

**102ND GENERAL ASSEMBLY****State of Illinois****2021 and 2022****HB4343**

Introduced 1/5/2022, by Rep. Greg Harris

**SYNOPSIS AS INTRODUCED:**

See Index

Amends the Illinois Public Aid Code. Requires the Department of Healthcare and Family Services to waive estate recovery under specified provisions of the Code where recovery would not be cost-effective, would work an undue hardship, or for any other just reason. Provides that when an estate is not valued at a minimum of \$25,000, it is not cost-effective to pursue recovery. Requires the Department to pursue a State Plan amendment to establish a cost-effectiveness threshold of \$25,000. Sets forth the circumstances under which an estate may apply for an undue hardship waiver. Requires the Department to make information about estate recovery and hardship waivers easily accessible. Requires the Department to maintain on its website information on how to request a hardship waiver in English, Spanish, and the next 4 most commonly used languages. In a provision concerning eligibility verification for medical assistance, requires the Department to include seniors and persons with disabilities in ex parte renewals. Requires the Department to use its asset verification system, accept the data provided about an individual's assets, and automatically renew the individual's coverage for medical assistance. Requires the Department to pursue a State Plan amendment, if required, by July 1, 2022 to implement ex parte renewals. In order to achieve efficiencies in the Medicare Savings Program's enrollment process, requires the Department to investigate how to align the eligibility criteria under the Medicare Savings Program with the criteria used by the Medicare Part D Low-Income Subsidy (LIS) program. Requires the Department to issue a report, by July 1, 2022, with its recommendations on alignment and outreach. Provides that by October 31, 2022, the Department shall change the Medicare Savings Program's eligibility criteria to facilitate the use of LIS leads data to automate or streamline enrollment into Medicare Savings Program benefits. Repeals several provisions concerning the State's authority to place a lien on a recipient's real property interests in order to recover payments made by the State on the recipient's behalf under the Aid to the Aged, Blind or Disabled program or the Medical Assistance program. Effective immediately.

LRB102 22609 KTG 31752 b

1 AN ACT concerning public aid.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Public Aid Code is amended by  
5 changing Section 11-5.1 and by adding Sections 5-13.1 and  
6 11-5.5 as follows:

7 (305 ILCS 5/5-13.1 new)

8 Sec. 5-13.1. Cost-effectiveness waiver, hardship waivers,  
9 and making information about waivers more accessible.

10 (a) It is the intent of the General Assembly to ease the  
11 burden of liens and estate recovery for correctly paid  
12 benefits for participants, applicants, and their families and  
13 heirs, and to make information about waivers more widely  
14 available.

15 (b) The Department shall waive estate recovery under  
16 Sections 3-9 and 5-13 where recovery would not be  
17 cost-effective, would work an undue hardship, or for any other  
18 just reason, and shall make information about waivers and  
19 estate recovery easily accessible.

20 (1) Cost-effectiveness waiver. The Department shall  
21 waive recovery in cases in which it is not cost-effective  
22 for the Department to recover from an estate. The estate  
23 does not need to assert undue hardship. When the estate is

1 not valued at a minimum cost-effectiveness threshold of  
2 \$25,000, it is not cost-effective to pursue recovery. When  
3 this cost-effectiveness threshold is not met, the  
4 Department shall not file a claim or otherwise pursue  
5 recovery. In determining whether an estate meets this  
6 cost-effectiveness threshold, the Department shall  
7 consider the gross assets in the estate, including, but  
8 not limited to, the net value of real estate less  
9 mortgages or liens with priority over the Department's  
10 claims. The Department shall pursue a State Plan amendment  
11 to establish this cost-effectiveness threshold of \$25,000,  
12 and may increase the cost-effectiveness threshold in the  
13 future.

