



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB5045

by Rep. Mike Boland

SYNOPSIS AS INTRODUCED:

320 ILCS 25/3.18 new
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 that veterans qualify for grants and benefits under the Act if they meet the income requirements. Effective immediately.

LRB095 17995 BDD 44078 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

1 AN ACT concerning veterans.

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 and by adding Section 3.18 as
7 follows:

8 (320 ILCS 25/3.18 new)

9 Sec. 3.18. "Veteran" means an Illinois resident who is, or
10 who was honorably discharged as, a member of the Armed Forces
11 of the United States, a member of the Illinois National Guard,
12 or a member of any reserve component of the Armed Forces of the
13 United States and who served on active duty in any armed
14 conflict involving the Armed Forces of the United States.

15 (320 ILCS 25/4) (from Ch. 67 1/2, par. 404)

16 Sec. 4. Amount of Grant.

17 (a) In general. Any individual:

18 (1) who is 65 years or older or any individual who will
19 become 65 years old during the calendar year in which a
20 claim is filed, and any surviving spouse of such a
21 claimant, who at the time of death received or was entitled
22 to receive a grant pursuant to this Section, which

1 surviving spouse will become 65 years of age within the 24
2 months immediately following the death of such claimant and
3 which surviving spouse but for his or her age is otherwise
4 qualified to receive a grant pursuant to this Section; ~~7~~
5 ~~and any~~

6 (2) who is a disabled person; or

7 (3) who is a veteran; and

8 whose annual household income is less than the income
9 eligibility limitation, as defined in subsection (a-5) and
10 whose household is liable for payment of property taxes accrued
11 or has paid rent constituting property taxes accrued and is
12 domiciled in this State at the time he or she files his or her
13 claim is entitled to claim a grant under this Act. With respect
14 to claims filed by individuals who will become 65 years old
15 during the calendar year in which a claim is filed, the amount
16 of any grant to which that household is entitled shall be an
17 amount equal to 1/12 of the amount to which the claimant would
18 otherwise be entitled as provided in this Section, multiplied
19 by the number of months in which the claimant was 65 in the
20 calendar year in which the claim is filed.

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

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

25 (ii) for the 1998 and 1999 grant year, less than
26 \$16,000;

1 (iii) for grant years 2000 through 2007:

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

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

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

8 (iv) for grant years 2008 and thereafter:

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

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

13 (C) less than \$36,740 for a household containing 3
14 or more persons.

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

26 (c) Public aid recipients. If household income in one or

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

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

1 residence.

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

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

1 pursuant to this subsection, which surviving spouse will become
2 65 years of age within the 24 months immediately following the
3 death of such claimant and which surviving spouse but for his
4 or her age is otherwise qualified to receive benefits pursuant
5 to this subsection, or (iii) disabled, and (2) be domiciled in
6 this State at the time he or she files his or her claim, and (3)
7 have a maximum household income of less than the income
8 eligibility limitation, as defined in subsection (a-5). In
9 addition, each eligible person must (1) obtain an
10 identification card from the Department, (2) at the time the
11 card is obtained, sign a statement assigning to the State of
12 Illinois benefits which may be otherwise claimed under any
13 private insurance plans, and (3) present the identification
14 card to the dispensing pharmacist.

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

1 implement the pharmacy assistance program under Section
2 5-5.12a of the Illinois Public Aid Code.

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

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

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

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

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

20 (g) ~~There Effective January 1, 2006, there~~ is hereby
21 established a program of pharmaceutical assistance to the aged,
22 ~~and disabled, and veterans,~~ entitled the Illinois Seniors and
23 Disabled Drug Coverage Program, which shall be administered by
24 the Department of Healthcare and Family Services and the
25 Department on Aging in accordance with this subsection, to
26 consist of coverage of specified prescription drugs on behalf

1 of beneficiaries of the program as set forth in this
2 subsection. The program under this subsection replaces and
3 supersedes the program established under subsection (f), which
4 shall end at midnight on December 31, 2005.

5 To become a beneficiary under the program established under
6 this subsection, a person must:

7 (1) be (i) 65 years of age or older or (ii) disabled or
8 (iii) a veteran; and

9 (2) be domiciled in this State; and

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

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

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

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

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

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

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

22 (i) disabled and under age 65; or

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

25 (iii) age 65 or older, with incomes at or below
26 200% of the Federal Poverty Level and not eligible for

1 federally funded means-tested benefits due to
2 immigration status; or

3 (iv) veterans.

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

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

12 (D) Eligibility Group 4 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 not eligible for Medicare Part D coverage.

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

26 (E) On and after January 1, 2007, Eligibility Group 5

1 shall consist of beneficiaries who are otherwise described
2 in Eligibility Groups 2 and 3 who have a diagnosis of HIV
3 or AIDS.

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

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

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

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

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

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

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

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

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

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

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

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

14 Section 99. Effective date. This Act takes effect upon
15 becoming law.