

CATASTROPHIC ILLNESS IN CHILDREN RELIEF FUND COMMISSION

POLICY/ADMINISTRATIVE PROCEDURE

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| SUBJECT: Vehicle Purchase and Modification |
| EFFECTIVE DATE: September 21, 2004 |
| AUTHORITY: N.J.A.C. 10:155-1.14(a)(13) N.J.A.C. 10:155-1.7(b) |

I. POLICY STATEMENTS:

The program will consider the 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 as an eligible expense. A one-time vehicle allowance is capped at \$15,000 for the purchase of a lease or a specialized vehicle. The one-time vehicle allowance of \$15,000 shall be included in the total disbursement cap, in the year the vehicle allowance was disbursed.

The vehicle allowance does not include modifications, which can be considered separately. Vehicle modifications **are not** a one-time allowable expense. Modifications to a subsequent vehicle would be approved if the expenses met eligibility either alone or with other eligible expenses. Modifications include, but are not limited to, automatic lifts, portable ramps, four point tie downs for wheelchairs, hand control system, raised roof, and lowered floor.

Unmodified vehicles will only be considered when a family can demonstrate that a child requires unique equipment, and/or a family has a unique and/or a reasonable reason for the vehicle purchase. These expenses will be considered on a case-by case basis. For example, oversized, non-collapsible wheelchairs that warrant an oversized space for storage may be considered or if a child requires a nurse to maintain his life-sustaining equipment may also be considered.

For children who reside in a specialty children's hospital, where their medical care is arranged and provided for, families may not be eligible for assistance for a modified vehicle since the intent behind assisting families with specialized transportation is to provide access to medical care. These requests will be reviewed on a case-by-case basis.

Families purchasing vehicles for space to accommodate collapsible wheelchairs, specialized strollers or other equipment that can fit into an unmodified vehicle **may not** be considered eligible for assistance.

II. PROCEDURE:

The application must include the following information:

A. Vehicle Purchase (directly from dealer):

1. Medical documentation that supports need for vehicle at the time of purchase
2. Itemized statement from the car dealer, identifying the purchase price, manufacturer and/or dealer rebate, trade-in allowance, all documentation fees, warranty/service agreement, downpayment
3. If financed through a lending institution, all signed and dated loan documentation
4. Copy of payment coupon, name and phone number of a contact person from the lending institution
5. Verification of downpayment, if applicable. This documentation must support the use of family's personal funds. Program may request source of downpayment, i.e. bank statement
6. Itemized cost for any "electronic package", including VCR, TV, Nintendo, alarm system. These items are considered **ineligible** expenses and must be **excluded** from the total costs. If these items are considered part of the total purchase price, the dealer must submit a letter "pricing" these items out

B. Vehicle Purchase (privately)

1. Medical documentation that supports need for vehicle at the time of purchase
2. If vehicle was paid in full with family's personal funds, documentation that supports this. This would include copies of canceled checks and source of available funds, i.e. bank statements. If vehicle was purchased through a personal loan, i.e. pension loan, home equity etc., complete copy of all loan documentation, signed and dated
3. Copy of the title and registration
4. Copy of receipt document from New Jersey Division of Motor Vehicle Services, which identifies the type of vehicle and sales tax paid

5. Description of vehicle (including electronic package, if applicable) year, make, model and modifications

NOTE: If the receipt document from New Jersey Division of Motor Vehicle Services indicates by the sales tax paid, that the amount is different than the amount the family reports, the program must consider the amount supported by the Division of Motor Vehicle document. For example, if the reported sales tax collected is \$150 (6% currently), this would indicate that the purchase price was \$2,500.

C. Vehicle Purchase (with a private loan from an organization)

1. Medical documentation that supports need for vehicle at the time of purchase
2. Verify financial need of parent(s) (self-reported)
3. Documentation that indicates parent has formal ownership of vehicle and organization as lien holder (Certificate of title)
4. Verification that funds were not raised for purpose of “giving” vehicle to parent
5. Legal documentation that describes terms and conditions of loan repayment between parent and organization. This must be signed by all parties and dated
6. Itemized statement from the car dealer, identifying the purchase price, manufacturer and/or dealer rebate, trade-in allowance, all documentation fees, warranty/service agreement, etc.
7. If approved by the Commission, the distribution of the award will be made directly to the parent, not to the organization or to defray any related loan incurred by the organization with a lending institution

D. Vehicle (Lease/Purchase)

Leased modified/specialized vehicles may be considered as an eligible expense. The program can review this expense two different ways: A) consider the lease payments for only one twelve month period or B) consider the purchase price at lease end. The eligibility coordinator will review these options with the family during the prescreening process. The family must be advised that if they choose option B (purchase price at lease end), the cap of \$15,000 applies and the family must be financially capable of contributing to the purchase price, if it exceeds the cap. If they choose option A (lease payments for one twelve month period), this will be their one time vehicle allowance.

The following documentation is required:

- Medical documentation that supports need for vehicle at the time of purchase
- Signed and dated copy of all lease agreements. This agreement will have all the information that is needed to determine eligibility. The eligibility analyst will review:
 - date of the lease
 - length of the lease
 - monthly payments (these payments include taxes)
 - cash downpayment/trade in
 - documentary fees (including title, registration etc.)
 - purchase price at end of lease
 - taxes on purchase only
 - allowable options (warranty/service agreement)
- Verification of down payment, if applicable. This information must support use of family's personal funds, i.e. canceled checks, credit card statement, etc.
- Documentation describing all modifications completed

E. Modification

- Itemized statement describing the vehicle modifications and specific charges
- Only modifications that relate to the child's medical needs at the time of purchase can be included as eligible expenses
- Documentation regarding the financing or payment of the modifications. Proof of payment must be from family's personal funds
- Documentation that family and/or dealer has applied for the mobility rebate program which applies to new vehicles only
- Medical documentation that describes child's diagnosis and medical needs and supports the need for a modified vehicle
- If child is insured, documentation that shows the family submitted and/or inquired about modifications being covered under their health insurance policy

- Documentation that family did/did not receive any funding from other state agencies. Although this information is self reported by the family, the eligibility analyst may contact state agency, if there is any question regarding possible funding (example: DDD)

F. Vehicle Purchase/Lease Worksheet

Eligibility analyst must complete the vehicle purchase/lease internal worksheet.

PREPARED BY: Lynne Alexander
DATE: August 8, 2005