

1 AN ACT to amend the Illinois Public Aid Code by changing 51
 2 Section 5-2.1. 52

3 Be it enacted by the People of the State of Illinois, 55
 4 represented in the General Assembly: 56

5 Section 1. The Illinois Public Aid Code is amended by 59
 6 changing Section 5-2.1 as follows:

7 (Ch. 23, par. 5-2.1) 62

8 Sec. 5-2.1. Property transfers. 64

Clerk of the House

9 (a) To the extent allowed under federal law, an 67
 10 institutionalized person shall not have made, at any time 68
 11 within 30 months immediately prior to the filing of his 69
 12 application or his institutionalization, whichever occurs 70
 13 later, or at any time thereafter, a voluntary or involuntary
 14 assignment or transfer of any legal or equitable interests in 71
 15 real property, other than a homestead, or in personal 72
 16 property, other than property excluded from the definition of 73
 17 "resources" in Section 1613 of the Social Security Act, as 74
 18 now or hereafter amended, whether vested, contingent or 75
 19 inchoate, for less than fair market value except as provided 76
 20 in this Section. This Section shall only apply to a person 77
 21 who is an inpatient in a medical institution or nursing 78
 22 facility, as defined by federal law.

John J. Quinn

23 (b) Any institutionalized person found to have made a 80
 24 transfer or assignment of property for less than fair market 81
 25 value to qualify for or increase his need for aid under this 83
 26 Article shall be ineligible for Aid for the lesser of (1) 30 84
 27 months or (2) the total uncompensated value of the resources 85
 28 so transferred divided by the average monthly cost, to a 86
 29 private patient at the time of the application, of nursing 88
 30 facility services in Illinois, provided that a different
 31 period is not required under federal law or regulation.

Originated in the House of Representatives

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32 (c) If aid has been granted as a result of a failure to 90

1 disclose any transfer or assignment of property or to report 91
 2 any change in status with respect to property, as required by 92
 3 Sections 11-18 and 11-19 of Article IX, the aid may at any 93
 4 time be cancelled or suspended for the lesser of (1) 30 94
 5 months or (2) the total uncompensated value of the resources
 6 so transferred divided by the average monthly cost, to a 95
 7 private patient at the time of the application, of nursing 96
 8 facility services in Illinois, provided that a different 97
 9 period is not required under federal law or regulation.

10 (d) The following transfers shall be exempt from the 99
 11 provisions of this Section:

12 (1) transfers made under court order; 101
 13 (2) transfers of a homestead to or solely for the 103
 14 benefit of a community spouse, dependent child, caretaker 104
 15 child, or sibling with an equity interest, in accordance 105
 16 with Section 1917(c)(2) of the Social Security Act, as 106
 17 now or hereafter amended;

18 (3) transfers that were intended to be for fair 108
 19 market value or were exclusively for a purpose other than 109
 20 to qualify for medical assistance; or

21 (4) transfers not otherwise exempt where the denial 111
 22 of eligibility would work an undue hardship. 112

23 (e) The Auditor General shall conduct a program audit of 114
 24 the Illinois Department's enforcement of this Section. The 115
 25 Auditor General's report of the audit shall be filed with the 116
 26 Legislative Audit Commission, the Governor, and the General 117
 27 Assembly. The need for any subsequent reaudit shall be 118
 28 determined by the Legislative Audit Commission. Each audit 119
 29 report shall include the Auditor General's findings and 120
 30 recommendations concerning the need for changes in the law
 31 concerning property transfers. 121
 32 (Source: P.A. 86-431; 86-1457.) 123

APPROVED

This 15th day of September, 1992 A.D.

Jim Edgar
GOVERNOR 64

Michael A. Madigan
Speaker, House of Representatives
Philip J. Cook
President of the Senate