



93RD GENERAL ASSEMBLY

State of Illinois

2003 and 2004

Introduced 02/09/04, by Elizabeth Coulson

SYNOPSIS AS INTRODUCED:

320 ILCS 25/3.18 new
320 ILCS 25/3.19 new
320 ILCS 25/4 from Ch. 67 1/2, par. 404

Amends the Senior Citizens and Disabled Persons Property Tax Relief and Pharmaceutical Assistance Act. Defines "drug used in the treatment of" to mean (i) a drug used to treat a specified disease or illness or secondary conditions caused by the disease or illness and (ii) a drug used to treat side effects resulting from the use of a drug used to treat the disease or illness. Defines "disease" to mean a chronic and possibly recurrent illness of long duration, including pneumonia, bronchitis, or other similar illness. Increases the income eligibility level for both circuit breaker and pharmaceutical assistance to (i) 28,000 for a household containing one person, (ii) \$35,000 for a household containing 2 persons, or (iii) \$42,000 for a household containing 3 or more persons for the 2004 grant year and thereafter. Changes the \$2,000 benefit cap per State fiscal year under the pharmaceutical assistance program to a \$2,000 benefit cap per calendar year beginning January 1, 2005. Changes the coverage year for beneficiaries under the pharmaceutical assistance program from an annual renewal based on the application date of each beneficiary to a calendar coverage year for all beneficiaries beginning January 1, 2005. Effective immediately.

LRB093 18320 SJM 44026 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning public benefits.

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

4 Section 5. The Senior Citizens and Disabled Persons
5 Property Tax Relief and Pharmaceutical Assistance Act is
6 amended by changing Section 4 and by adding Sections 3.18 and
7 3.19 as follows:

8 (320 ILCS 25/3.18 new)

9 Sec. 3.18. Drug used in the treatment of. "Drug used in
10 the treatment of" means (i) a drug used to treat a specified
11 disease or illness or secondary conditions caused by the
12 disease or illness and (ii) a drug used to treat side effects
13 resulting from the use of a drug used to treat the disease or
14 illness.

15 (320 ILCS 25/3.19 new)

16 Sec. 3.19. Disease. "Disease" means a chronic and possibly
17 recurrent illness of long duration, as distinguished from an
18 acute illness that is of short duration with recovery due to
19 limited medical treatment. "Disease" also includes pneumonia,
20 bronchitis, or other similar illnesses.

21 (320 ILCS 25/4) (from Ch. 67 1/2, par. 404)

22 Sec. 4. Amount of Grant.

23 (a) In general. Any individual 65 years or older or any
24 individual who will become 65 years old during the calendar
25 year in which a claim is filed, and any surviving spouse of
26 such a claimant, who at the time of death received or was
27 entitled to receive a grant pursuant to this Section, which
28 surviving spouse will become 65 years of age within the 24
29 months immediately following the death of such claimant and
30 which surviving spouse but for his or her age is otherwise

1 qualified to receive a grant pursuant to this Section, and any
2 disabled person whose annual household income is less than
3 \$14,000 for grant years before the 1998 grant year, less than
4 \$16,000 for the 1998 and 1999 grant years, ~~and~~ less than (i)
5 \$21,218 for a household containing one person, (ii) \$28,480 for
6 a household containing 2 persons, or (iii) \$35,740 for a
7 household containing 3 or more persons for the 2000 through
8 2003 grant years, and less than (i) 28,000 for a household
9 containing one person, (ii) \$35,000 for a household containing
10 2 persons, or (iii) \$42,000 for a household containing 3 or
11 more persons for the 2004 grant year and thereafter and whose
12 household is liable for payment of property taxes accrued or
13 has paid rent constituting property taxes accrued and is
14 domiciled in this State at the time he or she files his or her
15 claim is entitled to claim a grant under this Act. With respect
16 to claims filed by individuals who will become 65 years old
17 during the calendar year in which a claim is filed, the amount
18 of any grant to which that household is entitled shall be an
19 amount equal to 1/12 of the amount to which the claimant would
20 otherwise be entitled as provided in this Section, multiplied
21 by the number of months in which the claimant was 65 in the
22 calendar year in which the claim is filed.

