



General Assembly

February Session, 2008

**Substitute Bill No. 5498**

\*           HB05498KIDPH\_030608           \*

**AN ACT CONCERNING A CATASTROPHIC ILLNESS IN CHILDREN  
RELIEF PROGRAM.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1       Section 1. (NEW) (*Effective July 1, 2008*) As used in sections 1 to 9,  
2       inclusive, of this act, unless otherwise provided:

3       (1) "Catastrophic illness" means any illness or condition that  
4       requires inpatient or ambulatory care and services for which (A) the  
5       medical and related expenses are not covered by any state program,  
6       except as provided in sections 1 to 9, inclusive, of this act, or any  
7       federal program in which the child is enrolled, or any insurance  
8       contract under which the child is a beneficiary, and (B) subject to the  
9       provisions of subdivision (5) of section 4 of this act, treatment costs  
10      exceed ten per cent of the first one hundred thousand dollars of annual  
11      income of a family and fifteen per cent of any income of a family in  
12      excess of one hundred thousand dollars.

13      (2) "Child" means a person twenty-one years of age or under.

14      (3) "Commission" means the Catastrophic Illness in Children Relief  
15      Commission.

16      (4) "Office" means the Office of the Healthcare Advocate.

17      (5) "Family" means a child and the child's parent or guardian who is

18 legally responsible for the child's medical expenses.

19 (6) "Fund" means the Catastrophic Illness in Children Relief Fund  
20 established pursuant to section 2 of this act.

21 (7) "Income" means all income, from whatever source, received by a  
22 family, excluding payments received from the fund.

23 (8) "Program" means the Catastrophic Illness in Children Relief  
24 program, established pursuant to sections 1 to 9, inclusive, of this act.

25 (9) "Resident" means a person legally domiciled within the state for  
26 a period of three months immediately preceding the date of  
27 application for the program. Resident does not include a person who  
28 has a seasonal or temporary residence within the state.

29 Sec. 2. (NEW) (*Effective July 1, 2008*) (a) There is established a  
30 separate, nonlapsing account within the General Fund to be known as  
31 the "Catastrophic Illness in Children Relief Fund". The account shall  
32 contain moneys transferred to it pursuant to section 8 of this act and  
33 any money required to be deposited in the account under any other  
34 provision of the general statutes. Investment earnings from any  
35 moneys in the account shall be credited to the account and shall  
36 become part of the assets of the account. The account shall be  
37 administered by the Treasurer.

38 (b) Moneys in the account shall be used by the Catastrophic Illness  
39 in Children Relief Commission for payment or reimbursement of the  
40 medical and related expenses of children with catastrophic illnesses in  
41 accordance with sections 1 to 8, inclusive, of this act.

42 Sec. 3. (NEW) (*Effective July 1, 2008*) (a) There is established a  
43 Catastrophic Illness in Children Relief Commission within the Office of  
44 the Healthcare Advocate. The commission shall consist of (1) eleven  
45 public members as follows: Three appointed by the Governor, two  
46 appointed by the speaker of the House of Representatives, two  
47 appointed by the president pro tempore of the Senate, one appointed

48 by the AFL-CIO, and three appointed by the Attorney General, two of  
49 whom are providers of health care services to children in the state; and  
50 (2) the Healthcare Advocate, the Commissioners of Social Services, and  
51 Public Health, the Insurance Commissioner and the Treasurer. The  
52 public members shall serve terms of five years, except that the initial  
53 three public members appointed by the Governor shall serve for terms  
54 of two, three and four years, respectively.

55 (b) Each public member shall hold office for the term of his  
56 appointment and until his successor has been appointed. A public  
57 member of the commission is eligible for reappointment.

