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P.L. 2003, CHAPTER 260, *approved January 14, 2004*
Senate, No. 1965

1 **AN ACT** concerning the "Catastrophic Illness in Children Relief Fund"
2 and amending P.L.1987, c.370.

3

4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6

7 1. Section 2 of P.L.1987, c.370 (C.26:2-149) is amended to read
8 as follows:

9 2. As used in this act:

10 a. "Catastrophic illness" means any illness or condition the medical
11 expenses of which are not covered by any other State or federal
12 program or any insurance contract and exceed 10% of the first
13 \$100,000 of annual income of a family plus 15% of the excess income
14 over \$100,000.

15 b. "Child" means a person **[18]**21 years of age and under.

16 c. "Commission" means the Catastrophic Illness in Children Relief
17 Fund Commission.

18 d. "Family" means a child and the child's parent, parents or legal
19 guardian, as the case may be, who is legally responsible for the child's
20 medical expenses.

21 e. "Fund" means the Catastrophic Illness in Children Relief Fund.

22 f. "Income" means all income, from whatever source derived,
23 actually received by a family.

24 g. "Resident" means a person legally domiciled within the State for
25 a period of three months immediately preceding the date of application
26 for inclusion in the program. Mere seasonal or temporary residence
27 within the State, of whatever duration, does not constitute domicile.
28 Absence from this State for a period of 12 months or more is prima
29 facie evidence of abandonment of domicile. The burden of establishing
30 legal domicile within the State is upon the parent or legal guardian of
31 a child.

32 (cf: P.L.1998, c.143, s.1)

33

34 2. Section 7 of P.L.1987, c.370 (C.26:2-154) is amended to read
35 as follows:

36 7. The commission has, but is not limited to, the following powers
37 and duties:

38 a. Establish in conjunction with the Special Child Health Services
39 program established pursuant to P.L.1948, c.444 (C.26:1A-2 et seq.)
40 a program for the purposes of this act, administer the fund and
41 authorize the payment or reimbursement of the medical expenses of

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

- 1 children with catastrophic illnesses;
- 2 b. Establish procedures for application to the program, determining
3 the eligibility for the payment or reimbursement of medical expenses
4 for each child, and processing [claim disputes and] fund awards and
5 appeals. The commission shall also establish procedures to provide
6 that, in the case of an illness or condition for which the family, after
7 receiving assistance pursuant to this act, recovers damages for the
8 child's medical expenses pursuant to a settlement or judgment in a
9 legal action, the family shall reimburse the fund for the amount of
10 assistance received, or that portion thereof covered by the amount of
11 the damages less the expense of recovery;
- 12 c. Establish the amount of reimbursement for the medical expenses
13 of each child using a sliding fee scale based on a family's ability to pay
14 for medical expenses which takes into account family size, family
15 income and assets and family medical expenses and adjust the financial
16 eligibility criteria established pursuant to subsection a. of section 2 of
17 this act based upon the moneys available in the fund;
- 18 d. Disseminate information on the fund and the program to the
19 public;
- 20 e. Adopt bylaws for the regulation of its affairs and the conduct of
21 its business, adopt an official seal and alter the same at pleasure,
22 maintain an office at the place within the State as it may designate, and
23 sue and be sued in its own name;
- 24 f. [Employ professional and clerical assistance necessary to
25 perform its duties] Appoint, retain or employ staff, experts or
26 consultants on a contract basis or otherwise, who are deemed
27 necessary, and employ investigators or other professionally qualified
28 personnel who may be in the noncompetitive division of the career
29 service of the Civil Service, and as may be within the limits of funds
30 appropriated or otherwise made available to it for its purposes;
- 31 g. Maintain confidential records on each child who applies for
32 assistance under the fund;
- 33 h. Do all other acts and things necessary or convenient to carry out
34 the purposes of this act; and
- 35 i. Adopt rules and regulations in accordance with the
36 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.)
37 necessary to effectuate the purposes of this act.
38 (cf: P.L.1998, c.143, s.3)
- 39
- 40 3. Section 9 of P.L.1987, c.370 (C.26:2-156) is amended to read
41 as follows:
- 42 9. Whenever a child has a catastrophic illness and is eligible for the
43 program, the child, through his parent or legal guardian, [may]shall
44 receive financial assistance from monies in the fund subject to the rules
45 and regulations established by the commission and the availability of
46 monies in the fund. The financial assistance shall include, but is not

1 limited to, payments or reimbursements for the cost of medical
2 treatment, hospital care, drugs, nursing care and physician services.
3 (cf: P.L.1998, c.143, s.5)

4
5 4. This act shall take effect immediately and shall be retroactive to
6 January 1, 2002.

7
8
9 STATEMENT

10
11 This bill amends the "Catastrophic Illness in Children Relief Fund"
12 (N.J.S.A.26:2-148 et seq.), which provides assistance to families in
13 New Jersey whose children's medical expenses extend beyond their
14 available resources, as follows:

15 C The bill amends the definition of "child" to expand eligibility for
16 payment or reimbursement from the fund to persons 21 years of age
17 and under. Currently, persons over 18 years of age are ineligible
18 for payment or reimbursement from the fund. This expansion of
19 eligibility provides greater consistency with other federal and State
20 programs and allows the fund to provide assistance to families
21 whose children currently age out of the program but whose children
22 are still dependent on their caregivers as a result of their physical
23 or mental health.

