

1 AN ACT concerning aging.

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 as follows:

7 (320 ILCS 25/4) (from Ch. 67 1/2, par. 404)

8 Sec. 4. Amount of Grant.

9 (a) In general. Any individual 65 years or older or any
10 individual who will become 65 years old during the calendar
11 year in which a claim is filed, and any surviving spouse of
12 such a claimant, who at the time of death received or was
13 entitled to receive a grant pursuant to this Section, which
14 surviving spouse will become 65 years of age within the 24
15 months immediately following the death of such claimant and
16 which surviving spouse but for his or her age is otherwise
17 qualified to receive a grant pursuant to this Section, and any
18 disabled person whose annual household income is less than the
19 income eligibility limitation, as defined in subsection (a-5),
20 ~~\$14,000 for grant years before the 1998 grant year, less than~~
21 ~~\$16,000 for the 1998 and 1999 grant years, and less than (i)~~
22 ~~\$21,218 for a household containing one person, (ii) \$28,480 for~~
23 ~~a household containing 2 persons, or (iii) \$35,740 for a~~
24 ~~household containing 3 or more persons for the 2000 grant year~~
25 ~~and thereafter~~ and whose household is liable for payment of
26 property taxes accrued or has paid rent constituting property
27 taxes accrued and is domiciled in this State at the time he or
28 she files his or her claim is entitled to claim a grant under
29 this Act. With respect to claims filed by individuals who will
30 become 65 years old during the calendar year in which a claim
31 is filed, the amount of any grant to which that household is
32 entitled shall be an amount equal to 1/12 of the amount to

1 which the claimant would otherwise be entitled as provided in
2 this Section, multiplied by the number of months in which the
3 claimant was 65 in the calendar year in which the claim is
4 filed.

5 (a-5) Income eligibility limitation. For purposes of this
6 Section, "income eligibility limitation" means an amount:

7 (i) for grant years before the 1998 grant year, less
8 than \$14,000;

9 (ii) for the 1998 and 1999 grant year, less than
10 \$16,000;

11 (iii) for grant years 2000 through 2005:

12 (A) less than \$21,218 for a household containing
13 one person;

14 (B) less than \$28,480 for a household containing 2
15 persons; or

16 (C) less than \$35,740 for a household containing 3
17 or more persons;

18 (iv) for grant year 2006:

19 (A) less than \$23,218 for a household containing
20 one person;

21 (B) less than \$30,480 for a household containing 2
22 persons; or

23 (C) less than \$37,740 for a household containing 3
24 or more persons; or

25 (v) for grant years 2007 and thereafter, less than the
26 income eligibility limitation of the previous grant year as
27 increased by the annual rate of increase, for the previous
28 calendar year, of the Consumer Price Index for All Urban
29 Consumers for all items, published by the United States
30 Bureau of Labor Statistics.

31 (b) Limitation. Except as otherwise provided in
32 subsections (a) and (f) of this Section, the maximum amount of
33 grant which a claimant is entitled to claim is the amount by
34 which the property taxes accrued which were paid or payable
35 during the last preceding tax year or rent constituting
36 property taxes accrued upon the claimant's residence for the

1 last preceding taxable year exceeds 3 1/2% of the claimant's
2 household income for that year but in no event is the grant to
3 exceed (i) \$700 less 4.5% of household income for that year for
4 those with a household income of \$14,000 or less or (ii) \$70 if
5 household income for that year is more than \$14,000.

6 (c) Public aid recipients. If household income in one or
7 more months during a year includes cash assistance in excess of
8 \$55 per month from the Department of Healthcare and Family
9 Services ~~Public Aid~~ or the Department of Human Services (acting
10 as successor to the Department of Public Aid under the
11 Department of Human Services Act) which was determined under
12 regulations of that Department on a measure of need that
13 included an allowance for actual rent or property taxes paid by
14 the recipient of that assistance, the amount of grant to which
15 that household is entitled, except as otherwise provided in
16 subsection (a), shall be the product of (1) the maximum amount
17 computed as specified in subsection (b) of this Section and (2)
18 the ratio of the number of months in which household income did
19 not include such cash assistance over \$55 to the number twelve.
20 If household income did not include such cash assistance over
21 \$55 for any months during the year, the amount of the grant to
22 which the household is entitled shall be the maximum amount
23 computed as specified in subsection (b) of this Section. For
24 purposes of this paragraph (c), "cash assistance" does not
25 include any amount received under the federal Supplemental
26 Security Income (SSI) program.

