

1 AN ACT concerning State government.

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

4 Section 1. Short title. This Act may be cited as the
5 Veterans' Health Insurance Program Act.

6 Section 3. Legislative intent. The General Assembly finds
7 that those who have served their country honorably in military
8 service and who are residing in this State deserve access to
9 affordable, comprehensive health insurance. Many veterans are
10 uninsured and unable to afford healthcare. This lack of
11 healthcare, including preventative care, often exacerbates
12 health conditions. The effects of lack of insurance negatively
13 impact those residents of the State who are insured because the
14 cost of paying for care to the uninsured is often shifted to
15 those who have insurance in the form of higher health insurance
16 premiums. It is, therefore, the intent of this legislation to
17 provide access to affordable health insurance for veterans
18 residing in Illinois who are unable to afford such coverage.
19 However, the State has only a limited amount of resources, and
20 the General Assembly therefore declares that while it intends
21 to cover as many such veterans as possible, the State may not
22 be able to cover every eligible person who qualifies for this
23 Program as a matter of entitlement due to limited funding.

24 Section 5. Definitions. The following words have the
25 following meanings:

26 "Department" means the Department of Healthcare and Family
27 Services, or any successor agency.

28 "Director" means the Director of Healthcare and Family
29 Services, or any successor agency.

30 "Medical assistance" means health care benefits provided
31 under Article V of the Illinois Public Aid Code.

1 "Program" means the Veterans' Health Insurance Program.

2 "Resident" means an individual who has an Illinois
3 residence, as provided in Section 5-3 of the Illinois Public
4 Aid Code.

5 "Veteran" means any person who has served in a branch of
6 the United States military for greater than 180 consecutive
7 days after initial training.

8 "Veterans' Affairs" or "VA" means the United States
9 Department of Veterans' Affairs.

10 Section 10. Operation of the Program.

11 (a) The Veterans' Health Insurance Program is created. This
12 Program is not an entitlement. Enrollment is based on the
13 availability of funds, and enrollment may be capped based on
14 funds appropriated for the Program. As soon as practical after
15 the effective date of this Act, coverage for this Program shall
16 begin. The Program shall be administered by the Department of
17 Healthcare and Family Services in collaboration with the
18 Department of Veterans' Affairs. The Department shall have the
19 same powers and authority to administer the Program as are
20 provided to the Department in connection with the Department's
21 administration of the Illinois Public Aid Code. The Department
22 shall coordinate the Program with other health programs
23 operated by the Department and other State and federal
24 agencies.

25 (b) The Department shall operate the Program in a manner so
26 that the estimated cost of the Program during the fiscal year
27 will not exceed the total appropriation for the Program. The
28 Department may take any appropriate action to limit spending or
29 enrollment into the Program, including, but not limited to,
30 ceasing to accept or process applications, reviewing
31 eligibility more frequently than annually, adjusting
32 cost-sharing, or reducing the income threshold for eligibility
33 as necessary to control expenditures for the Program.

34 Section 15. Eligibility.

- 1 (a) To be eligible for the Program, a person must:
- 2 (1) be a veteran who is not on active duty and who has
- 3 not been dishonorably discharged from service;
- 4 (2) be a resident of the State of Illinois;
- 5 (3) be at least 19 years of age and no older than 64
- 6 years of age;
- 7 (4) be uninsured, as defined by the Department by rule,
- 8 for a period of time established by the Department by rule,
- 9 which shall be no less than 6 months;
- 10 (5) not be eligible for medical assistance under the
- 11 Illinois Public Aid Code;
- 12 (6) not be eligible for medical benefits through the
- 13 Veterans Health Administration; and
- 14 (7) have a household income no greater than the sum of
- 15 (i) an amount equal to 25% of the federal poverty level
- 16 plus (ii) an amount equal to the Veterans Administration
- 17 means test income threshold at the initiation of the
- 18 Program; depending on the availability of funds, this level
- 19 may be increased to an amount equal to the sum of (iii) an
- 20 amount equal to 50% of the federal poverty level plus (iv)
- 21 an amount equal to the Veterans Administration means test
- 22 income threshold after 6 months of operation. This means
- 23 test income threshold is subject to alteration by the
- 24 Department as set forth in subsection (b) of Section 10.
- 25 (b) A veteran who is determined eligible for the Program
- 26 shall remain eligible for 12 months, provided the veteran
- 27 remains a resident of the State and is not excluded under
- 28 subsection (c) of this Section and provided the Department has
- 29 not limited the enrollment period as set forth in subsection
- 30 (b) of Section 10.
- 31 (c) A veteran is not eligible for coverage under the
- 32 Program if:
- 33 (1) the premium required under Section 35 of this Act
- 34 has not been timely paid; if the required premiums are not
- 35 paid, the liability of the Program shall be limited to
- 36 benefits incurred under the Program for the time period for

1 which premiums have been paid and for grace periods as
2 established under subsection (d); if the required monthly
3 premium is not paid, the veteran is ineligible for
4 re-enrollment for a minimum period of 3 months; or

5 (2) the veteran is a resident of a nursing facility or
6 an inmate of a public institution, as defined by 42 CFR
7 435.1009.

8 (d) The Department shall adopt rules for the Program,
9 including, but not limited to, rules relating to eligibility,
10 re-enrollment, grace periods, notice requirements, hearing
11 procedures, cost-sharing, covered services, and provider
12 requirements.

13 Section 20. Notice of decisions to terminate eligibility.
14 Whenever the Department decides to either deny or terminate
15 eligibility under this Act, the veteran shall have a right to
16 notice and a hearing, as provided by the Department by rule.