24 C The bill amends the powers and duties of the Catastrophic Illness
25 in Children Relief Fund Commission to clarify that the commission
26 processes awards and appeals rather than claim disputes, the latter
27 of which are typically the practice of an insurance company.

28 C The bill also amends the powers and duties of the commission to
29 allow the commission to hire professional and clerical staff through
30 the noncompetitive division of the career service of the Civil
31 Service, which is consistent with the semi-autonomous status of the
32 commission and will provide a greater pool of qualified candidates
33 for vacant positions.

34 C The bill amends language concerning payments and reimbursements
35 from the fund to clarify that whenever a child has a catastrophic
36 illness and meets the eligibility requirements, the child, through the
37 legal guardian, shall, rather than may, receive financial assistance
38 from monies in the fund subject to the rules and regulations
39 established by the commission and the availability of monies in the
40 fund.

41 The bill shall take effect immediately and shall be retroactive to
42 January 1, 2002. It is intended that any previous applicant, who
43 applied for financial assistance from the fund on or after January 1,
44 2002 and who was denied financial assistance solely as a result of a
45 child being over 18 years of age, would be reconsidered without
46 having to submit a new application.

1

2

3

4 Expands eligibility for reimbursement from Catastrophic Illness in
5 Children Relief Fund and amends powers and duties of Catastrophic
6 Illness in Children Relief Fund Commission.

SENATE, No. 1965

STATE OF NEW JERSEY

210th LEGISLATURE

INTRODUCED OCTOBER 17, 2002

Sponsored by:

Senator ROBERT E. LITTELL

District 24 (Sussex, Hunterdon and Morris)

Senator BERNARD F. KENNY, JR.

District 33 (Hudson)

Assemblywoman MARY T. PREVITE

District 6 (Camden)

Assemblyman FREDERICK SCALERA

District 36 (Bergen, Essex and Passaic)

Assemblyman ERIC MUNOZ

District 21 (Essex, Morris, Somerset and Union)

Assemblywoman ALISON LITTELL MCHOSE

District 24 (Sussex, Hunterdon and Morris)

Assemblywoman ROSE MARIE HECK

District 38 (Bergen)

Co-Sponsored by:

Senators T.Kean, Adler, Gill and Assemblyman Bramnick

SYNOPSIS

Expands eligibility for reimbursement from Catastrophic Illness in Children Relief Fund and amends powers and duties of Catastrophic Illness in Children Relief Fund Commission.

CURRENT VERSION OF TEXT

As introduced.

(Sponsorship Updated As Of: 1/13/2004)

S1965 LITTELL, KENNY

2

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13 \$100,000 of annual income of a family plus 15% of the excess income
14 over \$100,000.

15 b. "Child" means a person [18]21 years of age and under.

16 c. "Commission" means the Catastrophic Illness in Children Relief
17 Fund Commission.

18 d. "Family" means a child and the child's parent, parents or legal
19 guardian, as the case may be, who is legally responsible for the child's
20 medical expenses.

21 e. "Fund" means the Catastrophic Illness in Children Relief Fund.

22 f. "Income" means all income, from whatever source derived,
23 actually received by a family.

24 g. "Resident" means a person legally domiciled within the State for
25 a period of three months immediately preceding the date of application
26 for inclusion in the program. Mere seasonal or temporary residence
27 within the State, of whatever duration, does not constitute domicile.
28 Absence from this State for a period of 12 months or more is prima
29 facie evidence of abandonment of domicile. The burden of establishing
30 legal domicile within the State is upon the parent or legal guardian of
31 a child.

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36 7. The commission has, but is not limited to, the following powers
37 and duties:

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39 program established pursuant to P.L.1948, c.444 (C.26:1A-2 et seq.)
40 a program for the purposes of this act, administer the fund and
41 authorize the payment or reimbursement of the medical expenses of
42 children with catastrophic illnesses;

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Matter underlined thus is new matter.

1 b. Establish procedures for application to the program, determining
2 the eligibility for the payment or reimbursement of medical expenses
3 for each child, and processing [claim disputes and] fund awards and
4 appeals. The commission shall also establish procedures to provide
5 that, in the case of an illness or condition for which the family, after
6 receiving assistance pursuant to this act, recovers damages for the
7 child's medical expenses pursuant to a settlement or judgment in a
8 legal action, the family shall reimburse the fund for the amount of
9 assistance received, or that portion thereof covered by the amount of
10 the damages less the expense of recovery;

11 c. Establish the amount of reimbursement for the medical expenses
12 of each child using a sliding fee scale based on a family's ability to pay
13 for medical expenses which takes into account family size, family
14 income and assets and family medical expenses and adjust the financial
15 eligibility criteria established pursuant to subsection a. of section 2 of
16 this act based upon the moneys available in the fund;

17 d. Disseminate information on the fund and the program to the
18 public;

19 e. Adopt bylaws for the regulation of its affairs and the conduct of
20 its business, adopt an official seal and alter the same at pleasure,
21 maintain an office at the place within the State as it may designate, and
22 sue and be sued in its own name;

23 f. [Employ professional and clerical assistance necessary to
24 perform its duties] Appoint, retain or employ staff, experts or
25 consultants on a contract basis or otherwise, who are deemed
26 necessary, and employ investigators or other professionally qualified
27 personnel who may be in the noncompetitive division of the career
28 service of the Civil Service, and as may be within the limits of funds
29 appropriated or otherwise made available to it for its purposes;

30 g. Maintain confidential records on each child who applies for
31 assistance under the fund;

32 h. Do all other acts and things necessary or convenient to carry out
33 the purposes of this act; and

34 i. Adopt rules and regulations in accordance with the
35 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.)
36 necessary to effectuate the purposes of this act.

