

The Catastrophic Illness in Children Relief Fund

Annual Report: Fiscal Years 2014-2015



“When parents have kids with disabilities, [their] path is full of obstacles, but thanks to people like you, [they] can make a possible dream come true. Our sincere appreciation and gratitude for the funds we received. Thanks for this big blessing. This help made a very significant and positive impact in our daily life.”

- Recipient Family

**Submitted by:
The Catastrophic Illness in Children Relief Fund Commission**

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LETTER FROM THE COMMISSION CO-CHAIRS

December 2015

On behalf of the Catastrophic Illness in Children Relief Fund Commission, we are pleased to provide this combined annual report for Fiscal Years 2014 and 2015.

The Catastrophic Illness in Children Relief Fund (CICRF) continues to support some of the most vulnerable children in Massachusetts. In FY15, the Fund completed its 15th year of providing critical assistance to families. We are very proud of the work we do, as one of only a few Funds of this kind in the nation. Through the work of our Commissioners, and supported by the excellent staff at the Department of Public Health (DPH), we have served over 1800 children (through FY15) from all across the state.

The CICRF provides critical financial support to families struggling to care for children with extensive medical needs. This financial support can make an enormous difference in a family's day-to-day life and financial stability. In many instances, the Fund fills the gaps left by traditional insurance coverage, helping families afford specialized equipment, providing transportation resources, and assisting with home and vehicle modifications for children with mobility impairments. The testimonials of parents found throughout this report speak to the remarkable differences we have made in children's lives.

FY15 saw an increase in the number of families assisted by the Fund. Despite almost universal health insurance coverage, families of children with special health needs in the Commonwealth continue to experience financial hardship as a result of their children's conditions. The CICRF has become a critical resource for many of these families.

We are relieved to report that FY14 saw the resumption of regular transfers from the Medical Security Trust Fund (MSTF) and, once the MSTF was discontinued, the Commonwealth Care Trust. Due to the economic downturn and the resulting shortfall in the MSTF, there were no transfers from the MSTF to the CICRF from the 4th quarter FY09 through FY13. This was of tremendous concern. While the CICRF Trust was able to support the program in FY10 and FY11, the balance dropped to under \$900,000 by the end of FY11. We are tremendously grateful to the Governor and Legislature for allocating state funds to supplement the CICRF Trust in FY12 and FY13 so the program could remain in operation, and for ensuring that a regular funding mechanism was maintained once the MSTF was discontinued. Without these actions, the CICRF Trust would have been depleted in early FY14 and the program would not have survived.

The Commission welcomes your comments, feedback and ideas as we seek to improve our ability to serve children and families.

Sincerely,



Bonnie Thompson, BS
Co-Chairperson
CICRF Commission



John S. Maypole, MD
Co-Chairperson
CICRF Commission

EXECUTIVE SUMMARY

Purpose of the Fund

The Catastrophic Illness in Children Relief Fund (CICRF) was established by legislation for FY 2001. The purpose of the Fund is to provide assistance to families for catastrophic medical and medically related expenses that are not covered by any insurer or other program.

From the Fund's inception through FY 2015, it has provided over \$23.5 million in reimbursements to the families of 1807 children with catastrophic illnesses from a variety of backgrounds. Massachusetts families with children under 22 years of age, whose medical and related expenses for one child exceed 10% of the first \$100,000 plus 15% thereafter of the family's annual income, are eligible to apply for assistance from the CICRF.

Fiscal Year 2014-15 Summary

- During FY14, 163 families received over \$1.6 million in reimbursements. The median reimbursement was \$6,000 per family.

During FY15, 182 families received over \$1.7 million in reimbursements. The median reimbursement was \$5,508 per family.

Knowledge about the Fund continues to grow. In FY14, 72% of the applications submitted were from first-time applicants. In FY15, 75% were from first-time applicants.

- The children who have been assisted by the CICRF have a variety of different diagnoses, typically come from low-income families, and have some form of health insurance coverage. Most notably, during FY15, approximately 73% of the families who received assistance had annual incomes of less than 200% of the federal poverty level (\$48,500 for a family of 4 in 2015), and approximately 42% of the children who were helped during this period were under the age of five.
- The CICRF supports a wide variety of services, including medical equipment, medical services, hospital and physician services, medications, family support, and home and vehicle modifications that enable children to remain at home and a part of their communities, rather than in residential or institutional care.
- In addition to providing financial assistance to families, the Fund provides families with information, referrals and technical assistance related to accessing other financial and additional supports. As a result, many families who have been determined ineligible for the Fund due to the financial criteria have received other types of support and assistance from the Fund.
- The CICRF ended FY15 with a balance of \$3,393,064.

