

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Chapter 18, Catastrophic Illness in Children Relief Fund Program, was repealed by R.1983 d.101, effective April 4, 1983.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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IN CHILDREN RELIEF FUND PROGRAM

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 12 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 the Executive

Branch of the State government. For purposes of complying with the provisions of Article V, section IV, paragraph 1 of the New Jersey Constitution, the Commission is allocated within the Department of Human Services, but notwithstanding that allocation, the Commission shall be independent of any supervision or control by the Department of Human Services or by any board or officer thereof.

“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.

Amended by R.2008 d.278, effective September 15, 2008.

See: 40 N.J.R. 2399(a), 40 N.J.R. 5239(a).

Rewrote definition “Commission”.

Case Notes

Availability of severely disabled child's special needs trust (SNT) rendered co-trustee ineligible for reimbursement from Catastrophic Illness in Children Relief Fund. *Lewis v. Catastrophic Ill. Fund*, 336 N.J.Super. 361 (A.D. 2001).

10:155-1.3 General requirements

(a) Pursuant to the Act, the Fund will provide assistance to families having a child with a catastrophic illness. A child shall have passed the initial screen for eligibility for the Fund's assistance when a child's incurred and verified medical expenses as specified in this chapter for a prior consecutive 12-month period exceed the amount represented by 10 percent of the first \$100,000 of verified annual income of a family plus 15 percent of the excess income over \$100,000.

1. Ten percent shall be the screen used for families whose income is \$100,000 or less.

2. Ten percent of the first \$100,000 of annual income of a family plus 15 percent of the excess income over \$100,000 shall be the screen used for families whose income is more than \$100,000.

(b) Though the child shall be referred to as being eligible at the point in the application process when the child has passed the initial screen, actual Fund disbursements on behalf of a child shall be limited by the monies available in the Fund and shall be guided by the policies and procedures outlined in the subchapter.

(c) To be eligible for assistance, a child must be a resident of the State of New Jersey. Resident means a person legally domiciled in New Jersey for a period of three months immediately preceding the initial date of application for assistance to the Fund.

1. A child's state of residence is that of the parent(s) or legal guardian.

2. Establishing proof of legal domicile within New Jersey is a responsibility of the parent or legal guardian of a child.

3. Absence from New Jersey for a period of 12 months or more is prima facie evidence of abandonment of domicile.

4. Seasonal residents in New Jersey are excluded from eligibility. Seasonal or temporary residence within the State, of whatever duration, does not constitute domicile. Migrant workers who can document a previous history of work in New Jersey are eligible for consideration.

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), inserted references to verification of medical expenses.

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 references to 10 percent for references to 15 percent and substituted references to 15 percent for references to 20 percent throughout; and in (b), deleted "enrolled or" following "being".

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), substituted "as specified in this chapter" for "(not covered by private insurance or other public programs)" in the introductory paragraph, and substituted "of" for "or" in 2.

10:155-1.4 Initial application process

Applications may be submitted on a year-round basis to the local agency. The name, address, and phone number for the local agencies shall be available from the State Office. The local agency shall forward written applications on forms provided by the State Office for those children who have applied to the State Office.

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

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

Local agency substituted for case manager; State Office screens applications.

10:155-1.5 State Office and Commission review process

(a) Upon receipt of the application from the local agency, the State Office shall consider the providers' and vendors' charges submitted.

(b) Providers shall be able to demonstrate licensure or certification by appropriate State or Federal agencies, if requested by State Office.

(c) Prior to the Commission's batched review of applications, the State Office shall prepare a disbursement schedule for each application in accordance with N.J.A.C. 10:155-1.6, 1.7 and 1.8.

(d) In a cycle of batch reviews, the Commission shall review the applications and the State Office's disbursement schedule for each application based on the annual cap and the sliding payment schedule and make a decision on the Fund's level of assistance for each case. The calendar for the batch reviews shall be made available to the public by the State Office in advance of each year.

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 amounts deleted.

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

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

State Office screens applications; Out-of-State provider rate ceiling deleted.

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

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

10:155-1.6 Eligibility standard

Incurred, out-of-pocket medical expenses greater than 10 percent of the first \$100,000 of annual income for a family plus 15 percent of the excess income over \$100,000 threshold shall be required for eligibility consideration. Those expenses above the family responsibility and up to the cap shall be considered for reimbursement after the eligibility

standard is determined and met (see examples in Appendix I).

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.1999 d.354, effective October 18, 1999.

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

Substituted "greater than 10 percent" for "equal to the 15 percent" following "expenses", and substituted a reference to 15 percent for a reference to 20 percent in the first sentence.

10:155-1.7 Annual cap and vehicle allowance; home modification allowance; speech, language and hearing allowance

(a) The amount of Fund's disbursements on behalf of a child shall be capped at \$100,000 per year.

(b) A one-time vehicle allowance will be capped at \$15,000 for the purchase of a lease or a specialized vehicle. The allowance does not include modifications, which can be considered separately. The one-time vehicle allowance of \$15,000 shall be included in the total disbursement cap, in the year the vehicle allowance was disbursed.

(c) The amount of the home modification allowance shall be capped at \$25,000 per year.

(d) The amount of the speech, language and hearing services allowance shall be capped at \$3,000 per year.

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

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

Cap increased to \$100,000 per year.

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.1997 d.157, effective April 7, 1997.

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

In (c), increased allowance cap from \$15,000 to \$25,000; and added (d).

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

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

In (b) substituted "\$15,000" for "\$25,000" throughout.

10:155-1.8 Sliding payment schedule

If adequate funds do not exist in the Fund at the point in time when a particular batch is being considered by the Commission to pay all applicants the amount of their expenses below the annual cap, a sliding payment schedule shall be used in an effort to distribute the available monies to applicants in an equitable way that considers a family's income, assets and other factors which impact the ability to pay for care.

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.

10:155-1.9 Allocation distribution plan

Because the Fund's actual level of assistance to families, as determined by the Commission, shall in most, if not all, cases be less than the child's medical expenses, the Commission shall determine how the Fund's available monies shall be distributed among eligible providers and vendors. Input from the family shall be sought in the analysis preceding this determination, with guidance from the State Office.

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

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

10:155-1.10 Local agency responsibilities

The local agency shall make referrals and assist in the application process for other programs and benefits (for example, Medicaid, Hospital Charity Care, and other programs), where applicable.

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

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

Local agency substituted for case manager.

10:155-1.11 State office responsibilities

(a) The State office shall:

1. Screen applications to determine whether a child's eligible 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;
2. Maintain oversight to the local agency responsible for assisting families with Program, accepting applications and providing local outreach/information;
3. Administer the Fund on a day-to-day basis on behalf of the Commission;
4. Monitor providers eligibility (that is, certification or other credentials);
5. Consider the reasonableness of providers and vendor charges;
6. Prepare applications for review and consideration of the Commission; and
7. Oversee payments to providers, vendors and, in some cases, to families.

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

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

State Office screens applications, oversees local agencies.

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.1997 d.157, effective April 7, 1997.

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

In (a)1, inserted "eligible" preceding "medical expenses".

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)1, 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.