37 (cf: P.L.1998, c.143, s.3)

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39 3. Section 9 of P.L.1987, c.370 (C.26:2-156) is amended to read
40 as follows:

41 9. Whenever a child has a catastrophic illness and is eligible for the
42 program, the child, through his parent or legal guardian, [may]shall
43 receive financial assistance from monies in the fund subject to the rules
44 and regulations established by the commission and the availability of
45 monies in the fund. The financial assistance shall include, but is not

1 limited to, payments or reimbursements for the cost of medical
2 treatment, hospital care, drugs, nursing care and physician services.
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4
5 4. This act shall take effect immediately and shall be retroactive to
6 January 1, 2002.

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9 STATEMENT

10
11 This bill amends the "Catastrophic Illness in Children Relief Fund"
12 (N.J.S.A.26:2-148 et seq.), which provides assistance to families in
13 New Jersey whose children's medical expenses extend beyond their
14 available resources, as follows:

15 C The bill amends the definition of "child" to expand eligibility for
16 payment or reimbursement from the fund to persons 21 years of age
17 and under. Currently, persons over 18 years of age are ineligible
18 for payment or reimbursement from the fund. This expansion of
19 eligibility provides greater consistency with other federal and State
20 programs and allows the fund to provide assistance to families
21 whose children currently age out of the program but whose children
22 are still dependent on their caregivers as a result of their physical
23 or mental health.

24 C The bill amends the powers and duties of the Catastrophic Illness
25 in Children Relief Fund Commission to clarify that the commission
26 processes awards and appeals rather than claim disputes, the latter
27 of which are typically the practice of an insurance company.

28 C The bill also amends the powers and duties of the commission to
29 allow the commission to hire professional and clerical staff through
30 the noncompetitive division of the career service of the Civil
31 Service, which is consistent with the semi-autonomous status of the
32 commission and will provide a greater pool of qualified candidates
33 for vacant positions.

34 C The bill amends language concerning payments and reimbursements
35 from the fund to clarify that whenever a child has a catastrophic
36 illness and meets the eligibility requirements, the child, through the
37 legal guardian, shall, rather than may, receive financial assistance
38 from monies in the fund subject to the rules and regulations
39 established by the commission and the availability of monies in the
40 fund.

41 The bill shall take effect immediately and shall be retroactive to
42 January 1, 2002. It is intended that any previous applicant, who
43 applied for financial assistance from the fund on or after January 1,
44 2002 and who was denied financial assistance solely as a result of a
45 child being over 18 years of age, would be reconsidered without
46 having to submit a new application.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 1965

STATE OF NEW JERSEY

DATED: JANUARY 8, 2004

The Assembly Appropriations Committee reports favorably Senate Bill No.1965.

Senate Bill No.1965 amends the law establishing the "Catastrophic Illness in Children Relief Fund" (N.J.S.A.26:2-148 et seq.), which provides assistance to families in New Jersey whose children's medical expenses extend beyond their available resources.

Under the bill:

(1) The age limit on a child's eligibility for payment or reimbursement from the fund is raised from 18 to 21. The sponsor's statement indicates that the higher age limit is more consistent with federal and other State programs and will allow the fund to extend assistance to families whose children currently age out of the program while still dependent on their care givers due to their physical or mental health;

(2) The powers and duties of the Catastrophic Illness in Children Relief Fund Commission are revised to clarify that the commission is responsible for processing fund awards and appeals rather than claim disputes (the latter typically being the duty of an insurance company);

(3) The commission is authorized to hire staff, experts and consultants on a contract basis or otherwise, and to employ investigators or other professionally qualified personnel through the noncompetitive division of the career service of the Civil Service; and

(4) Provision is made that a child having a catastrophic illness who meets the eligibility requirements *shall*, and not simply *may*, receive financial assistance from the fund through the legal guardian, subject to the commission's regulations and the availability of fund financing.

The bill takes effect immediately and is retroactive to January 1, 2002, to allow any previous applicant, whose application for financial assistance from the fund on or after that date may have been denied solely as a result of a child being over 18 years of age, to be reconsidered without having to submit a new application.

As reported by the committee, this bill is identical to the Assembly Committee Substitute for Assembly Bills No.1319 and 2336 as substituted and reported by the committee.

