



## 94TH GENERAL ASSEMBLY

### State of Illinois

2005 and 2006

HB3820

Introduced 2/25/2005, by Rep. Michael P. McAuliffe - Aaron Schock - Roger Jenisch

#### 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 for the 2006 grant year and thereafter, eligibility for a property tax relief grant or for pharmaceutical assistance under the Act is conditioned on an annual household income that is less than (A) the income eligibility level in effect for the 2005 grant year or (B) 250% of the federal poverty guidelines, whichever is greater. Effective immediately.

LRB094 10178 DRJ 40445 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 through the 2005 grant year, and less than (A) the income  
25 eligibility level in effect for the 2005 grant year or (B) 25%  
26 of the poverty guidelines updated annually in the Federal  
27 Register by the U.S. Department of Health and Human Services  
28 under authority of Section 673(2) of the Omnibus Budget  
29 Reconciliation Act of 1981, whichever is greater, for the 2006  
30 grant year and thereafter and whose household is liable for  
31 payment of property taxes accrued or has paid rent constituting  
32 property taxes accrued and is domiciled in this State at the

1 time he or she files his or her claim is entitled to claim a  
2 grant under this Act. With respect to claims filed by  
3 individuals who will become 65 years old during the calendar  
4 year in which a claim is filed, the amount of any grant to  
5 which that household is entitled shall be an amount equal to  
6 1/12 of the amount to which the claimant would otherwise be  
7 entitled as provided in this Section, multiplied by the number  
8 of months in which the claimant was 65 in the calendar year in  
9 which the claim is filed.

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

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

1 entitled shall be the maximum amount computed as specified in  
2 subsection (b) of this Section. For purposes of this paragraph  
3 (c), "cash assistance" does not include any amount received  
4 under the federal Supplemental Security Income (SSI) program.

5 (d) Joint ownership. If title to the residence is held  
6 jointly by the claimant with a person who is not a member of  
7 his or her household, the amount of property taxes accrued used  
8 in computing the amount of grant to which he or she is entitled  
9 shall be the same percentage of property taxes accrued as is  
10 the percentage of ownership held by the claimant in the  
11 residence.

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

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

1 pursuant to this subsection, which surviving spouse will become  
2 65 years of age within the 24 months immediately following the  
3 death of such claimant and which surviving spouse but for his  
4 or her age is otherwise qualified to receive benefits pursuant  
5 to this subsection, or (iii) disabled, and (2) be domiciled in  
6 this State at the time he or she files his or her claim, and (3)  
7 have a maximum household income of less than \$14,000 for grant  
8 years before the 1998 grant year, less than \$16,000 for the  
9 1998 and 1999 grant years, ~~and~~ less than (i) \$21,218 for a  
10 household containing one person, (ii) \$28,480 for a household  
11 containing 2 persons, or (iii) \$35,740 for a household  
12 containing 3 more persons for the 2000 grant year through the  
13 2005 grant year, and less than (A) the income eligibility level  
14 in effect for the 2005 grant year or (B) 250% of the poverty  
15 guidelines updated annually in the Federal Register by the U.S.  
16 Department of Health and Human Services under authority of  
17 Section 673(2) of the Omnibus Budget Reconciliation Act of  
18 1981, whichever is greater, for the 2006 grant year and  
19 thereafter. In addition, each eligible person must (1) obtain  
20 an identification card from the Department, (2) at the time the  
21 card is obtained, sign a statement assigning to the State of  
22 Illinois benefits which may be otherwise claimed under any  
23 private insurance plans, and (3) present the identification  
24 card to the dispensing pharmacist.

25 The Department may adopt rules specifying participation  
26 requirements for the pharmaceutical assistance program,  
27 including copayment amounts, identification card fees,  
28 expenditure limits, and the benefit threshold after which a 20%  
29 charge is imposed on the cost of each prescription, to be in  
30 effect on and after July 1, 2004. Notwithstanding any other  
31 provision of this paragraph, however, the Department may not  
32 increase the identification card fee above the amount in effect  
33 on May 1, 2003 without the express consent of the General  
34 Assembly. To the extent practicable, those requirements shall  
35 be commensurate with the requirements provided in rules adopted  
36 by the Department of Public Aid to implement the pharmacy

1 assistance program under Section 5-5.12a of the Illinois Public  
2 Aid Code.

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

21 Any person otherwise eligible for pharmaceutical  
22 assistance under this Act whose covered drugs are covered by  
23 any public program for assistance in purchasing any covered  
24 prescription drugs shall be ineligible for assistance under  
25 this Act to the extent such costs are covered by such other  
26 plan.

27 The fee to be charged by the Department for the  
28 identification card shall be equal to \$5 per coverage year for  
29 persons below the official poverty line as defined by the  
30 United States Department of Health and Human Services and \$25  
31 per coverage year for all other persons.

32 In the event that 2 or more persons are eligible for any  
33 benefit under this Act, and are members of the same household,  
34 (1) each such person shall be entitled to participate in the  
35 pharmaceutical assistance program, provided that he or she  
36 meets all other requirements imposed by this subsection and (2)

1 each participating household member contributes the fee  
2 required for that person by the preceding paragraph for the  
3 purpose of obtaining an identification card.

4 (Source: P.A. 92-131, eff. 7-23-01; 92-519, eff. 1-1-02;  
5 92-651, eff. 7-11-02; 93-130, eff. 7-10-03.)

6 Section 99. Effective date. This Act takes effect upon  
7 becoming law.