14 (2) Undue hardship waiver. The estate may apply for a  
15 waiver of estate recovery due to undue hardship. The  
16 Department shall find that an undue hardship exists when:  
17 (i) the estate subject to recovery is an income-producing  
18 asset of survivors, such as a family farm, day care,  
19 barbershop, or other family business; (ii) the estate  
20 subject to recovery is a homestead of modest value defined  
21 as roughly half the average home value in the county;  
22 (iii) pursuing recovery would cause an heir or beneficiary  
23 of the estate to become or remain eligible for a public  
24 benefit program, such as the Supplemental Security Income  
25 program, the Temporary Assistance for Needy Families  
26 Program, or the Supplemental Nutrition Assistance Program;

1       or (iv) any other circumstance justifies such waiver,  
2       including, but not limited to, harms posed to any  
3       remaining heirs or beneficiaries. The Department shall  
4       develop additional hardship waiver standards in addition  
5       to those set forth in this paragraph, including waivers to  
6       ensure that the Department does not force the sale of a  
7       home but instead works to find solutions that allow family  
8       members to remain in a home.

9       (3) Accessible information. The Department shall make  
10      information about estate recovery and hardship waivers  
11      easily accessible. The Department shall maintain  
12      information about how to request a hardship waiver on its  
13      website in English, Spanish, and the next 4 most commonly  
14      used languages, including a short guide and simple form to  
15      facilitate requesting hardship exemptions in each  
16      language. The Department shall publicly report on the  
17      Department's estate recovery and waiver activities on its  
18      website.

19      (305 ILCS 5/11-5.1)

20      Sec. 11-5.1. Eligibility verification. Notwithstanding any  
21      other provision of this Code, with respect to applications for  
22      medical assistance provided under Article V of this Code,  
23      eligibility shall be determined in a manner that ensures  
24      program integrity and complies with federal laws and  
25      regulations while minimizing unnecessary barriers to

1 enrollment. To this end, as soon as practicable, and unless  
2 the Department receives written denial from the federal  
3 government, this Section shall be implemented:

4 (a) The Department of Healthcare and Family Services or  
5 its designees shall:

6 (1) By no later than July 1, 2011, require  
7 verification of, at a minimum, one month's income from all  
8 sources required for determining the eligibility of  
9 applicants for medical assistance under this Code. Such  
10 verification shall take the form of pay stubs, business or  
11 income and expense records for self-employed persons,  
12 letters from employers, and any other valid documentation  
13 of income including data obtained electronically by the  
14 Department or its designees from other sources as  
15 described in subsection (b) of this Section. A month's  
16 income may be verified by a single pay stub with the  
17 monthly income extrapolated from the time period covered  
18 by the pay stub.

19 (2) By no later than October 1, 2011, require  
20 verification of, at a minimum, one month's income from all  
21 sources required for determining the continued eligibility  
22 of recipients at their annual review of eligibility for  
23 medical assistance under this Code. Information the  
24 Department receives prior to the annual review, including  
25 information available to the Department as a result of the  
26 recipient's application for other non-Medicaid benefits,

1       that is sufficient to make a determination of continued  
2       Medicaid eligibility may be reviewed and verified, and  
3       subsequent action taken including client notification of  
4       continued Medicaid eligibility. The date of client  
5       notification establishes the date for subsequent annual  
6       Medicaid eligibility reviews. Such verification shall take  
7       the form of pay stubs, business or income and expense  
8       records for self-employed persons, letters from employers,  
9       and any other valid documentation of income including data  
10      obtained electronically by the Department or its designees  
11      from other sources as described in subsection (b) of this  
12      Section. A month's income may be verified by a single pay  
13      stub with the monthly income extrapolated from the time  
14      period covered by the pay stub. The Department shall send  
15      a notice to recipients at least 60 days prior to the end of  
16      their period of eligibility that informs them of the  
17      requirements for continued eligibility. If a recipient  
18      does not fulfill the requirements for continued  
19      eligibility by the deadline established in the notice a  
20      notice of cancellation shall be issued to the recipient  
21      and coverage shall end no later than the last day of the  
22      month following the last day of the eligibility period. A  
23      recipient's eligibility may be reinstated without  
24      requiring a new application if the recipient fulfills the  
25      requirements for continued eligibility prior to the end of  
26      the third month following the last date of coverage (or

1 longer period if required by federal regulations). Nothing  
2 in this Section shall prevent an individual whose coverage  
3 has been cancelled from reapplying for health benefits at  
4 any time.