FISCAL IMPACT:

The Catastrophic Illness in Children Relief Fund Commission estimates that an additional 50 children a year will be assisted under the provisions of the bill, at a first year cost of \$300,000 and an annual cost thereafter of \$1.2 million. The Fund is financed through a \$1.00 per employee surcharge levied upon all employers subject to the New Jersey Unemployment Compensation Law. Fund expenses are limited by the availability revenues. In this connection, it is noted that the Executive Budget proposal for FY2004 reported that the Fund balance at the close of FY2002 was about \$15.3 million, estimated the closing balance for FY2003 at \$13.4 million, and projected the closing balance for FY2004 at \$7.2 million.

SENATE HEALTH, HUMAN SERVICES AND SENIOR
CITIZENS COMMITTEE

STATEMENT TO

SENATE, No. 1965

STATE OF NEW JERSEY

DATED: NOVEMBER 24, 2003

The Senate Health, Human Services and Senior Citizens Committee reports favorably Senate Bill No. 1965.

This bill amends the law establishing the "Catastrophic Illness in Children Relief Fund" (N.J.S.A.26:2-148 et seq.), which provides assistance to families in New Jersey whose children's medical expenses extend beyond their available resources, as follows:

-- the bill amends the definition of "child" to expand eligibility for payment or reimbursement from the fund to persons 21 years of age and under. Currently, persons over 18 years of age are ineligible for payment or reimbursement from the fund. This expansion of eligibility provides greater consistency with other federal and State programs and allows the fund to provide assistance to families whose children currently age out of the program, but whose children are still dependent on their caregivers as a result of their physical or mental health;

-- the bill amends the powers and duties of the Catastrophic Illness in Children Relief Fund Commission to clarify that the commission processes fund awards and appeals rather than claim disputes, the latter of which are typically the practice of an insurance company;

-- the bill amends the powers and duties of the commission to allow the commission to hire professional and clerical staff through the noncompetitive division of the career service of the Civil Service, which is consistent with the semi-autonomous status of the commission and will provide a greater pool of qualified candidates for vacant positions; and

-- the bill amends language concerning payments and reimbursements from the fund to clarify that whenever a child has a catastrophic illness and meets the eligibility requirements, the child, through the legal guardian, shall, rather than may, receive financial assistance from monies in the fund subject to the rules and regulations established by the commission and the availability of monies in the fund.

The bill takes effect immediately and is retroactive to January 1, 2002.

It is intended that any previous applicant, who applied for financial

assistance from the fund on or after January 1, 2002 and was denied financial assistance solely as a result of a child being over 18 years of age, would be reconsidered without having to submit a new application.

A fiscal note on this bill prepared by the Office of Legislative Services (OLS) on June 26, 2003 states that an additional 50 children a year will be assisted under the provisions of the bill, at a first year cost of \$300,000 and an annual cost thereafter of \$1.2 million. The OLS fiscal note concurs with the participation and cost estimates provided by the Catastrophic Illness in Children Relief Fund Commission and the Office of Management and Budget.

This bill is identical to Assembly Bill No.2336 (Munoz/McHose/T. Kean), which is pending before the Assembly Health and Human Services Committee.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 1965

STATE OF NEW JERSEY

DATED: DECEMBER 11, 2003

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 1965.

This bill amends the law establishing the "Catastrophic Illness in Children Relief Fund" (N.J.S.A.26:2-148 et seq.), which provides assistance to families in New Jersey whose children's medical expenses extend beyond their available resources.

Under the bill:

(1) The age limit on a child's eligibility for payment or reimbursement from the fund is raised from 18 to 21. The sponsor's statement indicates that the higher age limit is more consistent with federal and other State programs and will allow the fund to extend assistance to families whose children currently age out of the program while still dependent on their care givers due to their physical or mental health;

(2) The powers and duties of the Catastrophic Illness in Children Relief Fund Commission are revised to clarify that the commission is responsible for processing fund awards and appeals rather than claim disputes (the latter typically being the duty of an insurance company);

(3) The commission is authorized to hire staff, experts and consultants on a contract basis or otherwise, and to employ investigators or other professionally qualified personnel through the noncompetitive division of the career service of the Civil Service; and

(4) Provision is made that a child having a catastrophic illness who meets the eligibility requirements *shall*, and not simply *may*, receive financial assistance from the fund through the legal guardian, subject to the commission's regulations and the availability of fund financing.

The bill would take effect immediately and be retroactive to January 1, 2002, to allow any previous applicant, whose application for financial assistance from the fund on or after that date may have been denied solely as a result of a child being over 18 years of age, to be reconsidered without having to submit a new application.

FISCAL IMPACT

The Catastrophic Illness in Children Relief Fund Commission estimates that an additional 50 children a year will be assisted under the provisions of the bill, at a first year cost of \$300,000 and an annual cost thereafter of \$1.2 million. The Fund is financed through a \$1.00

per employee surcharge levied upon all employers subject to the New Jersey Unemployment Compensation Law. Fund expenses are limited by the availability revenues. In this connection, it is noted that the Executive Budget proposal for FY2004 reported that the Fund balance at the close of FY2002 was about \$15.3 million, estimated the closing balance for FY2003 at \$13.4 million, and projected the closing balance for FY2004 at \$7.2 million.