TABLE OF CONTENTS

Letter from the Commission Co-Chairsi

Executive Summaryii

Table of Contents.....iii

I. Introduction.....1

II. Catastrophic Illness in Children Relief Fund Program3

 Eligibility3

 Eligible Services3

 Commission Responsibilities.....4

III. Data4

 Fund Accomplishments and Highlights.....4

 Applications Received in Fiscal Years 2014 and 20155

 Families Receiving Financial Assistance in Fiscal Years 2014 and 2015.....6

 Diagnoses6

 Geography.....8

 Age.....9

 Race.....10

 Income Level11

 Insurance Status12

 Services Supported.....13

 Reimbursements to Families.....14

IV. Revenue and Expenditures16

V. Conclusion18

Commission Member List19

“I cannot thank you enough for helping me through the hardest battle of my life.”

-Recipient Family

I. INTRODUCTION

The Catastrophic Illness in Children Relief Fund (CICRF) was established by state legislation in July 2000 to help families bear the excessive financial burdens associated with the care of children with high medical and related expenses. It provides last resort financial assistance for families in Massachusetts that are struggling to pay for medical or medically related expenses not covered by a private insurer, federal or state health care assistance, or any other financial source. Since FY 2001, the Fund has served over 1800 families from across Massachusetts, providing basic support to allow children to remain at home and be cared for in their communities.

The CICRF was established within the Department of Public Health, in accordance with the Massachusetts General Laws, Chapter 29, Section 2ZZ, and administered by the CICRF Commission, which was established and is governed by Chapter 111K of the Massachusetts General Laws. A catastrophic illness is defined as “any illness or condition treated at a pediatric specialty hospital, including ambulatory care and services provided by or ordered through such a hospital, the medical and related expenses of which are not covered by any other state or federal program...or any insurance contract and which exceed 10 percent of the first \$100,000 of annual income of a family and 15 percent of any family income in excess of \$100,000.” Originally created for families of children ages 18 and under, in FY07 Chapter 111K was amended to expand age eligibility for the Fund through age 21.

The Fund is overseen by a Commission consisting of 11 members (4 state agency ex-officio members and 7 public members), and is staffed by the Department of Public Health. The Fund is financed by quarterly transfers from the Commonwealth Care Trust, if sufficient funds are available. (See section IV for more detailed information about the funding of the CICRF.)

From its inception through FY15, the CICRF has provided funds to **1807** children with a wide array of medical conditions and diagnoses. Their families come from across the state, from all income levels, and are largely insured either through private coverage and/or MassHealth. Families have been reimbursed for a variety of eligible expenses, including hospital and physician services; medication; medical equipment and supplies; travel and lodging; funeral expenses; special therapies; accessible vehicle purchases; home and vehicle modifications; and expenses incurred while caring for a sick child in the hospital.

The cost of caring for a chronically ill child can be overwhelming, even to a family with health insurance. High insurance premiums, deductibles and co-payments, combined with medical and medically related expenses incurred because of coverage limitations and exclusions, can result in a serious drain of a family’s financial resources. The bills incurred can send the family into extreme debt and cause severe emotional stress. In fact, studies have shown that the leading

cause of personal bankruptcy in the U.S. is medical bills resulting from an illness (even with health insurance coverage). One study showed that sixty-one percent of these families in a “medical” bankruptcy went without needed medical care.¹ Another showed that medical debt is responsible for 62% of all bankruptcies.² In the 2009/10 National Survey of Children with Special Health Care Needs (NS-CSHCN), 19.1% of families of children with special health needs in Massachusetts reported that their child’s condition caused financial problems for the family.³

The impact of a child’s illness can have severe ripple effects. The time and energy necessary to care for a sick child often place further debilitating strain on a family and often result in loss of employment of one or both parents. (In the NS-CSHCN, 27.5% of Massachusetts families of children with special health needs reported having to cut back or stop working due to their child’s condition.)³ In such situations, the family loses not only income, but frequently loses continuity of health benefits as well, since access to health insurance is often through one’s employer. The family may have the additional burden of paying the full cost of insurance premiums. There are also many expenses resulting from a child’s medical condition that are not covered by insurance. (In the NS-CSHCN, 25.7% of Massachusetts families of children with special health needs reported having to pay \$1,000 or more out of pocket in medical expenses per year for their child, and only 66.3% reported having adequate private and/or public insurance to pay for the services they need.)³ The CICRF thus provides valuable or stabilizing financial and emotional relief for families facing incredible life challenges.