17 Section 25. Illinois Department of Veterans' Affairs. The
18 Department shall coordinate with the Illinois Department of
19 Veterans' Affairs and the Veterans Assistance Commissions to
20 allow State Veterans' Affairs service officers and the Veterans
21 Assistance Commissions to assist veterans to apply for the
22 Program. All applicants must be reviewed for Veterans Health
23 Administration eligibility or other existing health benefits
24 prior to consideration for the Program.

25 Section 30. Health care benefits.

26 (a) For veterans eligible and enrolled, the Department
27 shall purchase or provide health care benefits for eligible
28 veterans that are identical to the benefits provided to adults
29 under the State's approved plan under Title XIX of the Social
30 Security Act, except for nursing facility services and
31 non-emergency transportation.

32 (b) Providers shall be subject to approval by the
33 Department to provide health care under the Illinois Public Aid

1 Code and shall be reimbursed at the same rates as providers
2 reimbursed under the State's approved plan under Title XIX of
3 the Social Security Act.

4 (c) As an alternative to the benefits set forth in
5 subsection (a) of this Section, and when cost-effective, the
6 Department may offer veterans subsidies toward the cost of
7 privately sponsored health insurance, including
8 employer-sponsored health insurance.

9 Section 35. Cost-sharing. The Department, by rule, shall
10 set forth requirements concerning co-payments and monthly
11 premiums for health care services. This cost-sharing shall be
12 based on household income, as defined by the Department by
13 rule, and is subject to alteration by the Department as set
14 forth in subsection (b) of Section 10.

15 Section 40. Charge upon claims and causes of action; right
16 of subrogation; recoveries. Sections 11-22, 11-22a, 11-22b,
17 and 11-22c of the Illinois Public Aid Code apply to health
18 benefits provided to veterans under this Act, as provided in
19 those Sections.

20 Section 45. Reporting. The Department shall prepare a
21 report for submission to the General Assembly on the first 6
22 months of operation of the Program. The report shall be due to
23 the General Assembly by April 30, 2007. This report shall
24 include information regarding implementation of the Program,
25 including the number of veterans enrolled and any available
26 information regarding other benefits derived from the Program,
27 including screening for and acquisition of other veterans'
28 benefits through the Veterans' Service Officers and the
29 Veterans' Assistance Commissions. This report may also include
30 recommendations regarding improvements that may be made to the
31 Program and regarding the extension of the repeal date set
32 forth in Section 85 of this Act.

1 Section 50. Emergency rulemaking. The Department may adopt
2 rules necessary to establish and implement this Act through the
3 use of emergency rulemaking in accordance with Section 5-45 of
4 the Illinois Administrative Procedure Act. For the purposes of
5 that Act, the General Assembly finds that the adoption of rules
6 to implement this Act is deemed an emergency and necessary for
7 the public interest, safety, and welfare.

8 Section 85. Repeal. This Act is repealed on January 1,
9 2008.

10 Section 90. The State Finance Act is amended by changing
11 Section 8g as follows:

12 (30 ILCS 105/8g)

13 Sec. 8g. Fund transfers.

14 (a) In addition to any other transfers that may be provided
15 for by law, as soon as may be practical after the effective
16 date of this amendatory Act of the 91st General Assembly, the
17 State Comptroller shall direct and the State Treasurer shall
18 transfer the sum of \$10,000,000 from the General Revenue Fund
19 to the Motor Vehicle License Plate Fund created by Senate Bill
20 1028 of the 91st General Assembly.

21 (b) In addition to any other transfers that may be provided
22 for by law, as soon as may be practical after the effective
23 date of this amendatory Act of the 91st General Assembly, the
24 State Comptroller shall direct and the State Treasurer shall
25 transfer the sum of \$25,000,000 from the General Revenue Fund
26 to the Fund for Illinois' Future created by Senate Bill 1066 of
27 the 91st General Assembly.

28 (c) In addition to any other transfers that may be provided
29 for by law, on August 30 of each fiscal year's license period,
30 the Illinois Liquor Control Commission shall direct and the
31 State Comptroller and State Treasurer shall transfer from the
32 General Revenue Fund to the Youth Alcoholism and Substance
33 Abuse Prevention Fund an amount equal to the number of retail

1 liquor licenses issued for that fiscal year multiplied by \$50.

2 (d) The payments to programs required under subsection (d)
3 of Section 28.1 of the Horse Racing Act of 1975 shall be made,
4 pursuant to appropriation, from the special funds referred to
5 in the statutes cited in that subsection, rather than directly
6 from the General Revenue Fund.

7 Beginning January 1, 2000, on the first day of each month,
8 or as soon as may be practical thereafter, the State
9 Comptroller shall direct and the State Treasurer shall transfer
10 from the General Revenue Fund to each of the special funds from
11 which payments are to be made under Section 28.1(d) of the
12 Horse Racing Act of 1975 an amount equal to 1/12 of the annual
13 amount required for those payments from that special fund,
14 which annual amount shall not exceed the annual amount for
15 those payments from that special fund for the calendar year
16 1998. The special funds to which transfers shall be made under
17 this subsection (d) include, but are not necessarily limited
18 to, the Agricultural Premium Fund; the Metropolitan Exposition
19 Auditorium and Office Building Fund; the Fair and Exposition
20 Fund; the Standardbred Breeders Fund; the Thoroughbred
21 Breeders Fund; and the Illinois Veterans' Rehabilitation Fund.

22 (e) In addition to any other transfers that may be provided
23 for by law, as soon as may be practical after the effective
24 date of this amendatory Act of the 91st General Assembly, but
25 in no event later than June 30, 2000, the State Comptroller
26 shall direct and the State Treasurer shall transfer the sum of
27 \$15,000,000 from the General Revenue Fund to the Fund for
28 Illinois' Future.

