

1 AN ACT in relation to tobacco.

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

4 Article 1. General Provisions

5 Section 1-1. Short title. This Act may be cited as the
6 Tobacco Settlement Recovery Fund Uses Act.

7 Section 1-5. Findings. The General Assembly finds that
8 as a result of a national settlement, tobacco companies have
9 agreed to make substantial payments to Illinois. These
10 moneys are being paid to reimburse the State for expenses
11 related to smoking and to help prevent future tobacco-related
12 expenses to the State. The General Assembly further finds
13 that all of the moneys received as a result of the tobacco
14 settlement should be deposited into the Tobacco Settlement
15 Recovery Fund and that the proceeds of this fund shall be
16 used to promote tobacco use prevention and reduction and to
17 improve the health of the citizens of Illinois.

18 Article 5. Tobacco Use Prevention and Reduction Program

19 Section 5-5. Findings. The General Assembly finds that
20 tobacco use in Illinois is a significant economic and social
21 burden and that tobacco use remains the number one
22 preventable cause of death in Illinois and across the United
23 States.

24 Section 5-10. Definitions. In this Article:

25 "Advisory council" means the Comprehensive Tobacco Use
26 Prevention and Reduction Program Advisory Council.

27 "CDC" means the federal Centers for Disease Control and

1 Prevention.

2 "CDC guidelines" means the CDC tobacco use prevention and
3 reduction guidelines.

4 "Department" means the Department of Public Health.

5 "Director" means the Director of Public Health.

6 "Program" means the Comprehensive Tobacco Use Prevention
7 and Reduction Program created under Section 5-15.

8 Section 5-15. Program created. The Tobacco Use Prevention
9 and Reduction Program is created in the Department of Public
10 Health. The purpose of the program is to reduce tobacco
11 consumption in Illinois and prevent and control chronic
12 diseases with respect to which tobacco is a risk factor. The
13 Director must coordinate tobacco use prevention and reduction
14 activities among all State agencies. All activities funded
15 under the program must be gender-neutral.

16 Section 5-20. Program goal. The goal of the program is to
17 implement the CDC guidelines and to promote health and reduce
18 tobacco-related disease, disability, and death.

19 Section 5-25. Strategic plan.

20 (a) The Department must prepare a strategic plan in
21 accordance with the CDC guidelines for comprehensive tobacco
22 use prevention and reduction. The strategic plan must do the
23 following:

24 (1) Put emphasis on prevention and reduction of
25 tobacco use by minorities, pregnant women, children, and
26 youth.

27 (2) Encourage teen and adult smoking cessation.

28 (3) Produce and distribute information concerning
29 the dangers of tobacco use and concerning tobacco-related
30 diseases.

31 (4) Provide research on issues related to the

1 reduction of tobacco use.

2 (5) Address enforcement of laws concerning sales of
3 tobacco to youth.

4 (6) Review the health and economic impact of
5 second-hand smoke.

6 (7) Undertake other activities that the Department,
7 in consultation with the advisory council, considers
8 necessary and appropriate in accordance with the CDC
9 guidelines.

10 (b) The strategic plan must set goals for 5 years and
11 must, at a minimum, include the following 4 components:

12 (1) Community interventions.

13 (2) Public awareness and education.

14 (3) Program policy and regulation.

15 (4) Surveillance and evaluation.

16 (c) The strategic plan must be updated at least once
17 every 2 years and must be provided to the General Assembly
18 and the Governor. The strategic plan must be made available
19 to the public.

20 (d) The Department must submit an annual report to the
21 Governor and the General Assembly concerning program
22 activities. These annual reports must be made available to
23 the public.

24 Section 5-30. Funding. Pursuant to the strategic plan,
25 the Department must carry out, or provide funding to other
26 governmental agencies or not-for-profit organizations, or
27 both, to carry out, research and programs related to tobacco
28 use prevention and reduction. The Department, in
29 consultation with the advisory council, must establish a
30 process, including guidelines and evaluation criteria, to
31 ensure program funding that meets the intent of this Section.