5 (3) By no later than July 1, 2011, require  
6 verification of Illinois residency.

7 The Department, with federal approval, may choose to adopt  
8 continuous financial eligibility for a full 12 months for  
9 adults on Medicaid.

10 (b) The Department shall establish or continue cooperative  
11 arrangements with the Social Security Administration, the  
12 Illinois Secretary of State, the Department of Human Services,  
13 the Department of Revenue, the Department of Employment  
14 Security, and any other appropriate entity to gain electronic  
15 access, to the extent allowed by law, to information available  
16 to those entities that may be appropriate for electronically  
17 verifying any factor of eligibility for benefits under the  
18 Program. Data relevant to eligibility shall be provided for no  
19 other purpose than to verify the eligibility of new applicants  
20 or current recipients of health benefits under the Program.  
21 Data shall be requested or provided for any new applicant or  
22 current recipient only insofar as that individual's  
23 circumstances are relevant to that individual's or another  
24 individual's eligibility.

25 (c) Within 90 days of the effective date of this  
26 amendatory Act of the 96th General Assembly, the Department of

1 Healthcare and Family Services shall send notice to current  
2 recipients informing them of the changes regarding their  
3 eligibility verification.

4 (d) As soon as practical if the data is reasonably  
5 available, but no later than January 1, 2017, the Department  
6 shall compile on a monthly basis data on eligibility  
7 redeterminations of beneficiaries of medical assistance  
8 provided under Article V of this Code. This data shall be  
9 posted on the Department's website, and data from prior months  
10 shall be retained and available on the Department's website.  
11 The data compiled and reported shall include the following:

12 (1) The total number of redetermination decisions made  
13 in a month and, of that total number, the number of  
14 decisions to continue or change benefits and the number of  
15 decisions to cancel benefits.

16 (2) A breakdown of enrollee language preference for  
17 the total number of redetermination decisions made in a  
18 month and, of that total number, a breakdown of enrollee  
19 language preference for the number of decisions to  
20 continue or change benefits, and a breakdown of enrollee  
21 language preference for the number of decisions to cancel  
22 benefits. The language breakdown shall include, at a  
23 minimum, English, Spanish, and the next 4 most commonly  
24 used languages.

25 (3) The percentage of cancellation decisions made in a  
26 month due to each of the following:



1           (A) The beneficiary's ineligibility due to excess  
2 income.

3           (B) The beneficiary's ineligibility due to not  
4 being an Illinois resident.

5           (C) The beneficiary's ineligibility due to being  
6 deceased.

7           (D) The beneficiary's request to cancel benefits.

8           (E) The beneficiary's lack of response after  
9 notices mailed to the beneficiary are returned to the  
10 Department as undeliverable by the United States  
11 Postal Service.

12           (F) The beneficiary's lack of response to a  
13 request for additional information when reliable  
14 information in the beneficiary's account, or other  
15 more current information, is unavailable to the  
16 Department to make a decision on whether to continue  
17 benefits.

18           (G) Other reasons tracked by the Department for  
19 the purpose of ensuring program integrity.

20           (4) If a vendor is utilized to provide services in  
21 support of the Department's redetermination decision  
22 process, the total number of redetermination decisions  
23 made in a month and, of that total number, the number of  
24 decisions to continue or change benefits, and the number  
25 of decisions to cancel benefits (i) with the involvement  
26 of the vendor and (ii) without the involvement of the

1 vendor.

2 (5) Of the total number of benefit cancellations in a  
3 month, the number of beneficiaries who return from  
4 cancellation within one month, the number of beneficiaries  
5 who return from cancellation within 2 months, and the  
6 number of beneficiaries who return from cancellation  
7 within 3 months. Of the number of beneficiaries who return  
8 from cancellation within 3 months, the percentage of those  
9 cancellations due to each of the reasons listed under  
10 paragraph (3) of this subsection.