FISCAL NOTE
SENATE, No. 1965
STATE OF NEW JERSEY
210th LEGISLATURE

DATED: JUNE 26, 2003

SUMMARY

- Synopsis:** Expands eligibility for reimbursement from Catastrophic Illness in Children Relief Fund and amends powers and duties of Catastrophic Illness in Children Relief Fund Commission.
- Type of Impact:** None, as program costs are supported by its own dedicated revenue source.
- Agencies Affected:** Catastrophic Illness in Children Relief Fund Commission.

Executive Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost	\$300,000	\$1,200,000	\$1,200,000
State Revenue	\$6,555,000 plus unexpended balances.	\$6,555,000 plus unexpended balances.	\$6,555,000 plus unexpended balances.

! The Office of Legislative Services (OLS) **concurs** with the Executive estimate and the projected costs of the program expansion and estimated revenues available to the Catastrophic Illness in Children Relief Fund. To the extent that fund expenses exceed available revenues, expenses would be limited to operate within available revenues.

BILL DESCRIPTION

Senate Bill No. 1965 of 2002 revises the "Catastrophic Illness in Children Relief Fund" program (N.J.S.A.26:2-148 et seq.) as follows:

- C The definition of "child" is revised to expand eligibility to persons up to 21 years of age. (Currently, the age limit is 18.);
- C The powers and duties of the Catastrophic Illness in Children Relief Fund Commission are clarified to indicate that the commission processes awards and appeals rather than claim disputes, the latter of which are typically the practice of an insurance company;
- C The commission would be permitted to hire professional and clerical staff through the noncompetitive division of the career service of the Civil Services; and
- C The program's provisions with respect to payments and reimbursement from the fund are clarified so that a child who has a catastrophic illness and meets the eligibility requirements

shall, rather than may, receive financial assistance from the fund, subject to the availability of monies in the fund.

FISCAL ANALYSIS

EXECUTIVE BRANCH

The Catastrophic Illness in Children Relief Fund Commission and the Office of Management and Budget estimate that increasing the age of children covered by the fund from 18 to 21 will assist an additional 50 children annually and will increase program costs by \$300,000 in the first year and \$1.2 million annually, thereafter. It is further estimated that approximately \$6.6 million in revenues will be available to the fund annually through the \$1.00 per employee annual surcharge levied upon all employers who are subject to the New Jersey Unemployment Compensation Law, N.J.S.A.43:21-1 et seq. In addition, the following amounts of unexpended balances as of June 30th are expected to be available: FY 2003 - \$13.4 million; FY 2004 - \$10.5 million; and FY 2005 - \$7.6 million.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services (OLS) concurs with the Executive estimate as to the additional cost of increasing the age of a child eligible for the program from 18 to 21 and the estimate of the amount of revenue available to the fund from the \$1.00 per employee surcharge.

Also, the number of children the fund can assist is limited to the total amount of resources available to the fund. Thus, if the amount to be reimbursed exceeds available funds, reimbursements would be reduced by the commission. It is noted, however, that estimates as to the fund's unexpended balances are speculative. For example, whereas it had been estimated that FY 2004 unexpended balances would be \$10.5 million, the Governor's FY 2004 recommended budget estimates only \$7.3 million in unexpended balances.

Section: *Human Services*

Analyst: *Jay Hershberg*
Principal Fiscal Analyst

Approved: *Alan R. Kooney*
Legislative Budget and Finance Officer

This fiscal note has been prepared pursuant to P.L.1980, c.67.

ASSEMBLY, No. 1319

STATE OF NEW JERSEY 210th LEGISLATURE

INTRODUCED JANUARY 8, 2004

Sponsored by:

Assemblywoman MARY T. PREVITE

District 6 (Camden)

Assemblyman FREDERICK SCALERA

District 36 (Bergen, Essex and Passaic)

SYNOPSIS

Expands eligibility for reimbursement from Catastrophic Illness in Children Relief Fund and amends powers and duties of Catastrophic Illness in Children Relief Fund Commission.

CURRENT VERSION OF TEXT

As introduced.



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41 authorize the payment or reimbursement of the medical expenses of
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Matter underlined thus is new matter.

1 b. Establish procedures for application to the program, determining
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5 that, in the case of an illness or condition for which the family, after
6 receiving assistance pursuant to this act, recovers damages for the
7 child's medical expenses pursuant to a settlement or judgment in a
8 legal action, the family shall reimburse the fund for the amount of
9 assistance received, or that portion thereof covered by the amount of
10 the damages less the expense of recovery;

11 c. Establish the amount of reimbursement for the medical expenses
12 of each child using a sliding fee scale based on a family's ability to pay
13 for medical expenses which takes into account family size, family
14 income and assets and family medical expenses and adjust the financial
15 eligibility criteria established pursuant to subsection a. of section 2 of
16 this act based upon the moneys available in the fund;

17 d. Disseminate information on the fund and the program to the
18 public;

19 e. Adopt bylaws for the regulation of its affairs and the conduct of
20 its business, adopt an official seal and alter the same at pleasure,
21 maintain an office at the place within the State as it may designate, and
22 sue and be sued in its own name;

23 f. [Employ professional and clerical assistance necessary to
24 perform its duties] Appoint, retain or employ staff, experts or
25 consultants on a contract basis or otherwise, who are deemed
26 necessary, and employ investigators or other professionally qualified
27 personnel who may be in the noncompetitive division of the career
28 service of the Civil Service, and as may be within the limits of funds
29 appropriated or otherwise made available to it for its purposes;

30 g. Maintain confidential records on each child who applies for
31 assistance under the fund;

32 h. Do all other acts and things necessary or convenient to carry out
33 the purposes of this act; and

34 i. Adopt rules and regulations in accordance with the
35 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.)
36 necessary to effectuate the purposes of this act.

