



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB4823

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 a one-time increase in the household income eligibility limits for property tax relief grants and pharmaceutical assistance to take into account cost-of-living increases designated under the Social Security Act for 2005, 2006, and 2007. Provides for annual increases thereafter in an amount equal to the amount of the annual cost-of-living increase designated under the Social Security Act. Effective immediately.

LRB095 15461 DRJ 41453 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 the
19 income eligibility limitation, as defined in subsection (a-5),
20 and whose household is liable for payment of property taxes
21 accrued or has paid rent constituting property taxes accrued
22 and is domiciled in this State at the time he or she files his
23 or her claim is entitled to claim a grant under this Act. With

1 respect to claims filed by individuals who will become 65 years
2 old during the calendar year in which a claim is filed, the
3 amount of any grant to which that household is entitled shall
4 be an amount equal to 1/12 of the amount to which the claimant
5 would otherwise be entitled as provided in this Section,
6 multiplied by the number of months in which the claimant was 65
7 in the calendar year in which the claim is filed.

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

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

12 (ii) for the 1998 and 1999 grant year, less than
13 \$16,000;

14 (iii) for grant years 2000 through 2007:

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

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

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

21 (iv) for grant years 2008 and thereafter:

22 (A) less than \$22,218 for a household containing
23 one person;

24 (B) less than \$29,480 for a household containing 2
25 persons; or

26 (C) less than \$36,740 for a household containing 3

1 or more persons.

2 For the 2008 grant year, the annual household income
3 amounts set forth in item (iv) of this subsection (a-5) shall
4 be increased by an amount equal to the cumulative
5 cost-of-living increases designated under the Social Security
6 Act for 2005, 2006, and 2007. The annual household income
7 amounts set forth in item (iv) of this subsection (a-5), after
8 adjustment pursuant to the preceding sentence, shall be
9 increased annually by an amount equal to the amount of the
10 annual cost-of-living increase designated under the Social
11 Security Act.

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

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

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

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

25 (e) More than one residence. If a claimant has occupied
26 more than one residence in the taxable year, he or she may

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

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

1 or her age is otherwise qualified to receive benefits pursuant
2 to this subsection, or (iii) disabled, and (2) be domiciled in
3 this State at the time he or she files his or her claim, and (3)
4 have a maximum household income of less than the income
5 eligibility limitation, as defined in subsection (a-5). In
6 addition, each eligible person must (1) obtain an
7 identification card from the Department, (2) at the time the
8 card is obtained, sign a statement assigning to the State of
9 Illinois benefits which may be otherwise claimed under any
10 private insurance plans, and (3) present the identification
11 card to the dispensing pharmacist.

12 The Department may adopt rules specifying participation
13 requirements for the pharmaceutical assistance program,
14 including copayment amounts, identification card fees,
15 expenditure limits, and the benefit threshold after which a 20%
16 charge is imposed on the cost of each prescription, to be in
17 effect on and after July 1, 2004. Notwithstanding any other
18 provision of this paragraph, however, the Department may not
19 increase the identification card fee above the amount in effect
20 on May 1, 2003 without the express consent of the General
21 Assembly. To the extent practicable, those requirements shall
22 be commensurate with the requirements provided in rules adopted
23 by the Department of Healthcare and Family Services to
24 implement the pharmacy assistance program under Section
25 5-5.12a of the Illinois Public Aid Code.

26 Whenever a generic equivalent for a covered prescription

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

18 Any person otherwise eligible for pharmaceutical
19 assistance under this Act whose covered drugs are covered by
20 any public program for assistance in purchasing any covered
21 prescription drugs shall be ineligible for assistance under
22 this Act to the extent such costs are covered by such other
23 plan.