23 (b) Limitation. Except as otherwise provided in
24 subsections (a) and (f) of this Section, the maximum amount of
25 grant which a claimant is entitled to claim is the amount by
26 which the property taxes accrued which were paid or payable
27 during the last preceding tax year or rent constituting
28 property taxes accrued upon the claimant's residence for the
29 last preceding taxable year exceeds 3 1/2% of the claimant's
30 household income for that year but in no event is the grant to
31 exceed (i) \$700 less 4.5% of household income for that year for
32 those with a household income of \$14,000 or less or (ii) \$70 if
33 household income for that year is more than \$14,000.

34 (c) Public aid recipients. If household income in one or
35 more months during a year includes cash assistance in excess of
36 \$55 per month from the Department of Public Aid or the

1 Department of Human Services (acting as successor to the
2 Department of Public Aid under the Department of Human Services
3 Act) which was determined under regulations of that Department
4 on a measure of need that included an allowance for actual rent
5 or property taxes paid by the recipient of that assistance, the
6 amount of grant to which that household is entitled, except as
7 otherwise provided in subsection (a), shall be the product of
8 (1) the maximum amount computed as specified in subsection (b)
9 of this Section and (2) the ratio of the number of months in
10 which household income did not include such cash assistance
11 over \$55 to the number twelve. If household income did not
12 include such cash assistance over \$55 for any months during the
13 year, the amount of the grant to which the household is
14 entitled shall be the maximum amount computed as specified in
15 subsection (b) of this Section. For purposes of this paragraph
16 (c), "cash assistance" does not include any amount received
17 under the federal Supplemental Security Income (SSI) program.

18 (d) Joint ownership. If title to the residence is held
19 jointly by the claimant with a person who is not a member of
20 his or her household, the amount of property taxes accrued used
21 in computing the amount of grant to which he or she is entitled
22 shall be the same percentage of property taxes accrued as is
23 the percentage of ownership held by the claimant in the
24 residence.

25 (e) More than one residence. If a claimant has occupied
26 more than one residence in the taxable year, he or she may
27 claim only one residence for any part of a month. In the case
28 of property taxes accrued, he or she shall prorate 1/12 of the
29 total property taxes accrued on his or her residence to each
30 month that he or she owned and occupied that residence; and, in
31 the case of rent constituting property taxes accrued, shall
32 prorate each month's rent payments to the residence actually
33 occupied during that month.

34 (f) There is hereby established a program of pharmaceutical
35 assistance to the aged and disabled which shall be administered
36 by the Department in accordance with this Act, to consist of

1 payments to authorized pharmacies, on behalf of beneficiaries
2 of the program, for the reasonable costs of covered
3 prescription drugs. Each beneficiary who pays \$5 for an
4 identification card shall pay no additional prescription
5 costs. Each beneficiary who pays \$25 for an identification card
6 shall pay \$3 per prescription. In addition, after a beneficiary
7 receives \$2,000 in benefits during a State fiscal year through
8 December 31, 2004 and, on and after January 1, 2005, after a
9 beneficiary receives \$2,000 in benefits during a calendar year,
10 that beneficiary shall also be charged 20% of the cost of each
11 prescription for which payments are made by the program during
12 the remainder of the fiscal year through December 31, 2004 and,
13 on and after January 1, 2005, during the remainder of the
14 calendar year. To become a beneficiary under this program a
15 person must: (1) be (i) 65 years of age or older, or (ii) the
16 surviving spouse of such a claimant, who at the time of death
17 received or was entitled to receive benefits pursuant to this
18 subsection, which surviving spouse will become 65 years of age
19 within the 24 months immediately following the death of such
20 claimant and which surviving spouse but for his or her age is
21 otherwise qualified to receive benefits pursuant to this
22 subsection, or (iii) disabled, and (2) be domiciled in this
23 State at the time he or she files his or her claim, and (3) have
24 a maximum household income of less than \$14,000 for grant years
25 before the 1998 grant year, less than \$16,000 for the 1998 and
26 1999 grant years, ~~and~~ less than (i) \$21,218 for a household
27 containing one person, (ii) \$28,480 for a household containing
28 2 persons, or (iii) \$35,740 for a household containing 3 more
29 persons for the 2000 through 2003 grant years, and less than
30 (i) 28,000 for a household containing one person, (ii) \$35,000
31 for a household containing 2 persons, or (iii) \$42,000 for a
32 household containing 3 or more persons for the 2004 grant year
33 and thereafter. In addition, each eligible person must (1)
34 obtain an identification card from the Department, (2) at the
35 time the card is obtained, sign a statement assigning to the
36 State of Illinois benefits which may be otherwise claimed under

