

# HB4733



## 96TH GENERAL ASSEMBLY

### State of Illinois

2009 and 2010

HB4733

Introduced 1/4/2010, by Rep. Sidney H. Mathias

#### 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 that beginning January 1, 2011, "covered prescription drug" includes any prescription drug used in the treatment of multiple sclerosis that is covered by the Medicare Part D Prescription Drug Plan in which the beneficiary is enrolled. Effective immediately.

LRB096 15840 KTG 31082 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 for  
10 grant years 2008 and thereafter:

11 (1) less than \$22,218 for a household containing one  
12 person;

13 (2) less than \$29,480 for a household containing 2  
14 persons; or

15 (3) less than \$36,740 for a household containing 3 or  
16 more persons.

17 For 2009 claim year applications submitted during calendar  
18 year 2010, a household must have annual household income of  
19 less than \$27,610 for a household containing one person; less  
20 than \$36,635 for a household containing 2 persons; or less than  
21 \$45,657 for a household containing 3 or more persons.

22 The Department on Aging may adopt rules such that on  
23 January 1, 2011, and thereafter, the foregoing household income  
24 eligibility limits may be changed to reflect the annual cost of  
25 living adjustment in Social Security and Supplemental Security  
26 Income benefits that are applicable to the year for which those

1 benefits are being reported as income on an application.

2 If a person files as a surviving spouse, then only his or  
3 her income shall be counted in determining his or her household  
4 income.

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

16 (c) Public aid recipients. If household income in one or  
17 more months during a year includes cash assistance in excess of  
18 \$55 per month from the Department of Healthcare and Family  
19 Services or the Department of Human Services (acting as  
20 successor to the Department of Public Aid under the Department  
21 of Human Services Act) which was determined under regulations  
22 of that Department on a measure of need that included an  
23 allowance for actual rent or property taxes paid by the  
24 recipient of that assistance, the amount of grant to which that  
25 household is entitled, except as otherwise provided in  
26 subsection (a), shall be the product of (1) the maximum amount

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

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

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

1 (f) (Blank).

2 (g) Effective January 1, 2006, there is hereby established  
3 a program of pharmaceutical assistance to the aged and  
4 disabled, entitled the Illinois Seniors and Disabled Drug  
5 Coverage Program, which shall be administered by the Department  
6 of Healthcare and Family Services and the Department on Aging  
7 in accordance with this subsection, to consist of coverage of  
8 specified prescription drugs on behalf of beneficiaries of the  
9 program as set forth in this subsection.

10 To become a beneficiary under the program established under  
11 this subsection, a person must:

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

13 and

14 (2) be domiciled in this State; and

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

18 (4) for the 2006 and 2007 claim years, have a maximum  
19 household income of (i) less than \$21,218 for a household  
20 containing one person, (ii) less than \$28,480 for a  
21 household containing 2 persons, or (iii) less than \$35,740  
22 for a household containing 3 or more persons; and

23 (5) for the 2008 claim year, have a maximum household  
24 income of (i) less than \$22,218 for a household containing  
25 one person, (ii) \$29,480 for a household containing 2  
26 persons, or (iii) \$36,740 for a household containing 3 or

1 more persons; and

2 (6) for 2009 claim year applications submitted during  
3 calendar year 2010, have annual household income of less  
4 than (i) \$27,610 for a household containing one person;  
5 (ii) less than \$36,635 for a household containing 2  
6 persons; or (iii) less than \$45,657 for a household  
7 containing 3 or more persons.

8 The Department of Healthcare and Family Services may adopt  
9 rules such that on January 1, 2011, and thereafter, the  
10 foregoing household income eligibility limits may be changed to  
11 reflect the annual cost of living adjustment in Social Security  
12 and Supplemental Security Income benefits that are applicable  
13 to the year for which those benefits are being reported as  
14 income on an application.

15 All individuals enrolled as of December 31, 2005, in the  
16 pharmaceutical assistance program operated pursuant to  
17 subsection (f) of this Section and all individuals enrolled as  
18 of December 31, 2005, in the SeniorCare Medicaid waiver program  
19 operated pursuant to Section 5-5.12a of the Illinois Public Aid  
20 Code shall be automatically enrolled in the program established  
21 by this subsection for the first year of operation without the  
22 need for further application, except that they must apply for  
23 Medicare Part D and the Low Income Subsidy under Medicare Part  
24 D. A person enrolled in the pharmaceutical assistance program  
25 operated pursuant to subsection (f) of this Section as of  
26 December 31, 2005, shall not lose eligibility in future years

1 due only to the fact that they have not reached the age of 65.

