

LC003655

IN GENERAL ASSEMBLY

RELATING TO HEALTH AND SAFETY -- CATASTROPHIC ILLNESS IN CHILDREN
RELIEF FUND

Referred To: Senate Health & Human Services

1 SECTION 1. Title 23 of the General Laws entitled "HEALTH AND SAFETY" is hereby
2 amended by adding thereto the following chapter:

4 CATASTROPHIC ILLNESS IN CHILDREN RELIEF FUND

6 When used in this chapter, unless the context requires otherwise:

11 (2) "Child" means a person twenty-one (21) years of age and younger.

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

18 (6) "Income" means all money received for work or in exchange for labor or goods or

1 received through investments.

2 (7) "Resident" means a person legally domiciled within the state for a period of three (3)
3 months immediately preceding the date of application for inclusion in the program. Mere seasonal
4 or temporary residence within the state, of whatever duration, does not constitute domicile.
5 Absence from this state for a period of twelve (12) months or more is prima facie evidence of
6 abandonment of domicile. The burden of establishing legal domicile within the state is upon the
7 parent, parents or legal guardian of a child.

8 **23-1.12-2. Catastrophic illness in children relief fund.**

9 (a) The catastrophic illness in children relief fund is hereby established as a nonlapsing,
10 revolving fund. The fund shall be administered by the commission, and shall be credited with
11 monies received pursuant to § 23-1.12-10.

12 (b) The general treasurer shall be custodian of the fund and all disbursements from the fund
13 shall be made by the treasurer upon vouchers signed by the chairman of the commission. The
14 monies in the fund shall be invested and reinvested by the treasurer as are other trust funds in the
15 custody of the general treasurer in the manner provided by law. Interest received on the monies in
16 the fund shall be credited to the fund.

17 **23-1.12-3. Catastrophic illness in children relief fund commission.**

18 (a) There is hereby established in the executive department of the state government the
19 catastrophic illness in children relief fund commission composed of nine (9) members. The
20 commission shall consist of the director of the department of children, youth and families, the
21 director of the department of human services, the director of the department of business regulation,
22 the general treasurer, all of whom shall be ex officio members, and five (5) public members who
23 are residents of this state, appointed by the governor with the advice and consent of the senate, for
24 terms of five (5) years, two (2) of whom to be appointed after consultation with the president of the
25 senate, with one of whom a provider of health care services to children in this state; and two (2) of
26 whom to be appointed after consultation with the speaker of the house of representatives, with one
27 of whom a provider of health care services to children in this state. The five (5) public members
28 initially appointed by the governor shall serve for terms of one, two (2), three (3), four (4) and five
29 (5) years, respectively, as designated by the governor.

30 (b) Each member shall hold office for the term of their appointment and until their
31 successor has been appointed and qualified. A member of the commission is eligible for
32 reappointment.

33 (c) Any vacancies in the membership of the commission occurring other than by the
34 expiration of a term shall be filled in the same manner as the original appointment, but for the

1 unexpired term only.

2 (d) Each ex officio member of the commission may designate an officer or employee of
3 the ex officio member's department to represent the member at meetings of the commission, and
4 each designee may lawfully act on behalf of the member as the designee. Any designation shall be
5 in writing delivered to the commission and filed with the office of the secretary of state and shall
6 continue in effect until revoked or amended in the same manner as provided for designation.

7 **23-1.12-4. Suspension and oaths.**

8 Each member of the commission may be removed from office by the governor, for cause,
9 after a public hearing and may be suspended by the governor pending the completion of the hearing.
10 Each member of the commission before entering upon their duties shall take and subscribe to an
11 oath to perform the duties of the office faithfully, impartially and justly to the best of the member's
12 ability. A record of the oaths shall be filed in the office of the secretary of state.

13 **23-1.12-5. Officers and quorum.**

14 (a) The members shall elect a chairperson who shall serve as chief executive officer of the
15 commission and shall be one of the public members of the commission. The commission shall by
16 rule determine the term of office of the chairperson and chief executive officer. The members shall
17 elect a secretary and a treasurer who need not be members of the commission and the same person
18 may be elected to serve both as secretary and treasurer.

19 (b) The powers of the commission are vested in the members thereof in office from time
20 to time and five (5) members of the commission shall constitute a quorum at any meeting thereof.
21 Action may be taken and motions and resolutions adopted by the commission at any meeting
22 thereof by the affirmative vote of at least five (5) members of the commission. A vacancy in the
23 membership of the commission shall not impair the right of a quorum to exercise all the powers
24 and perform all the duties of the commission.

25 (c) The members of the commission shall serve without compensation; provided, that the
26 commission shall reimburse its members for the reasonable expenses incurred in the performance
27 of their duties based upon the monies available in the fund.

28 (d) The commission shall be appointed within three (3) months after the effective date of
29 this chapter and shall organize as soon as may be practicable after the appointment of its members.