“.... The support that the CICRF provided us with truly changed our lives.

Speaking before your group about our family’s circumstances and hearing the responses of the board members was an incredibly validating experience. It was the first time the totality of our family’s stresses and health issues were heard and understood. This was a huge psychological boost after months of relentlessly advocating with insurance companies and various agencies for services and reimbursements. The financial security the CICRF restored to us enabled me to go back to work after two years; and I’m not sure if I would have ever come back had I stayed out of work any longer.

We are grateful every single day for the children’s recovery, and won’t ever forget the support this program provided us. Thanks to each and every one of you for thinking “outside the box” when considering our family’s needs.”

- Recipient Family

¹ D.U. Himmelstein, E. Warren, D. Thorne, S. Woolhandler. Market Watch: Illness and Injury as Contributors to Bankruptcy. Health Affairs – Web Exclusive. 2005 Feb 2; W5: 63-73. Epub 2005 Feb. 2.

² D.U. Himmelstein, D. Thorne, E. Warren, S. Woolhandler. Medical Bankruptcy in the US: Results of a National Study. American Journal of Medicine. August 2009. Volume 122, Issue 8, Pages 741-746.

³ Child and Adolescent Health Measurement Initiative. 2009/2010 National Survey of Children with Special Health Care Needs, Data Resource Center for Child and Adolescent Health website. www.cshcndata.org

II. CATASTROPHIC ILLNESS IN CHILDREN RELIEF FUND PROGRAM

Eligibility

In order for a family to be eligible for assistance, they must have a child who:

- Is 21 years of age or younger⁴
- Is a Massachusetts resident
- Is under the care of a licensed health care provider who has staff privileges at a hospital which is licensed or accredited to provide pediatric or neonatal care
- Has catastrophic medical or related expenses (defined as annual out-of-pocket expenses totaling more than 10% of the first \$100,000 of the family's income plus 15% of any income in excess of \$100,000, after all other avenues of reimbursement have been exhausted)

Eligible Services

Consistent with the Community First Plan and the Administration's support of community-based rather than institutional care, the CICRF has a strong desire to help children remain at home in their communities. It therefore considers reimbursement to families for a broad range of medical and related services and expenses that may not be reimbursable under traditional health insurance policies, or for which the family does not have coverage, including but not limited to:

- Physician's expenses
- Specialized pediatric ambulatory care (testing, laboratory work, etc.)
- Acute or specialized hospital care, both inpatient and outpatient
- Rehabilitative therapies
- Medical equipment and supplies
- Medications
- Medically related home and vehicle modifications
- Health enabling services and equipment
- Related travel expenses such as mileage and lodging
- Funeral expenses
- Insurance co-payments and deductibles
- CommonHealth and MassHealth premiums

Following a special review, experimental treatment or medications, assistive technology, alternative or complementary treatment, home health care and other medically related services may be considered for reimbursement.

Generally families who apply to the Fund seek assistance with multiple expenses. As a payor of last resort, private and public insurance coverage is sought first. Some reimbursements reflect partial payments for medical and related services, such as co-payments and deductibles for physician visits, hospitalizations, medications, and rehabilitation therapies.

⁴ Age eligibility was increased from 18 to 21 years of age or under as part of Chapter 139 of the Acts of 2006, effective July 1, 2006.

Commission Responsibilities

The CICRF Commission consists of 11 members, including [designees of] the Secretary of Health and Human Services, the Commissioner of Public Health, the Commissioner of Insurance, the State Treasurer and seven public members (including a representative of the AFL-CIO and at least two providers of health care services to children in Massachusetts). The Commission is responsible for establishing the policies and procedures necessary for administration of the CICRF, including application to the Fund, application review, determination of eligibility for services, and reimbursement.

