



## 97TH GENERAL ASSEMBLY

### State of Illinois

#### 2011 and 2012

#### SB2047

Introduced 2/10/2011, by Sen. Carole Pankau - Kirk W. Dillard -  
Kyle McCarter

#### SYNOPSIS AS INTRODUCED:

215 ILCS 106/20  
215 ILCS 106/40  
215 ILCS 170/20  
305 ILCS 5/8A-6

from Ch. 23, par. 8A-6

Amends the Children's Health Insurance Program Act, the Covering ALL KIDS Health Insurance Act, and the Illinois Public Aid Code. In connection with eligibility for the KidCare and Covering ALL KIDS programs, sets an asset limit of \$10,000, excluding the value of the child's residence and the value of a vehicle (other than a recreational vehicle) used for transportation. Makes changes concerning the reporting of changes in income and other circumstances that affect eligibility, and provides that a failure to report is a Class A misdemeanor with a maximum fine of \$10,000 under the public assistance fraud provisions of the Illinois Public Aid Code; also provides for repayment of an amount equal to benefits that were wrongly received. Requires the Department of Healthcare and Family Services to promulgate rules necessary to implement the changes made by this amendatory Act. Further provides that the Department shall implement these rules by January 1, 2012. Makes the reporting, penalty, and rulemaking provisions also applicable to the FamilyCare program under the Children's Health Insurance Program Act. Effective immediately.

LRB097 10066 KTG 50243 b

CORRECTIONAL  
BUDGET AND  
IMPACT NOTE ACT  
MAY APPLY

FISCAL NOTE ACT  
MAY APPLY

1 AN ACT concerning public aid.

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

4 Section 10. The Children's Health Insurance Program Act is  
5 amended by changing Sections 20 and 40 as follows:

6 (215 ILCS 106/20)

7 Sec. 20. Eligibility.

8 (a) To be eligible for this Program, a person must be a  
9 person who has a child eligible under this Act and who is  
10 eligible under a waiver of federal requirements pursuant to an  
11 application made pursuant to subdivision (a)(1) of Section 40  
12 of this Act or who is a child who:

13 (1) is a child who is not eligible for medical  
14 assistance;

15 (2) is a child whose annual household income, as  
16 determined by the Department, is above 133% of the federal  
17 poverty level and at or below 200% of the federal poverty  
18 level;

19 (2.5) is a child whose household assets do not exceed  
20 \$10,000, excluding (i) the value of the residence in which  
21 the child lives and (ii) the value of a vehicle used by the  
22 household for transportation purposes; for purposes of  
23 this paragraph (2.5), "vehicle" does not include a

1 recreational vehicle as defined in the Campground  
2 Licensing and Recreational Area Act;

3 (3) is a resident of the State of Illinois; and

4 (4) is a child who is either a United States citizen or  
5 included in one of the following categories of  
6 non-citizens:

7 (A) unmarried dependent children of either a  
8 United States Veteran honorably discharged or a person  
9 on active military duty;

10 (B) refugees under Section 207 of the Immigration  
11 and Nationality Act;

12 (C) asylees under Section 208 of the Immigration  
13 and Nationality Act;

14 (D) persons for whom deportation has been withheld  
15 under Section 243(h) of the Immigration and  
16 Nationality Act;

17 (E) persons granted conditional entry under  
18 Section 203(a)(7) of the Immigration and Nationality  
19 Act as in effect prior to April 1, 1980;

20 (F) persons lawfully admitted for permanent  
21 residence under the Immigration and Nationality Act;  
22 and

23 (G) parolees, for at least one year, under Section  
24 212(d)(5) of the Immigration and Nationality Act.

25 Those children who are in the categories set forth in  
26 subdivisions (4)(F) and (4)(G) of this subsection, who enter

1 the United States on or after August 22, 1996, shall not be  
2 eligible for 5 years beginning on the date the child entered  
3 the United States.

4 (b) A child who is determined to be eligible for assistance  
5 may remain eligible for 12 months, provided the child maintains  
6 his or her residence in the State, has not yet attained 19  
7 years of age, and is not excluded pursuant to subsection (c). A  
8 child who has been determined to be eligible for assistance  
9 must reapply or otherwise establish eligibility at least  
10 annually. An eligible child shall be required, ~~as determined by~~  
11 ~~the Department by rule,~~ to report ~~promptly~~ those changes in  
12 income and other circumstances that affect eligibility within  
13 30 days after the occurrence of the change. A failure to report  
14 such a change to the Department within 30 days, without good  
15 cause, is punishable as provided in Section 8A-6 of the  
16 Illinois Public Aid Code. The eligibility of a child may be  
17 redetermined based on the information reported or may be  
18 terminated based on the failure to report or failure to report  
19 accurately. A child's responsible relative or caretaker may  
20 also be held liable to the Department for any payments made by  
21 the Department on such child's behalf that were inappropriate.  
22 An applicant shall be provided with notice of these  
23 obligations.

