authorization but multisource brand name drugs shall require prior authorization issued by the Department of Health and Senior Services or its authorizing agent, however, a 10-day supply of the multisource brand name drug shall be dispensed pending receipt of prior authorization. Certain multisource brand name drugs with a narrow therapeutic index, other drugs recommended by the Drug Utilization Review Board or brand name drugs with a lower cost per unit than the generic may be excluded from prior authorization by the Department of Health and Senior Services.

Notwithstanding the provisions of any law or regulation to the contrary, the Commissioner of Health and Senior Services shall establish a retrospective Polypharmacy drug utilization review program to study the efficacy, necessity and safety of prescriptions in excess of 10 per month per PAAD or Senior Gold Prescription Discount Program client and shall approve or disallow future payments for clients whose prescriptions exceed 10 per client per month if the prescriptions have been proven inefficient, unnecessary or unsafe.

Notwithstanding the provisions of any law or regulation to the contrary, the Department of Health and Senior Services shall have the authority to establish a voluntary prescription drug mail-order program. The mail-order program may waive, discount or rebate the beneficiary copay and mail-order pharmacy providers may dispense up to a 90-day supply on prescription refills with the voluntary participation of the beneficiary, subject to the approval of the Commissioner of Health and Senior Services and the Director of the Division of Budget and Accounting.

At any point during the year, and notwithstanding the provisions of any other law or regulation to the contrary, subject to the approval of a plan by the Commissioner of Health and Senior Services, no funds appropriated for the Pharmaceutical Assistance to the Aged and Disabled (PAAD) program, pursuant to P.L.1975, c.194 (C.30:4D-20 et seq.), or the Senior Gold Prescription Discount Program, pursuant to P.L.2001, c.96 (C.30:4D-43 et seq.), shall be expended, when PAAD or Senior Gold is the primary payer, unless participating pharmaceutical manufacturing companies execute contracts with the Department of Health and Senior Services, through the Department of Human Services, providing for the payment of rebates to the State on the same basis as provided for in section 1927 (a) through (c) of the federal Social Security Act, 42 U.S.C. s.1396r-8(a)-(c). Provided further that for Fiscal Year 2007, the Commissioner of the Department of Health and Senior Services, in consultation with the State Treasurer, shall negotiate and implement additional measures to maximize savings and cost recoveries in the PAAD and Senior Gold Prescription Discount Programs to ensure that the State of New Jersey is an aggressively cost-conscious purchaser of prescription drugs.

Notwithstanding the provisions of any law or regulation to the contrary, from the amount hereinabove appropriated for the Pharmaceutical Assistance to the Aged and Disabled (PAAD) program, the Commissioner of Health and Senior Services shall establish a disease management program to improve the quality of care for beneficiaries and reduce costs in the PAAD program.

Notwithstanding the provisions of section 2 of P.L.1988, c.114 (C.26:2M-10) to the contrary, private for-profit agencies shall be eligible grantees for funding from the Demonstration Adult Day Care Center Program-Alzheimer's Disease account.

Notwithstanding the provisions of any other law to the contrary, of the amount hereinabove appropriated for the Respite Care for the Elderly (CRF) account, \$600,000 shall be charged to the Casino Simulcasting Fund.

Notwithstanding the provisions of any other law or regulation to the contrary, the appropriations hereinabove to the Pharmaceutical Assistance to the Aged and Disabled (PAAD) programs is conditioned upon the Department of Health and Senior Services

coordinating the benefits of the PAAD program with the prescription drug benefits of the federal "Medicare Prescription Drug, Improvement, and Modernization Act of 2003" (MMA) as the primary payer due to the current federal prohibition against State automatic enrollment of PAAD recipients in the new federal program. The PAAD benefit and reimbursement shall only be available to cover the beneficiary cost share to in network pharmacies and for deductible and coverage gap costs (as determined by the Commissioner of the Department of Health and Senior Services) associated with enrollment in Medicare Part D for beneficiaries of the PAAD and Senior Gold programs, and for Medicare Part D premium costs for PAAD beneficiaries.

Notwithstanding the provisions of any other law or regulation to the contrary, effective January 1, 2006, no funds appropriated in the Pharmaceutical Assistance to the Aged and Disabled (PAAD) and Senior Gold programs shall be available as payment as a PAAD or Senior Gold benefit to any pharmacy that is not enrolled as a participating pharmacy in a pharmacy network under federal Medicare Part D.

Consistent with the requirements of the federal "Medicare Prescription Drug, Improvement, and Modernization Act (MMA) of 2003" (MMA) and the current federal prohibition against State automatic enrollment of Pharmaceutical Assistance to the Aged and Disabled (PAAD) recipients, no funds hereinabove appropriated from the PAAD account shall be expended unless any individual enrolled in the PAAD program provides all data that may be necessary to enroll them in the federal Medicare Part D drug program, including data required for the low income subsidy assistance, as outlined by the Centers for Medicare and Medicaid Services.

