



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB4302

Introduced 12/21/2005, by Rep. Sara Feigenholtz

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. In provisions concerning the Illinois Seniors and Disabled Drug Coverage Program of pharmaceutical assistance to the aged and disabled, provides that for program beneficiaries who are not eligible for Medicare Part D coverage and who are (i) disabled and under age 65, or (ii) age 65 or older with incomes over 200% of the federal poverty level, or (iii) age 65 or older, with incomes at or below 200% of the Federal Poverty Level, and not eligible for federally funded means-tested benefits due to immigration status, "covered prescription drug" includes any prescription drug for the treatment of HIV/AIDS or related conditions included in the formulary of the Illinois AIDS Drug Assistance Program operated by the Department of Public Health. Effective immediately.

LRB094 15774 DRJ 50989 b

FISCAL NOTE ACT
MAY APPLY

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
19 \$14,000 for grant years before the 1998 grant year, less than
20 \$16,000 for the 1998 and 1999 grant years, and less than (i)
21 \$21,218 for a household containing one person, (ii) \$28,480 for
22 a household containing 2 persons, or (iii) \$35,740 for a
23 household containing 3 or more persons for the 2000 grant year
24 and thereafter and whose household is liable for payment of
25 property taxes accrued or has paid rent constituting property
26 taxes accrued and is domiciled in this State at the time he or
27 she files his or her claim is entitled to claim a grant under
28 this Act. With respect to claims filed by individuals who will
29 become 65 years old during the calendar year in which a claim
30 is filed, the amount of any grant to which that household is
31 entitled shall be an amount equal to 1/12 of the amount to
32 which the claimant would otherwise be entitled as provided in

1 this Section, multiplied by the number of months in which the
2 claimant was 65 in the calendar year in which the claim is
3 filed.

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

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

35 (d) Joint ownership. If title to the residence is held
36 jointly by the claimant with a person who is not a member of

1 his or her household, the amount of property taxes accrued used
2 in computing the amount of grant to which he or she is entitled
3 shall be the same percentage of property taxes accrued as is
4 the percentage of ownership held by the claimant in the
5 residence.

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

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

1 have a maximum household income of less than \$14,000 for grant
2 years before the 1998 grant year, less than \$16,000 for the
3 1998 and 1999 grant years, and less than (i) \$21,218 for a
4 household containing one person, (ii) \$28,480 for a household
5 containing 2 persons, or (iii) \$35,740 for a household
6 containing 3 more persons for the 2000 grant year and
7 thereafter. In addition, each eligible person must (1) obtain
8 an 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, and (3) present the identification
12 card to the dispensing pharmacist.

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

27 Whenever a generic equivalent for a covered prescription
28 drug is available, the Department shall reimburse only for the
29 reasonable costs of the generic equivalent, less the co-pay
30 established in this Section, unless (i) the covered
31 prescription drug contains one or more ingredients defined as a
32 narrow therapeutic index drug at 21 CFR 320.33, (ii) the
33 prescriber indicates on the face of the prescription "brand
34 medically necessary", and (iii) the prescriber specifies that a
35 substitution is not permitted. When issuing an oral
36 prescription for covered prescription medication described in

1 item (i) of this paragraph, the prescriber shall stipulate
2 "brand medically necessary" and that a substitution is not
3 permitted. If the covered prescription drug and its authorizing
4 prescription do not meet the criteria listed above, the
5 beneficiary may purchase the non-generic equivalent of the
6 covered prescription drug by paying the difference between the
7 generic cost and the non-generic cost plus the beneficiary
8 co-pay.

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

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

20 In the event that 2 or more persons are eligible for any
21 benefit under this Act, and are members of the same household,
22 (1) each such person shall be entitled to participate in the
23 pharmaceutical assistance program, provided that he or she
24 meets all other requirements imposed by this subsection and (2)
25 each participating household member contributes the fee
26 required for that person by the preceding paragraph for the
27 purpose of obtaining an identification card.

28 The provisions of this subsection (f), other than this
29 paragraph, are inoperative after December 31, 2005.
30 Beneficiaries who received benefits under the program
31 established by this subsection (f) are not entitled, at the
32 termination of the program, to any refund of the identification
33 card fee paid under this subsection.