24 (c) A child shall not be eligible for coverage under this  
25 Program if:

26 (1) the premium required pursuant to Section 30 of this

1 Act has not been paid. If the required premiums are not  
2 paid the liability of the Program shall be limited to  
3 benefits incurred under the Program for the time period for  
4 which premiums had been paid. Re-enrollment shall be  
5 completed prior to the next covered medical visit and the  
6 first month's required premium shall be paid in advance of  
7 the next covered medical visit. The Department shall  
8 promulgate rules regarding grace periods, notice  
9 requirements, and hearing procedures pursuant to this  
10 subsection;

11 (2) the child is an inmate of a public institution or a  
12 patient in an institution for mental diseases; or

13 (3) the child is a member of a family that is eligible  
14 for health benefits covered under the State of Illinois  
15 health benefits plan on the basis of a member's employment  
16 with a public agency.

17 (d) The Department shall promulgate rules necessary to  
18 implement the changes made by this amendatory Act of the 97th  
19 General Assembly. The Department shall implement these rules by  
20 January 1, 2012.

21 (Source: P.A. 96-1272, eff. 1-1-11.)

22 (215 ILCS 106/40)

23 Sec. 40. Waivers.

24 (a) The Department shall request any necessary waivers of  
25 federal requirements in order to allow receipt of federal

1 funding for:

2 (1) the coverage of families with eligible children  
3 under this Act; and

4 (2) the coverage of children who would otherwise be  
5 eligible under this Act, but who have health insurance.

6 (b) The failure of the responsible federal agency to  
7 approve a waiver for children who would otherwise be eligible  
8 under this Act but who have health insurance shall not prevent  
9 the implementation of any Section of this Act provided that  
10 there are sufficient appropriated funds.

11 (c) Eligibility of a person under an approved waiver due to  
12 the relationship with a child pursuant to Article V of the  
13 Illinois Public Aid Code or this Act shall be limited to such a  
14 person whose countable income is determined by the Department  
15 to be at or below such income eligibility standard as the  
16 Department by rule shall establish. The income level  
17 established by the Department shall not be below 90% of the  
18 federal poverty level. Such persons who are determined to be  
19 eligible must reapply, or otherwise establish eligibility, at  
20 least annually. An eligible person shall be required, ~~as~~  
21 ~~determined by the Department by rule,~~ to report ~~promptly~~ those  
22 changes in income and other circumstances that affect  
23 eligibility to the Department within 30 days after the  
24 occurrence of the change. A failure to report such a change to  
25 the Department within 30 days, without good cause, is  
26 punishable as provided in Section 8A-6 of the Illinois Public

1 Aid Code. The eligibility of a person may be redetermined based  
2 on the information reported or may be terminated based on the  
3 failure to report or failure to report accurately. A person may  
4 also be held liable to the Department for any payments made by  
5 the Department on such person's behalf that were inappropriate.  
6 An applicant shall be provided with notice of these  
7 obligations.

8 (d) The Department shall promulgate rules necessary to  
9 implement the changes made by this amendatory Act of the 97th  
10 General Assembly. The Department shall implement these rules by  
11 January 1, 2012.

12 (Source: P.A. 96-328, eff. 8-11-09.)

13 Section 15. The Covering ALL KIDS Health Insurance Act is  
14 amended by changing Section 20 as follows:

15 (215 ILCS 170/20)

16 (Section scheduled to be repealed on July 1, 2016)

17 Sec. 20. Eligibility.

18 (a) To be eligible for the Program, a person must be a  
19 child:

20 (1) who is a resident of the State of Illinois;

21 (2) who is ineligible for medical assistance under the  
22 Illinois Public Aid Code or benefits under the Children's  
23 Health Insurance Program Act;

24 (3) either (i) who has been without health insurance

1 coverage for 12 months, (ii) whose parent has lost  
2 employment that made available affordable dependent health  
3 insurance coverage, until such time as affordable  
4 employer-sponsored dependent health insurance coverage is  
5 again available for the child as set forth by the  
6 Department in rules, (iii) who is a newborn whose  
7 responsible relative does not have available affordable  
8 private or employer-sponsored health insurance, or (iv)  
9 who, within one year of applying for coverage under this  
10 Act, lost medical benefits under the Illinois Public Aid  
11 Code or the Children's Health Insurance Program Act; ~~and~~

