



State of New Jersey

DEPARTMENT OF HEALTH AND SENIOR SERVICES

PO BOX 715
TRENTON, NJ 08625-0715

JON S. CORZINE
Governor

www.nj.gov/health

HEATHER HOWARD
Commissioner

Dear PAAD Beneficiary,

Please read this letter carefully and keep it for your records.

The new State budget makes two important changes to the Pharmaceutical Assistance to the Aged and Disabled (PAAD) program.

1. Certain drugs that are excluded from coverage by the Medicare Part D program will no longer be covered by PAAD.

Effective August 1, 2009, PAAD will no longer cover the following medications (you should be aware that these drugs may NOT be included in your Medicare Part D coverage): drugs to treat impotency, cosmetic drugs (including but not limited to drugs used to treat skin conditions, weight gain, weight loss, or hair loss), cough and cold products, and vitamins. PAAD will continue to pay for benzodiazepines and barbiturates.

2. PAAD will only provide coverage as secondary payer for those medications that are on the list of covered drugs provided by your Medicare Part D prescription drug plan.

Effective August 1, 2009, PAAD will provide secondary coverage if necessary for a medication only if your Medicare Part D prescription drug plan pays first for that medication on its list of covered drugs (known as a formulary). This means that if your Part D plan is the primary payer for a medication covered on its formulary, PAAD will provide coverage as secondary payer if needed for that drug, and you will only have to pay your regular PAAD copayment of \$6 for PAAD covered generic drugs or \$7 for PAAD covered brand name drugs. You may even pay less than the PAAD copayment if your Medicare Part D plan charges you less for that medication.

However, if your Medicare Part D prescription drug plan does not pay for a medication because the drug is not on its formulary, you will have to switch to a drug on your Part D plan's formulary, or your doctor will have to request an exception due to medical necessity directly to your Part D plan. This means that if you do not switch to a formulary drug or your doctor does not request an exception, you will be responsible for handling the appeal process yourself directly with your Part D plan and for paying the entire cost of the drug during the appeal period.

You must join a Medicare Part D prescription drug plan if you haven't done so already in order to use your PAAD benefits unless you are not eligible for Medicare Part D or unless you have other exceptional prescription coverage. In general, PAAD coverage is considered "creditable coverage" for enrollment purposes in Medicare Part D.

As long as you remain eligible to participate in the PAAD program, PAAD will pay the monthly premium on your behalf for **certain** Medicare Part D prescription drug plans in New Jersey, and PAAD will pay any late enrollment penalty on your behalf that the federal Medicare program may charge you for not enrolling in Medicare Part D when you were first eligible to do so. However, if your PAAD coverage is discontinued, the PAAD program will stop paying both your monthly Medicare Part D prescription drug plan premium and any late enrollment penalty that Medicare may charge you. Without PAAD coverage, you will have to pay the late enrollment penalty every month you are enrolled in Medicare Part D in addition to the monthly premium that you will have to pay directly to your Medicare Part D plan.

Please call the PAAD toll-free hotline **1-800-792-9745** if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Kathleen M. Mason".

Kathleen M. Mason
Assistant Commissioner