32 Section 5-35. Advisory council.

1 (a) The Comprehensive Tobacco Use Prevention and
2 Reduction Program Advisory Council is established to advise
3 the Department on issues related to the program, including
4 the development and implementation of the strategic plan
5 under Section 5-25.

6 (b) The advisory council must consist of the following 14
7 members appointed by the Governor with the approval of the
8 Senate:

9 (1) One representative from the American Lung
10 Association.

11 (2) One representative from the American Cancer
12 Society.

13 (3) One representative from the American Heart
14 Association.

15 (4) One representative from the Illinois Coalition
16 Against Tobacco.

17 (5) One representative from the Illinois Association
18 of Public Health Administrators.

19 (6) One representative from the Illinois Academy of
20 Family Physicians.

21 (7) One representative from the Illinois Chapter of
22 the American Academy of Pediatrics.

23 (8) One representative from the Illinois State
24 Medical Society.

25 (9) One representative of the Illinois Nurses
26 Association.

27 (10) Three representatives of community-based
28 organizations who have demonstrated a commitment to
29 reducing tobacco use.

30 (11) One representative from the Illinois research
31 community with expertise in tobacco research.

32 (12) One representative with experience in mass
33 marketing and media.

34 (c) The advisory council members must have experience and

1 expertise in tobacco use prevention and control.

2 (d) The advisory council must select a chairperson from
3 its members and must meet at least once each calendar quarter
4 or at times determined by the Director.

5 (e) The members of the advisory council must serve
6 without compensation but are entitled to reimbursement for
7 their reasonable and necessary expenses actually incurred in
8 conducting program business.

9 (f) Members must serve for terms of 3 years, except that
10 the initial appointments must be made as follows:

11 (1) Five members must be appointed for 3 years.

12 (2) Five members must be appointed for 4 years.

13 (3) Four members must be appointed for 5 years.

14 Members appointed to fill vacancies occurring before
15 expiration of the predecessors' term are entitled to hold
16 office for the remainder of the term.

17 Section 5-40. Department of Public Aid tobacco cessation
18 programs. The Department of Public Aid must implement tobacco
19 use cessation programs for recipients of public aid under the
20 Illinois Public Aid Code. The programs must cover counseling
21 by health care professionals or providers and pharmacological
22 support as indicated.

23 Article 15. Community Health Center Expansion

24 Section 15-5. Definitions. In this Article:

25 "Community health center site" means a new physical site
26 where a community health center will provide primary health
27 care services to either a medically underserved population or
28 area or the uninsured population of this State.

29 "Community provider" means a not-for-profit health clinic
30 in Illinois providing services to a medically underserved
31 population in a medically underserved area.

1 "Department" means the Illinois Department of Public
2 Health.

3 "Medically underserved area" means an urban or rural area
4 designated by the Secretary of the United States Department
5 of Health and Human Services as an area with a shortage of
6 personal health services.

7 "Medically underserved population" means (i) the
8 population of an urban or rural area designated by the
9 Secretary of the United States Department of Health and Human
10 Services as an area with a shortage of personal health
11 services or (ii) a population group designated by the
12 Secretary as having a shortage of those services.

13 "Primary health care services" means the following:

14 (1) Basic health services consisting of the
15 following:

16 (A) Health services related to family
17 medicine, internal medicine, pediatrics, obstetrics,
18 or gynecology that are furnished by physicians and,
19 if appropriate, physician assistants, nurse
20 practitioners, and nurse midwives.

21 (B) Diagnostic laboratory and radiologic
22 services.

23 (C) Preventive health services, including the
24 following:

25 (i) Prenatal and perinatal services.

26 (ii) Screenings for breast and cervical
27 cancer.

28 (iii) Well-child services.

29 (iv) Immunizations against
30 vaccine-preventable diseases.

31 (v) Screenings for elevated blood lead
32 levels, communicable diseases, and cholesterol.

33 (vi) Pediatric eye, ear, and dental
34 screenings to determine the need for vision and

1 hearing correction and dental care.

2 (vii) Voluntary family planning services.

3 (viii) Preventive dental services.

4 (D) Emergency medical services.

5 (E) Pharmaceutical services as appropriate for
6 particular health centers.

7 (2) Referrals to providers of medical services and
8 other health-related services (including substance abuse
9 and mental health services).

