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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2020

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A N A C T

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

Introduced By: Representatives Blazewski, Solomon, Kazarian, Cassar, and Johnston

Date Introduced: March 12, 2020

Referred To: House Finance

It is enacted by the General Assembly as follows:

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

3 CHAPTER 1.12

4 CATASTROPHIC ILLNESS IN CHILDREN RELIEF FUND

5 **23-1.12-1. Definitions.**

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

7 (1) "Catastrophic illness" means any illness or condition the medical expenses of which are
8 not covered by any other state or federal program or any insurance contract and exceed ten percent
9 (10%) of the first one hundred thousand dollars (\$100,000) of annual income of a family plus fifteen
10 percent (15%) of the excess income over one hundred thousand dollars (\$100,000).

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

12 (3) "Commission" means the catastrophic illness in children relief fund commission.

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

15 (5) "Fund" means the catastrophic illness in children relief fund.

16 (6) "Income" means all income, from whatever source derived, actually received by a
17 family.

18 (7) "Resident" means a person legally domiciled within the state for a period of three (3)

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

6 **23-1.12-2. Catastrophic illness in children relief fund.**

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

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

15 **23-1.12-3. Catastrophic illness in children relief fund commission.**

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

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

30 (c) Any vacancies in the membership of the commission occurring other than by the
31 expiration of a term shall be filled in the same manner as the original appointment, but for the
32 unexpired term only.

33 (d) Each ex officio member of the commission may designate an officer or employee of
34 the ex officio member's department to represent the member at meetings of the commission, and

1 each designee may lawfully vote and otherwise act on behalf of the member as the designee. Any
2 designation shall be in writing delivered to the commission and filed with the office of the secretary
3 of state and shall continue in effect until revoked or amended in the same manner as provided for
4 designation.

5 **23-1.12-4. Suspension and oaths.**

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

11 **23-1.12-5. Officers and quorum.**

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

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

23 (c) The members of the commission shall serve without compensation, but the commission
24 shall reimburse its members for the reasonable expenses incurred in the performance of their duties
25 based upon the monies available in the fund.

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

28 **23-1.12-6. Powers and duties.**

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

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

32 (2) Establish procedures for application to the program, determining the eligibility for the
33 payment or reimbursement of medical expenses for each child, and processing fund awards and
34 appeals;

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

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

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

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

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

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

20 (9) Take all actions deemed necessary to carry out the purposes of this chapter; and

21 (10) Adopt rules and regulations in accordance with chapter 35 of title 42 (the
22 "administrative procedure act"), necessary to effectuate the purposes of this chapter.

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

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

29 **23-1.12-8. Eligibility.**

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

32 (b) In the event a family has more than one child with a catastrophic illness, as defined
33 pursuant to § 23-1.12-1, the commission shall waive the family responsibility, as established by
34 regulation, for the other child if the family has met the family responsibility for the first child in a

1 state fiscal year.

2 **23-1.12-9. Financial assistance.**

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

9 **23-1.12-10. Annual surcharge per employee subject to the employer security act.**

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

15 **23-1.12-11. Rules and regulations.**

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

18 **23-1.12-12. Annual reports.**

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

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

23 (2) Average expenditures per participant;

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

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

28 (b) The commission also may make recommendations for changes in the law and
29 regulations governing the fund.

30 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.

5 This act would take effect upon passage.

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