24 The fee to be charged by the Department for the
25 identification card shall be equal to \$5 per coverage year for
26 persons below the official poverty line as defined by the

1 United States Department of Health and Human Services and \$25
2 per coverage year for all other persons.

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

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

17 (g) Effective January 1, 2006, there is hereby established
18 a program of pharmaceutical assistance to the aged and
19 disabled, entitled the Illinois Seniors and Disabled Drug
20 Coverage Program, which shall be administered by the Department
21 of Healthcare and Family Services and the Department on Aging
22 in accordance with this subsection, to consist of coverage of
23 specified prescription drugs on behalf of beneficiaries of the
24 program as set forth in this subsection. The program under this
25 subsection replaces and supersedes the program established
26 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 less than the
11 income eligibility limitation, as defined in subsection
12 (a-5) (i) less than \$21,218 for a household containing one
13 person, (ii) less than \$28,480 for a household containing 2
14 persons, or (iii) less than \$35,740 for a household
15 containing 3 or more persons. If any income eligibility
16 limit set forth in subsection (a-5) items (i) through (iii)
17 is less than 200% of the Federal Poverty Level for any
18 year, the income eligibility limit for that year for
19 households of that size shall be income equal to or less
20 than 200% of the Federal Poverty Level.

21 All individuals enrolled as of December 31, 2005, in the
22 pharmaceutical assistance program operated pursuant to
23 subsection (f) of this Section and all individuals enrolled as
24 of December 31, 2005, in the SeniorCare Medicaid waiver program
25 operated pursuant to Section 5-5.12a of the Illinois Public Aid
26 Code shall be automatically enrolled in the program established

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

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

15 Beneficiaries under the program established under this
16 subsection shall be divided into the following 5 eligibility
17 groups:

18 (A) Eligibility Group 1 shall consist of beneficiaries
19 who are not eligible for Medicare Part D coverage and who
20 are:

21 (i) disabled and under age 65; or

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

24 (iii) age 65 or older, with incomes at or below
25 200% of the Federal Poverty Level and not eligible for
26 federally funded means-tested benefits due to

1 immigration status.

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

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

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

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

24 (E) On and after January 1, 2007, Eligibility Group 5
25 shall consist of beneficiaries who are otherwise described
26 in Eligibility Groups 2 and 3 who have a diagnosis of HIV

1 or AIDS.

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

1 established under this subsection and Medicare combined have
2 paid \$1,750 in a year for covered prescription drugs.

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

12 Notwithstanding Section 3.15, for purposes of the program
13 established under this subsection, the term "covered
14 prescription drug" has the following meanings:

15 For Eligibility Group 1, "covered prescription drug"
16 means: (1) any cardiovascular agent or drug; (2) any
17 insulin or other prescription drug used in the treatment of
18 diabetes, including syringe and needles used to administer
19 the insulin; (3) any prescription drug used in the
20 treatment of arthritis; (4) any prescription drug used in
21 the treatment of cancer; (5) any prescription drug used in
22 the treatment of Alzheimer's disease; (6) any prescription
23 drug used in the treatment of Parkinson's disease; (7) any
24 prescription drug used in the treatment of glaucoma; (8)
25 any prescription drug used in the treatment of lung disease
26 and smoking-related illnesses; (9) any prescription drug

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

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

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

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

20 For Eligibility Group 5, for individuals otherwise
21 described in Eligibility Group 2, "covered prescription
22 drug" means: (1) those drugs covered for Eligibility Group
23 2 that are also covered by the Medicare Part D Prescription
24 Drug Plan in which the beneficiary is enrolled; and (2)
25 those drugs included in the formulary of the Illinois AIDS
26 Drug Assistance Program operated by the Illinois

1 Department of Public Health that are also covered by the
2 Medicare Part D Prescription Drug Plan in which the
3 beneficiary is enrolled. For Eligibility Group 5, for
4 individuals otherwise described in Eligibility Group 3,
5 "covered prescription drug" means those drugs covered by
6 the Medicare Part D Prescription Drug Plan in which the
7 beneficiary is enrolled.

8 An individual in Eligibility Group 1, 2, 3, 4, or 5 may opt
9 to 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. 94-86, eff. 1-1-06; 94-909, eff. 6-23-06; 95-208,
11 eff. 8-16-07; 95-644, eff. 10-12-07; revised 10-25-07.)

12 Section 99. Effective date. This Act takes effect upon
13 becoming law.