

26: 2-149

LEGISLATIVE HISTORY CHECKLIST
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(Catastrophic illness in children)

NJSA: 26:2-149

LAWS OF: 1993 **CHAPTER:** 103

BILL NO: S1311

SPONSOR(S) DiFrancesco

DATE INTRODUCED: October 29, 1992

COMMITTEE: **ASSEMBLY:** Appropriations
SENATE: Womens Issues

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: **ASSEMBLY:** February 25, 1993
SENATE: December 17, 1992

DATE OF APPROVAL: April 12, 1993

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes
SENATE: Yes

FISCAL NOTE: No

VETO MESSAGE: No

MESSAGE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

KBG:pp

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SENATE, No. 1311

STATE OF NEW JERSEY

INTRODUCED OCTOBER 29, 1992

By Senators DiFRANCESCO and CAFIERO

1 AN ACT concerning the catastrophic illness in children relief
2 program and amending and supplementing P.L.1987, c.370
3 (C.26:2-148 et seq.).
4

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

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

9 2. As used in this act:

10 a. "Catastrophic illness" means any illness or condition the
11 medical expenses of which are not covered by any other State or
12 federal program or any insurance contract and exceed [30%] 15%
13 of the first \$100,000 of annual income of a family [whose income
14 is \$100,000.00 or less per year or 40%] plus 20% of the excess
15 income [of a family whose income is over \$100,000.00 per year]
16 over \$100,000.

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

18 c. "Commission" means the Catastrophic Illness in Children
19 Relief Fund Commission.

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

23 e. "Fund" means the Catastrophic Illness in Children Relief
24 Fund.

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

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

36 (cf: P.L.1987, c.370, s.2)

37 2. Section 4 of P.L.1987, c.370 (C.26:2-151) is amended to
38 read as follows:

39 4. There is established in, but not of, the State Department of
40 Health the Catastrophic Illness in Children Relief Fund
41 Commission. The commission shall consist of the Commissioner
42 of the State Department of Health, the Commissioner of the

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 Department of Human Services, the Commissioner of the
2 Department of Insurance, and the State Treasurer, who shall be
3 members ex officio, and [~~five~~] seven public members who are
4 residents of this State, appointed by the Governor with the
5 advice and consent of the Senate for terms of five years, [~~one~~]
6 two of whom [~~is~~] are appointed upon the recommendation of the
7 President of the Senate [~~and~~] , one of whom is a provider of
8 health care services to children in this State and [~~one~~] two of
9 whom [~~is~~] are appointed upon the recommendation of the Speaker
10 of the General Assembly [~~and~~] , one of whom is a provider of
11 health care services to children in this State. The five public
12 members first appointed by the Governor shall serve for terms of
13 one, two, three, four and five years, respectively.

14 Each member shall hold office for the term of his appointment
15 and until his successor has been appointed and qualified. A
16 member of the commission is eligible for reappointment.

17 Each ex officio member of the commission may designate an
18 officer or employee of his department to represent him at
19 meetings of the commission, and each designee may lawfully vote
20 and otherwise act on behalf of the member for whom he
21 constitutes the designee. Any designation shall be in writing
22 delivered to the commission and filed with the office of the
23 Secretary of State and shall continue in effect until revoked or
24 amended in the same manner as provided for designation.
25 (cf: P.L.1987, c.370, s.4).

26 3. (New section) The commission is authorized to negotiate or
27 settle a claim that the fund maintains for reimbursement against
28 a family who has received assistance for the medical expenses of
29 a child with a catastrophic illness pursuant to P.L.1987, c.370
30 (C.26:2-148 et seq.) and has recovered damages in a legal action
31 for the child's medical expenses. Money recovered pursuant to
32 this section shall be deposited in the fund.

33 4. This act shall take effect immediately and shall be
34 retroactive to January 1, 1988.

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37 STATEMENT

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39 This bill amends and supplements the catastrophic illness in
40 children relief program.

41 The bill modifies the eligibility requirements of the program to
42 permit reimbursement of medical expenses of children with
43 catastrophic illnesses if the expenses are not covered by any
44 other State or federal program or any insurance contract and
45 exceed 15% of the first \$100,000 of annual income of a family
46 plus 20% of the excess income over \$100,000. Present law
47 permits reimbursement if the medical expenses exceed 30% of
48 the income of a family whose annual income is \$100,000 or less or
49 40% of the income of a family whose annual income is over
50 \$100,000.

51 The bill changes the definition of child from a person under 18
52 years to a person 18 years of age and under and modifies the
53 residency requirement for eligibility for the program from a
54 requirement of six months residency to three months residency.

1 The bill also increases the membership of the Catastrophic
2 illness in Children Relief Fund Commission by adding two public
3 members appointed by the Governor, one upon the
4 recommendation of the President of the Senate and one upon the
5 recommendation of the Speaker of the General Assembly.