29 (f) In addition to any other transfers that may be provided
30 for by law, as soon as may be practical after the effective
31 date of this amendatory Act of the 91st General Assembly, but
32 in no event later than June 30, 2000, the State Comptroller
33 shall direct and the State Treasurer shall transfer the sum of
34 \$70,000,000 from the General Revenue Fund to the Long-Term Care
35 Provider Fund.

36 (f-1) In fiscal year 2002, in addition to any other

1 transfers that may be provided for by law, at the direction of
2 and upon notification from the Governor, the State Comptroller
3 shall direct and the State Treasurer shall transfer amounts not
4 exceeding a total of \$160,000,000 from the General Revenue Fund
5 to the Long-Term Care Provider Fund.

6 (g) In addition to any other transfers that may be provided
7 for by law, on July 1, 2001, or as soon thereafter as may be
8 practical, the State Comptroller shall direct and the State
9 Treasurer shall transfer the sum of \$1,200,000 from the General
10 Revenue Fund to the Violence Prevention Fund.

11 (h) In each of fiscal years 2002 through 2004, but not
12 thereafter, in addition to any other transfers that may be
13 provided for by law, the State Comptroller shall direct and the
14 State Treasurer shall transfer \$5,000,000 from the General
15 Revenue Fund to the Tourism Promotion Fund.

16 (i) On or after July 1, 2001 and until May 1, 2002, in
17 addition to any other transfers that may be provided for by
18 law, at the direction of and upon notification from the
19 Governor, the State Comptroller shall direct and the State
20 Treasurer shall transfer amounts not exceeding a total of
21 \$80,000,000 from the General Revenue Fund to the Tobacco
22 Settlement Recovery Fund. Any amounts so transferred shall be
23 re-transferred by the State Comptroller and the State Treasurer
24 from the Tobacco Settlement Recovery Fund to the General
25 Revenue Fund at the direction of and upon notification from the
26 Governor, but in any event on or before June 30, 2002.

27 (i-1) On or after July 1, 2002 and until May 1, 2003, in
28 addition to any other transfers that may be provided for by
29 law, at the direction of and upon notification from the
30 Governor, the State Comptroller shall direct and the State
31 Treasurer shall transfer amounts not exceeding a total of
32 \$80,000,000 from the General Revenue Fund to the Tobacco
33 Settlement Recovery Fund. Any amounts so transferred shall be
34 re-transferred by the State Comptroller and the State Treasurer
35 from the Tobacco Settlement Recovery Fund to the General
36 Revenue Fund at the direction of and upon notification from the

1 Governor, but in any event on or before June 30, 2003.

2 (j) On or after July 1, 2001 and no later than June 30,
3 2002, in addition to any other transfers that may be provided
4 for by law, at the direction of and upon notification from the
5 Governor, the State Comptroller shall direct and the State
6 Treasurer shall transfer amounts not to exceed the following
7 sums into the Statistical Services Revolving Fund:

8	From the General Revenue Fund	\$8,450,000
9	From the Public Utility Fund	1,700,000
10	From the Transportation Regulatory Fund	2,650,000
11	From the Title III Social Security and	
12	Employment Fund	3,700,000
13	From the Professions Indirect Cost Fund	4,050,000
14	From the Underground Storage Tank Fund	550,000
15	From the Agricultural Premium Fund	750,000
16	From the State Pensions Fund	200,000
17	From the Road Fund	2,000,000
18	From the Health Facilities	
19	Planning Fund	1,000,000
20	From the Savings and Residential Finance	
21	Regulatory Fund	130,800
22	From the Appraisal Administration Fund	28,600
23	From the Pawnbroker Regulation Fund	3,600
24	From the Auction Regulation	
25	Administration Fund	35,800
26	From the Bank and Trust Company Fund.....	634,800
27	From the Real Estate License	
28	Administration Fund	313,600

29 (k) In addition to any other transfers that may be provided
30 for by law, as soon as may be practical after the effective
31 date of this amendatory Act of the 92nd General Assembly, the
32 State Comptroller shall direct and the State Treasurer shall
33 transfer the sum of \$2,000,000 from the General Revenue Fund to
34 the Teachers Health Insurance Security Fund.

35 (k-1) In addition to any other transfers that may be
36 provided for by law, on July 1, 2002, or as soon as may be

1 practical thereafter, the State Comptroller shall direct and
2 the State Treasurer shall transfer the sum of \$2,000,000 from
3 the General Revenue Fund to the Teachers Health Insurance
4 Security Fund.

5 (k-2) In addition to any other transfers that may be
6 provided for by law, on July 1, 2003, or as soon as may be
7 practical thereafter, the State Comptroller shall direct and
8 the State Treasurer shall transfer the sum of \$2,000,000 from
9 the General Revenue Fund to the Teachers Health Insurance
10 Security Fund.

11 (k-3) On or after July 1, 2002 and no later than June 30,
12 2003, in addition to any other transfers that may be provided
13 for by law, at the direction of and upon notification from the
14 Governor, the State Comptroller shall direct and the State
15 Treasurer shall transfer amounts not to exceed the following
16 sums into the Statistical Services Revolving Fund:

17	Appraisal Administration Fund	\$150,000
18	General Revenue Fund	10,440,000
19	Savings and Residential Finance	
20	Regulatory Fund	200,000
21	State Pensions Fund	100,000
22	Bank and Trust Company Fund	100,000
23	Professions Indirect Cost Fund	3,400,000
24	Public Utility Fund	2,081,200
25	Real Estate License Administration Fund	150,000
26	Title III Social Security and	
27	Employment Fund	1,000,000
28	Transportation Regulatory Fund	3,052,100
29	Underground Storage Tank Fund	50,000

30 (l) In addition to any other transfers that may be provided
31 for by law, on July 1, 2002, or as soon as may be practical
32 thereafter, the State Comptroller shall direct and the State
33 Treasurer shall transfer the sum of \$3,000,000 from the General
34 Revenue Fund to the Presidential Library and Museum Operating
35 Fund.

