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No

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**

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**STATE OF NEW JERSEY**

**210th LEGISLATURE**

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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

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17 Fund Commission.

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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.

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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.  
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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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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  
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42 program, the child, through his parent or legal guardian, [may]shall  
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44 and regulations established by the commission and the availability of  
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9 STATEMENT

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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  
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21 whose children currently age out of the program but whose children  
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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**

<b>Fiscal Impact</b>	<u><b>Year 1</b></u>	<u><b>Year 2</b></u>	<u><b>Year 3</b></u>
<b>State Cost</b>	\$300,000	\$1,200,000	\$1,200,000
<b>State Revenue</b>	\$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.



A1319 PREVITE, SCALERA

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20 medical expenses.

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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;

**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       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)

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)

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

11       -- 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 for  
14 payment or reimbursement from the fund. This expansion of eligibility  
15 provides greater consistency with other federal and State programs  
16 and allows the fund to provide assistance to families whose children  
17 currently age out of the program, but whose children are still  
18 dependent on their caregivers as a result of their physical or mental  
19 health;

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

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

30       -- the bill amends language concerning payments and  
31 reimbursements from the fund to clarify that whenever a child has a  
32 catastrophic illness and meets the eligibility requirements, the child,  
33 through the legal guardian, shall, rather than may, receive financial  
34 assistance 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 takes effect immediately and is retroactive to January 1,  
38 2002.

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

# 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:**

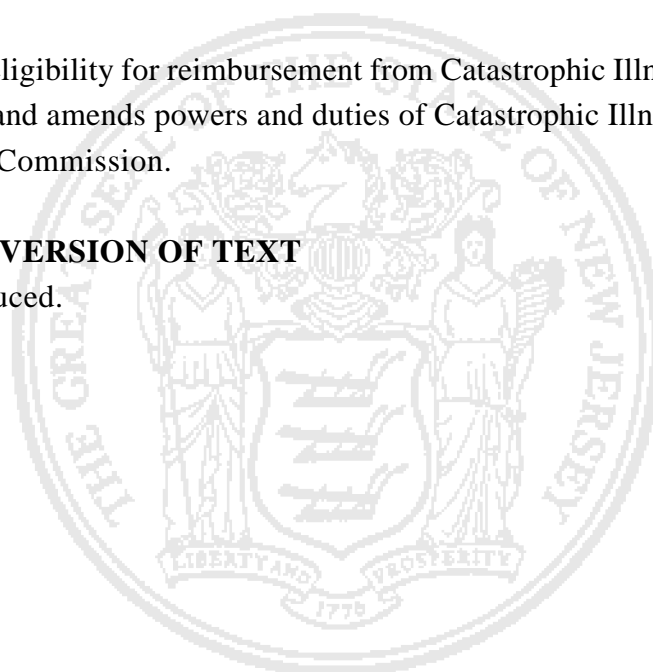
**Assemblyman Bramnick**

**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**

<b>Fiscal Impact</b>	<u><b>Year 1</b></u>	<u><b>Year 2</b></u>	<u><b>Year 3</b></u>
<b>State Cost</b>	\$300,000	\$1,200,000	\$1,200,000
<b>State Revenue</b>	\$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.