10 (3) Patient case management services (including
11 counseling, referral, and follow-up services) and other
12 services designed to assist health center patients in
13 establishing eligibility for and gaining access to
14 federal, State, and local programs that provide or
15 financially support the provision of medical, social,
16 educational, or other related services.

17 (4) Services that enable individuals to use the
18 services of the health center (including outreach and
19 transportation services and, if a substantial number of
20 the individuals in the population are of limited
21 English-speaking ability, the services of appropriate
22 personnel fluent in the language spoken by a predominant
23 number of those individuals).

24 (5) Education of patients and the general
25 population served by the health center regarding the
26 availability and proper use of health services.

27 (6) Additional health services consisting of
28 services that are appropriate to meet the health needs of
29 the population served by the health center involved and
30 that may include the following:

31 (A) Environmental health services, including
32 the following:

33 (i) Detection and alleviation of
34 unhealthful conditions associated with water

- 1 supply.
- 2 (ii) Sewage treatment.
- 3 (iii) Solid waste disposal.
- 4 (iv) Detection and alleviation of rodent
- 5 and parasite infestation.
- 6 (v) Field sanitation.
- 7 (vi) Housing.
- 8 (vii) Other environmental factors related
- 9 to health.

10 (B) Special occupation-related health services
11 for migratory and seasonal agricultural workers,
12 including the following:

- 13 (i) Screening for and control of
- 14 infectious diseases, including parasitic
- 15 diseases.
- 16 (ii) Injury prevention programs, which
- 17 may include prevention of exposure to unsafe
- 18 levels of agricultural chemicals, including
- 19 pesticides.

20 "Uninsured population" means persons who do not own
21 private health care insurance, are not part of a group
22 insurance plan, and are not eligible for any State or federal
23 government-sponsored health care program.

24 Section 15-10. Grants. The Department shall establish a
25 community health center expansion grant program and may make
26 grants to eligible community providers subject to
27 appropriations for that purpose. The grants shall be for the
28 purpose of (i) establishing new community health center sites
29 to provide primary health care services to medically
30 underserved populations or areas as defined in Section 15-5
31 or (ii) providing primary health care services to the
32 uninsured population of Illinois. Grants under this Section
33 shall be for periods of 3 years. The Department may make new

1 grants whenever the total amount appropriated for grants is
2 sufficient to fund both the new grants and the grants already
3 in effect. A recipient of a grant to establish a new
4 community health center site must add each such site to the
5 recipient's established service network. The grant recipient
6 must complete this process by the end of the second year of
7 the grant.

8 Section 15-13. Public notice and comment. The
9 Department shall adopt, by rule, public notice and comment
10 procedures. Public notice of a grant request must be given
11 to the health care professionals, the health care facilities,
12 and the public in the general area served by the entity
13 requesting the grant. This notice may be given by
14 publication in a newspaper of general circulation in the
15 general area. Comments must be accepted for a minimum of a
16 30-day period. Any comments that are received must be
17 reviewed by the Department in determining whether or not to
18 make a grant.

19 Section 15-15. Eligibility for grant. To be eligible for
20 a grant under this Article, a recipient must be a community
21 provider as defined in Section 15-5.

22 Section 15-20. Use of grant moneys. A recipient of a
23 grant under this Article may use the grant moneys to do any
24 one or more of the following:

- 25 (1) Purchase equipment.
- 26 (2) Acquire a new physical location for the
27 purposes of delivering primary health care services.
- 28 (3) Hire and train staff.
- 29 (4) Develop new practice networks.
- 30 (5) Purchase services or products that will
31 facilitate the provision of health care services at a new

1 community health center site.

2 Section 15-25. Reporting. Within 60 days after the first
3 and second years of the grant made pursuant to this Article,
4 the grant recipient must submit a progress report to the
5 Office of Rural Health within the Department. The Department
6 shall ensure that each grant recipient is meeting the goals
7 and objectives stated in the original grant proposal
8 submitted by the recipient, that grant moneys are being used
9 for appropriate purposes, and that residents of the community
10 are being served by the new community health center site
11 established with grant moneys.