30 **23-1.12-6. Powers and duties.**

31 The commission shall have, but is not limited to, the following powers and duties:

32 (1) Establish a program for the purposes of this chapter, administer the fund and authorize
33 the payment or reimbursement of the medical expenses of children with catastrophic illnesses;

34 (2) Establish procedures for application to the program, determining the eligibility for the

1 payment or reimbursement of medical expenses for each child, and processing fund awards and
2 appeals;

3 (3) Establish procedures to provide that, in the case of an illness or condition for which the
4 family, after receiving assistance pursuant to this chapter, recovers damages for the child's medical
5 expenses pursuant to a settlement or judgment in a legal action, the family shall reimburse the fund
6 for the amount of assistance received, or that portion thereof covered by the amount of the damages
7 less the expense of recovery;

8 (4) Establish the amount of reimbursement for the medical expenses of each child using a
9 sliding fee scale based on a family's ability to pay for medical expenses which takes into account
10 family size, family income and assets and family medical expenses and adjust the financial
11 eligibility criteria established in the definition of catastrophic illness pursuant to § 23-1.12-1 based
12 upon the monies available in the fund;

13 (5) Disseminate information on the fund and the program to the public;

14 (6) Adopt bylaws for the regulation of its affairs and the conduct of its business, adopt an
15 official seal and alter the same at pleasure, maintain an office at the place within the state as it may
16 designate, and sue and be sued in its own name;

17 (7) Appoint, retain or employ staff, experts or consultants on a contract basis or otherwise,
18 who are deemed necessary, and employ investigators or other professionally qualified personnel as
19 may be within the limits of funds appropriated or otherwise made available to it to accomplish its
20 purposes;

21 (8) Maintain confidential records on each child who applies for assistance under the fund;

22 (9) Take all actions deemed necessary to implement the purposes of this chapter; and

23 (10) Adopt rules and regulations in accordance with chapter 35 of title 42 ("administrative
24 procedures"), necessary to effectuate the purposes of this chapter.

25 **23-1.12-7. Settlement of claims.**

26 The commission is authorized to negotiate or settle a claim that the fund maintains for
27 reimbursement against a family who has received assistance for the medical expenses of a child
28 with a catastrophic illness pursuant to this chapter and has recovered damages in a legal action for
29 the child's medical expenses. Money recovered pursuant to this section shall be deposited in the
30 fund.

31 **23-1.12-8. Eligibility.**

32 (a) A child who is a resident of this state is eligible, through the child's parent, parents or
33 legal guardian, to apply to the program established pursuant to § 23-1.12-6.

34 (b) In the event a family has more than one child with a catastrophic illness, as defined

1 pursuant to § 23-1.12-1, the commission shall waive the family responsibility, as established by
2 rule or regulation, for the other child if the family has met the family responsibility for the first
3 child in a state fiscal year.

4 **23-1.12-9. Financial assistance.**

5 Whenever a child has a catastrophic illness and is eligible for the program, the child,
6 through the child's parent, parents or legal guardian, shall receive financial assistance from monies
7 in the fund subject to the rules and regulations established by the commission and the availability
8 of monies in the fund. The financial assistance shall include, but is not limited to, payments or
9 reimbursements for the cost of medical treatment, hospital care, drugs, nursing care and physician
10 services.

11 **23-1.12-10. Annual surcharge per employee subject to the employer security act.**

12 For the purpose of providing the monies necessary to establish and meet the purposes of
13 the fund, the commission shall establish a one dollar and fifty cent (\$1.50) annual surcharge per
14 employee upon all employers who are subject to the employment security laws pursuant to chapters
15 42, 43 and 44 of title 28. The surcharge shall be collected by the director of the department of
16 labor and training and paid over to the general treasurer for deposit in the fund annually as provided
17 by the commission.

18 **23-1.12-11. Rules and regulations.**

19 The general treasurer shall adopt rules and regulations establishing procedures for the
20 collection of the surcharge contained in § 23-1.12-10.

21 **23-1.12-12. Annual reports.**

22 (a) The commission shall report annually to the governor and to the committees of the
23 senate and house of representatives with responsibility for issues affecting children, health and
24 human services on the status of the program. The report shall include the following information:

25 (1) The number of participants in the program;

26 (2) Average expenditures per participant;

27 (3) The nature and type of catastrophic illnesses for which the fund provided financial
28 assistance; and

29 (4) The average income and expenditures of families who received financial assistance
30 under the program.

31 (b) The commission also may make recommendations for changes in the law and
32 regulations governing the fund to the general assembly as a portion of its report.

1 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO HEALTH AND SAFETY -- CATASTROPHIC ILLNESS IN CHILDREN
RELIEF FUND

1 This act would establish the Catastrophic Illness in Children Relief Fund to provide
2 financial assistance to families with children age twenty-one (21) years and younger stricken by a
3 catastrophic illness for medical expenses not covered by any other state or federal program or any
4 insurance contract. A nine (9) member commission would establish and administer a program to
5 achieve the purposes of the fund.

6 This act would take effect upon passage.

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