27 (d) Joint ownership. If title to the residence is held
28 jointly by the claimant with a person who is not a member of
29 his or her household, the amount of property taxes accrued used
30 in computing the amount of grant to which he or she is entitled
31 shall be the same percentage of property taxes accrued as is
32 the percentage of ownership held by the claimant in the
33 residence.

34 (e) More than one residence. If a claimant has occupied
35 more than one residence in the taxable year, he or she may
36 claim only one residence for any part of a month. In the case

1 of property taxes accrued, he or she shall prorate 1/12 of the
2 total property taxes accrued on his or her residence to each
3 month that he or she owned and occupied that residence; and, in
4 the case of rent constituting property taxes accrued, shall
5 prorate each month's rent payments to the residence actually
6 occupied during that month.

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

1 an identification card from the Department, (2) at the time the
2 card is obtained, sign a statement assigning to the State of
3 Illinois benefits which may be otherwise claimed under any
4 private insurance plans, and (3) present the identification
5 card to the dispensing pharmacist.

6 The Department may adopt rules specifying participation
7 requirements for the pharmaceutical assistance program,
8 including copayment amounts, identification card fees,
9 expenditure limits, and the benefit threshold after which a 20%
10 charge is imposed on the cost of each prescription, to be in
11 effect on and after July 1, 2004. Notwithstanding any other
12 provision of this paragraph, however, the Department may not
13 increase the identification card fee above the amount in effect
14 on May 1, 2003 without the express consent of the General
15 Assembly. To the extent practicable, those requirements shall
16 be commensurate with the requirements provided in rules adopted
17 by the Department of Healthcare and Family Services ~~Public Aid~~
18 to implement the pharmacy assistance program under Section
19 5-5.12a of the Illinois Public Aid Code.

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

1 co-pay.

2 Any person otherwise eligible for pharmaceutical
3 assistance under this Act whose covered drugs are covered by
4 any public program for assistance in purchasing any covered
5 prescription drugs shall be ineligible for assistance under
6 this Act to the extent such costs are covered by such other
7 plan.

8 The fee to be charged by the Department for the
9 identification card shall be equal to \$5 per coverage year for
10 persons below the official poverty line as defined by the
11 United States Department of Health and Human Services and \$25
12 per coverage year for all other persons.

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

21 The provisions of this subsection (f), other than this
22 paragraph, are inoperative after December 31, 2005.
23 Beneficiaries who received benefits under the program
24 established by this subsection (f) are not entitled, at the
25 termination of the program, to any refund of the identification
26 card fee paid under this subsection.

27 (g) Effective January 1, 2006, there is hereby established
28 a program of pharmaceutical assistance to the aged and
29 disabled, entitled the Illinois Seniors and Disabled Drug
30 Coverage Program, which shall be administered by the Department
31 of Healthcare and Family Services and the Department on Aging
32 in accordance with this subsection, to consist of coverage of
33 specified prescription drugs on behalf of beneficiaries of the
34 program as set forth in this subsection. The program under this
35 subsection replaces and supersedes the program established
36 under subsection (f), which shall end at midnight on December

1 31, 2005.