12 Article 20. Local Public Health Priorities

13 Section 20-5. Findings. The General Assembly finds that
14 local public health departments develop plans for addressing
15 significant public health concerns, including, but not
16 limited to, access to care, asthma, breast and cervical
17 cancer, cardiovascular disease, depression, infant health,
18 infectious diseases including HIV, immunization,
19 tuberculosis, injury, substance abuse, and violence
20 prevention.

21 Section 20-10. Definitions. In this Article:

22 "Department" means the Department of Public Health.

23 "Program" means the Local Public Health Priorities
24 Program created under Section 20-15.

25 Section 20-15. Program established. The Local Public
26 Health Priorities Program is established in the Department to
27 fund the local public health department priorities identified
28 in Section 20-5.

1 Section 20-20. Grants to certified local health
2 departments. The program must provide grants to any certified
3 local health department in the State meeting the criteria
4 established by the Department, to work with local
5 community-based organizations to allow the certified local
6 health departments to achieve local priorities as outlined in
7 the certified local health department's Illinois Project for
8 Local Assessment of Needs approved by the Department. Grants
9 must be made to each certified local health department using
10 a distribution plan based on the formula used to distribute
11 moneys under the Local Health Protection Grants. Sixty
12 percent of the moneys allocated to the program must be spent
13 for the grants.

14 Section 20-25. Health department system development. The
15 program must provide competitive grants to any certified
16 local health department in the State meeting the criteria
17 established by the Department, to allow the local health
18 departments to develop systems to improve preparedness for
19 and responses to both acute and chronic threats to the health
20 of Illinois citizens, including, but not limited to, emerging
21 infections, disparities in health status, and chronic injury
22 rates. Grants must be made to each certified local health
23 department based on the need for the improvement. Forty
24 percent of the moneys allocated to the program must be spent
25 for the grants.

26 Article 25. Biomedical research

27 Section 25-5. Definition. In this Article, "program"
28 means the Biomedical Research Program established under
29 Section 25-10.

30 Section 25-10. Establishment of program. The Biomedical

1 Research Program is established. The program must be
2 administered by the Illinois Board of Higher Education, which
3 must establish a program office with a director and other
4 necessary staff in order to conduct the program. With respect
5 to the program, the Board of Higher Education must do all of
6 the following:

- 7 (1) Set policy for the program.
- 8 (2) Provide overall direction and coordination of
9 the program.
- 10 (3) Award grants under the program.
- 11 (4) Provide staff assistance to the Biomedical
12 Research Program Advisory Council and peer review panels
13 as necessary.
- 14 (5) Provide for periodic program evaluation to
15 ensure that work funded is consistent with program goals.
- 16 (6) Maintain a system of financial reporting and
17 accountability.
- 18 (7) Transmit periodic programmatic and financial
19 reports to the State.
- 20 (8) Provide for the systematic dissemination of
21 research results to the health care community and to the
22 public.
- 23 (9) Develop policies and procedures to facilitate
24 the translation of research results into commercial
25 applications.
- 26 (10) Inform interested parties of the availability
27 of research grants under the program.

28 Section 25-15. Goals. The Biomedical Research Program has
29 the following goals:

- 30 (1) To improve the health of the citizens of
31 Illinois.
- 32 (2) To improve scientific understanding with regard
33 to the mechanisms that cause disease, especially

1 tobacco-related diseases and other conditions linked to
2 smoking and tobacco use (for example, addiction).

3 (3) To improve treatments for disease, especially
4 tobacco-related diseases.

5 (4) To increase capacity for biomedical research.

6 (5) To increase applications of biomedical research
7 discoveries and technology transfer to the biotechnology
8 industry.

9 Section 25-20. Advisory council.

10 (a) The Biomedical Research Program Advisory Council is
11 established. The advisory council must consist of the
12 following members:

13 (1) One member from each university with a medical
14 school located in Illinois and its affiliated hospital,
15 nominated in consultation with the president of the
16 university.

17 (2) Three members representing professional medical
18 organizations.

19 (3) One member each from an Illinois chapter of each
20 of the 3 national voluntary health organizations leading
21 efforts to reduce tobacco use: the American Cancer
22 Society, the American Heart Association, and the American
23 Lung Association.

