

CATASTROPHIC ILLNESS IN CHILDREN RELIEF FUND COMMISSION
POLICY/ADMINISTRATIVE PROCEDURE

SUBJECT: Health Insurance Premiums
EFFECTIVE DATE: 10/13/2021
SUPERCEDES: Consideration of Health Insurance Premiums for Eligibility purposes only, 12/30/98; 11/17
AUTHORITY: N.J.A.C. 10:155-1.14(b) N.J.A.C. 10:155-1.6

I. BACKGROUND:

N.J.A.C. 10:155-1.14(b) states:

Fifty percent of a health coverage premium, including supplemental and dependent coverage that is paid by a family, not to exceed 50 percent of total eligible expenses, when accompanied by eligible expenses in (a) above shall be counted toward calculating eligibility, but shall not be considered an eligible expense for reimbursement from the Fund.

II. POLICY STATEMENT:

When assessing whether a family has incurred enough expenses to meet the eligibility standard for the Fund based on the family's annual income, the State Office of Fund may consider up to 50 percent of the cost of health coverage premiums as an eligible expense, but such premiums may not be reimbursed by the Fund and cannot exceed the combined total of the other eligible expenses (i.e., those not related to health coverage premiums).

III. DEFINITIONS:

Eligibility standard means incurred, out-of-pocket medical expenses greater than 10 percent of the first \$ 100,000 of annual income for a family plus 15 percent of the excess income over \$ 100,000. (N.J.A.C. 10:155-1.6)

Health coverage premium means a payment for health coverage, usually made on a monthly basis, excluding the PIP premium under automobile insurance contracts, whereby an insurer or plan is obligated to pay or allow a benefit for the child who is covered under the plan, due to bodily injury, disablement, sickness or because of any expense relating thereto or because of expense incurred in the prevention of sickness.

IV. PROCEDURE:

- a. Health coverage premiums must be verified by submission of paystubs that include payroll deductions of premiums or invoices/receipts and proof of payment for non-employer sponsored plans.
- b. The total cost of health coverage premiums, not 50 percent of the premiums for the application time period, must be entered into the “Child Applicant” area of the CICRF database when entering health coverage/plan information.
- c. For entry as an eligible (non-reimbursable) expense, up to 50 percent of the health coverage premium expense can be used as long as it is not greater than the other eligible expenses. If exactly 50 percent of the health coverage premium is entered as an eligible expense, it should be categorized as “Insurance Premium” in the CICRF database.
- d. If less than fifty percent of the health coverage premium is used to ensure the health coverage premium expense does not exceed the total amount of the other eligible expenses, the reduced health coverage premium should be categorized in the CICRF database as “Adjusted Health Care.”

V. EXAMPLES:

- a. 50 Percent of the Health Coverage Premium is Less Than Other Eligible Expenses

Eligibility Standard = \$13,240.15

Total Verified Eligible Expense = \$10,628.18

Total Health Coverage Premium = \$7,052.98

50% of Health Coverage Premium = \$3,526.49.

This is less than the total verified eligible expenses, so should be entered into the CICRF database as an “Insurance Premium” expense.

Total Eligible Expenses = \$14,154.67

Total Reimbursable Expenses = \$10,628.18

Eligibility standard is met

- b. 50 Percent of the Health Coverage Premium is Greater Than Other Eligible Expenses

Eligibility Standard = \$4,240.15

Total Verified Eligible Expense = \$2,958.56

Total Health Coverage Premium = \$7,052.98

50% of Health Coverage Premium = \$3,526.49.

This is more than the total verified eligible expenses, so an amount equal to the total verified eligible expenses (\$2,958.56) should be entered into the CICRF database as an “Adjusted Health Care” expense.

Total Eligible Expenses = \$5,917.12

Total Reimbursable Expenses = \$2,958.56

- c. If the addition of “Insurance Premium” or “Adjusted Health Care” expenses does not increase total eligible expenses above the eligibility standard, the application should be presented as ineligible.

REVISED BY: Renee Davidson
DATE: August 3, 2021

REVISED BY: Johanna Klena, LCSW
DATE: November 2017

PREPARED BY: Lynne Alexander
DATE: December 30, 1998