

1 AN ACT in relation to senior citizens.

2 Be it enacted by the People of the State of Illinois,  
3 represented in the General Assembly:

4 Section 1. Short title. This Act may be cited as the  
5 Tobacco Settlement Proceeds for Seniors' Health Care Act.

6 Section 5. Use of proceeds for seniors' health. Because  
7 senior citizens age 60 and over comprise the population most  
8 seriously harmed by the effects of smoking, not less than 25%  
9 of the amounts distributed by the State from tobacco  
10 settlement proceeds shall be dedicated to improving the  
11 health of senior citizens in Illinois. These moneys shall be  
12 used to expand community-based services and other programs  
13 for senior citizens throughout the State who suffer from the  
14 effects of smoking. These services may include, but need not  
15 be limited to, the following:

- 16 (1) Home-delivered meals.
- 17 (2) Transportation to and from health care  
18 services.
- 19 (3) Home health services.
- 20 (4) In-home respite care.
- 21 (5) Pharmaceutical assistance.
- 22 (6) Smoking cessation campaigns through senior  
23 centers, senior nutrition programs, and case  
24 coordination units.

25 Section 85. The State Finance Act is amended by changing  
26 Section 6z-43 as follows:

- 27 (30 ILCS 105/6z-43)
- 28 Sec. 6z-43. Tobacco Settlement Recovery Fund.
- 29 (a) There is created in the State Treasury a special

1 fund to be known as the Tobacco Settlement Recovery Fund,  
2 into which shall be deposited all monies paid to the State  
3 pursuant to (1) the Master Settlement Agreement entered in  
4 the case of People of the State of Illinois v. Philip Morris,  
5 et al. (Circuit Court of Cook County, No. 96-L13146) and (2)  
6 any settlement with or judgment against any tobacco product  
7 manufacturer other than one participating in the Master  
8 Settlement Agreement in satisfaction of any released claim as  
9 defined in the Master Settlement Agreement, as well as any  
10 other monies as provided by law. All earnings on Fund  
11 investments shall be deposited into the Fund. Upon the  
12 creation of the Fund, the State Comptroller shall order the  
13 State Treasurer to transfer into the Fund any monies paid to  
14 the State as described in item (1) or (2) of this Section  
15 before the creation of the Fund plus any interest earned on  
16 the investment of those monies. The Treasurer may invest the  
17 moneys in the Fund in the same manner, in the same types of  
18 investments, and subject to the same limitations provided in  
19 the Illinois Pension Code for the investment of pension funds  
20 other than those established under Article 3 or 4 of the  
21 Code.

22 (a-5) In addition to any other use authorized by law,  
23 moneys in the Tobacco Settlement Recovery Fund may be  
24 appropriated for use in funding services authorized under the  
25 Tobacco Settlement Proceeds for Seniors' Health Care Act.

26 (b) As soon as may be practical after June 30, 2001, the  
27 State Comptroller shall direct and the State Treasurer shall  
28 transfer the unencumbered balance in the Tobacco Settlement  
29 Recovery Fund as of June 30, 2001 into the Budget  
30 Stabilization Fund. The Treasurer may invest the moneys in  
31 the Budget Stabilization Fund in the same manner, in the same  
32 types of investments, and subject to the same limitations  
33 provided in the Illinois Pension Code for the investment of  
34 pension funds other than those established under Article 3 or

1 4 of the Code.

2 (Source: P.A. 91-646, eff. 11-19-99; 91-704, eff. 7-1-00;  
3 91-797, eff. 6-9-00; revised 6-28-00.)

4 Section 90. The Senior Citizens and Disabled Persons  
5 Property Tax Relief and Pharmaceutical Assistance Act is  
6 amended by changing Sections 3.15 and 4 as follows:

7 (320 ILCS 25/3.15) (from Ch. 67 1/2, par. 403.15)

8 Sec. 3.15. "Covered prescription drug" means (1) any  
9 cardiovascular agent or drug; (2) any insulin or other  
10 prescription drug used in the treatment of diabetes,  
11 including syringe and needles used to administer the insulin;  
12 (3) any prescription drug used in the treatment of arthritis,  
13 (4) beginning on January 1, 2001, any prescription drug used  
14 in the treatment of cancer, (5) beginning on January 1, 2001,  
15 any prescription drug used in the treatment of Alzheimer's  
16 disease, (6) beginning on January 1, 2001, any prescription  
17 drug used in the treatment of Parkinson's disease, (7)  
18 beginning on January 1, 2001, any prescription drug used in  
19 the treatment of glaucoma, and (8) beginning on January 1,  
20 2001, any prescription drug used in the treatment of lung  
21 disease and smoking related illnesses, and (9) any  
22 prescription drug used in the treatment of pulmonary disease  
23 or respiratory diseases, or both. The specific agents or  
24 products to be included under such categories shall be listed  
25 in a handbook to be prepared and distributed by the  
26 Department. The general types of covered prescription drugs  
27 shall be indicated by rule. The Department of Public Health  
28 shall promulgate a list of covered prescription drugs under  
29 this program that meet the definition of a narrow therapeutic  
30 index drug as described in subsection (f) of Section 4.

31 (Source: P.A. 91-699, eff. 1-1-01.)

