

# HB5579



## 95TH GENERAL ASSEMBLY

### State of Illinois

2007 and 2008

HB5579

by Rep. Kevin Joyce

#### SYNOPSIS AS INTRODUCED:

320 ILCS 25/3.15  
320 ILCS 25/4

from Ch. 67 1/2, par. 403.15  
from Ch. 67 1/2, par. 404

Amends the Senior Citizens and Disabled Persons Property Tax Relief and Pharmaceutical Assistance Act. Provides that beginning January 1, 2009, "covered prescription drug" includes any prescription drug used in treating the effects of multiple sclerosis (instead of providing that the term includes any prescription drug used in the treatment of multiple sclerosis). Effective immediately.

LRB095 17728 DRJ 43804 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning aging.

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

4 Section 5. The Senior Citizens and Disabled Persons  
5 Property Tax Relief and Pharmaceutical Assistance Act is  
6 amended by changing Sections 3.15 and 4 as follows:

7 (320 ILCS 25/3.15) (from Ch. 67 1/2, par. 403.15)

8 Sec. 3.15. "Covered prescription drug" means (1) any  
9 cardiovascular agent or drug; (2) any insulin or other  
10 prescription drug used in the treatment of diabetes, including  
11 syringe and needles used to administer the insulin; (3) any  
12 prescription drug used in the treatment of arthritis, (4)  
13 beginning on January 1, 2001, any prescription drug used in the  
14 treatment of cancer, (5) beginning on January 1, 2001, any  
15 prescription drug used in the treatment of Alzheimer's disease,  
16 (6) beginning on January 1, 2001, any prescription drug used in  
17 the treatment of Parkinson's disease, (7) beginning on January  
18 1, 2001, any prescription drug used in the treatment of  
19 glaucoma, (8) beginning on January 1, 2001, any prescription  
20 drug used in the treatment of lung disease and smoking related  
21 illnesses, (9) beginning on July 1, 2001, any prescription drug  
22 used in the treatment of osteoporosis, and (10) beginning on  
23 January 1, 2009 ~~2004~~, any prescription drug used in treating

1 the effects ~~the treatment~~ of multiple sclerosis. The specific  
2 agents or products to be included under such categories shall  
3 be listed in a handbook to be prepared and distributed by the  
4 Department. The general types of covered prescription drugs  
5 shall be indicated by rule.

6 (Source: P.A. 92-10, eff. 6-11-01; 92-790, eff. 8-6-02; 93-528,  
7 eff. 1-1-04.)

8 (320 ILCS 25/4) (from Ch. 67 1/2, par. 404)

9 Sec. 4. Amount of Grant.

10 (a) In general. Any individual 65 years or older or any  
11 individual who will become 65 years old during the calendar  
12 year in which a claim is filed, and any surviving spouse of  
13 such a claimant, who at the time of death received or was  
14 entitled to receive a grant pursuant to this Section, which  
15 surviving spouse will become 65 years of age within the 24  
16 months immediately following the death of such claimant and  
17 which surviving spouse but for his or her age is otherwise  
18 qualified to receive a grant pursuant to this Section, and any  
19 disabled person whose annual household income is less than the  
20 income eligibility limitation, as defined in subsection (a-5)  
21 and whose household is liable for payment of property taxes  
22 accrued or has paid rent constituting property taxes accrued  
23 and is domiciled in this State at the time he or she files his  
24 or her claim is entitled to claim a grant under this Act. With  
25 respect to claims filed by individuals who will become 65 years

1 old during the calendar year in which a claim is filed, the  
2 amount of any grant to which that household is entitled shall  
3 be an amount equal to 1/12 of the amount to which the claimant  
4 would otherwise be entitled as provided in this Section,  
5 multiplied by the number of months in which the claimant was 65  
6 in the calendar year in which the claim is filed.

7 (a-5) Income eligibility limitation. For purposes of this  
8 Section, "income eligibility limitation" means an amount:

9 (i) for grant years before the 1998 grant year, less  
10 than \$14,000;

11 (ii) for the 1998 and 1999 grant year, less than  
12 \$16,000;

13 (iii) for grant years 2000 through 2007:

14 (A) less than \$21,218 for a household containing  
15 one person;

16 (B) less than \$28,480 for a household containing 2  
17 persons; or

18 (C) less than \$35,740 for a household containing 3  
19 or more persons; or

20 (iv) for grant years 2008 and thereafter:

21 (A) less than \$22,218 for a household containing  
22 one person;

23 (B) less than \$29,480 for a household containing 2  
24 persons; or

25 (C) less than \$36,740 for a household containing 3  
26 or more persons.