36 (m) In addition to any other transfers that may be provided

1 for by law, on July 1, 2002 and on the effective date of this
2 amendatory Act of the 93rd General Assembly, or as soon
3 thereafter as may be practical, the State Comptroller shall
4 direct and the State Treasurer shall transfer the sum of
5 \$1,200,000 from the General Revenue Fund to the Violence
6 Prevention Fund.

7 (n) In addition to any other transfers that may be provided
8 for by law, on July 1, 2003, or as soon thereafter as may be
9 practical, the State Comptroller shall direct and the State
10 Treasurer shall transfer the sum of \$6,800,000 from the General
11 Revenue Fund to the DHS Recoveries Trust Fund.

12 (o) On or after July 1, 2003, and no later than June 30,
13 2004, in addition to any other transfers that may be provided
14 for by law, at the direction of and upon notification from the
15 Governor, the State Comptroller shall direct and the State
16 Treasurer shall transfer amounts not to exceed the following
17 sums into the Vehicle Inspection Fund:

18 From the Underground Storage Tank Fund \$35,000,000.

19 (p) On or after July 1, 2003 and until May 1, 2004, in
20 addition to any other transfers that may be provided for by
21 law, at the direction of and upon notification from the
22 Governor, the State Comptroller shall direct and the State
23 Treasurer shall transfer amounts not exceeding a total of
24 \$80,000,000 from the General Revenue Fund to the Tobacco
25 Settlement Recovery Fund. Any amounts so transferred shall be
26 re-transferred from the Tobacco Settlement Recovery Fund to the
27 General Revenue Fund at the direction of and upon notification
28 from the Governor, but in any event on or before June 30, 2004.

29 (q) In addition to any other transfers that may be provided
30 for by law, on July 1, 2003, or as soon as may be practical
31 thereafter, the State Comptroller shall direct and the State
32 Treasurer shall transfer the sum of \$5,000,000 from the General
33 Revenue Fund to the Illinois Military Family Relief Fund.

34 (r) In addition to any other transfers that may be provided
35 for by law, on July 1, 2003, or as soon as may be practical
36 thereafter, the State Comptroller shall direct and the State

1 Treasurer shall transfer the sum of \$1,922,000 from the General
2 Revenue Fund to the Presidential Library and Museum Operating
3 Fund.

4 (s) In addition to any other transfers that may be provided
5 for by law, on or after July 1, 2003, the State Comptroller
6 shall direct and the State Treasurer shall transfer the sum of
7 \$4,800,000 from the Statewide Economic Development Fund to the
8 General Revenue Fund.

9 (t) In addition to any other transfers that may be provided
10 for by law, on or after July 1, 2003, the State Comptroller
11 shall direct and the State Treasurer shall transfer the sum of
12 \$50,000,000 from the General Revenue Fund to the Budget
13 Stabilization Fund.

14 (u) On or after July 1, 2004 and until May 1, 2005, in
15 addition to any other transfers that may be provided for by
16 law, at the direction of and upon notification from the
17 Governor, the State Comptroller shall direct and the State
18 Treasurer shall transfer amounts not exceeding a total of
19 \$80,000,000 from the General Revenue Fund to the Tobacco
20 Settlement Recovery Fund. Any amounts so transferred shall be
21 retransferred by the State Comptroller and the State Treasurer
22 from the Tobacco Settlement Recovery Fund to the General
23 Revenue Fund at the direction of and upon notification from the
24 Governor, but in any event on or before June 30, 2005.

25 (v) In addition to any other transfers that may be provided
26 for by law, on July 1, 2004, or as soon thereafter as may be
27 practical, the State Comptroller shall direct and the State
28 Treasurer shall transfer the sum of \$1,200,000 from the General
29 Revenue Fund to the Violence Prevention Fund.

30 (w) In addition to any other transfers that may be provided
31 for by law, on July 1, 2004, or as soon thereafter as may be
32 practical, the State Comptroller shall direct and the State
33 Treasurer shall transfer the sum of \$6,445,000 from the General
34 Revenue Fund to the Presidential Library and Museum Operating
35 Fund.

36 (x) In addition to any other transfers that may be provided

1 for by law, on January 15, 2005, or as soon thereafter as may
2 be practical, the State Comptroller shall direct and the State
3 Treasurer shall transfer to the General Revenue Fund the
4 following sums:

5 From the State Crime Laboratory Fund, \$200,000;

6 From the State Police Wireless Service Emergency Fund,
7 \$200,000;

8 From the State Offender DNA Identification System
9 Fund, \$800,000; and

10 From the State Police Whistleblower Reward and
11 Protection Fund, \$500,000.

12 (y) Notwithstanding any other provision of law to the
13 contrary, in addition to any other transfers that may be
14 provided for by law on June 30, 2005, or as soon as may be
15 practical thereafter, the State Comptroller shall direct and
16 the State Treasurer shall transfer the remaining balance from
17 the designated funds into the General Revenue Fund and any
18 future deposits that would otherwise be made into these funds
19 must instead be made into the General Revenue Fund:

20 (1) the Keep Illinois Beautiful Fund;

21 (2) the Metropolitan Fair and Exposition Authority
22 Reconstruction Fund;

23 (3) the New Technology Recovery Fund;

24 (4) the Illinois Rural Bond Bank Trust Fund;

25 (5) the ISBE School Bus Driver Permit Fund;

26 (6) the Solid Waste Management Revolving Loan Fund;

27 (7) the State Postsecondary Review Program Fund;

28 (8) the Tourism Attraction Development Matching Grant
29 Fund;

30 (9) the Patent and Copyright Fund;

31 (10) the Credit Enhancement Development Fund;

32 (11) the Community Mental Health and Developmental
33 Disabilities Services Provider Participation Fee Trust
34 Fund;

35 (12) the Nursing Home Grant Assistance Fund;

36 (13) the By-product Material Safety Fund;

1 (14) the Illinois Student Assistance Commission Higher
2 EdNet Fund;

3 (15) the DORS State Project Fund;

4 (16) the School Technology Revolving Fund;

5 (17) the Energy Assistance Contribution Fund;

6 (18) the Illinois Building Commission Revolving Fund;

7 (19) the Illinois Aquaculture Development Fund;

8 (20) the Homelessness Prevention Fund;

9 (21) the DCFS Refugee Assistance Fund;

10 (22) the Illinois Century Network Special Purposes
11 Fund; and

12 (23) the Build Illinois Purposes Fund.