24 (4) One member from a State agency concerned with
25 tobacco use control.

26 (5) One member representing the biotechnology
27 industry.

28 (b) Each of the members described in subsection (a) must
29 be appointed by the Governor with the advise and consent of
30 the Senate.

31 (c) Members are entitled only to reimbursement of their
32 reasonable travel expenses actually incurred in performing
33 their duties.

1 (d) The advisory council is responsible for the
2 following:

3 (1) Providing advice to the Board of Higher
4 Education on priorities and emphases of the Biomedical
5 Research Program.

6 (2) Providing advice on the overall program budget.

7 (3) Participating in periodic program evaluation.

8 (4) Assisting in the development of guidelines to
9 ensure fairness, neutrality, and quality in the conduct
10 of the program.

11 (5) Assisting in the development of appropriate
12 linkages to nonacademic entities including, but not
13 limited to, voluntary organizations, health care service
14 providers, industry, government agencies, and public
15 officials.

16 (6) Overseeing the formula funding process under
17 subsection (a) of Section 25-30, including reviewing
18 proposals for funding and making recommendations to the
19 Board of Higher Education for grant awards.

20 (7) Overseeing the competitive funding process under
21 Section 25-30, including determining the focus of and
22 procedures for solicitations and peer review; selecting
23 qualified and appropriate reviewers for peer review
24 panels from outside Illinois in order to avoid conflicts
25 of interest; and reviewing peer review panel reports and
26 making recommendations to the Board of Higher Education
27 for grant awards.

28 Section 25-25. Eligible expenditures.

29 (a) Expenditures from the program are allowable based on
30 the criteria set forth in subsections (b) through (d).

31 (b) Eligible biomedical research is defined as including
32 not only basic and clinical research but also basic
33 behavioral research and epidemiological research that address

1 topics such as those described in subsection (c).

2 (c) Eligible biomedical research topics include, but are
3 not limited to, the following diseases or conditions, for
4 which smoking or tobacco use has been established to be a
5 risk factor contributing to illness or disability:

6 (1) Coronary heart disease.

7 (2) Cerebrovascular disease.

8 (3) Cancer, including cancers of the mouth, larynx,
9 esophagus, lung, bladder, kidney, and pancreas.

10 (4) Chronic obstructive lung disease, including
11 emphysema, chronic bronchitis, asthma, and related lung
12 disorders.

13 (5) Other diseases or conditions that have an
14 established link or a probable link (for example, breast
15 cancer, prostate cancer, colon cancer) to smoking or
16 tobacco use.

17 (d) "Eligible biomedical research costs" mean the
18 following:

19 (1) Direct costs of performing eligible biomedical
20 research.

21 (2) Indirect costs of performing eligible biomedical
22 research as defined by federal cost-accounting guidelines
23 for federally sponsored research and reimbursable at each
24 institution's current negotiated rate for federal
25 indirect cost recovery.

26 (3) Capital costs of performing eligible biomedical
27 research under the program, including related laboratory
28 expansion or renovation and purchase of equipment. These
29 capital expenditures are not eligible for indirect cost
30 recovery.

31 (4) Capital costs that are not related to a specific
32 research project but that enhance the institution's
33 capacity for biomedical research. These capital
34 expenditures are not eligible for indirect cost recovery.

1 (5) Expenses of up to 5% of the moneys awarded to
2 each institution for translational research that
3 facilitates the application of biomedical research
4 discoveries and technology transfer to the biotechnology
5 industry and ultimately to the public. These expenses are
6 eligible for indirect cost recovery as defined in
7 paragraph (2).

8 Section 25-30. Distribution of moneys.

9 (a) Illinois universities with medical schools and
10 affiliated hospitals as a group are to be allocated 50% of
11 the total amount appropriated for the program. These moneys
12 must be distributed among these universities using the
13 following formula:

14 (1) Each university must be allocated base funding
15 equal to 5% of the 50% allocated under this subsection.

