

# HB0157



## 95TH GENERAL ASSEMBLY

### State of Illinois

2007 and 2008

HB0157

Introduced 1/19/2007, by Rep. Elizabeth Coulson

#### SYNOPSIS AS INTRODUCED:

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. Provides for an annual increase in the household income amounts used to determine eligibility for a grant, the increase being equal to the cost-of-living increase designated under the federal Social Security Act.

LRB095 03781 LCT 23810 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

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  
19 \$14,000 for grant years before the 1998 grant year, less than  
20 \$16,000 for the 1998 and 1999 grant years, and less than (i)  
21 \$21,218 for a household containing one person, (ii) \$28,480 for  
22 a household containing 2 persons, or (iii) \$35,740 for a  
23 household containing 3 or more persons for the 2000 grant year

1 and thereafter and whose household is liable for payment of  
2 property taxes accrued or has paid rent constituting property  
3 taxes accrued and is domiciled in this State at the time he or  
4 she files his or her claim is entitled to claim a grant under  
5 this Act. The annual household income amounts set forth in  
6 items (i), (ii), and (iii) of this subsection (a) shall be  
7 increased annually by an amount equal to the amount of the  
8 annual cost-of-living increase designated under the federal  
9 Social Security Act. With respect to claims filed by  
10 individuals who will become 65 years old during the calendar  
11 year in which a claim is filed, the amount of any grant to  
12 which that household is entitled shall be an amount equal to  
13 1/12 of the amount to which the claimant would otherwise be  
14 entitled as provided in this Section, multiplied by the number  
15 of months in which the claimant was 65 in the calendar year in  
16 which the claim is filed.

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

1 household income for that year is more than \$14,000.

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

23 (d) Joint ownership. If title to the residence is held  
24 jointly by the claimant with a person who is not a member of  
25 his or her household, the amount of property taxes accrued used  
26 in computing the amount of grant to which he or she is entitled

1 shall be the same percentage of property taxes accrued as is  
2 the percentage of ownership held by the claimant in the  
3 residence.

4 (e) More than one residence. If a claimant has occupied  
5 more than one residence in the taxable year, he or she may  
6 claim only one residence for any part of a month. In the case  
7 of property taxes accrued, he or she shall prorate 1/12 of the  
8 total property taxes accrued on his or her residence to each  
9 month that he or she owned and occupied that residence; and, in  
10 the case of rent constituting property taxes accrued, shall  
11 prorate each month's rent payments to the residence actually  
12 occupied during that month.

13 (f) There is hereby established a program of pharmaceutical  
14 assistance to the aged and disabled which shall be administered  
15 by the Department in accordance with this Act, to consist of  
16 payments to authorized pharmacies, on behalf of beneficiaries  
17 of the program, for the reasonable costs of covered  
18 prescription drugs. Each beneficiary who pays \$5 for an  
19 identification card shall pay no additional prescription  
20 costs. Each beneficiary who pays \$25 for an identification card  
21 shall pay \$3 per prescription. In addition, after a beneficiary  
22 receives \$2,000 in benefits during a State fiscal year, that  
23 beneficiary shall also be charged 20% of the cost of each  
24 prescription for which payments are made by the program during  
25 the remainder of the fiscal year. To become a beneficiary under  
26 this program a person must: (1) be (i) 65 years of age or

1 older, or (ii) the surviving spouse of such a claimant, who at  
2 the time of death received or was entitled to receive benefits  
3 pursuant to this subsection, which surviving spouse will become  
4 65 years of age within the 24 months immediately following the  
5 death of such claimant and which surviving spouse but for his  
6 or her age is otherwise qualified to receive benefits pursuant  
7 to this subsection, or (iii) disabled, and (2) be domiciled in  
8 this State at the time he or she files his or her claim, and (3)  
9 have a maximum household income of less than \$14,000 for grant  
10 years before the 1998 grant year, less than \$16,000 for the  
11 1998 and 1999 grant years, and less than (i) \$21,218 for a  
12 household containing one person, (ii) \$28,480 for a household  
13 containing 2 persons, or (iii) \$35,740 for a household  
14 containing 3 more persons for the 2000 grant year and  
15 thereafter. In addition, each eligible person must (1) obtain  
16 an identification card from the Department, (2) at the time the  
17 card is obtained, sign a statement assigning to the State of  
18 Illinois benefits which may be otherwise claimed under any  
19 private insurance plans, and (3) present the identification  
20 card to the dispensing pharmacist.