2 To become a beneficiary under the program established under
3 this subsection, a person must:

4 (1) be (i) 65 years of age or older or (ii) disabled;
5 and

6 (2) be domiciled in this State; and

7 (3) enroll with a qualified Medicare Part D
8 Prescription Drug Plan if eligible and apply for all
9 available subsidies under Medicare Part D; and

10 (4) have a maximum household income of (i) less than
11 \$21,218 for a household containing one person, (ii) less
12 than \$28,480 for a household containing 2 persons, or (iii)
13 less than \$35,740 for a household containing 3 or more
14 persons. If any income eligibility limit set forth in items
15 (i) through (iii) is less than 200% of the Federal Poverty
16 Level for any year, the income eligibility limit for that
17 year for households of that size shall be income equal to
18 or less than 200% of the Federal Poverty Level.

19 All individuals enrolled as of December 31, 2005, in the
20 pharmaceutical assistance program operated pursuant to
21 subsection (f) of this Section and all individuals enrolled as
22 of December 31, 2005, in the SeniorCare Medicaid waiver program
23 operated pursuant to Section 5-5.12a of the Illinois Public Aid
24 Code shall be automatically enrolled in the program established
25 by this subsection for the first year of operation without the
26 need for further application, except that they must apply for
27 Medicare Part D and the Low Income Subsidy under Medicare Part
28 D. A person enrolled in the pharmaceutical assistance program
29 operated pursuant to subsection (f) of this Section as of
30 December 31, 2005, shall not lose eligibility in future years
31 due only to the fact that they have not reached the age of 65.

32 To the extent permitted by federal law, the Department may
33 act as an authorized representative of a beneficiary in order
34 to enroll the beneficiary in a Medicare Part D Prescription
35 Drug Plan if the beneficiary has failed to choose a plan and,
36 where possible, to enroll beneficiaries in the low-income

1 subsidy program under Medicare Part D or assist them in
2 enrolling in that program.

3 Beneficiaries under the program established under this
4 subsection shall be divided into the following 4 eligibility
5 groups:

6 (A) Eligibility Group 1 shall consist of beneficiaries
7 who are not eligible for Medicare Part D coverage and who
8 are:

9 (i) disabled and under age 65; or

10 (ii) age 65 or older, with incomes over 200% of the
11 Federal Poverty Level; or

12 (iii) age 65 or older, with incomes at or below
13 200% of the Federal Poverty Level and not eligible for
14 federally funded means-tested benefits due to
15 immigration status.

16 (B) Eligibility Group 2 shall consist of beneficiaries
17 otherwise described in Eligibility Group 1 but who are
18 eligible for Medicare Part D coverage.

19 (C) Eligibility Group 3 shall consist of beneficiaries
20 age 65 or older, with incomes at or below 200% of the
21 Federal Poverty Level, who are not barred from receiving
22 federally funded means-tested benefits due to immigration
23 status and are eligible for Medicare Part D coverage.

24 (D) Eligibility Group 4 shall consist of beneficiaries
25 age 65 or older, with incomes at or below 200% of the
26 Federal Poverty Level, who are not barred from receiving
27 federally funded means-tested benefits due to immigration
28 status and are not eligible for Medicare Part D coverage.

29 If the State applies and receives federal approval for a
30 waiver under Title XIX of the Social Security Act, persons in
31 Eligibility Group 4 shall continue to receive benefits through
32 the approved waiver, and Eligibility Group 4 may be expanded to
33 include disabled persons under age 65 with incomes under 200%
34 of the Federal Poverty Level who are not eligible for Medicare
35 and who are not barred from receiving federally funded
36 means-tested benefits due to immigration status.

1 The program established under this subsection shall cover
2 the cost of covered prescription drugs in excess of the
3 beneficiary cost-sharing amounts set forth in this paragraph
4 that are not covered by Medicare. In 2006, beneficiaries shall
5 pay a co-payment of \$2 for each prescription of a generic drug
6 and \$5 for each prescription of a brand-name drug. In future
7 years, beneficiaries shall pay co-payments equal to the
8 co-payments required under Medicare Part D for "other
9 low-income subsidy eligible individuals" pursuant to 42 CFR
10 423.782(b). Once the program established under this subsection
11 and Medicare combined have paid \$1,750 in a year for covered
12 prescription drugs, the beneficiary shall pay 20% of the cost
13 of each prescription in addition to the co-payments set forth
14 in this paragraph.