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

12           (c) Public aid recipients. If household income in one or  
13 more months during a year includes cash assistance in excess of  
14 \$55 per month from the Department of Healthcare and Family  
15 Services or the Department of Human Services (acting as  
16 successor to the Department of Public Aid under the Department  
17 of Human Services Act) which was determined under regulations  
18 of that Department on a measure of need that included an  
19 allowance for actual rent or property taxes paid by the  
20 recipient of that assistance, the amount of grant to which that  
21 household is entitled, except as otherwise provided in  
22 subsection (a), shall be the product of (1) the maximum amount  
23 computed as specified in subsection (b) of this Section and (2)  
24 the ratio of the number of months in which household income did  
25 not include such cash assistance over \$55 to the number twelve.  
26 If household income did not include such cash assistance over

1 \$55 for any months during the year, the amount of the grant to  
2 which the household is entitled shall be the maximum amount  
3 computed as specified in subsection (b) of this Section. For  
4 purposes of this paragraph (c), "cash assistance" does not  
5 include any amount received under the federal Supplemental  
6 Security Income (SSI) program.

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

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

23 (f) There is hereby established a program of pharmaceutical  
24 assistance to the aged and disabled which shall be administered  
25 by the Department in accordance with this Act, to consist of  
26 payments to authorized pharmacies, on behalf of beneficiaries

1 of the program, for the reasonable costs of covered  
2 prescription drugs. Each beneficiary who pays \$5 for an  
3 identification card shall pay no additional prescription  
4 costs. Each beneficiary who pays \$25 for an identification card  
5 shall pay \$3 per prescription. In addition, after a beneficiary  
6 receives \$2,000 in benefits during a State fiscal year, that  
7 beneficiary shall also be charged 20% of the cost of each  
8 prescription for which payments are made by the program during  
9 the remainder of the fiscal year. To become a beneficiary under  
10 this program a person must: (1) be (i) 65 years of age or  
11 older, or (ii) the surviving spouse of such a claimant, who at  
12 the time of death received or was entitled to receive benefits  
13 pursuant to this subsection, which surviving spouse will become  
14 65 years of age within the 24 months immediately following the  
15 death of such claimant and which surviving spouse but for his  
16 or her age is otherwise qualified to receive benefits pursuant  
17 to this subsection, or (iii) disabled, and (2) be domiciled in  
18 this State at the time he or she files his or her claim, and (3)  
19 have a maximum household income of less than the income  
20 eligibility limitation, as defined in subsection (a-5). In  
21 addition, each eligible person must (1) obtain an  
22 identification card from the Department, (2) at the time the  
23 card is obtained, sign a statement assigning to the State of  
24 Illinois benefits which may be otherwise claimed under any  
25 private insurance plans, and (3) present the identification  
26 card to the dispensing pharmacist.

1           The Department may adopt rules specifying participation  
2 requirements for the pharmaceutical assistance program,  
3 including copayment amounts, identification card fees,  
4 expenditure limits, and the benefit threshold after which a 20%  
5 charge is imposed on the cost of each prescription, to be in  
6 effect on and after July 1, 2004. Notwithstanding any other  
7 provision of this paragraph, however, the Department may not  
8 increase the identification card fee above the amount in effect  
9 on May 1, 2003 without the express consent of the General  
10 Assembly. To the extent practicable, those requirements shall  
11 be commensurate with the requirements provided in rules adopted  
12 by the Department of Healthcare and Family Services to  
13 implement the pharmacy assistance program under Section  
14 5-5.12a of the Illinois Public Aid Code.