21 The Department may adopt rules specifying participation  
22 requirements for the pharmaceutical assistance program,  
23 including copayment amounts, identification card fees,  
24 expenditure limits, and the benefit threshold after which a 20%  
25 charge is imposed on the cost of each prescription, to be in  
26 effect on and after July 1, 2004. Notwithstanding any other

1 provision of this paragraph, however, the Department may not  
2 increase the identification card fee above the amount in effect  
3 on May 1, 2003 without the express consent of the General  
4 Assembly. To the extent practicable, those requirements shall  
5 be commensurate with the requirements provided in rules adopted  
6 by the Department of Healthcare and Family Services to  
7 implement the pharmacy assistance program under Section  
8 5-5.12a of the Illinois Public Aid Code.

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

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

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

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

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

26 (g) Effective January 1, 2006, there is hereby established



1 a program of pharmaceutical assistance to the aged and  
2 disabled, entitled the Illinois Seniors and Disabled Drug  
3 Coverage Program, which shall be administered by the Department  
4 of Healthcare and Family Services and the Department on Aging  
5 in accordance with this subsection, to consist of coverage of  
6 specified prescription drugs on behalf of beneficiaries of the  
7 program as set forth in this subsection. The program under this  
8 subsection replaces and supersedes the program established  
9 under subsection (f), which shall end at midnight on December  
10 31, 2005.

11 To become a beneficiary under the program established under  
12 this subsection, a person must:

13 (1) be (i) 65 years of age or older or (ii) disabled;

14 and

15 (2) be domiciled in this State; and

16 (3) enroll with a qualified Medicare Part D  
17 Prescription Drug Plan if eligible and apply for all  
18 available subsidies under Medicare Part D; and

19 (4) have a maximum household income of (i) less than  
20 \$21,218 for a household containing one person, (ii) less  
21 than \$28,480 for a household containing 2 persons, or (iii)  
22 less than \$35,740 for a household containing 3 or more  
23 persons. If any income eligibility limit set forth in items  
24 (i) through (iii) is less than 200% of the Federal Poverty  
25 Level for any year, the income eligibility limit for that  
26 year for households of that size shall be income equal to

1 or less than 200% of the Federal Poverty Level.

2 All individuals enrolled as of December 31, 2005, in the  
3 pharmaceutical assistance program operated pursuant to  
4 subsection (f) of this Section and all individuals enrolled as  
5 of December 31, 2005, in the SeniorCare Medicaid waiver program  
6 operated pursuant to Section 5-5.12a of the Illinois Public Aid  
7 Code shall be automatically enrolled in the program established  
8 by this subsection for the first year of operation without the  
9 need for further application, except that they must apply for  
10 Medicare Part D and the Low Income Subsidy under Medicare Part  
11 D. A person enrolled in the pharmaceutical assistance program  
12 operated pursuant to subsection (f) of this Section as of  
13 December 31, 2005, shall not lose eligibility in future years  
14 due only to the fact that they have not reached the age of 65.

15 To the extent permitted by federal law, the Department may  
16 act as an authorized representative of a beneficiary in order  
17 to enroll the beneficiary in a Medicare Part D Prescription  
18 Drug Plan if the beneficiary has failed to choose a plan and,  
19 where possible, to enroll beneficiaries in the low-income  
20 subsidy program under Medicare Part D or assist them in  
21 enrolling in that program.

22 Beneficiaries under the program established under this  
23 subsection shall be divided into the following 5 eligibility  
24 groups:

25 (A) Eligibility Group 1 shall consist of beneficiaries  
26 who are not eligible for Medicare Part D coverage and who

1           are:

2                   (i) disabled and under age 65; or

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

5                   (iii) age 65 or older, with incomes at or below  
6           200% of the Federal Poverty Level and not eligible for  
7           federally funded means-tested benefits due to  
8           immigration status.

