



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB2599

Introduced 2/20/2009, 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. Effective immediately.

LRB096 09230 KTG 19382 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 The annual household income amounts set forth in items (i),
3 (ii), and (iii) of this subsection (a-5) shall be increased
4 annually by an amount equal to the amount of the annual
5 cost-of-living increase designated under the federal Social
6 Security Act.

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

18 (c) Public aid recipients. If household income in one or
19 more months during a year includes cash assistance in excess of
20 \$55 per month from the Department of Healthcare and Family
21 Services or the Department of Human Services (acting as
22 successor to the Department of Public Aid under the Department
23 of Human Services Act) which was determined under regulations
24 of that Department on a measure of need that included an
25 allowance for actual rent or property taxes paid by the
26 recipient of that assistance, the amount of grant to which that

1 household is entitled, except as otherwise provided in
2 subsection (a), shall be the product of (1) the maximum amount
3 computed as specified in subsection (b) of this Section and (2)
4 the ratio of the number of months in which household income did
5 not include such cash assistance over \$55 to the number twelve.
6 If household income did not include such cash assistance over
7 \$55 for any months during the year, the amount of the grant to
8 which the household is entitled shall be the maximum amount
9 computed as specified in subsection (b) of this Section. For
10 purposes of this paragraph (c), "cash assistance" does not
11 include any amount received under the federal Supplemental
12 Security Income (SSI) program.

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

20 (e) More than one residence. If a claimant has occupied
21 more than one residence in the taxable year, he or she may
22 claim only one residence for any part of a month. In the case
23 of property taxes accrued, he or she shall prorate 1/12 of the
24 total property taxes accrued on his or her residence to each
25 month that he or she owned and occupied that residence; and, in
26 the case of rent constituting property taxes accrued, shall

1 prorate each month's rent payments to the residence actually
2 occupied during that month.

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

1 addition, each eligible person must (1) obtain an
2 identification card from the Department, (2) at the time the
3 card is obtained, sign a statement assigning to the State of
4 Illinois benefits which may be otherwise claimed under any
5 private insurance plans, and (3) present the identification
6 card to the dispensing pharmacist.

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

21 Whenever a generic equivalent for a covered prescription
22 drug is available, the Department shall reimburse only for the
23 reasonable costs of the generic equivalent, less the co-pay
24 established in this Section, unless (i) the covered
25 prescription drug contains one or more ingredients defined as a
26 narrow therapeutic index drug at 21 CFR 320.33, (ii) the

1 prescriber indicates on the face of the prescription "brand
2 medically necessary", and (iii) the prescriber specifies that a
3 substitution is not permitted. When issuing an oral
4 prescription for covered prescription medication described in
5 item (i) of this paragraph, the prescriber shall stipulate
6 "brand medically necessary" and that a substitution is not
7 permitted. If the covered prescription drug and its authorizing
8 prescription do not meet the criteria listed above, the
9 beneficiary may purchase the non-generic equivalent of the
10 covered prescription drug by paying the difference between the
11 generic cost and the non-generic cost plus the beneficiary
12 co-pay.

13 Any person otherwise eligible for pharmaceutical
14 assistance under this Act whose covered drugs are covered by
15 any public program for assistance in purchasing any covered
16 prescription drugs shall be ineligible for assistance under
17 this Act to the extent such costs are covered by such other
18 plan.

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

24 In the event that 2 or more persons are eligible for any
25 benefit under this Act, and are members of the same household,
26 (1) each such person shall be entitled to participate in the

1 pharmaceutical assistance program, provided that he or she
2 meets all other requirements imposed by this subsection and (2)
3 each participating household member contributes the fee
4 required for that person by the preceding paragraph for the
5 purpose of obtaining an identification card.

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

12 (g) Effective January 1, 2006, there is hereby established
13 a program of pharmaceutical assistance to the aged and
14 disabled, entitled the Illinois Seniors and Disabled Drug
15 Coverage Program, which shall be administered by the Department
16 of Healthcare and Family Services and the Department on Aging
17 in accordance with this subsection, to consist of coverage of
18 specified prescription drugs on behalf of beneficiaries of the
19 program as set forth in this subsection. The program under this
20 subsection replaces and supersedes the program established
21 under subsection (f), which shall end at midnight on December
22 31, 2005.

