

CHAPTER 155
CATASTROPHIC ILLNESS IN CHILDREN
RELIEF FUND PROGRAM

Authority

N.J.S.A. 26:2-148 et seq., specifically 26:2-159.

Source and Effective Date

R.2004 d.352, effective August 23, 2004.
 See: 36 N.J.R. 2974(a), 36 N.J.R. 4314(a).

Chapter Expiration Date

Chapter 155, Catastrophic Illness in Children Relief Fund Program, expires on August 23, 2009.

Chapter Historical Note

Chapter 155, Catastrophic Illness in Children Relief Fund Program, originally codified in Title 8 as Chapter 18, Catastrophic Illness in Children Relief Fund Program, was adopted and became effective prior to September 1, 1969.

Chapter 18, Catastrophic Illness in Children Relief Fund Program, was repealed by R.1983 d.101, effective April 4, 1983. See: 14 N.J.R. 1436(b), 15 N.J.R. 544(a).

Chapter 18, Catastrophic Illness in Children Relief Fund Program, was adopted as new rules by R.1989 d.557, effective November 7, 1989. See: 21 N.J.R. 1781(a), 21 N.J.R. 3501(a).

Pursuant to Executive Order No. 66(1978), Chapter 18, Catastrophic Illness in Children Relief Fund Program, was readopted as R.1994 d.572, effective October 21, 1994. See: 26 N.J.R. 3573(a), 26 N.J.R. 4380(a).

Chapter 18, Catastrophic Illness in Children Relief Fund Program, was recodified as N.J.A.C. 10:155 by R.1995 d.608, effective December 4, 1995. See: 27 N.J.R. 3554(a), 27 N.J.R. 4890(b).

Pursuant to Executive Order No. 66 (1978), Chapter 155, Catastrophic Illness in Children Relief Fund Program, was readopted as R.1999 d.354, effective September 17, 1999. See: 31 N.J.R. 2164(a), 31 N.J.R. 3090(a).

Chapter 155, Catastrophic Illness in Children Relief Fund Program, was readopted as R.2004 d.352, effective August 23, 2004. See: Source and Effective Date. See, also, section annotations.

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SUBCHAPTER 1. CATASTROPHIC ILLNESS IN CHILDREN RELIEF FUND PROGRAM

10:155-1.1 Purpose and scope

(a) The purpose of this subchapter is to establish criteria for eligibility and establish a standard methodology for determining the amount of financial assistance to be allocated for services of a child's health providers and vendors for families in the State of New Jersey whose child suffers from a catastrophic illness.

(b) The procedures established shall be followed by the Catastrophic Illness in Children Relief Fund Commission.

10:155-1.2 Definitions

The following words and terms, as used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

"Act" means P.L. 1987, Chapter 370, N.J.S.A. 26:2-148 et seq. which establishes the Catastrophic Illness in Children Relief Fund.

"Batch" means a grouping of applications for the purpose of applying the provisions of N.J.A.C. 10:155-1.6, 1.7 and 1.8.

"Catastrophic Fund" or "Fund" means the Catastrophic Illness in Children Relief Fund.

"Catastrophic illness" means any illness or condition for which the incurred medical expenses not covered by any other State or Federal program or any other insurance contract or trust which allows funds to provide for the medically related needs of a child as defined in N.J.A.C. 10:155-1.14 or settlement relative to the medical condition of a child exceed 10 percent of the first \$100,000 of annual income of a family plus 15 percent of the excess income over \$100,000.

"Chairperson" means the chief executive officer of the Commission who is elected by the Commission membership from the public members for a term of one year.

"Child" means a person 21 years of age and under.

"Commission" means the 11 member Catastrophic Illness in Children Relief Fund Commission created by the Act and appointed by the Governor to administer the Fund. The Commission, chaired by a public member, is "in but not of" the Department of Human Services.

"Days" means calendar days.

"Eligibility standard" means that dollar amount greater than 10 percent of the first \$100,000 of annual income of a family plus 15 percent of the excess income over \$100,000.

"Executive director" means the professional employed by the Commission, in accordance with NJ Department of Personnel's procedures, to administer the Fund on a day-to-day basis on behalf of the Commission.

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

"Family responsibility" means the amount equal to 10 percent of the eligibility standard.

"Health insurance" means contracts, excluding automobile insurance contracts, whereby an insurer is obligated to pay or allow a benefit for the child as a named insured due to bodily injury, disablement, sickness, or because of any expense relating thereto or because of expense incurred in the prevention of sickness to include limited scope plans such as dental, vision, and prescription drug.