12 (3.5) whose household income, as determined by the  
13 Department, is at or below 300% of the federal poverty  
14 level. This item (3.5) is effective July 1, 2011; ~~and~~ -

15 (4) whose household assets do not exceed \$10,000,  
16 excluding (i) the value of the residence in which the child  
17 lives and (ii) the value of a vehicle used by the household  
18 for transportation purposes; for purposes of this  
19 paragraph (4), "vehicle" does not include a recreational  
20 vehicle as defined in the Campground Licensing and  
21 Recreational Area Act.

22 An entity that provides health insurance coverage (as  
23 defined in Section 2 of the Comprehensive Health Insurance Plan  
24 Act) to Illinois residents shall provide health insurance data  
25 match to the Department of Healthcare and Family Services as  
26 provided by and subject to Section 5.5 of the Illinois



1 Insurance Code.

2 The Department of Healthcare and Family Services, in  
3 collaboration with the Department of Insurance, shall adopt  
4 rules governing the exchange of information under this Section.  
5 The rules shall be consistent with all laws relating to the  
6 confidentiality or privacy of personal information or medical  
7 records, including provisions under the Federal Health  
8 Insurance Portability and Accountability Act (HIPAA).

9 (b) The Department shall monitor the availability and  
10 retention of employer-sponsored dependent health insurance  
11 coverage and shall modify the period described in subdivision  
12 (a)(3) if necessary to promote retention of private or  
13 employer-sponsored health insurance and timely access to  
14 healthcare services, but at no time shall the period described  
15 in subdivision (a)(3) be less than 6 months.

16 (c) The Department, at its discretion, may take into  
17 account the affordability of dependent health insurance when  
18 determining whether employer-sponsored dependent health  
19 insurance coverage is available upon reemployment of a child's  
20 parent as provided in subdivision (a)(3).

21 (d) A child who is determined to be eligible for the  
22 Program shall remain eligible for 12 months, provided that the  
23 child maintains his or her residence in this State, has not yet  
24 attained 19 years of age, and is not excluded under subsection  
25 (e). A child who has been determined to be eligible for the  
26 Program must reapply or otherwise establish eligibility at

1 least annually. An eligible child shall be required to report  
2 those changes in income and other circumstances that affect  
3 eligibility within 30 days after the occurrence of the change.  
4 A failure to report such a change to the Department within 30  
5 days, without good cause, is punishable as provided in Section  
6 8A-6 of the Illinois Public Aid Code. The eligibility of a  
7 child may be redetermined based on the information reported or  
8 may be terminated based on the failure to report or failure to  
9 report accurately. A child's responsible relative or caretaker  
10 may also be held liable to the Department for any payments made  
11 by the Department on the child's behalf that were  
12 inappropriate. An applicant shall be provided with notice of  
13 these obligations.

14 (e) A child is not eligible for coverage under the Program  
15 if:

16 (1) the premium required under Section 40 has not been  
17 timely paid; if the required premiums are not paid, the  
18 liability of the Program shall be limited to benefits  
19 incurred under the Program for the time period for which  
20 premiums have been paid; re-enrollment shall be completed  
21 before the next covered medical visit, and the first  
22 month's required premium shall be paid in advance of the  
23 next covered medical visit; or

24 (2) the child is an inmate of a public institution or  
25 an institution for mental diseases.

26 (f) The Department may adopt rules, including, but not

1 limited to: rules regarding annual renewals of eligibility for  
2 the Program in conformance with Section 7 of this Act; rules  
3 providing for re-enrollment, grace periods, notice  
4 requirements, and hearing procedures under subdivision (e)(1)  
5 of this Section; and rules regarding what constitutes  
6 availability and affordability of private or  
7 employer-sponsored health insurance, with consideration of  
8 such factors as the percentage of income needed to purchase  
9 children or family health insurance, the availability of  
10 employer subsidies, and other relevant factors.

11 (g) Each child enrolled in the Program as of July 1, 2011  
12 whose family income, as established by the Department, exceeds  
13 300% of the federal poverty level may remain enrolled in the  
14 Program for 12 additional months commencing July 1, 2011.  
15 Continued enrollment pursuant to this subsection shall be  
16 available only if the child continues to meet all eligibility  
17 criteria established under the Program as of the effective date  
18 of this amendatory Act of the 96th General Assembly without a  
19 break in coverage. Nothing contained in this subsection shall  
20 prevent a child from qualifying for any other health benefits  
21 program operated by the Department.

