

CONTACT: Wendi Patella
(609) 777-2600
Mary Ann Whiteman
(609) 292-0600

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Governor Signs Bill Expanding Eligibility for Catastrophic Illness in Children Relief Fund

Governor Christie Whitman today signed a bill easing the eligibility criteria for the Catastrophic Illness in Children Relief Fund. Families with uncovered medical expenses for a child which exceed 10 percent of the family income may now qualify for assistance.

"Today we are reminded of the difficulties that our New Jersey citizens endure in their effort to pay their child's medical bills, and we are proud that this fund is available. The illness of a child is a devastating event for any family, and expenses not fully covered by insurance or other programs add additional stress in what is already a traumatic time. This bill is intended to help the fund reach the greatest number of New Jersey families in need of such assistance," Gov. Whitman said.

At the bill signing at the State House, Gov. Whitman also announced recent awards from the fund and said the fund will allow the holiday season to shine brighter for New Jersey families overwhelmed with medical bills related to their child's illness.

S-1399 was sponsored by Senate President Don DiFrancesco (R-Middlesex/Morris/Somerset/Union), Senator John Bennett (Monmouth), Assembly Speaker Jack Collins (R-Salem/Cumberland/Gloucester), and Assembly Member Ken Faulkner (R-Burlington/Camden).

"Several months ago the Commission identified its interest in reaching out to help a broader number of families and developed this recommendation for legislative change," said Jane Lorber, chairperson of the Commission. "Adequate funds exist to support this change, and the Commission is committed to utilizing the fund in accordance with its mandate."

Since September 1998, the Catastrophic Illness in Children Relief Fund Commission has approved awards totaling \$3.3 million to help 110 New Jersey families cope with uncovered expenses associated with a child's illness. Since its creation in 1988, through legislation sponsored by Senator DiFrancesco, the Commission has approved more than \$46 million in assistance for more than 2,000 families.

"The fund is a financial safety net for families," said Mary Ann Whiteman, executive director, of the Commission. "The Commission serves families of all incomes, but is acutely aware that families with very limited incomes and middle income families struggle greatly to pay their medical bills. This legislation enables families to apply for financial assistance at an earlier point in time as their expenses mount, thus easing their financial distress."

The fund does not limit coverage to specific diseases or diagnoses. Expenses as a result of prematurity, cerebral palsy, mental health conditions, diabetes, or congenital birth defects are examples of medical expenses that have been paid by the fund. Eligible medical and related expenses are those not covered by insurance, state or federal programs, or other sources. Expenses may include hospital and physician bills, medications, medical equipment, transportation for treatment, psychiatric, home health care and specialized home and vehicle modifications.

"We define catastrophic in terms of the economic impact the child's illness has on the family," explained Mary Ann Whiteman. "A family may have health insurance, but coverage can be inadequate when a child has a serious, expensive illness or injury. With the help of the fund, families can avoid a financial crisis and return to the routine responsibilities of their lives."

The range of awards reflects this approach. In the most recent group of award recipients, families received grants starting at \$1,254 and reaching as high as \$522,252. A range of all years extends from a low of \$476 to a high of \$566,804.

The fund is collected from an annual surcharge of \$1 per employee levied on all employers who are subject to the New Jersey Unemployment Compensation Law.

Under the new eligibility criteria, a New Jersey family who earns up to \$100,000 is eligible if a child's unreimbursed medical bills exceed 10 percent of the family's income. For families who earn more than \$100,000, the eligibility is 10 percent of the first \$100,000 in income plus 15 percent of the remaining income. The child must be 18 years or younger when the medical bills were incurred, and expenses must have been incurred during a prior 12-month period.

Previously, the eligibility threshold was established at 15 percent of the first \$100,000 of income, plus 20 percent of excess income over \$100,000.

Families who want more information about the Catastrophic Illness in Children Relief Fund, should call the Family Information Line at 1-800-335-FUND (3863).

A list of families who benefited from the fund and who attended the bill signing ceremony is attached.

Isaac and Margalie Johnson of Kendall Park, Middlesex County, were insured through Isaac's employer. Their eldest son Joel, who was eight years old at the time, was hospitalized on Christmas in 1995 for an emergency caused by his sickle cell anemia. This hospitalization, however, occurred one week prior to the effective date of health insurance coverage for Joel. A pre-existing condition exclusion in their health insurance contract left this family responsible for hospitalization bills of over \$9,000. The parents were only recently referred to the fund after being faced with garnishment of wages for this three year old bill. They were elated to learn that the Commission approved an award to cover this expense. Since their health insurance for Joel became effective, the Johnsons have also struggled with additional costs for copayments and other out-of-pocket expenses for his follow-up medical appointments. Thanks to the legislative amendment signed into law today, which lowers the program eligibility requirements, the family may apply again for relief of Joel's uncovered medical expenses incurred in 1996 and 1997.

Robert and Lynda Height of Tabernacle, Burlington County, have health insurance through Robert's employer. Their teenage daughter, Christine, was seven years old when she was diagnosed with a progressive neurological disorder, which impedes her coordination and ability to walk. She uses a wheelchair for mobility 95% of the time. The family purchased a medically modified vehicle which includes hand controls and a wheelchair lift system that enables their daughter to drive independently to her medical appointments and to school. The Heights were pleased to hear that the commission would now assist them with the expense of the vehicle and other medically related expenses. A total of \$33,000 was approved to help offset those expenses. This is the family's second application approved for a financial award. Last year the family received relief from the fund for medically related modifications to their home which they had completed in order to accommodate their daughter's special needs.

Donald and Patricia Wristbridge of Lindwood, Atlantic County, were uninsured when their son, Jake, who was six years old, was hospitalized to have his tonsils removed. Following the tonsillectomy, further examinations revealed their son also had cancer. Over the course of the year, he had three hospitalizations and numerous outpatient visits for chemotherapy. The family faced extraordinary medical expenses. This self-employed family was ineligible for other state programs. Although local

fundraising efforts helped, the family was relieved to hear that the commission approved an award that covers more than \$94,000 of their son's outstanding medical expenses.

Stephen and Arianne Hegeman of Pilesgrove, Salem County, had insurance coverage for their daughter Victoria when she was born in July 1997 with multiple heart defects. She required corrective surgery at two weeks of age. After the hospitalization she was carefully monitored by her pediatrician and cardiologist and had several outpatient tests. A temporary lapse in insurance coverage after Victoria was a month old resulted in high, uncovered medical expenses. The family was pleased with Victoria's progress, but they struggled with the medical debt. The commission approved an award of over \$13,000 to cover those expenses.