11 (e) The Department shall conduct a complete review of the  
12 Medicaid redetermination process in order to identify changes  
13 that can increase the use of ex parte redetermination  
14 processing. This review shall be completed within 90 days  
15 after the effective date of this amendatory Act of the 101st  
16 General Assembly. Within 90 days of completion of the review,  
17 the Department shall seek written federal approval of policy  
18 changes the review recommended and implement once approved.  
19 The review shall specifically include, but not be limited to,  
20 use of ex parte redeterminations of the following populations:

21 (1) Recipients of developmental disabilities services.

22 (2) Recipients of benefits under the State's Aid to  
23 the Aged, Blind, or Disabled program.

24 (3) Recipients of Medicaid long-term care services and  
25 supports, including waiver services.

26 (4) All Modified Adjusted Gross Income (MAGI)

1 populations.

2 (5) Populations with no verifiable income.

3 (6) Self-employed people.

4 The report shall also outline populations and  
5 circumstances in which an ex parte redetermination is not a  
6 recommended option.

7 (f) The Department shall explore and implement, as  
8 practical and technologically possible, roles that  
9 stakeholders outside State agencies can play to assist in  
10 expediting eligibility determinations and redeterminations  
11 within 24 months after the effective date of this amendatory  
12 Act of the 101st General Assembly. Such practical roles to be  
13 explored to expedite the eligibility determination processes  
14 shall include the implementation of hospital presumptive  
15 eligibility, as authorized by the Patient Protection and  
16 Affordable Care Act.

17 (g) The Department or its designee shall seek federal  
18 approval to enhance the reasonable compatibility standard from  
19 5% to 10%.

20 (h) Reporting. The Department of Healthcare and Family  
21 Services and the Department of Human Services shall publish  
22 quarterly reports on their progress in implementing policies  
23 and practices pursuant to this Section as modified by this  
24 amendatory Act of the 101st General Assembly.

25 (1) The reports shall include, but not be limited to,  
26 the following:

1 (A) Medical application processing, including a  
2 breakdown of the number of MAGI, non-MAGI, long-term  
3 care, and other medical cases pending for various  
4 incremental time frames between 0 to 181 or more days.

5 (B) Medical redeterminations completed, including:  
6 (i) a breakdown of the number of households that were  
7 redetermined ex parte and those that were not; (ii)  
8 the reasons households were not redetermined ex parte;  
9 and (iii) the relative percentages of these reasons.

10 (C) A narrative discussion on issues identified in  
11 the functioning of the State's Integrated Eligibility  
12 System and progress on addressing those issues, as  
13 well as progress on implementing strategies to address  
14 eligibility backlogs, including expanding ex parte  
15 determinations to ensure timely eligibility  
16 determinations and renewals.

17 (2) Initial reports shall be issued within 90 days  
18 after the effective date of this amendatory Act of the  
19 101st General Assembly.

20 (3) All reports shall be published on the Department's  
21 website.

22 (i) It is the determination of the General Assembly that  
23 the Department must include seniors and persons with  
24 disabilities in ex parte renewals. Federal regulations require  
25 ex parte renewals for recipients of benefits under the State's  
26 Aid to the Aged, Blind or Disabled (AABD) program, but the

1 Department conducts few, if any, AABD ex parte renewals. This  
2 leaves individuals in the AABD population subject to loss of  
3 coverage and gaps in care, although the income in an AABD  
4 household is often stable and can be electronically verified.  
5 It is the determination of the General Assembly that the  
6 Department must use its asset verification system, accept the  
7 data provided about an individual's assets, and automatically  
8 renew the individual's coverage. If a State Plan amendment is  
9 required, the Department shall pursue such State Plan  
10 amendment by July 1, 2022. Within 60 days of receiving federal  
11 approval or guidance, the Department of Healthcare and Family  
12 Services and the Department of Human Services shall make  
13 necessary technical and rule changes to implement these  
14 changes to the redetermination process.

15 (Source: P.A. 101-209, eff. 8-5-19; 101-649, eff. 7-7-20.)

