



Changes to Circuit Breaker and Pharmaceutical Assistance Programs

Informational Bulletin

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To: Tax Practitioners

Beginning January 1, 2001, the Circuit Breaker and Pharmaceutical Assistance programs have higher income limits based on the number of household members. Also, the Pharmaceutical Assistance program has expanded prescription coverage, lower coverage enrollment fees, lower monthly drug fees, and higher annual spending limits.

What is the Circuit Breaker program?

The Circuit Breaker program may provide a yearly grant for relief from property tax, mobile home tax, rent, or nursing home charges that qualifying senior and disabled persons pay on their residences.

What is the Pharmaceutical Assistance program?

The Pharmaceutical Assistance program is an optional benefit program for qualifying senior citizens and disabled persons that helps pay for covered prescription medications used for the treatment of

- Alzheimer's disease
- arthritis
- cancer
- diabetes (including syringes and needles used to administer insulin)
- glaucoma
- heart and blood pressure problems
- lung disease and smoking-related illnesses
- Parkinson's disease

What are the changes to the eligibility requirements?

The age requirements remain the same, except that to qualify for Pharmaceutical Assistance the applicant may be eligible the month he or she turns age 65.

The income limits change to higher levels that are based on number of household members.

Note: The residency requirements and filing deadline did not change.

What are the higher income limits?

The income limit increases from less than \$16,000 for all households to varying income limits, based on the number of household members.

Now, annual income must be less than

- \$21,218 for a one-person household.
- \$28,480 for a two-person household. A two-person household includes the claimant and claimant's spouse, or claimant and a qualified additional resident.
- \$35,740 for a three-person or more household. A three-person household includes the claimant, claimant's spouse, and at least one qualified additional resident; or the claimant and at least two qualified additional residents.



Who is a qualified additional resident?

A qualified additional resident is an individual, other than the claimant's spouse,

- who lived with the claimant in the same residence in 2000 and in 2001 at the time the claimant filed 2000 Form IL-1363; and
- for whom the claimant, or the claimant and claimant's spouse, provided more than half of that person's total support in 2000; and
- who is not filing a separate 2000 Form IL-1363.

To claim a qualified additional resident, the claimant must complete and file Schedule B, Qualified Additional Residents.

What other changes were made to the Pharmaceutical Assistance program?

Prescription coverage expands

Drugs covered under the Pharmaceutical Assistance program expand from those prescribed for arthritis, diabetes, and heart and blood pressure problems to now include drugs prescribed for

- Alzheimer's disease
- cancer
- glaucoma
- lung disease and smoking-related illnesses
- Parkinson's disease

Coverage enrollment fees decrease

The cost of purchasing Pharmaceutical Assistance coverage decreases from

- \$40 to \$5, for households under the federal poverty level
- \$80 to \$25, for households at or above the federal poverty level

Monthly deductibles change to lower co-payments

The monthly deductible participants must pay changes to a co-payment of

- \$0 for each prescription for participants with \$5 coverage
- \$3 for each prescription for participants with \$25 coverage

Spending limit increases

The amount the program pays before participants are required to pay 20 percent of the cost for each prescription increases from \$800 to \$2,000, for the state fiscal year (July 1 — June 30).

Elimination of waiting period

Seniors now can receive Pharmaceutical Assistance coverage in the month they turn 65.

Where can I get more information?

For further information on the programs, including eligibility requirements, you may order the IL-1363 instruction booklet from our Web site or "Illinois Tax Fax," our fax-on-demand service. ▲