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

9 Beneficiaries under the program established under this  
10 subsection shall be divided into the following 4 eligibility  
11 groups:

12 (A) Eligibility Group 1 shall consist of beneficiaries  
13 who are not eligible for Medicare Part D coverage and who  
14 are:

15 (i) disabled and under age 65; or

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

18 (iii) age 65 or older, with incomes at or below  
19 200% of the Federal Poverty Level and not eligible for  
20 federally funded means-tested benefits due to  
21 immigration status.

22 (B) Eligibility Group 2 shall consist of beneficiaries  
23 who are eligible for Medicare Part D coverage.

24 (C) Eligibility Group 3 shall consist of beneficiaries  
25 age 65 or older, with incomes at or below 200% of the  
26 Federal Poverty Level, who are not barred from receiving



1           federally funded means-tested benefits due to immigration  
2           status and are not eligible for Medicare Part D coverage.

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

12          (D) Eligibility Group 4 shall consist of beneficiaries  
13          who are otherwise described in Eligibility Group 2 who have  
14          a diagnosis of HIV or AIDS.

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

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

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

1 Department.

2 Notwithstanding Section 3.15, for purposes of the program  
3 established under this subsection, the term "covered  
4 prescription drug" has the following meanings:

5 For Eligibility Group 1, "covered prescription drug"  
6 means: (1) any cardiovascular agent or drug; (2) any  
7 insulin or other prescription drug used in the treatment of  
8 diabetes, including syringe and needles used to administer  
9 the insulin; (3) any prescription drug used in the  
10 treatment of arthritis; (4) any prescription drug used in  
11 the treatment of cancer; (5) any prescription drug used in  
12 the treatment of Alzheimer's disease; (6) any prescription  
13 drug used in the treatment of Parkinson's disease; (7) any  
14 prescription drug used in the treatment of glaucoma; (8)  
15 any prescription drug used in the treatment of lung disease  
16 and smoking-related illnesses; (9) any prescription drug  
17 used in the treatment of osteoporosis; and (10) beginning  
18 January 1, 2011, any prescription drug used in the  
19 treatment of multiple sclerosis that is covered by the  
20 Medicare Part D Prescription Drug Plan in which the  
21 beneficiary is enrolled. The Department may add additional  
22 therapeutic classes by rule. The Department may adopt a  
23 preferred drug list within any of the classes of drugs  
24 described in items (1) through (10) of this paragraph. The  
25 specific drugs or therapeutic classes of covered  
26 prescription drugs shall be indicated by rule.

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

5           For Eligibility Group 3, "covered prescription drug"  
6           means those drugs covered by the Medical Assistance Program  
7           under Article V of the Illinois Public Aid Code.

8           For Eligibility Group 4, "covered prescription drug"  
9           means those drugs covered by the Medicare Part D  
10          Prescription Drug Plan in which the beneficiary is  
11          enrolled.

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

15          Any person otherwise eligible for pharmaceutical  
16          assistance under this subsection whose covered drugs are  
17          covered by any public program is ineligible for assistance  
18          under this subsection to the extent that the cost of those  
19          drugs is covered by the other program.

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

25          For a pharmacy to be reimbursed under the program  
26          established under this subsection, it must comply with rules

1 adopted by the Department of Healthcare and Family Services  
2 regarding coordination of benefits with Medicare Part D  
3 Prescription Drug Plans. A pharmacy may not charge a  
4 Medicare-enrolled beneficiary of the program established under  
5 this subsection more for a covered prescription drug than the  
6 appropriate Medicare cost-sharing less any payment from or on  
7 behalf of the Department of Healthcare and Family Services.

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

14 (h) A qualified individual is not entitled to duplicate  
15 benefits in a coverage period as a result of the changes made  
16 by this amendatory Act of the 96th General Assembly.

17 (Source: P.A. 95-208, eff. 8-16-07; 95-644, eff. 10-12-07;  
18 95-876, eff. 8-21-08; 96-804, eff. 1-1-10.)

19 Section 99. Effective date. This Act takes effect upon  
20 becoming law.