The Department of Public Health (DPH) is responsible for the general management and administration of the program, including maintaining confidential records for each child, determining eligibility and the amount of reimbursement, and preparing application or case materials for review by the entire Commission. **The Commission's goal is to act in the best interest of the child while ensuring the Fund remains the payor of last resort.** DPH staff devote significant resources to case management and referral activities. If, upon review of an application, the applicant is found to be potentially eligible for funding through other sources or programs, DPH staff assist the applicant in applying for alternate benefits and resources.

III. DATA

Fund Accomplishments and Highlights

From the establishment of the CICRF in FY01 through FY15, the Fund has provided over \$23.5 million in reimbursements to 1807 Massachusetts families with catastrophic medical or related expenses. It has proven to be an invaluable resource for families struggling with the need to preserve family life in the face of substantial financial obligations. The Fund has assisted families from a variety of income levels with a wide range of awards in proportion to their need.

Payments to an individual family in FY14-FY15 ranged from a low of \$30 to a high of \$85,276⁵. The median amount was \$5,735; the average was \$9,901. (See pages 13-15 for more information on services supported and reimbursements.) Some families have been eligible to receive CICRF assistance over multiple fiscal years.

⁵ For some families, a majority of the reimbursements were received in a prior fiscal year. For others, payment in FY14 or FY15 could include expenses incurred over several years.

Applications Received in Fiscal Years 2014-15

The number of applications submitted to the Fund has remained relatively constant in the past three years, with a small increase in FY15 compared to FY14. From FY01 through FY15, 3779 applications have been submitted to the CICRF. Table 1 shows the number of applications submitted each year for the last five years. The number of first-time applicants has exceeded 70% of the total in all but two of the past ten years. (FY06 was the first complete year for which first-time versus re-application data were captured.) This is very encouraging, as it indicates more families are aware of the help the Fund can provide, and the increase in applications is not simply a result of the same families re-applying year after year.

TABLE 1: Applications Submitted

	FY15	FY14	FY13	FY12	FY11	FY01-15
First-time applicants	227	203	191	250	231	2873
Re-applicants (first application received in a previous year or earlier that year)	76	80	92	101	123	906
TOTAL applications	303	283	284	352	354	3,779
% of applications received that were from families applying for the first time	75%	72%	67%	71%	65%	76%

Most applications submitted to the Fund in FY14 were determined eligible. Of the 283 applications submitted in FY14, 64% met the eligibility criteria and resulted in payments to the family either in FY14 or FY15. 20% were determined ineligible because they did not meet the financial criteria, while 15% were never completed by the family or other resources were found.

As of the writing of this report, staff continue to work on applications received in FY15. Because of the length of time it takes to complete review of an application, complete data on eligibility determinations for those applications are not yet available. However, of those for whom eligibility determinations have been made, 61% met the eligibility criteria and 28% were determined ineligible, while 12% were not completed by the family or resources were found.

Families Receiving Financial Assistance in Fiscal Years 2014-15

This report focuses on the families that received reimbursement in FY14 (163 families) and/or FY15 (182 families). Thirteen received reimbursement in both years, so a total of 332 families were served in the two years combined.

Due to the timing of receipt of applications and the documentation required to determine a family eligible for reimbursement, applications may be received in one fiscal year and associated reimbursements may not occur until the following fiscal year. Also, one application may result in multiple payments over time, sometimes in multiple fiscal years.

Unless otherwise indicated, the data below are based on families who have received financial assistance from the Fund (“families served”).

Diagnoses

The CICRF provides support for children with a wide variety of serious medical conditions. The broad categories of diagnoses of CICRF applicants include anoxic brain injuries and cerebral palsy; neuromuscular conditions (such as muscular dystrophy); genetic and metabolic conditions; cancers; primary neurologic disorders; developmental disorders; psychiatric disorders; prematurity and associated sequelae; and traumatic injuries. Most of these diagnoses have a number of associated conditions that dramatically impact the lives of the children who have them. Examples of associated conditions include seizure disorders, vision and hearing loss, incontinence, respiratory conditions, and inability to eat safely by mouth. Often children with these challenges are entirely dependent on others for aspects of daily living, such as getting dressed, toileting, or even rolling over in bed. Many use wheelchairs or have substantial mobility impairments. The scope of impact of these medical conditions on the quality of life of the children and families who apply for support from CICRF cannot be overstated.