15           Whenever a generic equivalent for a covered prescription  
16 drug is available, the Department shall reimburse only for the  
17 reasonable costs of the generic equivalent, less the co-pay  
18 established in this Section, unless (i) the covered  
19 prescription drug contains one or more ingredients defined as a  
20 narrow therapeutic index drug at 21 CFR 320.33, (ii) the  
21 prescriber indicates on the face of the prescription "brand  
22 medically necessary", and (iii) the prescriber specifies that a  
23 substitution is not permitted. When issuing an oral  
24 prescription for covered prescription medication described in  
25 item (i) of this paragraph, the prescriber shall stipulate  
26 "brand medically necessary" and that a substitution is not



1 permitted. If the covered prescription drug and its authorizing  
2 prescription do not meet the criteria listed above, the  
3 beneficiary may purchase the non-generic equivalent of the  
4 covered prescription drug by paying the difference between the  
5 generic cost and the non-generic cost plus the beneficiary  
6 co-pay.

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

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

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

26 The provisions of this subsection (f), other than this

1 paragraph, are inoperative after December 31, 2005.  
2 Beneficiaries who received benefits under the program  
3 established by this subsection (f) are not entitled, at the  
4 termination of the program, to any refund of the identification  
5 card fee paid under this subsection.

6 (g) Effective January 1, 2006, there is hereby established  
7 a program of pharmaceutical assistance to the aged and  
8 disabled, entitled the Illinois Seniors and Disabled Drug  
9 Coverage Program, which shall be administered by the Department  
10 of Healthcare and Family Services and the Department on Aging  
11 in accordance with this subsection, to consist of coverage of  
12 specified prescription drugs on behalf of beneficiaries of the  
13 program as set forth in this subsection. The program under this  
14 subsection replaces and supersedes the program established  
15 under subsection (f), which shall end at midnight on December  
16 31, 2005.

17 To become a beneficiary under the program established under  
18 this subsection, a person must:

19 (1) be (i) 65 years of age or older or (ii) disabled;

20 and

21 (2) be domiciled in this State; and

22 (3) enroll with a qualified Medicare Part D  
23 Prescription Drug Plan if eligible and apply for all  
24 available subsidies under Medicare Part D; and

25 (4) have a maximum household income of (i) less than  
26 \$21,218 for a household containing one person, (ii) less

1 than \$28,480 for a household containing 2 persons, or (iii)  
2 less than \$35,740 for a household containing 3 or more  
3 persons. If any income eligibility limit set forth in items  
4 (i) through (iii) is less than 200% of the Federal Poverty  
5 Level for any year, the income eligibility limit for that  
6 year for households of that size shall be income equal to  
7 or less than 200% of the Federal Poverty Level.

8 All individuals enrolled as of December 31, 2005, in the  
9 pharmaceutical assistance program operated pursuant to  
10 subsection (f) of this Section and all individuals enrolled as  
11 of December 31, 2005, in the SeniorCare Medicaid waiver program  
12 operated pursuant to Section 5-5.12a of the Illinois Public Aid  
13 Code shall be automatically enrolled in the program established  
14 by this subsection for the first year of operation without the  
15 need for further application, except that they must apply for  
16 Medicare Part D and the Low Income Subsidy under Medicare Part  
17 D. A person enrolled in the pharmaceutical assistance program  
18 operated pursuant to subsection (f) of this Section as of  
19 December 31, 2005, shall not lose eligibility in future years  
20 due only to the fact that they have not reached the age of 65.

21 To the extent permitted by federal law, the Department may  
22 act as an authorized representative of a beneficiary in order  
23 to enroll the beneficiary in a Medicare Part D Prescription  
24 Drug Plan if the beneficiary has failed to choose a plan and,  
25 where possible, to enroll beneficiaries in the low-income  
26 subsidy program under Medicare Part D or assist them in

1 enrolling in that program.

2 Beneficiaries under the program established under this  
3 subsection shall be divided into the following 5 eligibility  
4 groups:

5 (A) Eligibility Group 1 shall consist of beneficiaries  
6 who are not eligible for Medicare Part D coverage and who  
7 are:

8 (i) disabled and under age 65; or

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

11 (iii) age 65 or older, with incomes at or below  
12 200% of the Federal Poverty Level and not eligible for  
13 federally funded means-tested benefits due to  
14 immigration status.

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

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

23 (D) Eligibility Group 4 shall consist of beneficiaries  
24 age 65 or older, with incomes at or below 200% of the  
25 Federal Poverty Level, who are not barred from receiving  
26 federally funded means-tested benefits due to immigration

1 status and are not eligible for Medicare Part D coverage.

