

HB0301



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB0301

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 and for pharmaceutical assistance, the increase being equal to the cost-of-living increase designated under the federal Social Security Act.

LRB095 05240 DRJ 25315 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. The maximum household income amounts set forth in
24 items (i), (ii), and (iii) of this subdivision (g)(4) shall
25 be increased annually by an amount equal to the amount of
26 the annual cost-of-living increase designated under the

1 federal Social Security Act. If any income eligibility
2 limit set forth in items (i) through (iii) is less than
3 200% of the Federal Poverty Level for any year, the income
4 eligibility limit for that year for households of that size
5 shall be income equal to or less than 200% of the Federal
6 Poverty Level.

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

21 To the extent permitted by federal law, the Department may
22 act as an authorized representative of a beneficiary in order
23 to enroll the beneficiary in a Medicare Part D Prescription
24 Drug Plan if the beneficiary has failed to choose a plan and,
25 where possible, to enroll beneficiaries in the low-income
26 subsidy program under Medicare Part D or assist them in

1 enrolling in that program.

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

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

8 (i) disabled and under age 65; or

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

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

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

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

23 (D) Eligibility Group 4 shall consist of beneficiaries
24 age 65 or older, with incomes at or below 200% of the
25 Federal Poverty Level, who are not barred from receiving
26 federally funded means-tested benefits due to immigration

1 status and are not eligible for Medicare Part D coverage.

2 If the State applies and receives federal approval for
3 a waiver under Title XIX of the Social Security Act,
4 persons in Eligibility Group 4 shall continue to receive
5 benefits through the approved waiver, and Eligibility
6 Group 4 may be expanded to include disabled persons under
7 age 65 with incomes under 200% of the Federal Poverty Level
8 who are not eligible for Medicare and who are not barred
9 from receiving federally funded means-tested benefits due
10 to immigration status.

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

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

1 prescription drugs, the beneficiary shall pay 20% of the cost
2 of each prescription in addition to the co-payments set forth
3 in this paragraph. For individuals in Eligibility Group 5, once
4 the program established under this subsection and Medicare
5 combined have paid \$1,750 in a year for covered prescription
6 drugs, the beneficiary shall pay 20% of the cost of each
7 prescription in addition to the co-payments set forth in this
8 paragraph unless the drug is included in the formulary of the
9 Illinois AIDS Drug Assistance Program operated by the Illinois
10 Department of Public Health. If the drug is included in the
11 formulary of the Illinois AIDS Drug Assistance Program,
12 individuals in Eligibility Group 5 shall continue to pay the
13 co-payments set forth in this paragraph after the program
14 established under this subsection and Medicare combined have
15 paid \$1,750 in a year for covered prescription drugs.

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

25 Notwithstanding Section 3.15, for purposes of the program
26 established under this subsection, the term "covered

1 prescription drug" has the following meanings:

2 For Eligibility Group 1, "covered prescription drug"
3 means: (1) any cardiovascular agent or drug; (2) any
4 insulin or other prescription drug used in the treatment of
5 diabetes, including syringe and needles used to administer
6 the insulin; (3) any prescription drug used in the
7 treatment of arthritis; (4) any prescription drug used in
8 the treatment of cancer; (5) any prescription drug used in
9 the treatment of Alzheimer's disease; (6) any prescription
10 drug used in the treatment of Parkinson's disease; (7) any
11 prescription drug used in the treatment of glaucoma; (8)
12 any prescription drug used in the treatment of lung disease
13 and smoking-related illnesses; (9) any prescription drug
14 used in the treatment of osteoporosis; and (10) any
15 prescription drug used in the treatment of multiple
16 sclerosis. The Department may add additional therapeutic
17 classes by rule. The Department may adopt a preferred drug
18 list within any of the classes of drugs described in items
19 (1) through (10) of this paragraph. The specific drugs or
20 therapeutic classes of covered prescription drugs shall be
21 indicated by rule.

22 For Eligibility Group 2, "covered prescription drug"
23 means those drugs covered for Eligibility Group 1 that are
24 also covered by the Medicare Part D Prescription Drug Plan
25 in which the beneficiary is enrolled.

26 For Eligibility Group 3, "covered prescription drug"

1 means those drugs covered by the Medicare Part D
2 Prescription Drug Plan in which the beneficiary is
3 enrolled.

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

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

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

19 Any person otherwise eligible for pharmaceutical
20 assistance under this subsection whose covered drugs are
21 covered by any public program is ineligible for assistance
22 under this subsection to the extent that the cost of those
23 drugs is covered by the other program.

24 The Department of Healthcare and Family Services shall
25 establish by rule the methods by which it will provide for the
26 coverage called for in this subsection. Those methods may

1 include direct reimbursement to pharmacies or the payment of a
2 capitated amount to Medicare Part D Prescription Drug Plans.

3 For a pharmacy to be reimbursed under the program
4 established under this subsection, it must comply with rules
5 adopted by the Department of Healthcare and Family Services
6 regarding coordination of benefits with Medicare Part D
7 Prescription Drug Plans. A pharmacy may not charge a
8 Medicare-enrolled beneficiary of the program established under
9 this subsection more for a covered prescription drug than the
10 appropriate Medicare cost-sharing less any payment from or on
11 behalf of the Department of Healthcare and Family Services.

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

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