37 (cf: P.L.1998, c.143, s.3)

38

39 3. Section 9 of P.L.1987, c.370 (C.26:2-156) is amended to read
40 as follows:

41 9. Whenever a child has a catastrophic illness and is eligible for the
42 program, the child, through his parent or legal guardian, [may]shall
43 receive financial assistance from monies in the fund subject to the rules
44 and regulations established by the commission and the availability of
45 monies in the fund. The financial assistance shall include, but is not
46 limited to, payments or reimbursements for the cost of medical
47 treatment, hospital care, drugs, nursing care and physician services.

48 (cf: P.L.1998, c.143, s.5)

ASSEMBLY, No. 2336

STATE OF NEW JERSEY 210th LEGISLATURE

INTRODUCED MAY 9, 2002

Sponsored by:

Assemblyman ERIC MUNOZ

District 21 (Essex, Morris, Somerset and Union)

Assemblywoman ALISON LITTELL MCHOSE

District 24 (Sussex, Hunterdon and Morris)

Assemblyman THOMAS H. KEAN, JR.

District 21 (Essex, Morris, Somerset and Union)

Assemblywoman ROSE MARIE HECK

District 38 (Bergen)

Co-Sponsored by:

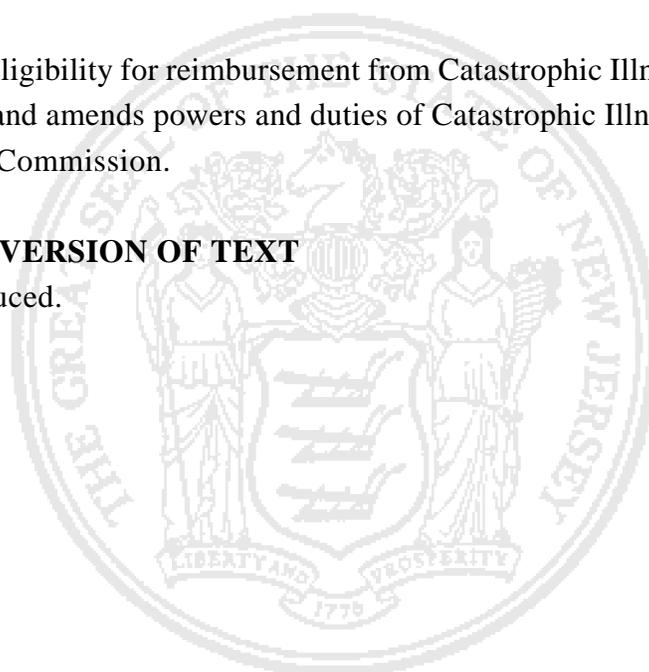
Assemblyman Bramnick

SYNOPSIS

Expands eligibility for reimbursement from Catastrophic Illness in Children Relief Fund and amends powers and duties of Catastrophic Illness in Children Relief Fund Commission.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/12/2003)

1 AN ACT concerning the "Catastrophic Illness in Children Relief Fund"
2 and amending P.L.1987, c.370.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6
7 1. Section 2 of P.L.1987, c.370 (C.26:2-149) is amended to read
8 as follows:

9 2. As used in this act:

10 a. "Catastrophic illness" means any illness or condition the medical
11 expenses of which are not covered by any other State or federal
12 program or any insurance contract and exceed 10% of the first
13 \$100,000 of annual income of a family plus 15% of the excess income
14 over \$100,000.

15 b. "Child" means a person [18]21 years of age and under.

16 c. "Commission" means the Catastrophic Illness in Children Relief
17 Fund Commission.

18 d. "Family" means a child and the child's parent, parents or legal
19 guardian, as the case may be, who is legally responsible for the child's
20 medical expenses.

21 e. "Fund" means the Catastrophic Illness in Children Relief Fund.

22 f. "Income" means all income, from whatever source derived,
23 actually received by a family.

24 g. "Resident" means a person legally domiciled within the State for
25 a period of three months immediately preceding the date of application
26 for inclusion in the program. Mere seasonal or temporary residence
27 within the State, of whatever duration, does not constitute domicile.
28 Absence from this State for a period of 12 months or more is prima
29 facie evidence of abandonment of domicile. The burden of establishing
30 legal domicile within the State is upon the parent or legal guardian of
31 a child.