The chart⁶ on the next page summarizes the types of conditions of the children assisted by the CICRF in FY14-15. The largest categories of conditions for which the Fund provided support are genetic and metabolic disorders; anoxic brain injuries and cerebral palsy; congenital anomalies; and prematurity and associated sequelae. Many children assisted by the Fund had multiple diagnoses that would fit into multiple diagnostic categories. Many of the conditions are chronic and require significant, ongoing medical care and/or pharmaceutical regimens. Other conditions severely impact mobility, resulting in families needing to make their living space and modes of transportation accessible to the child, in order to allow the child to live and participate fully in the community.

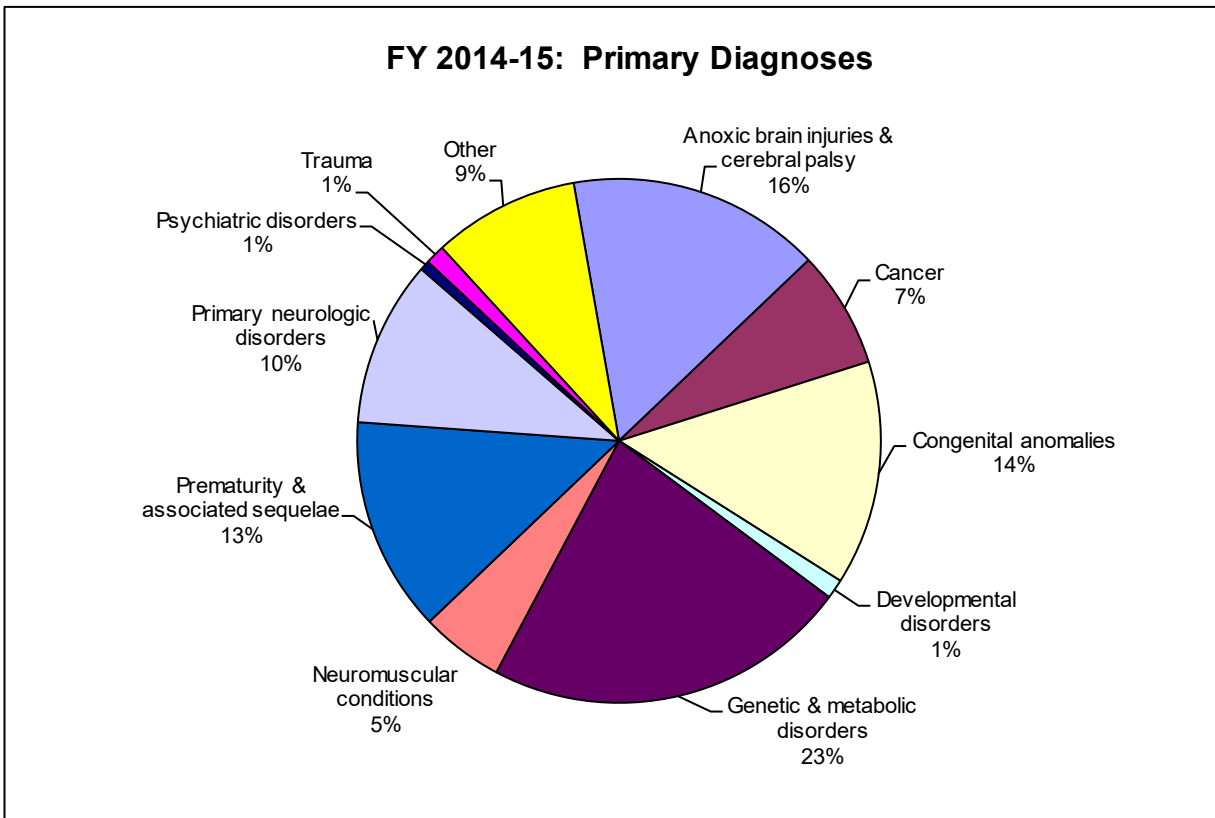
⁶ For all FY01-FY15 charts, the total number of children is 1807; for FY14 charts, the total number of children is 163; for FY15 charts, the total number of children is 182; for combined FY14-15 charts, the total number of children is 332 since 13 children were assisted in both years. All data are derived from the Massachusetts Department of Public Health Catastrophic Illness in Children Relief Fund database, 2015.