Notwithstanding the provisions of any other laws or regulations to the contrary, in order to maximize prescription drug coverage under Part D of Title XVIII of the Federal Social Security Act, the Pharmaceutical Assistance to the Aged and Disabled (PAAD) Program shall be designated the authorized representative for the purposes of coordinating benefits with the Medicare Drug Program, including enrollment and appeals of coverage determinations. PAAD is authorized to represent program beneficiaries in the pursuit of such coverage. PAAD representation shall not result in any additional financial liability on behalf of such program beneficiaries and shall include, but need not be limited to, the following actions: application for the premium and cost-sharing subsidies on behalf of eligible program beneficiaries; pursuit of appeals, grievances, or coverage determinations; facilitated enrollment in a prescription drug plan or MA-PD plan. If the beneficiary declines enrollment in any Part D plan, the beneficiary shall be barred from all benefits of the PAAD Program.

Notwithstanding the provisions of any other law or regulation to the contrary, the appropriations hereinabove for the Pharmaceutical Assistance to the Aged and Disabled (PAAD) program and the Senior Gold Prescription Discount Program shall be conditioned upon the following provision: no funds shall be appropriated for the refilling of a prescription drug until such time as the original prescription is 85% finished.

The amounts hereinabove appropriated for the Community Care Alternatives program are conditioned upon the Commissioner of the Department of Health and Senior Services making changes to such program to make it consistent with the Deficit Reduction Act of 2005.

DEPARTMENT OF HEALTH AND SENIOR SERVICES

Language Recommendations -- Direct State Services - General Fund

Consistent with the provisions of P.L.2005, c.237, the first \$35,000,000 from this surcharge is appropriated to fund Federally Qualified Health Centers. The remaining balance is appropriated to fund the Infant Mortality Reduction Program and Physician Load Redemption Program. Any unexpended balance at the end of the preceding fiscal year in the Health Care Subsidy Fund received through the hospital and other health care initiatives account during fiscal year 2006 is appropriated.

Such sums as may be necessary are appropriated or transferred from existing appropriations within the Department of Health and Senior Services for the purpose of promoting awareness to increase participation in programs that are administered by the Department, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts from licenses, permits, fines, penalties and fees collected by the Department of Health and Senior Services, in excess of those anticipated, are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of section 7 of P.L.1992, c.160 (C.26:2H-18.57) or any other law to the contrary, the first \$1,200,000 in per adjusted admission charge assessment revenues, attributable to \$10.00 per adjusted admission charge assessments made by the Department of Health and Senior Services, shall be anticipated as revenue in the General Fund available for health-related purposes. Furthermore, it is recommended that the remaining revenue attributable to this fee shall be available to carry out the provisions of section 7 of P.L. 1992, c.160 (C.26:2H-18.57), as determined by the Commissioner of Health and Senior Services, and subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of any other law to the contrary, the State Treasurer shall transfer to the Health Care Subsidy Fund, established pursuant to section 8 of P.L. 1992, c.160 (C.26:2H-18.58), only those additional revenues generated from third party liability recoveries, excluding Medicaid, by the State arising from a review by the Director of the Division of Budget and Accounting of hospital payments reimbursed from the Health Care Subsidy Fund with service dates that are after the date of enactment of P.L.1996, c.29.

Notwithstanding the provisions of any other law to the contrary, the Commissioner of Health and Senior Services shall devise, at the Commissioner's discretion, rules or guidelines that allocate reductions in health service grants to the extent possible toward administration, and not client services.

Any change in program eligibility criteria and increases in the types of services or rates paid for services to or on behalf of clients for all programs under the purview of the Department of Health and Senior Services, not mandated by federal law, shall first be approved by the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of any other law to the contrary, fees, fines, penalties and assessments owed to the Department of Health and Senior Services shall be offset against payments due and owing from other appropriated funds.

HEALTH AND SENIOR SERVICES

In addition to the amount hereinabove, receipts from the federal Medicaid (Title XIX) program for health services-related programs throughout the Department of Health and Senior Services are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Language Recommendations -- Grants-In-Aid - General Fund

In order to permit flexibility in implementing the ElderCare Initiatives within the Medical Services for the Aged program classification, amounts may be transferred between Direct State Services and Grants-In-Aid accounts, subject to the approval of the Director of the Division of Budget and Accounting. Notice thereof shall be provided to the Legislative Budget and Finance Officer on the effective date of the approved transfer.

In order to permit flexibility in implementing the ElderCare Advisory Commission Initiatives within the Programs for the Aged program classification, amounts may be transferred between Direct State Services and Grants-In-Aid accounts, subject to the approval of the Director of the Division of Budget and Accounting. Notice thereof shall be provided to the Legislative Budget and Finance Officer on the effective date of the approved transfer.