13 (z) In addition to any other transfers that may be provided
14 for by law, on July 1, 2005, or as soon as may be practical
15 thereafter, the State Comptroller shall direct and the State
16 Treasurer shall transfer the sum of \$1,200,000 from the General
17 Revenue Fund to the Violence Prevention Fund.

18 (aa) In addition to any other transfers that may be
19 provided for by law, on July 1, 2005, or as soon as may be
20 practical thereafter, the State Comptroller shall direct and
21 the State Treasurer shall transfer the sum of \$9,000,000 from
22 the General Revenue Fund to the Presidential Library and Museum
23 Operating Fund.

24 (bb) In addition to any other transfers that may be
25 provided for by law, on July 1, 2005, or as soon as may be
26 practical thereafter, the State Comptroller shall direct and
27 the State Treasurer shall transfer the sum of \$6,803,600 from
28 the General Revenue Fund to the Securities Audit and
29 Enforcement Fund.

30 (cc) In addition to any other transfers that may be
31 provided for by law, on or after July 1, 2005 and until May 1,
32 2006, at the direction of and upon notification from the
33 Governor, the State Comptroller shall direct and the State
34 Treasurer shall transfer amounts not exceeding a total of
35 \$80,000,000 from the General Revenue Fund to the Tobacco
36 Settlement Recovery Fund. Any amounts so transferred shall be

1 re-transferred by the State Comptroller and the State Treasurer
2 from the Tobacco Settlement Recovery Fund to the General
3 Revenue Fund at the direction of and upon notification from the
4 Governor, but in any event on or before June 30, 2006.

5 (dd) ~~(y)~~ In addition to any other transfers that may be
6 provided for by law, on April 1, 2005, or as soon thereafter as
7 may be practical, at the direction of the Director of Public
8 Aid (now Director of Healthcare and Family Services), the State
9 Comptroller shall direct and the State Treasurer shall transfer
10 from the Public Aid Recoveries Trust Fund amounts not to exceed
11 \$14,000,000 to the Community Mental Health Medicaid Trust Fund.

12 (ee) In addition to any other transfers that may be
13 provided for by law, on July 1, 2006, or as soon thereafter as
14 practical, the State Comptroller shall direct and the State
15 Treasurer shall transfer the sum of \$2,000,000 from the General
16 Revenue Fund to the Illinois Veterans Assistance Fund.

17 (Source: P.A. 93-32, eff. 6-20-03; 93-648, eff. 1-8-04; 93-839,
18 eff. 7-30-04; 93-1067, eff. 1-15-05; 94-58, eff. 6-17-05;
19 94-91, eff. 7-1-05; revised 12-15-05.)

20 Section 95. The Illinois Public Aid Code is amended by
21 changing Sections 11-22, 11-22a, 11-22b, and 11-22c as follows:

22 (305 ILCS 5/11-22) (from Ch. 23, par. 11-22)

23 (Text of Section after amendment by P.A. 94-693)

24 Sec. 11-22. Charge upon claims and causes of action for
25 injuries. The Illinois Department shall have a charge upon all
26 claims, demands and causes of action for injuries to an
27 applicant for or recipient of (i) financial aid under Articles
28 III, IV, and V, ~~or~~ (ii) health care benefits provided under the
29 Covering ALL KIDS Health Insurance Act, or (iii) health care
30 benefits provided under the Veterans' Health Insurance Program
31 Act for the total amount of medical assistance provided the
32 recipient from the time of injury to the date of recovery upon
33 such claim, demand or cause of action. In addition, if the
34 applicant or recipient was employable, as defined by the

1 Department, at the time of the injury, the Department shall
2 also have a charge upon any such claims, demands and causes of
3 action for the total amount of aid provided to the recipient
4 and his dependents, including all cash assistance and medical
5 assistance only to the extent includable in the claimant's
6 action, from the time of injury to the date of recovery upon
7 such claim, demand or cause of action. Any definition of
8 "employable" adopted by the Department shall apply only to
9 persons above the age of compulsory school attendance.

10 If the injured person was employable at the time of the
11 injury and is provided aid under Articles III, IV, or V and any
12 dependent or member of his family is provided aid under Article
13 VI, or vice versa, both the Illinois Department and the local
14 governmental unit shall have a charge upon such claims, demands
15 and causes of action for the aid provided to the injured person
16 and any dependent member of his family, including all cash
17 assistance, medical assistance and food stamps, from the time
18 of the injury to the date of recovery.

19 "Recipient", as used herein, means (i) in the case of
20 financial aid provided under this Code, the grantee of record
21 and any persons whose needs are included in the financial aid
22 provided to the grantee of record or otherwise met by grants
23 under the appropriate Article of this Code for which such
24 person is eligible, ~~and~~ (ii) in the case of health care
25 benefits provided under the Covering ALL KIDS Health Insurance
26 Act, the child to whom those benefits are provided, and (iii)
27 in the case of health care benefits provided under the
28 Veterans' Health Insurance Program Act, the veteran to whom
29 benefits are provided.