16 (2) Each university must then be allocated, from the
17 remainder of the 50% allocated under this subsection, a
18 proportionate amount based on the ratio of the total
19 previous federal fiscal year National Institutes of
20 Health funding for each university with a medical school
21 and affiliated hospital to the total previous federal
22 fiscal year National Institutes of Health funding for all
23 the Illinois universities with medical schools and
24 affiliated hospitals in aggregate.

25 (3) Each university, in order to receive and spend
26 its formula-allocated moneys, must submit proposals and
27 must receive approval by the advisory council based
28 solely on compliance with the eligibility criteria set
29 forth in Section 25-25.

30 (b) The remaining 50% of the total amount appropriated
31 for the program must be available for competitive funding of
32 biomedical research among all not-for-profit organizations in
33 the State that perform biomedical research, including those

1 universities included in subsection (a). Each applicant, in
2 order to receive and spend these moneys, must submit
3 proposals for biomedical research based on the eligibility
4 criteria set forth in Section 25-25 and must receive approval
5 by the advisory council. The competitive funding shall be
6 awarded by the Illinois Board of Higher Education based on
7 the recommendations of the advisory council after reviewing
8 the reports of the peer review panels.

9 Article 35. Advisory Panel

10 Section 35-5. The Tobacco Settlement Recovery Fund
11 Advisory Panel is established. The advisory panel must be
12 comprised of the following 7 members: one member representing
13 the Comprehensive Tobacco Use Prevention and Reduction
14 Program Advisory Council, one member representing the
15 Department of Public Aid, one member representing a Certified
16 Local Health Department, one member representing the
17 Biomedical Research Program Advisory Council, one member
18 representing the Illinois State Medical Society, one member
19 representing a voluntary health organization dedicated to the
20 reduction of tobacco use, and the Director of Public Health
21 or his or her designee. Members are entitled only to
22 reimbursement of their reasonable travel expenses actually
23 incurred in performing their duties.

24 Section 35-10. Meetings; report. The advisory panel must
25 meet at least once each calendar quarter and must monitor the
26 programs established under this Act. The advisory panel must
27 submit an annual a report to the Governor and the General
28 Assembly. The report must include a recommendation regarding
29 the appropriations necessary to fund the programs established
30 in Articles 5 through 25 of this Act.

1 Article 40. Miscellaneous Provisions

2 Section 40-5. Administration of Act.

3 (a) The Department of Public Health must administer
4 Articles 5, 15, 20, and 35 and may adopt reasonable and
5 necessary rules to implement each of those Articles.

6 (b) The Illinois Board of Higher Education must
7 administer Article 25 of this Act and may adopt reasonable
8 and necessary rules to implement that Article.

9 Section 40-10. Judicial review prohibited. The
10 Department of Public Health's final decisions on grants under
11 Articles 5, 10, and 20 are not appealable under the Illinois
12 Administrative Review Law. The Illinois Board of Higher
13 Education's final decisions on grants under Article 25 are
14 not appealable under the Illinois Administrative Review Law.

15 Section 40-15. Severability. The provisions of this Act
16 and each Article are severable under Section 1.31 of the
17 Statute on Statutes.

18 Article 90. Amendatory Provisions

19 Section 90-5. The Civil Administrative Code of Illinois
20 is amended by adding Section 2310-295 as follows:

21 (20 ILCS 2310/2310-295 new)

22 Sec. 2310-295. Free medical clinic grants. From moneys
23 appropriated from the Tobacco Settlement Recovery Fund, the
24 Department must make grants to free medical clinics as
25 defined in Section 30 of the Good Samaritan Act for
26 purposes of funding health care services. Sixty percent of
27 the total amount appropriated under this Section must be
28 disbursed to all eligible applicants. Forty percent of

1 that total amount must be disbursed to eligible applicants
2 based on specific criteria prescribed by the Department.
3 The Department must adopt rules to implement this Section.