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

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

15 The program established under this subsection shall cover  
16 the cost of covered prescription drugs in excess of the  
17 beneficiary cost-sharing amounts set forth in this paragraph  
18 that are not covered by Medicare. In 2006, beneficiaries shall  
19 pay a co-payment of \$2 for each prescription of a generic drug  
20 and \$5 for each prescription of a brand-name drug. In future  
21 years, beneficiaries shall pay co-payments equal to the  
22 co-payments required under Medicare Part D for "other  
23 low-income subsidy eligible individuals" pursuant to 42 CFR  
24 423.782(b). For individuals in Eligibility Groups 1, 2, 3, and  
25 4, once the program established under this subsection and  
26 Medicare combined have paid \$1,750 in a year for covered

1 prescription drugs, the beneficiary shall pay 20% of the cost  
2 of each prescription in addition to the co-payments set forth  
3 in this paragraph. For individuals in Eligibility Group 5, once  
4 the program established under this subsection and Medicare  
5 combined have paid \$1,750 in a year for covered prescription  
6 drugs, the beneficiary shall pay 20% of the cost of each  
7 prescription in addition to the co-payments set forth in this  
8 paragraph unless the drug is included in the formulary of the  
9 Illinois AIDS Drug Assistance Program operated by the Illinois  
10 Department of Public Health. If the drug is included in the  
11 formulary of the Illinois AIDS Drug Assistance Program,  
12 individuals in Eligibility Group 5 shall continue to pay the  
13 co-payments set forth in this paragraph after the program  
14 established under this subsection and Medicare combined have  
15 paid \$1,750 in a year for covered prescription drugs.

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

25 Notwithstanding Section 3.15, for purposes of the program  
26 established under this subsection, the term "covered

1 prescription drug" has the following meanings:

2 For Eligibility Group 1, "covered prescription drug"  
3 means: (1) any cardiovascular agent or drug; (2) any  
4 insulin or other prescription drug used in the treatment of  
5 diabetes, including syringe and needles used to administer  
6 the insulin; (3) any prescription drug used in the  
7 treatment of arthritis; (4) any prescription drug used in  
8 the treatment of cancer; (5) any prescription drug used in  
9 the treatment of Alzheimer's disease; (6) any prescription  
10 drug used in the treatment of Parkinson's disease; (7) any  
11 prescription drug used in the treatment of glaucoma; (8)  
12 any prescription drug used in the treatment of lung disease  
13 and smoking-related illnesses; (9) any prescription drug  
14 used in the treatment of osteoporosis; and (10) beginning  
15 January 1, 2009, any prescription drug used in treating the  
16 effects ~~the treatment~~ of multiple sclerosis. The  
17 Department may add additional therapeutic classes by rule.  
18 The Department may adopt a preferred drug list within any  
19 of the classes of drugs described in items (1) through (10)  
20 of this paragraph. The specific drugs or therapeutic  
21 classes of covered prescription drugs shall be indicated by  
22 rule.

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

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

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

8           For Eligibility Group 5, for individuals otherwise  
9 described in Eligibility Group 2, "covered prescription  
10 drug" means: (1) those drugs covered for Eligibility Group  
11 2 that are also covered by the Medicare Part D Prescription  
12 Drug Plan in which the beneficiary is enrolled; and (2)  
13 those drugs included in the formulary of the Illinois AIDS  
14 Drug Assistance Program operated by the Illinois  
15 Department of Public Health that are also covered by the  
16 Medicare Part D Prescription Drug Plan in which the  
17 beneficiary is enrolled. For Eligibility Group 5, for  
18 individuals otherwise described in Eligibility Group 3,  
19 "covered prescription drug" means those drugs covered by  
20 the Medicare Part D Prescription Drug Plan in which the  
21 beneficiary is enrolled.

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

25           Any person otherwise eligible for pharmaceutical  
26 assistance under this subsection whose covered drugs are



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

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

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

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

24 (Source: P.A. 94-86, eff. 1-1-06; 94-909, eff. 6-23-06; 95-208,  
25 eff. 8-16-07; 95-644, eff. 10-12-07; revised 10-25-07.)

26 Section 99. Effective date. This Act takes effect upon

1 becoming law.