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

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

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

22          If the State applies and receives federal approval for  
23          a waiver under Title XIX of the Social Security Act,  
24          persons in Eligibility Group 4 shall continue to receive  
25          benefits through the approved waiver, and Eligibility  
26          Group 4 may be expanded to include disabled persons under

1 age 65 with incomes under 200% of the Federal Poverty Level  
2 who are not eligible for Medicare and who are not barred  
3 from receiving federally funded means-tested benefits due  
4 to immigration status.

5 (E) On and after January 1, 2007, Eligibility Group 5  
6 shall consist of beneficiaries who are otherwise described  
7 in Eligibility Group 1 but are eligible for Medicare Part D  
8 and have a diagnosis of HIV or AIDS.

9 The program established under this subsection shall cover  
10 the cost of covered prescription drugs in excess of the  
11 beneficiary cost-sharing amounts set forth in this paragraph  
12 that are not covered by Medicare. In 2006, beneficiaries shall  
13 pay a co-payment of \$2 for each prescription of a generic drug  
14 and \$5 for each prescription of a brand-name drug. In future  
15 years, beneficiaries shall pay co-payments equal to the  
16 co-payments required under Medicare Part D for "other  
17 low-income subsidy eligible individuals" pursuant to 42 CFR  
18 423.782(b). For individuals in Eligibility Groups 1, 2, 3, and  
19 4, once the program established under this subsection and  
20 Medicare combined have paid \$1,750 in a year for covered  
21 prescription drugs, the beneficiary shall pay 20% of the cost  
22 of each prescription in addition to the co-payments set forth  
23 in this paragraph. For individuals in Eligibility Group 5, once  
24 the program established under this subsection and Medicare  
25 combined have paid \$1,750 in a year for covered prescription  
26 drugs, the beneficiary shall pay 20% of the cost of each

1 prescription in addition to the co-payments set forth in this  
2 paragraph unless the drug is included in the formulary of the  
3 Illinois AIDS Drug Assistance Program operated by the Illinois  
4 Department of Public Health. If the drug is included in the  
5 formulary of the Illinois AIDS Drug Assistance Program,  
6 individuals in Eligibility Group 5 shall continue to pay the  
7 co-payments set forth in this paragraph after the program  
8 established under this subsection and Medicare combined have  
9 paid \$1,750 in a year for covered prescription drugs.

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

19 Notwithstanding Section 3.15, for purposes of the program  
20 established under this subsection, the term "covered  
21 prescription drug" has the following meanings:

22 For Eligibility Group 1, "covered prescription drug"  
23 means: (1) any cardiovascular agent or drug; (2) any  
24 insulin or other prescription drug used in the treatment of  
25 diabetes, including syringe and needles used to administer  
26 the insulin; (3) any prescription drug used in the

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

16 For Eligibility Group 2, "covered prescription drug"  
17 means those drugs covered for Eligibility Group 1 that are  
18 also covered by the Medicare Part D Prescription Drug Plan  
19 in which the beneficiary is enrolled.

20 For Eligibility Group 3, "covered prescription drug"  
21 means those drugs covered by the Medicare Part D  
22 Prescription Drug Plan in which the beneficiary is  
23 enrolled.

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

1           For Eligibility Group 5, "covered prescription drug"  
2           means: (1) those drugs covered for Eligibility Group 1 that  
3           are also covered by the Medicare Part D Prescription Drug  
4           Plan in which the beneficiary is enrolled; and (2) those  
5           drugs included in the formulary of the Illinois AIDS Drug  
6           Assistance Program operated by the Illinois Department of  
7           Public Health that are also covered by the Medicare Part D  
8           Prescription Drug Plan in which the beneficiary is  
9           enrolled.

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

13          Any person otherwise eligible for pharmaceutical  
14          assistance under this subsection whose covered drugs are  
15          covered by any public program is ineligible for assistance  
16          under this subsection to the extent that the cost of those  
17          drugs is covered by the other program.

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

23          For a pharmacy to be reimbursed under the program  
24          established under this subsection, it must comply with rules  
25          adopted by the Department of Healthcare and Family Services  
26          regarding coordination of benefits with Medicare Part D

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

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

12 (Source: P.A. 93-130, eff. 7-10-03; 94-86, eff. 1-1-06; 94-909,  
13 eff. 6-23-06.)