4 Section 90-7. The State Finance Act is amended by
5 changing Section 6z-43 as follows:

6 (30 ILCS 105/6z-43)

7 Sec. 6z-43. Tobacco Settlement Recovery Fund.

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

30 (b) As soon as may be practical after June 30, 2001, the
31 State Comptroller shall direct and the State Treasurer shall
32 transfer the unencumbered balance in the Tobacco Settlement

1 Recovery Fund as of June 30, 2001 into the Budget
 2 Stabilization Fund. The Treasurer may invest the moneys in
 3 the Budget Stabilization Fund in the same manner, in the same
 4 types of investments, and subject to the same limitations
 5 provided in the Illinois Pension Code for the investment of
 6 pension funds other than those established under Article 3 or
 7 4 of the Code.

8 (c) Appropriations from the Tobacco Settlement Recovery
 9 Fund are subject to the Tobacco Settlement Recovery Fund
 10 Appropriations Act and the Tobacco Settlement Recovery Fund
 11 Uses Act.

12 (Source: P.A. 91-646, eff. 11-19-99; 91-704, eff. 7-1-00;
 13 91-797, eff. 6-9-00; revised 6-28-00.)

14 Section 90-15. The Senior Citizens and Disabled Persons
 15 Property Tax Relief and Pharmaceutical Assistance Act is
 16 amended by changing Section 4 as follows:

17 (320 ILCS 25/4) (from Ch. 67 1/2, par. 404)

18 Sec. 4. Amount of Grant.

19 (a) In general. Any individual 65 years or older or any
 20 individual who will become 65 years old during the calendar
 21 year in which a claim is filed, and any surviving spouse of
 22 such a claimant, who at the time of death received or was
 23 entitled to receive a grant pursuant to this Section, which
 24 surviving spouse will become 65 years of age within the 24
 25 months immediately following the death of such claimant and
 26 which surviving spouse but for his or her age is otherwise
 27 qualified to receive a grant pursuant to this Section, and
 28 any disabled person whose annual household income is less
 29 than \$14,000 for grant years before the 1998 grant year, less
 30 than \$16,000 for the 1998 and 1999 grant years, and less than
 31 (i) \$21,218 for a household containing one person, (ii)
 32 \$28,480 for a household containing 2 persons, or (iii)

1 \$35,740 for a household containing 3 or more persons for the
2 2000 grant year, and less than (i) \$24,000 for a household
3 containing one person, (ii) \$30,000 for a household
4 containing 2 persons, or (iii) \$33,000 for a household
5 containing 3 or more persons for the 2001 grant year and
6 thereafter and whose household is liable for payment of
7 property taxes accrued or has paid rent constituting property
8 taxes accrued and is domiciled in this State at the time he
9 files his claim is entitled to claim a grant under this Act.
10 With respect to claims filed by individuals who will become
11 65 years old during the calendar year in which a claim is
12 filed, the amount of any grant to which that household is
13 entitled shall be an amount equal to 1/12 of the amount to
14 which the claimant would otherwise be entitled as provided in
15 this Section, multiplied by the number of months in which the
16 claimant was 65 in the calendar year in which the claim is
17 filed.

18 (b) Limitation. Except as otherwise provided in
19 subsections (a) and (f) of this Section, the maximum amount
20 of grant which a claimant is entitled to claim is the amount
21 by which the property taxes accrued which were paid or
22 payable during the last preceding tax year or rent
23 constituting property taxes accrued upon the claimant's
24 residence for the last preceding taxable year exceeds 3 1/2%
25 of the claimant's household income for that year but in no
26 event is the grant to exceed (i) \$700 less 4.5% of household
27 income for that year for those with a household income of
28 \$14,000 or less or (ii) \$70 if household income for that year
29 is more than \$14,000.

30 (c) Public aid recipients. If household income in one
31 or more months during a year includes cash assistance in
32 excess of \$55 per month from the Department of Public Aid or
33 the Department of Human Services (acting as successor to the
34 Department of Public Aid under the Department of Human

1 Services Act) which was determined under regulations of that
2 Department on a measure of need that included an allowance
3 for actual rent or property taxes paid by the recipient of
4 that assistance, the amount of grant to which that household
5 is entitled, except as otherwise provided in subsection (a),
6 shall be the product of (1) the maximum amount computed as
7 specified in subsection (b) of this Section and (2) the ratio
8 of the number of months in which household income did not
9 include such cash assistance over \$55 to the number twelve.
10 If household income did not include such cash assistance over
11 \$55 for any months during the year, the amount of the grant
12 to which the household is entitled shall be the maximum
13 amount computed as specified in subsection (b) of this
14 Section. For purposes of this paragraph (c), "cash
15 assistance" does not include any amount received under the
16 federal Supplemental Security Income (SSI) program.