32 (cf: P.L.1998, c.143, s.1)

33

34 2. Section 7 of P.L.1987, c.370 (C.26:2-154) is amended to read
35 as follows:

36 7. The commission has, but is not limited to, the following powers
37 and duties:

38 a. Establish in conjunction with the Special Child Health Services
39 program established pursuant to P.L.1948, c.444 (C.26:1A-2 et seq.)
40 a program for the purposes of this act, administer the fund and
41 authorize the payment or reimbursement of the medical expenses of
42 children with catastrophic illnesses;

43 b. Establish procedures for application to the program, determining

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 the eligibility for the payment or reimbursement of medical expenses
2 for each child, and processing [claim disputes and] fund awards and
3 appeals. The commission shall also establish procedures to provide
4 that, in the case of an illness or condition for which the family, after
5 receiving assistance pursuant to this act, recovers damages for the
6 child's medical expenses pursuant to a settlement or judgment in a
7 legal action, the family shall reimburse the fund for the amount of
8 assistance received, or that portion thereof covered by the amount of
9 the damages less the expense of recovery;

10 c. Establish the amount of reimbursement for the medical expenses
11 of each child using a sliding fee scale based on a family's ability to pay
12 for medical expenses which takes into account family size, family
13 income and assets and family medical expenses and adjust the financial
14 eligibility criteria established pursuant to subsection a. of section 2 of
15 this act based upon the moneys available in the fund;

16 d. Disseminate information on the fund and the program to the
17 public;

18 e. Adopt bylaws for the regulation of its affairs and the conduct of
19 its business, adopt an official seal and alter the same at pleasure,
20 maintain an office at the place within the State as it may designate, and
21 sue and be sued in its own name;

22 f. [Employ professional and clerical assistance necessary to
23 perform its duties] Appoint, retain or employ staff, experts or
24 consultants on a contract basis or otherwise, who are deemed
25 necessary, and employ investigators or other professionally qualified
26 personnel who may be in the noncompetitive division of the career
27 service of the Civil Service, and as may be within the limits of funds
28 appropriated or otherwise made available to it for its purposes;

29 g. maintain confidential records on each child who applies for
30 assistance under the fund;

31 h. Do all other acts and things necessary or convenient to carry out
32 the purposes of this act; and

33 i. Adopt rules and regulations in accordance with the
34 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.)
35 necessary to effectuate the purposes of this act.

36 (cf: P.L.1998, c.143, s.3)

37

38 3. Section 9 of P.L.1987, c.370 (C.26:2-156) is amended to read
39 as follows:

40 9. Whenever a child has a catastrophic illness and is eligible for the
41 program, the child, through his parent or legal guardian, [may]shall
42 receive financial assistance from monies in the fund subject to the rules
43 and regulations established by the commission and the availability of
44 monies in the fund. The financial assistance shall include, but is not
45 limited to, payments or reimbursements for the cost of medical
46 treatment, hospital care, drugs, nursing care and physician services.

47 (cf: P.L.1998, c.143, s.5)

1 4. This act shall take effect immediately and shall be retroactive to
2 January 1, 2002.

3

4

5

STATEMENT

6

7 This bill amends the "Catastrophic Illness in Children Relief Fund"
8 (N.J.S.A.26:2-148 et seq.), which provides assistance to families in
9 New Jersey whose children's medical expenses extend beyond their
10 available resources, as follows:

11 C The bill amends the definition of "child" to expand eligibility for
12 payment or reimbursement from the fund to persons 21 years of age
13 and under. Currently, persons over 18 years of age are ineligible
14 for payment or reimbursement from the fund. This expansion of
15 eligibility provides greater consistency with other federal and State
16 programs and allows the fund to provide assistance to families
17 whose children currently age out of the program but whose children
18 are still dependent on their caregivers as a result of their physical
19 or mental health.

20 C The bill amends the powers and duties of the Catastrophic Illness
21 in Children Relief Fund Commission to clarify that the commission
22 processes awards and appeals rather than claim disputes, the latter
23 of which are typically the practice of an insurance company.

24 C The bill also amends the powers and duties of the commission to
25 allow the commission to hire professional and clerical staff through
26 the noncompetitive division of the career service of the Civil
27 Service, which is consistent with the semi-autonomous status of the
28 commission and will provide a greater pool of qualified candidates
29 for vacant positions.

30 C The bill amends language concerning payments and reimbursements
31 from the fund to clarify that whenever a child has a catastrophic
32 illness and meets the eligibility requirements, the child, through the
33 legal guardian, shall, rather than may, receive financial assistance
34 from monies in the fund subject to the rules and regulations
35 established by the commission and the availability of monies in the
36 fund.

37 The bill shall take effect immediately and shall be retroactive to
38 January 1, 2002. It is intended that any previous applicant, who
39 applied for financial assistance from the fund on or after January 1,
40 2002 and who was denied financial assistance solely as a result of a
41 child being over 18 years of age, would be reconsidered without
42 having to submit a new application.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR **ASSEMBLY, Nos. 1319 and 2336**

STATE OF NEW JERSEY

DATED: JANUARY 8, 2004

The Assembly Appropriations Committee reports favorably an Assembly Committee Substitute for Assembly Bill Nos. 1319 and 2336, with committee amendments.

This Assembly Committee Substitute for Assembly Bills No. 1319 and 2336 amends the law establishing the "Catastrophic Illness in Children Relief Fund" (N.J.S.A.26:2-148 et seq.), which provides assistance to families in New Jersey whose children's medical expenses extend beyond their available resources.