"Income" means the following:

1. Wages before deductions;
2. Public Assistance;
3. Social Security Benefits;
4. Supplemental Security Income;
5. Unemployment and Workman's Compensation;
6. Strike Benefits from Union Funds;
7. Veteran's Benefits;
8. Training Stipends;
9. Alimony;
10. Child Support;
11. Military Family Allotment;
12. Regular Support from Absent Family Member;
13. Pension Payments;
14. Insurance or Annuity Payments;
15. Income from Estates and Trusts;
16. Dividends;

17. Interest Income;

18. Rental Income;

19. Royalties; and

20. Other sources of income not mentioned above; however,

21. Income does not include the following money receipts: withdrawals from a bank; sale of property, house or car; tax refunds; gifts; one-time insurance payments; or compensation from injury, unless the injury directly relates to a child's condition which is the basis for an application being made to the Fund. Also disregarded is non-cash income and any money raised by fundraising.

"Local agency" means the agency responsible for assisting families in the application process, forwarding applications to the State Office, and making appropriate referrals to other state programs and benefits.

"State Office of Catastrophic Illness in Children Relief Fund (State Office)" means the Office of the Executive Director of the Fund, which has responsibility for administering the Fund on a day-to-day basis on behalf of the Commission.

"Threshold" means the point at which a child's out-of-pocket medical expenses exceed 10 percent of the first \$100,000 of annual income of a family plus 15 percent of the excess income over \$100,000. After the child's medical expenses reach this threshold, a child has passed the initial screen for eligibility for assistance from the Fund.

Amended by R.1990 d.619, effective December 17, 1990.

See: 22 N.J.R. 2669(b), 22 N.J.R. 3754(a).

Definition for deductible deleted; definitions of eligibility standard and family responsibility added.

Amended by R.1991 d.595, effective December 16, 1991.

See: 23 N.J.R. 2564(a), 23 N.J.R. 3754(b).

Definition for county case manager deleted; local agency added; money raised by fundraising excluded from definition of income.

Amended by R.1993 d.438, effective September 7, 1993.

See: 25 N.J.R. 2169(a), 25 N.J.R. 4128(a).

Amended by R.1995. d.608, effective December 4, 1995.

See: 27 N.J.R. 3554(a), 27 N.J.R. 4890(b).

Amended by R.1998 d.504, effective October 19, 1998.

See: 30 N.J.R. 2562(a), 30 N.J.R. 3837(a).

Inserted "Chairperson" and "Health insurance"; and in "Family responsibility", substituted a reference to the eligibility standard for reference to a family's income.

Amended by R.1999 d.354, effective October 18, 1999.

See: 31 N.J.R. 2164(a), 31 N.J.R. 3090(a).

In "Catastrophic Illness" and "Threshold", substituted references to 10 percent for references to 15 percent, and substituted references to 15 percent for references to 20 percent; and in "Eligibility standard", substituted "greater than 10 percent" for "equal to 15 percent" following "amount", and substituted a reference to 15 percent for a reference to 20 percent.

Amended by R.2004 d.352, effective September 20, 2004.

See: 36 N.J.R. 2974(a), 36 N.J.R. 4314(a).

In "Catastrophic illness" substituted "which allows funds to provide for the medically related needs of a child as defined in N.J.A.C. 10:155-1.4" for "funds"; in "Child" substituted a reference to 21 years of age and younger for a reference to under 19 years of age.

10:155-1.12 Commission responsibilities

(a) The Catastrophic Illness in Children Relief Fund Commission shall be responsible to:

1. Develop policies and procedures for operation of the Fund;
2. Meet to review and make decisions on applications of families for financial assistance in regularly scheduled cycles; and
3. Negotiate or settle the recovery of funds disbursed in accordance with the provisions of this chapter.

Amended by R.1993 d.438, effective September 7, 1993.
See: 25 N.J.R. 2169(a), 25 N.J.R. 4128(a).

10:155-1.13 Time period for measuring expenses and income

In screening a child/family for eligibility for the Fund, expenses and income shall be measured by any prior consecutive 12-month time period. The income will be reported for the same prior consecutive 12-month time period back to January 1988. In addition, a supplemental statement of income and expenses may be submitted at the request of the State Office. Applications shall be accepted any time throughout the year.

Amended by R.1991 d.595, effective December 16, 1991.
See: 23 N.J.R. 2564(a), 23 N.J.R. 3754(b).
Income reported back to January 1988.
Amended by R.1997 d.157, effective April 7, 1997.
See: 28 N.J.R. 5028(b), 29 N.J.R. 1317(a).
Clarified time period used for measurement.