34 (g) Effective January 1, 2006, there is hereby established
35 a program of pharmaceutical assistance to the aged and
36 disabled, entitled the Illinois Seniors and Disabled Drug

1 Coverage Program, which shall be administered by the Department
2 of Healthcare and Family Services and the Department on Aging
3 in accordance with this subsection, to consist of coverage of
4 specified prescription drugs on behalf of beneficiaries of the
5 program as set forth in this subsection. The program under this
6 subsection replaces and supersedes the program established
7 under subsection (f), which shall end at midnight on December
8 31, 2005.

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

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

13 (2) be domiciled in this State; and

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

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

26 All individuals enrolled as of December 31, 2005, in the
27 pharmaceutical assistance program operated pursuant to
28 subsection (f) of this Section and all individuals enrolled as
29 of December 31, 2005, in the SeniorCare Medicaid waiver program
30 operated pursuant to Section 5-5.12a of the Illinois Public Aid
31 Code shall be automatically enrolled in the program established
32 by this subsection for the first year of operation without the
33 need for further application, except that they must apply for
34 Medicare Part D and the Low Income Subsidy under Medicare Part
35 D. A person enrolled in the pharmaceutical assistance program
36 operated pursuant to subsection (f) of this Section as of

1 December 31, 2005, shall not lose eligibility in future years
2 due only to the fact that they have not reached the age of 65.

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

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

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

16 (i) disabled and under age 65; or

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

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

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

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

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

36 If the State applies and receives federal approval for a

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

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

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

31 Notwithstanding Section 3.15, for purposes of the program
32 established under this subsection, the term "covered
33 prescription drug" has the following meanings:

34 For Eligibility Group 1, "covered prescription drug"
35 means: (1) any cardiovascular agent or drug; (2) any
36 insulin or other prescription drug used in the treatment of

1 diabetes, including syringe and needles used to administer
2 the insulin; (3) any prescription drug used in the
3 treatment of arthritis; (4) any prescription drug used in
4 the treatment of cancer; (5) any prescription drug used in
5 the treatment of Alzheimer's disease; (6) any prescription
6 drug used in the treatment of Parkinson's disease; (7) any
7 prescription drug used in the treatment of glaucoma; (8)
8 any prescription drug used in the treatment of lung disease
9 and smoking-related illnesses; (9) any prescription drug
10 used in the treatment of osteoporosis; ~~and~~ (10) any
11 prescription drug used in the treatment of multiple
12 sclerosis; and (11) any prescription drug for the treatment
13 of HIV/AIDS or related conditions included in the formulary
14 of the Illinois AIDS Drug Assistance Program operated by
15 the Department of Public Health. The Department may add
16 additional therapeutic classes by rule. The Department may
17 adopt a preferred drug list within any of the classes of
18 drugs described in items (1) through (10) of this
19 paragraph. The specific drugs or therapeutic classes of
20 covered prescription drugs shall be indicated by rule.

21 For Eligibility Group 2, "covered prescription drug"
22 means those drugs covered for Eligibility Group 1 that are
23 also covered by the Medicare Part D Prescription Drug Plan
24 in which the beneficiary is enrolled.

25 For Eligibility Group 3, "covered prescription drug"
26 means those drugs covered by the Medicare Part D
27 Prescription Drug Plan in which the beneficiary is
28 enrolled.

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

32 An individual in Eligibility Group 3 or 4 may opt to
33 receive a \$25 monthly payment in lieu of the direct coverage
34 described in this subsection.

35 Any person otherwise eligible for pharmaceutical
36 assistance under this subsection whose covered drugs are

1 covered by any public program is ineligible for assistance
2 under this subsection to the extent that the cost of those
3 drugs is covered by the other program.

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

9 For a pharmacy to be reimbursed under the program
10 established under this subsection, it must comply with rules
11 adopted by the Department of Healthcare and Family Services
12 regarding coordination of benefits with Medicare Part D
13 Prescription Drug Plans. A pharmacy may not charge a
14 Medicare-enrolled beneficiary of the program established under
15 this subsection more for a covered prescription drug than the
16 appropriate Medicare cost-sharing less any payment from or on
17 behalf of the Department of Healthcare and Family Services.

18 The Department of Healthcare and Family Services or the
19 Department on Aging, as appropriate, may adopt rules regarding
20 applications, counting of income, proof of Medicare status,
21 mandatory generic policies, and pharmacy reimbursement rates
22 and any other rules necessary for the cost-efficient operation
23 of the program established under this subsection.

24 (Source: P.A. 93-130, eff. 7-10-03; 94-86, eff. 1-1-06.)

25 Section 99. Effective date. This Act takes effect upon
26 becoming law.