1 any private insurance plans, and (3) present the identification
2 card to the dispensing pharmacist.

3 The Department may adopt rules specifying participation
4 requirements for the pharmaceutical assistance program,
5 including copayment amounts, identification card fees,
6 expenditure limits, and the benefit threshold after which a 20%
7 charge is imposed on the cost of each prescription, to be in
8 effect on and after July 1, 2004. Notwithstanding any other
9 provision of this paragraph, however, the Department may not
10 increase the identification card fee above the amount in effect
11 on May 1, 2003 without the express consent of the General
12 Assembly. To the extent practicable, those requirements shall
13 be commensurate with the requirements provided in rules adopted
14 by the Department of Public Aid to implement the pharmacy
15 assistance program under Section 5-5.12a of the Illinois Public
16 Aid Code.

17 Whenever a generic equivalent for a covered prescription
18 drug is available, the Department shall reimburse only for the
19 reasonable costs of the generic equivalent, less the co-pay
20 established in this Section, unless (i) the covered
21 prescription drug contains one or more ingredients defined as a
22 narrow therapeutic index drug at 21 CFR 320.33, (ii) the
23 prescriber indicates on the face of the prescription "brand
24 medically necessary", and (iii) the prescriber specifies that a
25 substitution is not permitted. When issuing an oral
26 prescription for covered prescription medication described in
27 item (i) of this paragraph, the prescriber shall stipulate
28 "brand medically necessary" and that a substitution is not
29 permitted. If the covered prescription drug and its authorizing
30 prescription do not meet the criteria listed above, the
31 beneficiary may purchase the non-generic equivalent of the
32 covered prescription drug by paying the difference between the
33 generic cost and the non-generic cost plus the beneficiary
34 co-pay.

35 Any person otherwise eligible for pharmaceutical
36 assistance under this Act whose covered drugs are covered by

1 any public program for assistance in purchasing any covered
2 prescription drugs shall be ineligible for assistance under
3 this Act to the extent such costs are covered by such other
4 plan.

5 The fee to be charged by the Department for the
6 identification card shall be equal to \$5 per coverage year for
7 persons below the official poverty line as defined by the
8 United States Department of Health and Human Services and \$25
9 per coverage year for all other persons. On and before December
10 31, 2004, coverage under this pharmaceutical assistance
11 program shall begin on the date of application approval and be
12 in effect for 12 months. On and after January 1, 2005, coverage
13 under this pharmaceutical assistance program shall be in effect
14 on a calendar year basis.

15 In the event that 2 or more persons are eligible for any
16 benefit under this Act, and are members of the same household,
17 (1) each such person shall be entitled to participate in the
18 pharmaceutical assistance program, provided that he or she
19 meets all other requirements imposed by this subsection and (2)
20 each participating household member contributes the fee
21 required for that person by the preceding paragraph for the
22 purpose of obtaining an identification card.

23 (Source: P.A. 92-131, eff. 7-23-01; 92-519, eff. 1-1-02;
24 92-651, eff. 7-11-02; 93-130, eff. 7-10-03.)

25 Section 99. Effective date. This Act takes effect upon
26 becoming law.