10:155-1.14 Eligible health services

(a) Categories of incurred health expenses which are medically-authorized in the care of a child with an illness or condition eligible for consideration is assessing whether a family has reached its eligibility threshold of exceeding 10 percent of the first \$100,000 of annual income of a family plus exceeding 15 percent of the excess income over \$100,000 include, but are not limited to, the following:

1. Physician-authorized ancillaries (labs, x-rays);
2. Specialized pediatric ambulatory care, including physician-authorized rehabilitative therapies (for example, speech, occupational, and physical), physician-authorized care for treatment of addiction disorders and mental health care, dental care, eye care, chiropractic care;
3. Care in an acute hospital in New Jersey (treatment for acute and chronic conditions and treatment of addiction disorders and mental health conditions);
4. Care in acute hospitals in other states (treatment for acute and chronic conditions, and treatment of addiction disorders and mental health conditions as well as highly specialized care such as organ transplants);

5. Physicians and nursing services in all settings, including primary care (preventive care) and immunization services (for example, office, hospital);

6. Care in specialty hospitals (for example, rehabilitative, psychiatric);

7. Long term care (respite care, hospice care, residential care, or other care);

8. Home health care (physician-authorized home health aide, physician-authorized public health nurse, physician-authorized private duty nurse or other care);

9. Pharmaceuticals (physician-authorized Federal Drug Administration approved over-the-counter and prescription drugs related to the medical condition and physician-authorized Federal Drug Administration approved medical formulas);

10. Disposable medical supplies (physician-authorized over-the-counter and prescribed supplies);

11. Durable medical equipment (for example, physician-authorized ventilators, prostheses);

12. Home modification that is related to the medical condition of the child at the time the expenses were incurred;

13. Purchase of a specialized leased or specialized, modified vehicle and any subsequent modifications that are related to the medical condition of the child at the time the expenses were incurred; and

14. Experimental medical treatment/experimental drugs which are recognized by Federal or State agencies and provided by licensed health care providers. Applications involving experimental treatment/experimental drugs may require additional review.

(b) Categories of incurred health-related expenses are eligible for consideration in assessing whether a family has reached its eligibility threshold of exceeding 10 percent of the first \$100,000 of annual income of a family plus exceeding 15 percent of the excess income over \$100,000 include:

1. Family transportation and travel-related expenses including, but not limited to, mileage allowance, tolls, parking receipts, temporary shelter costs and telephone calls related to medical condition.

(c) Fifty percent of a health insurance premium including supplemental and dependent coverage that is paid by a family, not to exceed 50 percent of total eligible expenses, when accompanied by eligible expenses in (a) or (b) above.

Amended by R.1991 d.595, effective December 16, 1991.
See: 23 N.J.R. 2564(a), 23 N.J.R. 3754(b).

Treatment for addiction and mental health disorders; travel-related expenses, 50% of health insurance, home modification, specialized vehicle and experimental drugs or treatment added to eligible health services.

Amended by R.1993 d.438, effective September 7, 1993.
See: 25 N.J.R. 2169(a), 25 N.J.R. 4128(a).

Amended by R.1994 d.572, effective November 7, 1994.

See: 26 N.J.R. 3573(a), 26 N.J.R. 4380(a).

Amended by R.1997 d.157, effective April 7, 1997.

See: 28 N.J.R. 5028(b), 29 N.J.R. 1317(a).

In (a)12 and (a)13, inserted "that is related to the medical condition of the child at the time the expenses were incurred"; and in (a)14, in the second sentence, inserted reference to experimental drugs.

Amended by R.1998 d.504, effective October 19, 1998.

See: 30 N.J.R. 2562(a), 30 N.J.R. 3837(a).

In (a), rewrote 1 and 5; and rewrote (c).

Amended by R.1999 d.354, effective October 18, 1999.

See: 31 N.J.R. 2164(a), 31 N.J.R. 3090(a).

In (a) and (b), substituted "exceeding 10 percent" for "15 percent", and substituted "exceeding 15 percent" for "20 percent" in the introductory paragraphs; and rewrote (a)9.

Amended by R.2004 d.352, effective September 20, 2004.

See: 36 N.J.R. 2974(a), 36 N.J.R. 4314(a).

In (a)9, inserted "and physician-authorized Federal Drug Administration approved medical formulas" following "drugs related to the medical condition".

10:155-1.15 Ineligible health services

(a) Categories of health and health-related expenses which are not eligible for consideration in assessing whether a family has reached its eligibility threshold of exceeding 10 percent of the first \$100,000 of annual income of a family plus exceeding 15 percent of the excess income over \$100,000 shall include, but are not limited to, the following:

1. Special education required as result of medical condition;
2. Elective cosmetic surgery/treatment; and
3. Modifications to vacation and secondary homes.

