



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB4450

Introduced 1/10/2006, by Rep. Carolyn H. Krause

SYNOPSIS AS INTRODUCED:

305 ILCS 5/5-2

from Ch. 23, par. 5-2

Amends the Illinois Public Aid Code. Provides that an individual's assets to be disregarded in determining eligibility for Medicaid include the assets the individual owns at the time the individual applies for Medicaid if (i) the individual is the beneficiary of a qualified long-term care insurance policy that provides maximum benefits of at least \$200,000 and includes a provision under which the daily benefit increases by at least 5% per year beginning January 1, 2006, compounded at least annually, and (ii) the individual has exhausted the policy's benefits.

LRB094 17388 DRJ 52683 b

FISCAL NOTE ACT
MAY APPLY

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 5-2 as follows:

6 (305 ILCS 5/5-2) (from Ch. 23, par. 5-2)

7 Sec. 5-2. Classes of Persons Eligible. Medical assistance
8 under this Article shall be available to any of the following
9 classes of persons in respect to whom a plan for coverage has
10 been submitted to the Governor by the Illinois Department and
11 approved by him:

12 1. Recipients of basic maintenance grants under
13 Articles III and IV.

14 2. Persons otherwise eligible for basic maintenance
15 under Articles III and IV but who fail to qualify
16 thereunder on the basis of need, and who have insufficient
17 income and resources to meet the costs of necessary medical
18 care, including but not limited to the following:

19 (a) All persons otherwise eligible for basic
20 maintenance under Article III but who fail to qualify
21 under that Article on the basis of need and who meet
22 either of the following requirements:

23 (i) their income, as determined by the
24 Illinois Department in accordance with any federal
25 requirements, is equal to or less than 70% in
26 fiscal year 2001, equal to or less than 85% in
27 fiscal year 2002 and until a date to be determined
28 by the Department by rule, and equal to or less
29 than 100% beginning on the date determined by the
30 Department by rule, of the nonfarm income official
31 poverty line, as defined by the federal Office of
32 Management and Budget and revised annually in

1 accordance with Section 673(2) of the Omnibus
2 Budget Reconciliation Act of 1981, applicable to
3 families of the same size; or

4 (ii) their income, after the deduction of
5 costs incurred for medical care and for other types
6 of remedial care, is equal to or less than 70% in
7 fiscal year 2001, equal to or less than 85% in
8 fiscal year 2002 and until a date to be determined
9 by the Department by rule, and equal to or less
10 than 100% beginning on the date determined by the
11 Department by rule, of the nonfarm income official
12 poverty line, as defined in item (i) of this
13 subparagraph (a).

14 (b) All persons who would be determined eligible
15 for such basic maintenance under Article IV by
16 disregarding the maximum earned income permitted by
17 federal law.

18 3. Persons who would otherwise qualify for Aid to the
19 Medically Indigent under Article VII.

20 4. Persons not eligible under any of the preceding
21 paragraphs who fall sick, are injured, or die, not having
22 sufficient money, property or other resources to meet the
23 costs of necessary medical care or funeral and burial
24 expenses.

25 5.(a) Women during pregnancy, after the fact of
26 pregnancy has been determined by medical diagnosis, and
27 during the 60-day period beginning on the last day of the
28 pregnancy, together with their infants and children born
29 after September 30, 1983, whose income and resources are
30 insufficient to meet the costs of necessary medical care to
31 the maximum extent possible under Title XIX of the Federal
32 Social Security Act.

33 (b) The Illinois Department and the Governor shall
34 provide a plan for coverage of the persons eligible under
35 paragraph 5(a) by April 1, 1990. Such plan shall provide
36 ambulatory prenatal care to pregnant women during a

1 presumptive eligibility period and establish an income
2 eligibility standard that is equal to 133% of the nonfarm
3 income official poverty line, as defined by the federal
4 Office of Management and Budget and revised annually in
5 accordance with Section 673(2) of the Omnibus Budget
6 Reconciliation Act of 1981, applicable to families of the
7 same size, provided that costs incurred for medical care
8 are not taken into account in determining such income
9 eligibility.

10 (c) The Illinois Department may conduct a
11 demonstration in at least one county that will provide
12 medical assistance to pregnant women, together with their
13 infants and children up to one year of age, where the
14 income eligibility standard is set up to 185% of the
15 nonfarm income official poverty line, as defined by the
16 federal Office of Management and Budget. The Illinois
17 Department shall seek and obtain necessary authorization
18 provided under federal law to implement such a
19 demonstration. Such demonstration may establish resource
20 standards that are not more restrictive than those
21 established under Article IV of this Code.

22 6. Persons under the age of 18 who fail to qualify as
23 dependent under Article IV and who have insufficient income
24 and resources to meet the costs of necessary medical care
25 to the maximum extent permitted under Title XIX of the
26 Federal Social Security Act.

27 7. Persons who are under 21 years of age and would
28 qualify as disabled as defined under the Federal
29 Supplemental Security Income Program, provided medical
30 service for such persons would be eligible for Federal
31 Financial Participation, and provided the Illinois
32 Department determines that:

33 (a) the person requires a level of care provided by
34 a hospital, skilled nursing facility, or intermediate
35 care facility, as determined by a physician licensed to
36 practice medicine in all its branches;

1 (b) it is appropriate to provide such care outside
2 of an institution, as determined by a physician
3 licensed to practice medicine in all its branches;

4 (c) the estimated amount which would be expended
5 for care outside the institution is not greater than
6 the estimated amount which would be expended in an
7 institution.