22 The Department shall promulgate rules necessary to  
23 implement the changes made by this amendatory Act of the 97th  
24 General Assembly. The Department shall implement these rules by  
25 January 1, 2012.

26 (Source: P.A. 96-1272, eff. 1-1-11; 96-1501, eff. 1-25-11.)

1           Section 20. The Illinois Public Aid Code is amended by  
2 changing Section 8A-6 as follows:

3           (305 ILCS 5/8A-6) (from Ch. 23, par. 8A-6)

4           Sec. 8A-6. Classification of violations.

5           (a) Any person, firm, corporation, association, agency,  
6 institution or other legal entity that has been found by a  
7 court to have engaged in an act, practice or course of conduct  
8 declared unlawful under Sections 8A-2 through 8A-5 or Section  
9 8A-13 or 8A-14 where:

10           (1) the total amount of money involved in the  
11 violation, including the monetary value of federal food  
12 stamps and the value of commodities, is less than \$150,  
13 shall be guilty of a Class A misdemeanor;

14           (2) the total amount of money involved in the  
15 violation, including the monetary value of federal food  
16 stamps and the value of commodities, is \$150 or more but  
17 less than \$1,000, shall be guilty of a Class 4 felony;

18           (3) the total amount of money involved in the  
19 violation, including the monetary value of federal food  
20 stamps and the value of commodities, is \$1,000 or more but  
21 less than \$5,000, shall be guilty of a Class 3 felony;

22           (4) the total amount of money involved in the  
23 violation, including the monetary value of federal food  
24 stamps and the value of commodities, is \$5,000 or more but

1 less than \$10,000, shall be guilty of a Class 2 felony; or

2 (5) the total amount of money involved in the  
3 violation, including the monetary value of federal food  
4 stamps and the value of commodities, is \$10,000 or more,  
5 shall be guilty of a Class 1 felony and, notwithstanding  
6 the provisions of Section 8A-8 except for Subsection (c) of  
7 Section 8A-8, shall be ineligible for financial aid under  
8 this Article for a period of two years following conviction  
9 or until the total amount of money, including the value of  
10 federal food stamps, is repaid, whichever first occurs.

11 (b) Any person, firm, corporation, association, agency,  
12 institution or other legal entity that commits a subsequent  
13 violation of any of the provisions of Sections 8A-2 through  
14 8A-5 and:

15 (1) the total amount of money involved in the  
16 subsequent violation, including the monetary value of  
17 federal food stamps and the value of commodities, is less  
18 than \$150, shall be guilty of a Class 4 felony;

19 (2) the total amount of money involved in the  
20 subsequent violation, including the monetary value of  
21 federal food stamps and the value of commodities, is \$150  
22 or more but less than \$1,000, shall be guilty of a Class 3  
23 felony;

24 (3) the total amount of money involved in the  
25 subsequent violation, including the monetary value of  
26 federal food stamps and the value of commodities, is \$1,000

1 or more but less than \$5,000, shall be guilty of a Class 2  
2 felony;

3 (4) the total amount of money involved in the  
4 subsequent violation, including the monetary value of  
5 federal food stamps and the value of commodities, is \$5,000  
6 or more but less than \$10,000, shall be guilty of a Class 1  
7 felony.

8 (c) For purposes of determining the classification of  
9 offense under this Section, all of the money received as a  
10 result of the unlawful act, practice or course of conduct can  
11 be accumulated.

12 (d) A failure to report a change in income or other  
13 circumstances to the Department of Healthcare and Family  
14 Services within 30 days as required under subsection (b) of  
15 Section 20 or subsection (c) of Section 40 of the Children's  
16 Health Insurance Program Act, or subsection (d) of Section 20  
17 of the Covering ALL KIDS Health Insurance Act, without good  
18 cause, is a Class A misdemeanor for which a fine not to exceed  
19 \$10,000 may be imposed. In addition, if a person receives  
20 benefits under Section 20 or 40 of the Children's Health  
21 Insurance Program Act or Section 20 of the Covering ALL KIDS  
22 Health Insurance Act to which he or she was not entitled  
23 because of the person's failure, without good cause, to report  
24 a change in income or other circumstances that would have  
25 rendered the person ineligible for those benefits, the person  
26 must repay to the Department of Healthcare and Family Services

1 the amount of benefits wrongly received.

2 (Source: P.A. 90-538, eff. 12-1-97.)

3 Section 99. Effective date. This Act takes effect upon  
4 becoming law.