

**SB0088**



**96TH GENERAL ASSEMBLY**

**State of Illinois**

**2009 and 2010**

**SB0088**

Introduced 1/30/2009, by Sen. Gary G. Dahl

**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 if a person files a claim for a grant or pharmaceutical assistance under the Act and represents on the claim form that (i) he or she is a surviving spouse and (ii) his or her marital status is "single", then only his or her individual income for the applicable year shall be counted in determining his or her eligibility for a grant or pharmaceutical assistance. Effective immediately.

LRB096 03141 DRJ 13158 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 If a person files a claim for a grant under this Act and  
3 represents on the claim form that (i) he or she is a surviving  
4 spouse and (ii) his or her marital status is "single", then  
5 only his or her individual income for the applicable year shall  
6 be counted in determining his or her eligibility for a grant.

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. If any income eligibility limit set forth in items  
10 (i) through (iii) is less than 200% of the Federal Poverty  
11 Level for any year, the income eligibility limit for that  
12 year for households of that size shall be income equal to  
13 or less than 200% of the Federal Poverty Level.

14 If a person files a claim for pharmaceutical assistance and  
15 represents on the claim form that (i) he or she is a surviving  
16 spouse and (ii) his or her marital status is "single", then  
17 only his or her individual income for the applicable year shall  
18 be counted in determining his or her eligibility for  
19 assistance.

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

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

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

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

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

20 (i) disabled and under age 65; or

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

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

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

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

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

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

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

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

1 paid \$1,750 in a year for covered prescription drugs.

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

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

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

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

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

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

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

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

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

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

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

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

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



1 appropriate Medicare cost-sharing less any payment from or on  
2 behalf of the Department of Healthcare and Family Services.

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

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

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