23 To become a beneficiary under the program established under
24 this subsection, a person must:

25 (1) be (i) 65 years of age or older or (ii) disabled;
26 and

1 (2) be domiciled in this State; and

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

5 (4) have a maximum household income of (i) less than
6 \$21,218 for a household containing one person, (ii) less
7 than \$28,480 for a household containing 2 persons, or (iii)
8 less than \$35,740 for a household containing 3 or more
9 persons. The maximum household income amounts set forth in
10 items (i), (ii), and (iii) of this subdivision (g)(4) shall
11 be increased annually by an amount equal to the amount of
12 the annual cost-of-living increase designated under the
13 federal Social Security Act. If any income eligibility
14 limit set forth in items (i) through (iii) is less than
15 200% of the Federal Poverty Level for any year, the income
16 eligibility limit for that year for households of that size
17 shall be income equal to or less than 200% of the Federal
18 Poverty Level.

19 All individuals enrolled as of December 31, 2005, in the
20 pharmaceutical assistance program operated pursuant to
21 subsection (f) of this Section and all individuals enrolled as
22 of December 31, 2005, in the SeniorCare Medicaid waiver program
23 operated pursuant to Section 5-5.12a of the Illinois Public Aid
24 Code shall be automatically enrolled in the program established
25 by this subsection for the first year of operation without the
26 need for further application, except that they must apply for

1 Medicare Part D and the Low Income Subsidy under Medicare Part
2 D. A person enrolled in the pharmaceutical assistance program
3 operated pursuant to subsection (f) of this Section as of
4 December 31, 2005, shall not lose eligibility in future years
5 due only to the fact that they have not reached the age of 65.

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

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

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

19 (i) disabled and under age 65; or

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

22 (iii) age 65 or older, with incomes at or below
23 200% of the Federal Poverty Level and not eligible for
24 federally funded means-tested benefits due to
25 immigration status.

26 (B) Eligibility Group 2 shall consist of beneficiaries

1 otherwise described in Eligibility Group 1 but who are
2 eligible for Medicare Part D coverage.

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

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

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

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

26 The program established under this subsection shall cover

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

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

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

13 For Eligibility Group 1, "covered prescription drug"
14 means: (1) any cardiovascular agent or drug; (2) any
15 insulin or other prescription drug used in the treatment of
16 diabetes, including syringe and needles used to administer
17 the insulin; (3) any prescription drug used in the
18 treatment of arthritis; (4) any prescription drug used in
19 the treatment of cancer; (5) any prescription drug used in
20 the treatment of Alzheimer's disease; (6) any prescription
21 drug used in the treatment of Parkinson's disease; (7) any
22 prescription drug used in the treatment of glaucoma; (8)
23 any prescription drug used in the treatment of lung disease
24 and smoking-related illnesses; (9) any prescription drug
25 used in the treatment of osteoporosis; and (10) any
26 prescription drug used in the treatment of multiple

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

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

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

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

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

1 beneficiary is enrolled. For Eligibility Group 5, for
2 individuals otherwise described in Eligibility Group 3,
3 "covered prescription drug" means those drugs covered by
4 the Medicare Part D Prescription Drug Plan in which the
5 beneficiary is enrolled.

6 An individual in Eligibility Group 1, 2, 3, 4, or 5 may opt
7 to receive a \$25 monthly payment in lieu of the direct coverage
8 described in this subsection.

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

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

19 For a pharmacy to be reimbursed under the program
20 established under this subsection, it must comply with rules
21 adopted by the Department of Healthcare and Family Services
22 regarding coordination of benefits with Medicare Part D
23 Prescription Drug Plans. A pharmacy may not charge a
24 Medicare-enrolled beneficiary of the program established under
25 this subsection more for a covered prescription drug than the
26 appropriate Medicare cost-sharing less any payment from or on

1 behalf of the Department of Healthcare and Family Services.

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

8 (Source: P.A. 94-86, eff. 1-1-06; 94-909, eff. 6-23-06; 95-208,
9 eff. 8-16-07; 95-644, eff. 10-12-07; 95-876, eff. 8-21-08.)

10 Section 99. Effective date. This Act takes effect upon
11 becoming law.