Under the substitute:

(1) The age limit on a child's eligibility for payment or reimbursement from the fund is raised from 18 to 21. The sponsor's statement indicates that the higher age limit is more consistent with federal and other State programs and will allow the fund to extend assistance to families whose children currently age out of the program while still dependent on their care givers due to their physical or mental health;

(2) The powers and duties of the Catastrophic Illness in Children Relief Fund Commission are revised to clarify that the commission is responsible for processing fund awards and appeals rather than claim disputes (the latter typically being the duty of an insurance company);

(3) The commission is authorized to hire staff, experts and consultants on a contract basis or otherwise, and to employ investigators or other professionally qualified personnel through the noncompetitive division of the career service of the Civil Service; and

(4) Provision is made that a child having a catastrophic illness who meets the eligibility requirements *shall*, and not simply *may*, receive financial assistance from the fund through the legal guardian, subject to the commission's regulations and the availability of fund financing.

The substitute takes effect immediately and is retroactive to January 1, 2002, to allow any previous applicant, whose application for financial assistance from the fund on or after that date may have been denied solely as a result of a child being over 18 years of age, to be reconsidered without having to submit a new application.

As substituted and reported by the committee, this substitute is identical to Senate Bill No. 1965, as also reported by the committee.

FISCAL IMPACT:

The Catastrophic Illness in Children Relief Fund Commission estimates that an additional 50 children a year will be assisted under the provisions of the substitute, at a first year cost of \$300,000 and an annual cost thereafter of \$1.2 million. The Fund is financed through a \$1.00 per employee surcharge levied upon all employers subject to the New Jersey Unemployment Compensation Law. Fund expenses are limited by the availability revenues. In this connection, it is noted that the Executive Budget proposal for FY2004 reported that the Fund balance at the close of FY2002 was about \$15.3 million, estimated the closing balance for FY2003 at \$13.4 million, and projected the closing balance for FY2004 at \$7.2 million.

FISCAL NOTE
ASSEMBLY, No. 2336
STATE OF NEW JERSEY
210th LEGISLATURE

DATED: JUNE 27, 2003

SUMMARY

Synopsis: Expands eligibility for reimbursement from Catastrophic Illness in Children Relief Fund and amends powers and duties of Catastrophic Illness in Children Relief Fund Commission.

Type of Impact: None, as program costs are supported by its own dedicated revenue source.

Agencies Affected: Catastrophic Illness in Children Relief Fund Commission.

Executive Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost	\$300,000	\$1,200,000	\$1,200,000
State Revenue	\$6,555,000 plus unexpended balances.	\$6,555,000 plus unexpended balances.	\$6,555,000 plus unexpended balances.

! The Office of Legislative Services (OLS) **concurs** with the Executive estimate and the projected costs of the program expansion and estimated revenues available to the Catastrophic Illness in Children Relief Fund. To the extent that fund expenses exceed available revenues, expenses would be limited to operate within available revenues.

BILL DESCRIPTION

Assembly Bill No. 2336 of 2002 revises the "Catastrophic Illness in Children Relief Fund" program (N.J.S.A.26:2-148 et seq.) as follows:

- C The definition of "child" is revised to expand eligibility to persons up to 21 years of age. (Currently, the age limit is 18.);
- C The powers and duties of the Catastrophic Illness in Children Relief Fund Commission are clarified to indicate that the commission processes awards and appeals rather than claim disputes, the latter of which are typically the practice of an insurance company;
- C The commission would be permitted to hire professional and clerical staff through the noncompetitive division of the career service of the Civil Services; and
- C The program's provisions with respect to payments and reimbursement from the fund are clarified so that a child who has a catastrophic illness and meets the eligibility requirements shall, rather than may, receive financial assistance from the fund, subject to the availability of monies in the fund.

FISCAL ANALYSIS

EXECUTIVE BRANCH

The Catastrophic Illness in Children Relief Fund Commission and the Office of Management and Budget estimate that increasing the age of children covered by the fund from 18 to 21 will assist an additional 50 children annually and will increase program costs by \$300,000 in the first year and \$1.2 million annually, thereafter. It is further estimated that approximately \$6.6 million in revenues will be available to the fund annually through the \$1.00 per employee annual surcharge levied upon all employers who are subject to the New Jersey Unemployment Compensation Law, N.J.S.A.43:21-1 et seq. In addition, the following amounts of unexpended balances as of June 30th are expected to be available: FY 2003 - \$13.4 million; FY 2004 - \$10.5 million; and FY 2005 - \$7.6 million.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services (OLS) concurs with the Executive estimate as to the additional cost of increasing the age of a child eligible for the program from 18 to 21 and the estimate of the amount of revenue available to the fund from the \$1.00 per employee surcharge.

Also, the number of children the fund can assist is limited to the total amount of resources available to the fund. Thus, if the amount to be reimbursed exceeds available funds, reimbursements would be reduced by the commission. It is noted, however, that estimates as to the fund's unexpended balances are speculative. For example, whereas it had been estimated that FY 2004 unexpended balances would be \$10.5 million, the Governor's FY 2004 recommended budget estimates only \$7.3 million in unexpended balances.

Section: *Human Services*

Analyst: *Jay Hershberg*
Principal Fiscal Analyst

Approved: *Alan R. Kooney*
Legislative Budget and Finance Officer

This fiscal note has been prepared pursuant to P.L.1980, c.67.