17 (d) Joint ownership. If title to the residence is held
18 jointly by the claimant with a person who is not a member of
19 his household, the amount of property taxes accrued used in
20 computing the amount of grant to which he is entitled shall
21 be the same percentage of property taxes accrued as is the
22 percentage of ownership held by the claimant in the
23 residence.

24 (e) More than one residence. If a claimant has occupied
25 more than one residence in the taxable year, he may claim
26 only one residence for any part of a month. In the case of
27 property taxes accrued, he shall pro rate 1/12 of the total
28 property taxes accrued on his residence to each month that he
29 owned and occupied that residence; and, in the case of rent
30 constituting property taxes accrued, shall pro rate each
31 month's rent payments to the residence actually occupied
32 during that month.

33 (f) There is hereby established a program of
34 pharmaceutical assistance to the aged and disabled which

1 shall be administered by the Department in accordance with
2 this Act, to consist of payments to authorized pharmacies, on
3 behalf of beneficiaries of the program, for the reasonable
4 costs of covered prescription drugs. Each beneficiary who
5 pays \$5 for an identification card shall pay no additional
6 prescription costs. Each beneficiary who pays \$25 for an
7 identification card shall pay \$3 per prescription. In
8 addition, after a beneficiary receives \$2,000 in benefits
9 during a State fiscal year through December 31, 2001 and, on
10 and after January 1, 2002, after a beneficiary receives
11 \$2,000 in benefits during a calendar year, that beneficiary
12 shall also be charged 20% of the cost of each prescription
13 for which payments are made by the program during the
14 remainder of the fiscal year through December 31, 2001 and,
15 on and after January 1, 2002, during the remainder of the
16 calendar year. To become a beneficiary under this program a
17 person must be: (1) (i) 65 years or older, or (ii) the
18 surviving spouse of such a claimant, who at the time of death
19 received or was entitled to receive benefits pursuant to this
20 subsection, which surviving spouse will become 65 years of
21 age within the 24 months immediately following the death of
22 such claimant and which surviving spouse but for his or her
23 age is otherwise qualified to receive benefits pursuant to
24 this subsection, or (iii) disabled, and (2) is domiciled in
25 this State at the time he files his or her claim, and (3) has
26 a maximum household income of less than \$14,000 for grant
27 years before the 1998 grant year, less than \$16,000 for the
28 1998 and 1999 grant years, and less than (i) \$21,218 for a
29 household containing one person, (ii) \$28,480 for a household
30 containing 2 persons, or (iii) \$35,740 for a household
31 containing 3 more persons for the 2000 grant year, and less
32 than (i) \$24,000 for a household containing one person, (ii)
33 \$30,000 for a household containing 2 persons, or (iii)
34 \$33,000 for a household containing 3 or more persons for the

1 2001 grant year and thereafter. In addition, each eligible
2 person must (1) obtain an identification card from the
3 Department, (2) at the time the card is obtained, sign a
4 statement assigning to the State of Illinois benefits which
5 may be otherwise claimed under any private insurance plans,
6 (3) present the identification card to the dispensing
7 pharmacist.

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

26 Any person otherwise eligible for pharmaceutical
27 assistance under this Act whose covered drugs are covered by
28 any public program for assistance in purchasing any covered
29 prescription drugs shall be ineligible for assistance under
30 this Act to the extent such costs are covered by such other
31 plan.

32 The fee to be charged by the Department for the
33 identification card shall be equal to \$5 per coverage year
34 for persons below the official poverty line as defined by the

1 United States Department of Health and Human Services and \$25
2 per coverage year for all other persons. On and before
3 December 31, 2001, coverage under this pharmaceutical
4 assistance program shall begin on the date of application
5 approval and be in effect for 12 months. On and after January
6 1, 2002, coverage under this pharmaceutical assistance
7 program shall be in effect on a calendar year basis.

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 Article 99. Effective Date

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