30 In each case, the notice shall be served by certified mail
31 or registered mail, upon the party or parties against whom the
32 applicant or recipient has a claim, demand or cause of action.
33 The notice shall claim the charge and describe the interest the
34 Illinois Department, the local governmental unit, or the
35 county, has in the claim, demand, or cause of action. The
36 charge shall attach to any verdict or judgment entered and to

1 any money or property which may be recovered on account of such
2 claim, demand, cause of action or suit from and after the time
3 of the service of the notice.

4 On petition filed by the Illinois Department, or by the
5 local governmental unit or county if either is claiming a
6 charge, or by the recipient, or by the defendant, the court, on
7 written notice to all interested parties, may adjudicate the
8 rights of the parties and enforce the charge. The court may
9 approve the settlement of any claim, demand or cause of action
10 either before or after a verdict, and nothing in this Section
11 shall be construed as requiring the actual trial or final
12 adjudication of any claim, demand or cause of action upon which
13 the Illinois Department, the local governmental unit or county
14 has charge. The court may determine what portion of the
15 recovery shall be paid to the injured person and what portion
16 shall be paid to the Illinois Department, the local
17 governmental unit or county having a charge against the
18 recovery. In making this determination, the court shall conduct
19 an evidentiary hearing and shall consider competent evidence
20 pertaining to the following matters:

21 (1) the amount of the charge sought to be enforced
22 against the recovery when expressed as a percentage of the
23 gross amount of the recovery; the amount of the charge
24 sought to be enforced against the recovery when expressed
25 as a percentage of the amount obtained by subtracting from
26 the gross amount of the recovery the total attorney's fees
27 and other costs incurred by the recipient incident to the
28 recovery; and whether the Department, unit of local
29 government or county seeking to enforce the charge against
30 the recovery should as a matter of fairness and equity bear
31 its proportionate share of the fees and costs incurred to
32 generate the recovery from which the charge is sought to be
33 satisfied;

34 (2) the amount, if any, of the attorney's fees and
35 other costs incurred by the recipient incident to the
36 recovery and paid by the recipient up to the time of

1 recovery, and the amount of such fees and costs remaining
2 unpaid at the time of recovery;

3 (3) the total hospital, doctor and other medical
4 expenses incurred for care and treatment of the injury to
5 the date of recovery therefor, the portion of such expenses
6 theretofore paid by the recipient, by insurance provided by
7 the recipient, and by the Department, unit of local
8 government and county seeking to enforce a charge against
9 the recovery, and the amount of such previously incurred
10 expenses which remain unpaid at the time of recovery and by
11 whom such incurred, unpaid expenses are to be paid;

12 (4) whether the recovery represents less than
13 substantially full recompense for the injury and the
14 hospital, doctor and other medical expenses incurred to the
15 date of recovery for the care and treatment of the injury,
16 so that reduction of the charge sought to be enforced
17 against the recovery would not likely result in a double
18 recovery or unjust enrichment to the recipient;

19 (5) the age of the recipient and of persons dependent
20 for support upon the recipient, the nature and permanency
21 of the recipient's injuries as they affect not only the
22 future employability and education of the recipient but
23 also the reasonably necessary and foreseeable future
24 material, maintenance, medical, rehabilitative and
25 training needs of the recipient, the cost of such
26 reasonably necessary and foreseeable future needs, and the
27 resources available to meet such needs and pay such costs;

28 (6) the realistic ability of the recipient to repay in
29 whole or in part the charge sought to be enforced against
30 the recovery when judged in light of the factors enumerated
31 above.

32 The burden of producing evidence sufficient to support the
33 exercise by the court of its discretion to reduce the amount of
34 a proven charge sought to be enforced against the recovery
35 shall rest with the party seeking such reduction.

36 The court may reduce and apportion the Illinois

1 Department's lien proportionate to the recovery of the
2 claimant. The court may consider the nature and extent of the
3 injury, economic and noneconomic loss, settlement offers,
4 comparative negligence as it applies to the case at hand,
5 hospital costs, physician costs, and all other appropriate
6 costs. The Illinois Department shall pay its pro rata share of
7 the attorney fees based on the Illinois Department's lien as it
8 compares to the total settlement agreed upon. This Section
9 shall not affect the priority of an attorney's lien under the
10 Attorneys Lien Act. The charges of the Illinois Department
11 described in this Section, however, shall take priority over
12 all other liens and charges existing under the laws of the
13 State of Illinois with the exception of the attorney's lien
14 under said statute.

15 Whenever the Department or any unit of local government has
16 a statutory charge under this Section against a recovery for
17 damages incurred by a recipient because of its advancement of
18 any assistance, such charge shall not be satisfied out of any
19 recovery until the attorney's claim for fees is satisfied,
20 irrespective of whether or not an action based on recipient's
21 claim has been filed in court.

22 This Section shall be inapplicable to any claim, demand or
23 cause of action arising under (a) the Workers' Compensation Act
24 or the predecessor Workers' Compensation Act of June 28, 1913,
25 (b) the Workers' Occupational Diseases Act or the predecessor
26 Workers' Occupational Diseases Act of March 16, 1936; and (c)
27 the Wrongful Death Act.

28 (Source: P.A. 94-693, eff. 7-1-06.)