16 (305 ILCS 5/11-5.5 new)

17 Sec. 11-5.5. Streamlining enrollment into the Medicare  
18 Savings Program.

19 (a) It is the determination of the General Assembly that  
20 Medicare Savings Programs (MSPs) are under enrolled in the  
21 State due to beneficiaries' lack of awareness of the programs  
22 and MSPs' cumbersome eligibility determination and enrollment  
23 processes. To achieve efficiencies in the enrollment process  
24 and to simplify outreach to potential beneficiaries, the  
25 Department shall investigate how to align the Medicare Part D

1 Low-Income Subsidy (LIS) and Medicare Savings Program  
2 eligibility criteria. It is the intent of the General Assembly  
3 that under-enrollment be reduced while the Department  
4 maintains current rules that are more generous than the  
5 federal standard, and use the LIS leads data that it receives  
6 from the Social Security Administration to automate or  
7 streamline enrollment into MSP benefits.

8 (b) The Department shall issue a report making  
9 recommendations on alignment and outreach by July 1, 2022. The  
10 report shall address the following, at a minimum:

11 (1) the eligibility criteria and definitions that the  
12 Department proposes to change to make full use of LIS  
13 leads data, including, but not limited to, eligibility  
14 criteria governing family size, income and asset  
15 disregards, treatment of in-kind support, accepting the  
16 burial set aside without documentation, consideration of  
17 the value of a second vehicle, disregarding the cash value  
18 of a life insurance policy, and any other differences  
19 between the processes used to determine what is counted as  
20 income or assets between MSP and LIS;

21 (2) any other eligibility changes or program  
22 improvements the Department will adopt, including, but not  
23 limited to, removing the asset test for MSPs or  
24 implementing improvements to make better use of the LIS  
25 leads data transmitted to the Department, and

26 (3) the Department's plan for targeted outreach to

1 increase MSP enrollment.

2 (c) Within 60 days of issuing its report, the Department  
3 shall seek public feedback on those recommendations and plans.

4 (d) By October 31, 2022, in response to the report and  
5 public feedback, the Department shall change the MSP  
6 eligibility criteria to facilitate the use of LIS leads data  
7 to automate or streamline enrollment into MSP benefits. The  
8 Department may adopt any rules necessary to implement the  
9 provisions of this paragraph.

10 (305 ILCS 5/3-10 rep.)

11 (305 ILCS 5/3-10.1 rep.)

12 (305 ILCS 5/3-10.2 rep.)

13 (305 ILCS 5/3-10.3 rep.)

14 (305 ILCS 5/3-10.4 rep.)

15 (305 ILCS 5/3-10.5 rep.)

16 (305 ILCS 5/3-10.6 rep.)

17 (305 ILCS 5/3-10.7 rep.)

18 (305 ILCS 5/3-10.8 rep.)

19 (305 ILCS 5/3-10.9 rep.)

20 (305 ILCS 5/3-10.10 rep.)

21 (305 ILCS 5/5-13.5 rep.)

22 Section 10. The Illinois Public Aid Code is amended by  
23 repealing Sections 3-10, 3-10.1, 3-10.2, 3-10.3, 3-10.4,  
24 3-10.5, 3-10.6, 3-10.7, 3-10.8, 3-10.9, and 3-10.10, and  
25 5-13.5.

1           Section 99. Effective date. This Act takes effect upon  
2   becoming law.



## 1 INDEX

## 2 Statutes amended in order of appearance

- 3 305 ILCS 5/5-13.1 new
- 4 305 ILCS 5/11-5.1
- 5 305 ILCS 5/11-5.5 new
- 6 305 ILCS 5/3-10 rep.
- 7 305 ILCS 5/3-10.1 rep.
- 8 305 ILCS 5/3-10.2 rep.
- 9 305 ILCS 5/3-10.3 rep.
- 10 305 ILCS 5/3-10.4 rep.
- 11 305 ILCS 5/3-10.5 rep.
- 12 305 ILCS 5/3-10.6 rep.
- 13 305 ILCS 5/3-10.7 rep.
- 14 305 ILCS 5/3-10.8 rep.
- 15 305 ILCS 5/3-10.9 rep.
- 16 305 ILCS 5/3-10.10 rep.
- 17 305 ILCS 5/5-13.5 rep.