58 (c) Each member described in subdivision (2) of subsection (a) of  
59 this section of the commission may designate an employee of his  
60 agency to represent such member at meetings of the commission, and  
61 each such designee may vote and otherwise act on behalf of the  
62 member. Any designation shall be in writing, delivered to the  
63 commission and filed with the Secretary of the State. The designation  
64 shall continue in effect until revoked or amended in the same manner  
65 as provided for in the initial designation.

66 (d) Each public member of the commission may be removed from  
67 the office by the official by whom he was appointed for cause, after a  
68 public hearing, and may be suspended by the official by whom he was  
69 appointed pending the completion of the hearing. Before entering  
70 upon their duties, members of the commission shall take and subscribe  
71 an oath to perform the duties of the office faithfully, impartially and to  
72 the best of their ability. A record of oaths shall be filed with the  
73 Secretary of the State.

74 (e) Any vacancies in the membership of the commission occurring  
75 other than by expiration of a term shall be filled in the same manner as  
76 the original appointment for the portion of the unexpired term.

77 (f) The members shall elect a chairperson and chief executive officer  
78 of the commission who shall be one of the public members of the

79 commission. The commission shall, by rule, determine the term of  
80 office of the chairperson and chief executive officer. The members shall  
81 elect a secretary and a treasurer who shall be public members of the  
82 commission and the same person may be elected to serve as both  
83 secretary and treasurer.

84 (g) The powers of the commission shall be vested in its members in  
85 office from time to time and seven members of the commission shall  
86 constitute a quorum at any meeting. Actions may be taken, and  
87 motions and resolutions adopted by the commission at any meeting by  
88 the affirmative vote of at least seven members of the commission. A  
89 vacancy in the membership of the commission shall not impair the  
90 right of a quorum to exercise all the powers and perform all the duties  
91 of the commission.

92 (h) The members of the commission shall serve without  
93 compensation, but the commission shall reimburse its members for the  
94 reasonable expenses incurred in the performance of their duties,  
95 within available funding.

96 (i) The commission shall be appointed not later than November 1,  
97 2008, and shall organize as soon as may be practicable after the  
98 appointment of its members.

99 Sec. 4. (NEW) (*Effective July 1, 2008*) The commission shall have the  
100 following responsibilities:

101 (1) To establish a program to administer the fund and authorize the  
102 payment or reimbursement of the medical and related expenses of  
103 children with catastrophic illnesses;

104 (2) To establish procedures for applying to the fund, determining  
105 the eligibility for the payment or reimbursement of medical expenses  
106 for each child and processing claim disputes;

107 (3) To establish procedures for reimbursement of the fund where a  
108 family, after receiving assistance from the fund, recovers the costs for a

109 child's medical expenses from a catastrophic illness pursuant to a  
110 settlement or judgment in a legal action;

111 (4) To establish the amount of reimbursement for the medical  
112 expenses of each child using a sliding fee scale based on a family's  
113 ability to pay for medical expenses, which takes into account family  
114 size, family income and assets and family medical expenses;

115 (5) To expand the definition of catastrophic illness pursuant to  
116 subparagraph (B) of subdivision (1) of section 1 of this act, by adjusting  
117 the financial eligibility criteria based upon available funding;

118 (6) To disseminate information to the public concerning the fund  
119 and the program;

120 (7) To maintain confidential records on each child who applies for  
121 assistance from the fund pursuant to section 6 of this act;

122 (8) To authorize and make payment of all administrative costs that  
123 do not exceed five per cent of the total amount transferred into the  
124 fund in a fiscal year, and are related to the management of the  
125 program, including, but not limited to, costs for staff to manage the  
126 program and coordinate the work assigned by the commission and  
127 materials development, printing, postage and telephone expenses;

128 (9) Take all other actions necessary or convenient to carry out the  
129 purposes of sections 1 to 9, inclusive, of this act; and

130 (10) To adopt regulations, in accordance with chapter 54 of the  
131 general statutes, necessary to effectuate the purposes of sections 1 to 9,  
132 inclusive, of this act.