29 (305 ILCS 5/11-22a) (from Ch. 23, par. 11-22a)

30 (Text of Section after amendment by P.A. 94-693)

31 Sec. 11-22a. Right of Subrogation. To the extent of the
32 amount of (i) medical assistance provided by the Department to
33 or on behalf of a recipient under Article V or VI, ~~or~~ (ii)
34 health care benefits provided for a child under the Covering
35 ALL KIDS Health Insurance Act, or (iii) health care benefits

1 provided to a veteran under the Veterans' Health Insurance
2 Program Act, the Department shall be subrogated to any right of
3 recovery such recipient may have under the terms of any private
4 or public health care coverage or casualty coverage, including
5 coverage under the "Workers' Compensation Act", approved July
6 9, 1951, as amended, or the "Workers' Occupational Diseases
7 Act", approved July 9, 1951, as amended, without the necessity
8 of assignment of claim or other authorization to secure the
9 right of recovery to the Department. To enforce its subrogation
10 right, the Department may (i) intervene or join in an action or
11 proceeding brought by the recipient, his or her guardian,
12 personal representative, estate, dependents, or survivors
13 against any person or public or private entity that may be
14 liable; (ii) institute and prosecute legal proceedings against
15 any person or public or private entity that may be liable for
16 the cost of such services; or (iii) institute and prosecute
17 legal proceedings, to the extent necessary to reimburse the
18 Illinois Department for its costs, against any noncustodial
19 parent who (A) is required by court or administrative order to
20 provide insurance or other coverage of the cost of health care
21 services for a child eligible for medical assistance under this
22 Code and (B) has received payment from a third party for the
23 costs of those services but has not used the payments to
24 reimburse either the other parent or the guardian of the child
25 or the provider of the services.

26 (Source: P.A. 94-693, eff. 7-1-06.)

27 (305 ILCS 5/11-22b) (from Ch. 23, par. 11-22b)

28 (Text of Section after amendment by P.A. 94-693)

29 Sec. 11-22b. Recoveries.

30 (a) As used in this Section:

31 (1) "Carrier" means any insurer, including any private
32 company, corporation, mutual association, trust fund,
33 reciprocal or interinsurance exchange authorized under the
34 laws of this State to insure persons against liability or
35 injuries caused to another and any insurer providing benefits

1 under a policy of bodily injury liability insurance covering
2 liability arising out of the ownership, maintenance or use of a
3 motor vehicle which provides uninsured motorist endorsement or
4 coverage.

5 (2) "Beneficiary" means any person or their dependents who
6 has received benefits or will be provided benefits under this
7 Code, ~~or~~ under the Covering ALL KIDS Health Insurance Act, or
8 under the Veterans' Health Insurance Program Act because of an
9 injury for which another person may be liable. It includes such
10 beneficiary's guardian, conservator or other personal
11 representative, his estate or survivors.

12 (b) (1) When benefits are provided or will be provided to a
13 beneficiary under this Code, ~~or~~ under the Covering ALL KIDS
14 Health Insurance Act, or under the Veterans' Health Insurance
15 Program Act because of an injury for which another person is
16 liable, or for which a carrier is liable in accordance with the
17 provisions of any policy of insurance issued pursuant to the
18 Illinois Insurance Code, the Illinois Department shall have a
19 right to recover from such person or carrier the reasonable
20 value of benefits so provided. The Attorney General may, to
21 enforce such right, institute and prosecute legal proceedings
22 against the third person or carrier who may be liable for the
23 injury in an appropriate court, either in the name of the
24 Illinois Department or in the name of the injured person, his
25 guardian, personal representative, estate, or survivors.

26 (2) The Department may:

27 (A) compromise or settle and release any such claim
28 for benefits provided under this Code, or

29 (B) waive any such claims for benefits provided
30 under this Code, in whole or in part, for the
31 convenience of the Department or if the Department
32 determines that collection would result in undue
33 hardship upon the person who suffered the injury or, in
34 a wrongful death action, upon the heirs of the
35 deceased.

36 (3) No action taken on behalf of the Department

1 pursuant to this Section or any judgment rendered in such
2 action shall be a bar to any action upon the claim or cause
3 of action of the beneficiary, his guardian, conservator,
4 personal representative, estate, dependents or survivors
5 against the third person who may be liable for the injury,
6 or shall operate to deny to the beneficiary the recovery
7 for that portion of any damages not covered hereunder.

8 (c) (1) When an action is brought by the Department
9 pursuant to subsection (b), it shall be commenced within the
10 period prescribed by Article XIII of the Code of Civil
11 Procedure.

12 However, the Department may not commence the action
13 prior to 5 months before the end of the applicable period
14 prescribed by Article XIII of the Code of Civil Procedure.
15 Thirty days prior to commencing an action, the Department
16 shall notify the beneficiary of the Department's intent to
17 commence such an action.

18 (2) The death of the beneficiary does not abate any
19 right of action established by subsection (b).

20 (3) When an action or claim is brought by persons
21 entitled to bring such actions or assert such claims
22 against a third person who may be liable for causing the
23 death of a beneficiary, any settlement, judgment or award
24 obtained is subject to the Department's claim for
25 reimbursement of the benefits provided to the beneficiary
26 under this Code, ~~or~~ under the Covering ALL KIDS Health
27 Insurance Act, or under the Veterans' Health Insurance
28 Program Act.

29 (4) When the action or claim is brought by the
30 beneficiary alone and the beneficiary incurs a personal
31 liability to pay attorney's fees and costs of litigation,
32 the Department's claim for reimbursement of the benefits
33 provided to the beneficiary shall be the full amount of
34 benefits paid on behalf of the beneficiary under this Code,
35 ~~or~~ under the Covering ALL KIDS Health Insurance Act, or
36 under the Veterans' Health Insurance Program Act less a pro

1 rata share which represents the Department's reasonable
2 share of attorney's fees paid by the beneficiary and that
3 portion of the cost of litigation expenses determined by
4 multiplying by the ratio of the full amount of the
5 expenditures of the full amount of the judgment, award or
6 settlement.

