over-the-counter, and psychotropic medications; emergency telephone numbers; food; clothing; vehicle safety; and workplace safety.

Subchapter 6, Fire Safety and Physical Environment, addresses fire safety requirements, as well as physical plant requirements and maintenance standards including: fire evacuation plans, egress protocols, group classification, fire extinguishers, general home requirements, certificate of occupancy, exits, heat sources, water, railings, stairs and hallways, windows, bedrooms, bathrooms, kitchens, and basement use.

The rules are necessary to implement the Department's statutory mandate to license community residences for persons with head injuries. The Department has reviewed the rules and has determined that they are necessary, adequate, reasonable, efficient, understandable, and responsive to the purposes for which they were promulgated, as required pursuant to Executive Order No. 66 (1978). Therefore, pursuant to N.J.S.A. 52:14B-5.1.c(1), these rules are readopted and shall continue in effect for a seven-year period.

(a)

DIVISION OF AGING SERVICES

Notice of Readoption

Provision of Pharmaceutical Services Under the Pharmaceutical Assistance to the Aged and Disabled (PAAD) Program

Readoption: N.J.A.C. 10:167A

Authority: N.J.S.A. 30:4D-24; and P.L. 2012, c. 17.

Authorized By: Sarah Adelman, Commissioner, Department of Human Services.

Effective Date: November 14, 2023.
New Expiration Date: November 14, 2030.

Take notice that pursuant to N.J.S.A. 52:14B-5.1, the rules at N.J.A.C. 10:167A were scheduled to expire on January 31, 2024. N.J.A.C. 10:167A establishes the rules that govern the participation of providers of pharmaceutical services for the Pharmaceutical Assistance to the Aged and Disabled (PAAD) Program.

The following is a summary of N.J.A.C. 10:167A.

N.J.A.C. 10:167A-1.1 sets forth the introduction and summary of the PAAD program.

N.J.A.C. 10:167A-1.2 sets forth for the definition of terms used in the chapter.

N.J.A.C. 10:167A-1.3 details the requirements that providers must satisfy and maintain in order to qualify as a PAAD provider.

N.J.A.C. 10:167A-1.4 is reserved.

N.J.A.C. 10:167A-1.5 details the conditions necessary for pharmacy participation in PAAD.

N.J.A.C. 10:167A-1.6 details the restrictions that affect payment for prescribed drugs pursuant to PAAD.

N.J.A.C. 10:167A-1.7 sets forth the basis of payment for legend or certain non-legend drugs.

N.J.A.C. 10:167A-1.8 is reserved.

N.J.A.C. 10:167A-1.9 details the prescription dispensing fee paid to providers pursuant to the PAAD program.

N.J.A.C. 10:167A-1.10 details the beneficiary copayment responsibility pursuant to PAAD and the provider's responsibility for the collection of the copayment at the Point of Sale (POS).

N.J.A.C. 10:167A-1.11 defines compounded prescriptions and the conditions pursuant to which they may be reimbursed by PAAD.

N.J.A.C. 10:167A-1.12 details the dispensing procedures for non-proprietary or generic prescription drugs pursuant to the PAAD program.

N.J.A.C. 10:167A-1.13 details how the provider's usual and customary charge is considered in reimbursement by PAAD.

N.J.A.C. 10:167A-1.14 details the pharmaceutical services covered pursuant to the PAAD program.

N.J.A.C. 10:167A-1.15 details the non-covered pharmaceutical services pursuant to the PAAD program.

N.J.A.C. 10:167A-1.16 details the quantity of medication covered pursuant to PAAD for both an initial prescription claim and a refill prescription claim.

N.J.A.C. 10:167A-1.17 details how the dosage and directions should be indicated on all PAAD eligible prescriptions. In addition, it directs the provider to indicate the number of days' supply reported for the days' supply in the appropriate field of the claim or a reasonable estimation of the drug's intended duration of use.

N.J.A.C. 10:167A-1.18 details how providers handle telephone-rendered, faxed, and electronically submitted original prescriptions.

N.J.A.C. 10:167A-1.19 details how the providers handle changes or additions to an original prescription.

N.J.A.C. 10:167A-1.20 details how a provider's claim should be submitted for prescription refills.

N.J.A.C. 10:167A-1.21 explains the Prescription Drug Price and Quality Stabilization Act and how it applies to PAAD covered claims.

N.J.A.C. 10:167A-1.22 explains the drug efficacy study implementation (DESI) and the conditions pursuant to which DESI drugs would not be eligible for reimbursement by PAAD.

N.J.A.C. 10:167A-1.23 explains bundled drug services and the conditions for reimbursement of the bundled drug services.

N.J.A.C. 10:167A-1.24 explains how providers must submit prescription drug claims for reimbursement pursuant to PAAD.

N.J.A.C. 10:167A-1.25 requires that PAAD applicants shall be determined to be eligible only if physically present in New Jersey at the time of application and utilization, in accordance with the provisions at N.J.A.C. 10:167. In addition, N.J.A.C. 10:167A-1.25 requires that benefits shall not be paid when recipients are in nursing facilities, hospitals, or special hospitals and are covered by other insurance benefits or if the prescriptions are covered in the daily rate of the facility.

N.J.A.C. 10:167A-1.26 requires pharmacies to verify that the beneficiary is covered by PAAD by requesting the beneficiary to produce a PAAD identification card.

N.J.A.C. 10:167A-1.27 details the POS claims adjudication system, and what is required by PAAD to process and approve these claims including hardware, software, format, and data.

N.J.A.C. 10:167A-1.28 details the Prospective Drug Utilization Review (PDUR) program and the pharmacies' requirements regarding the system. The program was established by the Department of Human Services (Department) and the Department of Health to assist pharmacy providers in monitoring drug utilization by beneficiaries. It is a component of the POS claims adjudication system and helps to identify problems including, but not limited to: drug interactions, dosage alerts, and duplications.

N.J.A.C. 10:167A-1.29 sets forth the Medical Exception Process (MEP) that permits the override of a claim denial, when medically necessary. The section states that PAAD will deny payment for claims subject to the MEP for which an authorization number has not been issued by the MEP contractor. The section also provides an appeal process for the beneficiary, pharmacy, or prescriber.

N.J.A.C. 10:167A-1.30 provides that reimbursement for legend drugs shall be limited to manufacturers who have entered into a PAAD rebate agreement with the Department of Human Services through the Division of Medical Assistance and Health Services.

While the Department is issuing this notice to avoid the expiration of these rules, it recognizes that further rulemaking is necessary to update these rules to reflect current practices. Thus, the Department will be proposing substantial amendments in an upcoming rulemaking.

The Department has reviewed the rules and determined them to be necessary, reasonable, and proper for the purposes for which they were originally promulgated. Therefore, pursuant to N.J.S.A. 52:14B-5.1.c(1), N.J.A.C. 10:167A is readopted and shall continue in effect for seven years.