133 Sec. 5. (NEW) (*Effective July 1, 2008*) The commission may negotiate  
134 or settle a claim that the fund maintains for reimbursement against a  
135 family who has received assistance for the medical expenses of a child  
136 with a catastrophic illness and who has recovered damages in a legal  
137 action for such expenses. A reimbursement shall be less the expense of

138 any recovery by the family. Money recovered pursuant to this section  
139 shall be deposited in the fund.

140       Sec. 6. (NEW) (*Effective July 1, 2008*) A child who is a resident of the  
141 state shall be eligible, through his or her parent or guardian, to apply  
142 to the program. The burden of establishing a legal domicile within the  
143 state is upon the parent or legal guardian of a child. As part of the  
144 application process, the commission shall screen each applicant for  
145 other sources of coverage and for potential eligibility for other state  
146 and federal programs, and to document the results of such screening.  
147 If the commission determines that an applicant is potentially eligible  
148 for Medicaid or other state or federal program, the commission shall  
149 assist the applicant in applying for benefits under such program.

150       Sec. 7. (NEW) (*Effective July 1, 2008*) Whenever a child has a  
151 catastrophic illness and is eligible for the program, the child, through  
152 his or her parent or guardian, may receive financial assistance from the  
153 fund subject to the regulations established by the commission and  
154 available funding. The financial assistance shall include, but need not  
155 be limited to, payments or reimbursements for the costs of medical  
156 treatment, hospital care, prescription drugs, nursing care and  
157 physician services.

158       Sec. 8. (NEW) (*Effective July 1, 2008*) Notwithstanding any provision  
159 of the general statutes, for the purposes of providing the funding  
160 necessary to establish and meet the purposes of the fund, the  
161 commission shall establish a one dollar annual surcharge per employee  
162 for all employers who are subject to the Connecticut unemployment  
163 insurance contribution provisions under chapter 567 of the general  
164 statutes. Employers shall pay such surcharge to the Labor Department.  
165 The Labor Department shall transfer funds collected pursuant to this  
166 section to the Treasurer for deposit in the fund annually as provided  
167 by the commission. If the fund becomes exhausted, then money shall  
168 be transferred from the General Fund for the remainder of the year to  
169 cover the expenses of the fund, provided the amount transferred shall  
170 not exceed five hundred thousand dollars.

171       Sec. 9. (NEW) (*Effective July 1, 2008*) The commission shall report, in  
 172 accordance with section 11-4a of the general statutes, annually to the  
 173 Governor, and to the joint standing committee of the General  
 174 Assembly having cognizance of matters relating to human services and  
 175 to the select committee of the General Assembly having cognizance of  
 176 matters relating to children on the status of the program. The report  
 177 shall include information about the number of participants in the  
 178 program, average expenditures per participant, the nature and type of  
 179 catastrophic illness for which the fund provided financial assistance,  
 180 and the average income and expenditures of the families who received  
 181 assistance under the program. The commission may also make  
 182 recommendations for statutory changes related to the program and  
 183 fund.

|                                                                               |                     |             |
|-------------------------------------------------------------------------------|---------------------|-------------|
| This act shall take effect as follows and shall amend the following sections: |                     |             |
| Section 1                                                                     | <i>July 1, 2008</i> | New section |
| Sec. 2                                                                        | <i>July 1, 2008</i> | New section |
| Sec. 3                                                                        | <i>July 1, 2008</i> | New section |
| Sec. 4                                                                        | <i>July 1, 2008</i> | New section |
| Sec. 5                                                                        | <i>July 1, 2008</i> | New section |
| Sec. 6                                                                        | <i>July 1, 2008</i> | New section |
| Sec. 7                                                                        | <i>July 1, 2008</i> | New section |
| Sec. 8                                                                        | <i>July 1, 2008</i> | New section |
| Sec. 9                                                                        | <i>July 1, 2008</i> | New section |

**KID**

*Joint Favorable Subst. C/R*

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