7 (d) (1) If either the beneficiary or the Department brings
8 an action or claim against such third party or carrier, the
9 beneficiary or the Department shall within 30 days of filing
10 the action give to the other written notice by personal service
11 or registered mail of the action or claim and of the name of
12 the court in which the action or claim is brought. Proof of
13 such notice shall be filed in such action or claim. If an
14 action or claim is brought by either the Department or the
15 beneficiary, the other may, at any time before trial on the
16 facts, become a party to such action or claim or shall
17 consolidate his action or claim with the other if brought
18 independently.

19 (2) If an action or claim is brought by the Department
20 pursuant to subsection (b)(1), written notice to the
21 beneficiary, guardian, personal representative, estate or
22 survivor given pursuant to this Section shall advise him of
23 his right to intervene in the proceeding, his right to
24 obtain a private attorney of his choice and the
25 Department's right to recover the reasonable value of the
26 benefits provided.

27 (e) In the event of judgment or award in a suit or claim
28 against such third person or carrier:

29 (1) If the action or claim is prosecuted by the
30 beneficiary alone, the court shall first order paid from
31 any judgment or award the reasonable litigation expenses
32 incurred in preparation and prosecution of such action or
33 claim, together with reasonable attorney's fees, when an
34 attorney has been retained. After payment of such expenses
35 and attorney's fees the court shall, on the application of
36 the Department, allow as a first lien against the amount of

1 such judgment or award the amount of the Department's
2 expenditures for the benefit of the beneficiary under this
3 Code, ~~or~~ under the Covering ALL KIDS Health Insurance Act,
4 or under the Veterans' Health Insurance Program Act, as
5 provided in subsection (c) (4).

6 (2) If the action or claim is prosecuted both by the
7 beneficiary and the Department, the court shall first order
8 paid from any judgment or award the reasonable litigation
9 expenses incurred in preparation and prosecution of such
10 action or claim, together with reasonable attorney's fees
11 for plaintiffs attorneys based solely on the services
12 rendered for the benefit of the beneficiary. After payment
13 of such expenses and attorney's fees, the court shall apply
14 out of the balance of such judgment or award an amount
15 sufficient to reimburse the Department the full amount of
16 benefits paid on behalf of the beneficiary under this Code,
17 ~~or~~ under the Covering ALL KIDS Health Insurance Act, or
18 under the Veterans' Health Insurance Program Act.

19 (f) The court shall, upon further application at any time
20 before the judgment or award is satisfied, allow as a further
21 lien the amount of any expenditures of the Department in
22 payment of additional benefits arising out of the same cause of
23 action or claim provided on behalf of the beneficiary under
24 this Code, ~~or~~ under the Covering ALL KIDS Health Insurance Act,
25 or under the Veterans' Health Insurance Program Act, when such
26 benefits were provided or became payable subsequent to the
27 original order.

28 (g) No judgment, award, or settlement in any action or
29 claim by a beneficiary to recover damages for injuries, when
30 the Department has an interest, shall be satisfied without
31 first giving the Department notice and a reasonable opportunity
32 to perfect and satisfy its lien.

33 (h) When the Department has perfected a lien upon a
34 judgment or award in favor of a beneficiary against any third
35 party for an injury for which the beneficiary has received
36 benefits under this Code, ~~or~~ under the Covering ALL KIDS Health

1 Insurance Act, or under the Veterans' Health Insurance Program
2 Act, the Department shall be entitled to a writ of execution as
3 lien claimant to enforce payment of said lien against such
4 third party with interest and other accruing costs as in the
5 case of other executions. In the event the amount of such
6 judgment or award so recovered has been paid to the
7 beneficiary, the Department shall be entitled to a writ of
8 execution against such beneficiary to the extent of the
9 Department's lien, with interest and other accruing costs as in
10 the case of other executions.

11 (i) Except as otherwise provided in this Section,
12 notwithstanding any other provision of law, the entire amount
13 of any settlement of the injured beneficiary's action or claim,
14 with or without suit, is subject to the Department's claim for
15 reimbursement of the benefits provided and any lien filed
16 pursuant thereto to the same extent and subject to the same
17 limitations as in Section 11-22 of this Code.

18 (Source: P.A. 94-693, eff. 7-1-06.)

19 (305 ILCS 5/11-22c) (from Ch. 23, par. 11-22c)

20 (Text of Section after amendment by P.A. 94-693)

21 Sec. 11-22c. (a) As used in this Section, "recipient" means
22 any person receiving financial assistance under Article IV or
23 Article VI of this Code, ~~or~~ receiving health care benefits
24 under the Covering ALL KIDS Health Insurance Act, or receiving
25 health care benefits under the Veterans' Health Insurance
26 Program Act.

27 (b) If a recipient maintains any suit, charge or other
28 court or administrative action against an employer seeking back
29 pay for a period during which the recipient received financial
30 assistance under Article IV or Article VI of this Code, ~~or~~
31 health care benefits under the Covering ALL KIDS Health
32 Insurance Act, or health care benefits under the Veterans'
33 Health Insurance Program Act, the recipient shall report such
34 fact to the Department. To the extent of the amount of
35 assistance provided to or on behalf of the recipient under

1 Article IV or Article VI, ~~or~~ health care benefits provided
2 under the Covering ALL KIDS Health Insurance Act, or health
3 care benefits provided under the Veterans' Health Insurance
4 Program Act, the Department may by intervention or otherwise
5 without the necessity of assignment of claim, attach a lien on
6 the recovery of back wages equal to the amount of assistance
7 provided by the Department to the recipient under Article IV or
8 Article VI, ~~or~~ under the Covering ALL KIDS Health Insurance
9 Act, or under the Veterans' Health Insurance Program Act.
10 (Source: P.A. 94-693, eff. 7-1-06.)

11 Section 97. Severability. The provisions of this Act are
12 severable under Section 1.31 of the Statute on Statutes.

13 Section 99. Effective date. This Act takes effect upon
14 becoming law.