

HB0948



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB0948

Introduced 2/8/2007, by Rep. Elga L. Jefferies

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. In provisions concerning the pharmaceutical assistance program ("Illinois Cares Rx"), provides that for Eligibility Group 1 (persons who are not eligible for Medicare Part D coverage and who meet certain other requirements), "covered prescription drug" means those drugs covered by the Medical Assistance Program under the Illinois Public Aid Code (instead of any of 10 specified types of drugs).

LRB095 09871 DRJ 30082 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. With respect to claims filed by individuals who will
6 become 65 years old during the calendar year in which a claim
7 is filed, the amount of any grant to which that household is
8 entitled shall be an amount equal to 1/12 of the amount to
9 which the claimant would otherwise be entitled as provided in
10 this Section, multiplied by the number of months in which the
11 claimant was 65 in the calendar year in which the claim is
12 filed.

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

24 (c) Public aid recipients. If household income in one or
25 more months during a year includes cash assistance in excess of
26 \$55 per month from the Department of Healthcare and Family

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

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

26 (e) More than one residence. If a claimant has occupied

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

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

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

17 The Department may adopt rules specifying participation
18 requirements for the pharmaceutical assistance program,
19 including copayment amounts, identification card fees,
20 expenditure limits, and the benefit threshold after which a 20%
21 charge is imposed on the cost of each prescription, to be in
22 effect on and after July 1, 2004. Notwithstanding any other
23 provision of this paragraph, however, the Department may not
24 increase the identification card fee above the amount in effect
25 on May 1, 2003 without the express consent of the General
26 Assembly. To the extent practicable, those requirements shall

1 be commensurate with the requirements provided in rules adopted
2 by the Department of Healthcare and Family Services to
3 implement the pharmacy assistance program under Section
4 5-5.12a of the Illinois Public Aid Code.

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

23 Any person otherwise eligible for pharmaceutical
24 assistance under this Act whose covered drugs are covered by
25 any public program for assistance in purchasing any covered
26 prescription drugs shall be ineligible for assistance under

1 this Act to the extent such costs are covered by such other
2 plan.

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

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

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

22 (g) Effective January 1, 2006, there is hereby established
23 a program of pharmaceutical assistance to the aged and
24 disabled, entitled the Illinois Seniors and Disabled Drug
25 Coverage Program, which shall be administered by the Department
26 of Healthcare and Family Services and the Department on Aging

1 in accordance with this subsection, to consist of coverage of
2 specified prescription drugs on behalf of beneficiaries of the
3 program as set forth in this subsection. The program under this
4 subsection replaces and supersedes the program established
5 under subsection (f), which shall end at midnight on December
6 31, 2005.

7 To become a beneficiary under the program established under
8 this subsection, a person must:

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

10 and

11 (2) be domiciled in this State; and

12 (3) enroll with a qualified Medicare Part D
13 Prescription Drug Plan if eligible and apply for all
14 available subsidies under Medicare Part D; and

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

24 All individuals enrolled as of December 31, 2005, in the
25 pharmaceutical assistance program operated pursuant to
26 subsection (f) of this Section and all individuals enrolled as

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

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

18 Beneficiaries under the program established under this
19 subsection shall be divided into the following 5 eligibility
20 groups:

21 (A) Eligibility Group 1 shall consist of beneficiaries
22 who are not eligible for Medicare Part D coverage and who
23 are:

24 (i) disabled and under age 65; or

25 (ii) age 65 or older, with incomes over 200% of the

26 Federal Poverty Level; or

1 (iii) age 65 or older, with incomes at or below
2 200% of the Federal Poverty Level and not eligible for
3 federally funded means-tested benefits due to
4 immigration status.

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

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

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

18 If the State applies and receives federal approval for
19 a waiver under Title XIX of the Social Security Act,
20 persons in Eligibility Group 4 shall continue to receive
21 benefits through the approved waiver, and Eligibility
22 Group 4 may be expanded to include disabled persons under
23 age 65 with incomes under 200% of the Federal Poverty Level
24 who are not eligible for Medicare and who are not barred
25 from receiving federally funded means-tested benefits due
26 to immigration status.

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

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

1 formulary of the Illinois AIDS Drug Assistance Program,
2 individuals in Eligibility Group 5 shall continue to pay the
3 co-payments set forth in this paragraph after the program
4 established under this subsection and Medicare combined have
5 paid \$1,750 in a year for covered prescription drugs.

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

15 Notwithstanding Section 3.15, for purposes of the program
16 established under this subsection, the term "covered
17 prescription drug" has the following meanings:

18 For Eligibility Group 1, "covered prescription drug"
19 means those drugs covered by the Medical Assistance Program
20 under Article V of the Illinois Public Aid Code. ~~:(1) any~~
21 ~~cardiovascular agent or drug; (2) any insulin or other~~
22 ~~prescription drug used in the treatment of diabetes,~~
23 ~~including syringe and needles used to administer the~~
24 ~~insulin; (3) any prescription drug used in the treatment of~~
25 ~~arthritis; (4) any prescription drug used in the treatment~~
26 ~~of cancer; (5) any prescription drug used in the treatment~~

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

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

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

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

25 For Eligibility Group 5, "covered prescription drug"
26 means: (1) those drugs covered for Eligibility Group 1 that

1 are also covered by the Medicare Part D Prescription Drug
2 Plan in which the beneficiary is enrolled; and (2) those
3 drugs included in the formulary of the Illinois AIDS Drug
4 Assistance Program operated by the Illinois Department of
5 Public Health that are also covered by the Medicare Part D
6 Prescription Drug Plan in which the beneficiary is
7 enrolled.

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

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

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

21 For a pharmacy to be reimbursed under the program
22 established under this subsection, it must comply with rules
23 adopted by the Department of Healthcare and Family Services
24 regarding coordination of benefits with Medicare Part D
25 Prescription Drug Plans. A pharmacy may not charge a
26 Medicare-enrolled beneficiary of the program established under

1 this subsection more for a covered prescription drug than the
2 appropriate Medicare cost-sharing less any payment from or on
3 behalf of the Department of Healthcare and Family Services.

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

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