8 8. Persons who become ineligible for basic maintenance
9 assistance under Article IV of this Code in programs
10 administered by the Illinois Department due to employment
11 earnings and persons in assistance units comprised of
12 adults and children who become ineligible for basic
13 maintenance assistance under Article VI of this Code due to
14 employment earnings. The plan for coverage for this class
15 of persons shall:

16 (a) extend the medical assistance coverage for up
17 to 12 months following termination of basic
18 maintenance assistance; and

19 (b) offer persons who have initially received 6
20 months of the coverage provided in paragraph (a) above,
21 the option of receiving an additional 6 months of
22 coverage, subject to the following:

23 (i) such coverage shall be pursuant to
24 provisions of the federal Social Security Act;

25 (ii) such coverage shall include all services
26 covered while the person was eligible for basic
27 maintenance assistance;

28 (iii) no premium shall be charged for such
29 coverage; and

30 (iv) such coverage shall be suspended in the
31 event of a person's failure without good cause to
32 file in a timely fashion reports required for this
33 coverage under the Social Security Act and
34 coverage shall be reinstated upon the filing of
35 such reports if the person remains otherwise
36 eligible.

1 9. Persons with acquired immunodeficiency syndrome
2 (AIDS) or with AIDS-related conditions with respect to whom
3 there has been a determination that but for home or
4 community-based services such individuals would require
5 the level of care provided in an inpatient hospital,
6 skilled nursing facility or intermediate care facility the
7 cost of which is reimbursed under this Article. Assistance
8 shall be provided to such persons to the maximum extent
9 permitted under Title XIX of the Federal Social Security
10 Act.

11 10. Participants in the long-term care insurance
12 partnership program established under the Partnership for
13 Long-Term Care Act who meet the qualifications for
14 protection of resources described in Section 25 of that
15 Act.

16 11. Persons with disabilities who are employed and
17 eligible for Medicaid, pursuant to Section
18 1902(a)(10)(A)(ii)(xv) of the Social Security Act, as
19 provided by the Illinois Department by rule.

20 12. Subject to federal approval, persons who are
21 eligible for medical assistance coverage under applicable
22 provisions of the federal Social Security Act and the
23 federal Breast and Cervical Cancer Prevention and
24 Treatment Act of 2000. Those eligible persons are defined
25 to include, but not be limited to, the following persons:

26 (1) persons who have been screened for breast or
27 cervical cancer under the U.S. Centers for Disease
28 Control and Prevention Breast and Cervical Cancer
29 Program established under Title XV of the federal
30 Public Health Services Act in accordance with the
31 requirements of Section 1504 of that Act as
32 administered by the Illinois Department of Public
33 Health; and

34 (2) persons whose screenings under the above
35 program were funded in whole or in part by funds
36 appropriated to the Illinois Department of Public

1 Health for breast or cervical cancer screening.

2 "Medical assistance" under this paragraph 12 shall be
3 identical to the benefits provided under the State's
4 approved plan under Title XIX of the Social Security Act.
5 The Department must request federal approval of the
6 coverage under this paragraph 12 within 30 days after the
7 effective date of this amendatory Act of the 92nd General
8 Assembly.

9 13. Subject to appropriation and to federal approval,
10 persons living with HIV/AIDS who are not otherwise eligible
11 under this Article and who qualify for services covered
12 under Section 5-5.04 as provided by the Illinois Department
13 by rule.

14 The Illinois Department and the Governor shall provide a
15 plan for coverage of the persons eligible under paragraph 7 as
16 soon as possible after July 1, 1984.

17 The eligibility of any such person for medical assistance
18 under this Article is not affected by the payment of any grant
19 under the Senior Citizens and Disabled Persons Property Tax
20 Relief and Pharmaceutical Assistance Act or any distributions
21 or items of income described under subparagraph (X) of
22 paragraph (2) of subsection (a) of Section 203 of the Illinois
23 Income Tax Act. The Department shall by rule establish the
24 amounts of assets to be disregarded in determining eligibility
25 for medical assistance, which shall at a minimum equal the
26 amounts to be disregarded under the Federal Supplemental
27 Security Income Program. The amount of assets of a single
28 person to be disregarded shall not be less than \$2,000, and the
29 amount of assets of a married couple to be disregarded shall
30 not be less than \$3,000. An individual's assets to be
31 disregarded in determining the individual's eligibility for
32 medical assistance also include the assets the individual owns
33 at the time the individual applies for medical assistance if
34 (i) the individual is the beneficiary of a qualified long-term
35 care insurance policy that provides maximum benefits of at
36 least \$200,000 and includes a provision under which the daily

1 benefit increases by at least 5% per year beginning January 1,
2 2006, compounded at least annually, and (ii) the individual has
3 exhausted the policy's benefits.

4 To the extent permitted under federal law, any person found
5 guilty of a second violation of Article VIIIA shall be
6 ineligible for medical assistance under this Article, as
7 provided in Section 8A-8.

8 The eligibility of any person for medical assistance under
9 this Article shall not be affected by the receipt by the person
10 of donations or benefits from fundraisers held for the person
11 in cases of serious illness, as long as neither the person nor
12 members of the person's family have actual control over the
13 donations or benefits or the disbursement of the donations or
14 benefits.

15 (Source: P.A. 93-20, eff. 6-20-03; 94-629, eff. 1-1-06.)