Amended by R.1991 d.595, effective December 16, 1991.

See: 23 N.J.R. 2564(a), 23 N.J.R. 3754(b).

Experimental drugs or treatment deleted.

Amended by R.1993 d.438, effective September 7, 1993.

See: 25 N.J.R. 2169(a), 25 N.J.R. 4128(a).

Amended by R.1999 d.354, effective October 18, 1999.

See: 31 N.J.R. 2164(a), 31 N.J.R. 3090(a).

In (a), substituted "exceeding 10 percent" for "15 percent" and substituted "exceeding 15 percent" for "20 percent" in the introductory paragraph, inserted a reference to treatment in 2, and added 3.

10:155-1.16 Administration of payments

(a) The State Office shall oversee processing of payments from the Fund. Though in general payments shall be made directly to providers and vendors, consideration shall be given to making payments directly to families.

(b) Items in N.J.A.C. 10:155-1.14, Eligible health services, shall be considered for payments.

Amended by R.1991 d.595, effective December 16, 1991.

See: 23 N.J.R. 2564(a), 23 N.J.R. 3754(b).

Condition added to insurance payment.

Amended by R.1993 d.438, effective September 7, 1993.

See: 25 N.J.R. 2169(a), 25 N.J.R. 4128(a).

Amended by R.1994 d.572, effective November 7, 1994.

See: 26 N.J.R. 3573(a), 26 N.J.R. 4380(a).

Amended by R.1995 d.608, effective December 4, 1995.

See: 27 N.J.R. 3554(a), 27 N.J.R. 4890(b).

10:155-1.17 Appeal process

(a) The following applies to the appeals:

1. Upon receipt of a determination by the State Office, an applicant who disputes that determination may appeal to the Catastrophic Illness in Children Relief Fund Commission by filing a written appeal to:

New Jersey State Department of Human Services
Catastrophic Illness in Children Relief Fund Commission
PO Box 0728
Trenton, NJ 08625-0728
Attn: Chairperson

2. Appeals must be received at the above address no later than 30 days from the date of notice of the determination made by the State Office. The Commission may waive the deadline for cause.

3. The written appeal shall include all reasons and grounds for disputing the determination made by the State Office and all proof and documentation in support of the appeal.

4. The Commission shall conduct such review and analysis as is necessary to reach a decision on the appeal. At its discretion, the Commission may direct a conference to be convened with the applicant, or may refer the matter to the Office of Administrative law pursuant to the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq., and the Uniform Administrative Procedure Rules, N.J.A.C. 1:1.

5. Except for appeals referred to the Office of Administrative Law, the Commission shall render a decision on the appeal within 180 days from the date of original receipt of the appeal. Appeals referred to the Office of Administrative Law shall be decided by the Commission within 45 days from the date of filing of the Initial Decision of the Administrative Law Judge, or at such later date as permitted by law.

6. A decision made by the Commission shall be final. It may be appealed to the Superior Court of New Jersey as permitted by court rules.

(b) Unless otherwise specifically ordered by the Commission, an applicant may not receive benefits from the Catastrophic Illness in Children Relief Fund while an appeal is pending at any level.

Amended by R.1991 d.595, effective December 16, 1991.

See: 23 N.J.R. 2564(a), 23 N.J.R. 3754(b).

Appeal deadline extended to 30 days; waiver permitted for cause.

Amended by R.1994 d.572, effective November 7, 1994.

See: 26 N.J.R. 3573(a), 26 N.J.R. 4380(a).

Amended by R.1995 d.608, effective December 4, 1995.

See: 27 N.J.R. 3554(a), 27 N.J.R. 4890(b).

Amended by R.1998 d.504, effective October 19, 1998.

See: 30 N.J.R. 2562(a), 30 N.J.R. 3837(a).

In (a)5, substituted a reference to 180 days for a reference to 90 days in the first sentence.

Amended by R.2004 d.352, effective September 20, 2004.
 See: 36 N.J.R. 2974(a), 36 N.J.R. 4314(a).
 In (a), amended the address in 1.

10:155-1.18 Special cases

(a) Special cases shall be referred to the Commission for its review and consideration. Special cases shall include, but are not limited to, the following:

1. In special cases in which a family has more than one child with a catastrophic illness (as defined by expenses in excess of the 10 percent of the first \$100,000 of annual income of a family plus 15 percent of the excess income over \$100,000 threshold for each child), consideration shall be given to waiving the family responsibility as outlined in N.J.A.C. 10:155-1.2 for the other child/children given that the family would have already met the family responsibility for the first child in a State fiscal year.