6 The bill permits the commission to negotiate or settle claims
7 that the fund maintains against a family who has received the
8 fund's assistance and has recovered damages in a legal action for
9 the child's medical expenses. The bill directs that any money
10 collected from these settlements be deposited in the fund.

11 Finally, the bill provides that it shall be effective immediately
12 and shall be retroactive to January 1, 1988.

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17 Makes various changes to the catastrophic illness in children
18 relief program.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 1311

STATE OF NEW JERSEY

DATED: JANUARY 25, 1993

The Assembly Appropriations Committee reports favorably Senate Bill No. 1311.

Senate Bill No. 1311 amends and supplements P.L.1987, c.370 (C.26:2-148 et seq.), the law which created the Catastrophic Illness in Children Relief Fund.

The bill modifies the eligibility requirements for receiving financial assistance from the fund. This bill would permit reimbursement of medical expenses of children with catastrophic illnesses if the expenses are not covered by any other State or federal program or any insurance contract and exceed 15% of the first \$100,000 of annual income of a family plus 20% of the excess income over \$100,000. Present law permits reimbursement if the medical expenses exceed 30% of the income of a family whose annual income is \$100,000 or less or 40% of the income of a family whose annual income is over \$100,000.

The definition of child is changed from a person under 18 years to a person 18 years of age and under and the residency requirement for eligibility for the program is modified from a requirement of six months residency to three months residency.

The bill increases the membership of the Catastrophic Illness in Children Relief Fund Commission by adding two public members appointed by the Governor, one on recommendation of the Senate President and one on recommendation of the Speaker of the General Assembly.

The commission is given authorization to negotiate or settle claims that the fund maintains against a family who has received the fund's assistance and has recovered damages in a legal action for the child's medical expenses. The bill directs that any money collected from these settlements be deposited in the fund.

Finally, section 4 of the bill makes its provisions retroactive to January 1, 1988. Consequently, children who suffered catastrophic illnesses but were not eligible for financial assistance from the fund prior to the enactment of this bill may become eligible for that assistance under the new eligibility requirements.

FISCAL IMPACT

Approximately \$6 million is anticipated for deposit into the Catastrophic Illness in Children Relief Fund during FY 1993. According to the director of the program, the fund has a balance of approximately \$20 million and approximately \$5 million will be disbursed during FY 1993 for eligible children and their families. There are currently 150 applications for financial assistance which must be reviewed and approved by the commission administering the fund. According to the director, the fund balance is adequate to meet the needs of any additional applications generated by this bill and approved by the commission.

The fund was established in 1988 as a revolving, nonlapsing fund administered by the Catastrophic Illness in Children Relief Fund Commission. A \$1.00 annual surcharge per employee for all employers who are subject to the new Jersey "Unemployment Compensation Law," R.S.43:21-1 ets eq. is collected annually and deposited into the fund.

SENATE WOMEN'S ISSUES, CHILDREN
AND FAMILY SERVICES COMMITTEE

STATEMENT TO

SENATE, No. 1311

STATE OF NEW JERSEY

DATED: DECEMBER 10, 1992

The Senate Women's Issues, Children and Family Services Committee favorably reports Senate Bill No. 1311.

This bill amends and supplements the catastrophic illness in children relief program.

The bill modifies the eligibility requirements of the program to permit reimbursement of medical expenses of children with catastrophic illnesses if the expenses are not covered by any other State or federal program or any insurance contract and exceed 15% of the first \$100,000 of annual income of a family plus 20% of the excess income over \$100,000. Present law permits reimbursement if the medical expenses exceed 30% of the income of a family whose annual income is \$100,000 or less or 40% of the income of a family whose annual income is over \$100,000.

The bill changes the definition of child from a person under 18 years to a person 18 years of age and under and modifies the residency requirement for eligibility for the program from a requirement of six months residency to three months residency.

The bill also increases the membership of the Catastrophic Illness in Children Relief Fund Commission by adding two public members appointed by the Governor, one upon the recommendation of the President of the Senate and one upon the recommendation of the Speaker of the General Assembly.

The bill permits the commission to negotiate or settle claims that the fund maintains against a family who has received the fund's assistance and has recovered damages in a legal action for the child's medical expenses. The bill directs that any money collected from these settlements be deposited in the fund.

Finally, the bill provides that it shall be effective immediately and shall be retroactive to January 1, 1988.

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Release: MONDAY
APRIL 12, 1993

STATEMENT OF GOVERNOR FLORIO ON SIGNING OF S-1311

The catastrophic illness in children relief program is literally a lifesaver. It helps parents cope with the mental and financial pain of serious illness. Senate President DiFrancesco has been a leader in this area. This new legislation will help us to help even more children. It is a good way to show our concern and our love.

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