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

2 Sec. 4. Amount of Grant.

3 (a) In general. Any individual 65 years or older or any  
4 individual who will become 65 years old during the calendar  
5 year in which a claim is filed, and any surviving spouse of  
6 such a claimant, who at the time of death received or was  
7 entitled to receive a grant pursuant to this Section, which  
8 surviving spouse will become 65 years of age within the 24  
9 months immediately following the death of such claimant and  
10 which surviving spouse but for his or her age is otherwise  
11 qualified to receive a grant pursuant to this Section, and  
12 any disabled person whose annual household income is less  
13 than \$14,000 for grant years before the 1998 grant year, less  
14 than \$16,000 for the 1998 and 1999 grant years, and less than  
15 (i) \$21,218 for a household containing one person, (ii)  
16 \$28,480 for a household containing 2 persons, or (iii)  
17 \$35,740 for a household containing 3 or more persons for the  
18 2000 grant year and thereafter and whose household is liable  
19 for payment of property taxes accrued or has paid rent  
20 constituting property taxes accrued and is domiciled in this  
21 State at the time he files his claim is entitled to claim a  
22 grant under this Act. With respect to claims filed by  
23 individuals who will become 65 years old during the calendar  
24 year in which a claim is filed, the amount of any grant to  
25 which that household is entitled shall be an amount equal to  
26 1/12 of the amount to which the claimant would otherwise be  
27 entitled as provided in this Section, multiplied by the  
28 number of months in which the claimant was 65 in the calendar  
29 year in which the claim is filed.

30 (b) Limitation. Except as otherwise provided in  
31 subsections (a) and (f) of this Section, the maximum amount  
32 of grant which a claimant is entitled to claim is the amount  
33 by which the property taxes accrued which were paid or  
34 payable during the last preceding tax year or rent

1 constituting property taxes accrued upon the claimant's  
2 residence for the last preceding taxable year exceeds 3 1/2%  
3 of the claimant's household income for that year but in no  
4 event is the grant to exceed (i) \$700 less 4.5% of household  
5 income for that year for those with a household income of  
6 \$14,000 or less or (ii) \$70 if household income for that year  
7 is more than \$14,000.

8 (c) Public aid recipients. If household income in one  
9 or more months during a year includes cash assistance in  
10 excess of \$55 per month from the Department of Public Aid or  
11 the Department of Human Services (acting as successor to the  
12 Department of Public Aid under the Department of Human  
13 Services Act) which was determined under regulations of that  
14 Department on a measure of need that included an allowance  
15 for actual rent or property taxes paid by the recipient of  
16 that assistance, the amount of grant to which that household  
17 is entitled, except as otherwise provided in subsection (a),  
18 shall be the product of (1) the maximum amount computed as  
19 specified in subsection (b) of this Section and (2) the ratio  
20 of the number of months in which household income did not  
21 include such cash assistance over \$55 to the number twelve.  
22 If household income did not include such cash assistance over  
23 \$55 for any months during the year, the amount of the grant  
24 to which the household is entitled shall be the maximum  
25 amount computed as specified in subsection (b) of this  
26 Section. For purposes of this paragraph (c), "cash  
27 assistance" does not include any amount received under the  
28 federal Supplemental Security Income (SSI) program.

29 (d) Joint ownership. If title to the residence is held  
30 jointly by the claimant with a person who is not a member of  
31 his household, the amount of property taxes accrued used in  
32 computing the amount of grant to which he is entitled shall  
33 be the same percentage of property taxes accrued as is the  
34 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 may claim  
4 only one residence for any part of a month. In the case of  
5 property taxes accrued, he shall pro rate 1/12 of the total  
6 property taxes accrued on his residence to each month that he  
7 owned and occupied that residence; and, in the case of rent  
8 constituting property taxes accrued, shall pro rate each  
9 month's rent payments to the residence actually occupied  
10 during that month.

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

1 years before the 1998 grant year, less than \$16,000 for the  
2 1998 and 1999 grant years, and less than (i) \$21,218 for a  
3 household containing one person, (ii) \$28,480 for a household  
4 containing 2 persons, or (iii) \$35,740 for a household  
5 containing 3 more persons for the 2000 grant year, and less  
6 than \$25,000 for the 2001 grant year and thereafter. In  
7 addition, each eligible person must (1) obtain an  
8 identification card from the Department, (2) at the time the  
9 card is obtained, sign a statement assigning to the State of  
10 Illinois benefits which may be otherwise claimed under any  
11 private insurance plans, (3) present the identification card  
12 to the dispensing pharmacist.

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

31 Any person otherwise eligible for pharmaceutical  
32 assistance under this Act whose covered drugs are covered by  
33 any public program for assistance in purchasing any covered  
34 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 for persons below  
5 the official poverty line as defined by the United States  
6 Department of Health and Human Services and \$25 for all other  
7 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  
10 household, (1) each such person shall be entitled to  
11 participate in the pharmaceutical assistance program,  
12 provided that he or she meets all other requirements imposed  
13 by this subsection and (2) each participating household  
14 member contributes the fee required for that person by the  
15 preceding paragraph for the purpose of obtaining an  
16 identification card.

17 (Source: P.A. 90-650, eff. 7-27-98; 91-357, eff. 7-29-99;  
18 91-699, eff. 1-1-01.)

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