

HUMAN SERVICES

(a)

CATASTROPHIC ILLNESS IN CHILDREN RELIEF FUND COMMISSION

Time Period for Measuring Expenses and Income Proposed Amendments: N.J.A.C. 10:155-1.3 and 1.13

Authorized By: Catastrophic Illness in Children Relief Fund Commission, Christian Heiss, Executive Director.

Authority: N.J.S.A. 26:2-148 through 159.

Calendar Reference: See Summary below for explanation of exception to rulemaking calendar requirement.

Proposal Number: PRN 2021-106.

Submit comments by December 31, 2021, to:

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The agency proposal follows:

Summary

The Catastrophic Illness in Children Relief Fund (Fund) was established by legislation to provide financial assistance to families whose children have experienced an illness or medical condition not fully covered by health insurance, State or Federal programs, or any other resource. The Fund is designed to provide a safety net for families struggling with a child's previously incurred medical expenses. The Catastrophic Illness in Children Relief Fund Commission (Commission) is charged with oversight of the Fund. From time to time the Commission finds it necessary and appropriate to propose amendments to the rules that govern the operation of the Fund.

The Commission proposes to amend N.J.A.C. 10:155-1.3(a) and 1.13 to limit the look-back period for purposes of program eligibility to income and expenses in any prior consecutive 12-month period within the seven years (84 months) prior to the date the application is mailed, faxed, or electronically delivered to the State Office of the Fund. Under the existing rule, families may apply to the program using income and expenses in any prior consecutive 12-month period starting on or after implementation of the Fund in January 1988.

Applications that include expenses incurred more than seven years prior to the application date create a significant burden on families to produce the documentation necessary to verify income and expenses for eligibility determination. The New Jersey Board of Medical Examiners only requires providers to maintain medical records for seven years after the last date of entry (N.J.A.C. 13:35-6.5(b)). Additionally, the longer the period between a family incurring expenses and the Commission considering those expenses for reimbursement, the more likely a discrepancy will exist between past and present Commission policies or the status of the health care system, increasing the difficulty for present Commission members to accurately assess the financial need or appropriateness of services included in an application.

It is rare for the Commission to hear applications for expenses incurred more than seven years in the past: in State fiscal years 2014 through 2021, 37 applications out of 4,399 received (0.84 percent) were for expenses incurred more than seven years prior to the date of application. To reduce the burden on applicant families and improve the efficiency of the State Office of the Fund, and to ensure funds are available for catastrophic medical expenses incurred under more recent economic and health care conditions, the Commission proposes to limit the look-back period for applications to seven years.

As the Commission has provided a 60-day comment period on this notice of proposal, this notice is excepted from the rulemaking calendar requirement, pursuant to N.J.A.C. 1:30-3.3(a)5.

Social Impact

The Commission believes that limiting the look-back period for applications to seven years will have a neutral social impact. While some families with expenses incurred more than seven years prior to application will no longer be eligible for reimbursement from the Fund, it is unlikely that those expenses continue to be a catastrophic burden on the family's finances.

Economic Impact

Limiting the look-back period for applications to seven years will have a potential negative impact on families with expenses incurred more than seven years ago that have not yet applied to the Catastrophic Illness in Children Relief Fund. At the same time, limiting the opportunity for families to apply to the Fund for expenses incurred during the more than 25-year window after implementation of the program, from 1988 to 2014, will provide more resources (both financially and programmatically) to consider applications for more recent expenses. Considered together, the Commission believes that limiting the look-back period for applications to seven years will have a net positive economic impact on New Jersey families with more recent, and arguably more catastrophic, medical expenses associated with their child's illness.

Federal Standards Statement

State agencies that propose to amend State rules that exceed Federal standards regarding the same subject matter are required to include in the notice of proposal, a Federal standards analysis. There are no Federal laws or standards that apply to the proposed amendments. Consequently, a Federal standards analysis is not required.

Jobs Impact

The Commission does not anticipate that any jobs will be generated or lost as a result of the proposed amendments. Commenters may submit data or studies on the potential jobs impact of the proposed amendments together with their comments on other aspects of the notice of proposal.

Agriculture Industry Impact

The Commission does not believe the proposed amendments will have any impact on the agriculture industry in New Jersey.

Regulatory Flexibility Statement

A regulatory flexibility analysis is not required because the proposed amendments do not impose reporting, recordkeeping, or other compliance requirements on small businesses as defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. Since the proposed amendments only apply to families served by the Commission, they do not impact small businesses or private industry, in general.

Housing Affordability Impact Analysis

The Commission does not believe the proposed amendments will have an impact on housing affordability in this State or evoke a change in the average costs of housing in this State because the proposed amendments relate to assisting families with their children's medical expenses.

Smart Growth Development Impact Analysis

The Commission does not believe the proposed amendments will have an impact on smart growth in the State or that the proposed amendments will have an effect on smart growth development in Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment Plan. The proposed amendments relate to assisting families with their children's medical expenses.

Racial and Ethnic Community Criminal Justice and Public Safety Impact

The Commission has evaluated this rulemaking and determined that it will not have an impact on pretrial detention, sentencing, probation, or parole policies concerning adults and juveniles in the State. Accordingly, no further analysis is required.

Full text of the proposal follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

SUBCHAPTER 1. CATASTROPHIC ILLNESS IN CHILDREN
RELIEF FUND PROGRAM

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] **To be eligible** for the Fund's assistance, [when] a child's [incurred and] verified medical expenses, [as specified in this chapter for a] **incurred in any** prior consecutive 12-month period[,] **in the seven years (84 months) prior to the date of application for assistance, must** exceed the amount equal to 10 percent of the first \$100,000 of verified annual income of a family plus 15 percent of the excess income over \$100,000. **The date of application is the date the application is postmarked and mailed, faxed, or electronically delivered to the State Office.** See N.J.A.C. 10:155 Appendix I, for

example calculations of eligibility for Fund assistance for families with different income levels.

- 1.-2. (No change.)
- (b)-(c) (No change.)

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 **in the seven years (84 months) prior to the date the application for assistance is postmarked and mailed, faxed, or electronically delivered to the State Office.** The income will be reported for the same prior consecutive 12-month time period [back to January 1988]. Applications may be accepted any time throughout the year.