15 For beneficiaries eligible for Medicare Part D coverage,
16 the program established under this subsection shall pay 100% of
17 the premiums charged by a qualified Medicare Part D
18 Prescription Drug Plan for Medicare Part D basic prescription
19 drug coverage, not including any late enrollment penalties.
20 Qualified Medicare Part D Prescription Drug Plans may be
21 limited by the Department of Healthcare and Family Services to
22 those plans that sign a coordination agreement with the
23 Department.

24 Notwithstanding Section 3.15, for purposes of the program
25 established under this subsection, the term "covered
26 prescription drug" has the following meanings:

27 For Eligibility Group 1, "covered prescription drug"
28 means: (1) any cardiovascular agent or drug; (2) any
29 insulin or other prescription drug used in the treatment of
30 diabetes, including syringe and needles used to administer
31 the insulin; (3) any prescription drug used in the
32 treatment of arthritis; (4) any prescription drug used in
33 the treatment of cancer; (5) any prescription drug used in
34 the treatment of Alzheimer's disease; (6) any prescription
35 drug used in the treatment of Parkinson's disease; (7) any
36 prescription drug used in the treatment of glaucoma; (8)

1 any prescription drug used in the treatment of lung disease
2 and smoking-related illnesses; (9) any prescription drug
3 used in the treatment of osteoporosis; and (10) any
4 prescription drug used in the treatment of multiple
5 sclerosis. The Department may add additional therapeutic
6 classes by rule. The Department may adopt a preferred drug
7 list within any of the classes of drugs described in items
8 (1) through (10) of this paragraph. The specific drugs or
9 therapeutic classes of covered prescription drugs shall be
10 indicated by rule.

11 For Eligibility Group 2, "covered prescription drug"
12 means those drugs covered for Eligibility Group 1 that are
13 also covered by the Medicare Part D Prescription Drug Plan
14 in which the beneficiary is enrolled.

15 For Eligibility Group 3, "covered prescription drug"
16 means those drugs covered by the Medicare Part D
17 Prescription Drug Plan in which the beneficiary is
18 enrolled.

19 For Eligibility Group 4, "covered prescription drug"
20 means those drugs covered by the Medical Assistance Program
21 under Article V of the Illinois Public Aid Code.

22 An individual in Eligibility Group 3 or 4 may opt to
23 receive a \$25 monthly payment in lieu of the direct coverage
24 described in this subsection.

25 Any person otherwise eligible for pharmaceutical
26 assistance under this subsection whose covered drugs are
27 covered by any public program is ineligible for assistance
28 under this subsection to the extent that the cost of those
29 drugs is covered by the other program.

30 The Department of Healthcare and Family Services shall
31 establish by rule the methods by which it will provide for the
32 coverage called for in this subsection. Those methods may
33 include direct reimbursement to pharmacies or the payment of a
34 capitated amount to Medicare Part D Prescription Drug Plans.

35 For a pharmacy to be reimbursed under the program
36 established under this subsection, it must comply with rules

1 adopted by the Department of Healthcare and Family Services
2 regarding coordination of benefits with Medicare Part D
3 Prescription Drug Plans. A pharmacy may not charge a
4 Medicare-enrolled beneficiary of the program established under
5 this subsection more for a covered prescription drug than the
6 appropriate Medicare cost-sharing less any payment from or on
7 behalf of the Department of Healthcare and Family Services.

8 The Department of Healthcare and Family Services or the
9 Department on Aging, as appropriate, may adopt rules regarding
10 applications, counting of income, proof of Medicare status,
11 mandatory generic policies, and pharmacy reimbursement rates
12 and any other rules necessary for the cost-efficient operation
13 of the program established under this subsection.

14 (Source: P.A. 93-130, eff. 7-10-03; 94-86, eff. 1-1-06; revised
15 12-15-05.)

16 Section 99. Effective date. This Act takes effect upon
17 becoming law.