2. For special hardship cases that come before the Commission during a batch cycle, after the standard disbursement guidelines have been applied to each case in the batch and sufficient monies remain in the Fund, consideration shall be given to waiving the standard disbursement guidelines (that is, the family responsibility and the cap as outlined in N.J.A.C. 10:155-1.2 and 1.7).

Amended by R.1990 d.619, effective December 17, 1990.
 See: 22 N.J.R. 2669(b), 22 N.J.R. 3754(a).

Provisions for deductible amount deleted; family responsibility added.

Amended by R.1993 d.438, effective September 7, 1993.
 See: 25 N.J.R. 2169(a), 25 N.J.R. 4128(a).

Amended by R.1995 d.608, effective December 4, 1995.
 See: 27 N.J.R. 3554(a), 27 N.J.R. 4890(b).

Amended by R.1998 d.504, effective October 19, 1998.
 See: 30 N.J.R. 2562(a), 30 N.J.R. 3837(a).

In (a), added a reference to State fiscal years at the end of 1, deleted a former 2 and recodified former 3 as 2.

Amended by R.1999 d.354, effective October 18, 1999.
 See: 31 N.J.R. 2164(a), 31 N.J.R. 3090(a).

In (a), substituted a reference to 10 percent for a reference to 15 percent, and substituted a reference to 15 percent for a reference to 20 percent.

10:155-1.19 Confidentiality of information

Information received pursuant to the duties required by the Act shall not be disclosed publicly in such a manner as to identify individuals unless special circumstances require such disclosure and the proper notice is served and parent or legal guardian's consent is given, as may be necessary for pending legal proceedings.

10:155-1.20 Recovery of Commission expenses

(a) If a family receives assistance from the Fund for a child, in accordance with this chapter, and subsequently recovers damages or a financial award for the child's medical expenses, pursuant to a settlement or judgment in a legal action, the family shall reimburse the Fund for either:

1. The amount of assistance received from the Fund;
 or

2. The portion of assistance received for the injury, illness or condition covered by the damage or judgment, less the family's expenses of recovery.

(b) The Commission may negotiate or settle the recovery of such claims, for cause presented by the family to the Commission.

New Rule. R.1993 d.438, effective September 7, 1993.
 See: 25 N.J.R. 2169(a), 25 N.J.R. 4128(a).

APPENDIX I

Examples of Catastrophic Illness in Children Relief Fund Program[†]

The examples below illustrate the extent to which the Fund would assist three families with different income levels.

FAMILY #1 (with income of \$30,000)	
Family income:.....	\$30,000
Eligibility Standard (Exceeding 10% of income): ..	3,000
Amount of Eligible Medical Expenses not Covered by Insurance:	15,000
Family Responsibility (Exceeding 10% of Eligibility Standard):	300
Amount of Fund's Financial Assistance to Family: .	14,700
Amount for which Family remains responsible:	300
FAMILY #2 (with income of \$80,000)	
Family income:.....	\$80,000
Eligibility Standard (Exceeding 10% of income): ..	8,000
Amount of Eligible Medical Expenses not Covered by Insurance:	15,000
Family Responsibility (Exceeding 10% of Eligibility Standard):	800
Amount of Fund's Financial Assistance to Family: .	14,200
Amount for which Family remains responsible:	800
FAMILY #3 (with income of \$120,000)	
Family income:.....	\$120,000
Eligibility Standard:.....	13,000
Exceeding 10% of the first \$100,000 or 10,000	
Exceeding 15% of the excess over \$100,000 or 3,000	
Amount of Eligible Medical Expenses not Covered by Insurance:	15,000
Family Responsibility (Exceeding 10% of Eligibility Standard):	1,300
Amount of Fund's Financial Assistance to Family: .	13,700
Amount for which Family remains responsible:	1,300

[†]Assuming: an annual \$100,000 cap; adequate monies available in Fund obviating need for additional restrictions and cost-sharing; and none of the cases are in the "special" category.

Amended by R.1990 d.619, effective December 17, 1990.
 See: 22 N.J.R. 2669(b), 22 N.J.R. 3754(a).

All examples deleted; new examples added.
 Amended by R.1993 d.438, effective September 7, 1993.
 See: 25 N.J.R. 2169(a), 25 N.J.R. 4128(a).

Amended by R.1998 d.504, effective October 19, 1998.
 See: 30 N.J.R. 2562(a), 30 N.J.R. 3837(a).

Substituted references to Eligibility Standards for references to Family Income and changed dollar amounts throughout.

Amended by R.1999 d.354, effective October 18, 1999.
 See: 31 N.J.R. 2164(a), 31 N.J.R. 3090(a).

Rewrote the appendix.