“Over the years the Fund has supported us through several financial obligations that parents never expect or plan on when a child is born...The Fund has lessened our stress around providing our son the care he needs at home with us. With our handicapped van, ramp, and more appropriate bathroom, we can keep him safe and maintain our ability to be his caregivers!”

- Recipient Family

“I cannot even begin to convey to you the relief I felt when told that this fund was accessible to my family. It is so difficult to find resources available to families like ours during good economical times let alone during a recession. We have always prided ourselves with working hard to provide our son with the things necessary to enable him to live as normal a life as possible, but I must confess it is becoming more and more difficult... From the bottom of my heart, I extend sincere thanks to all of you for the compassion and support that you so willingly offer to those of us who are in a position to call upon you.”

- Recipient Family

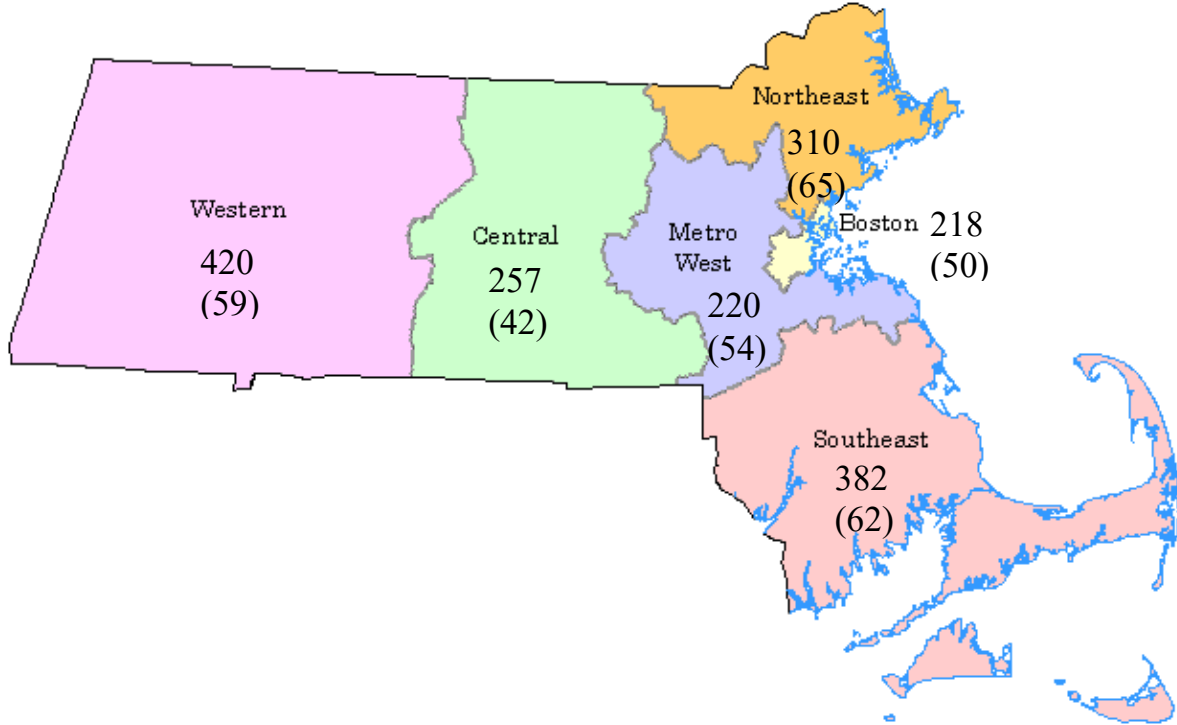


Geography

The CICRF serves children and families from across all regions of Massachusetts. Fund staff conducts outreach activities on an ongoing basis, as evidenced by the use of the CICRF's services in each of the Department of Public Health regions. The majority of the children served are located outside of the Greater Boston area, and often must travel to Boston to receive specialized care (a significant family expense when many visits or hospitalizations are required). The map below shows the number of families served in each region since the Fund's inception and for FY14-15.

Families Served Since Inception, and in FY 2014-15

The first number reflects the number of families served between FY 2001 and FY 2015. The number below in parentheses is the number of families served in FY 2014-15.



Age

The table below shows the breakdown of children’s age at time of application for the children reimbursed in FY14-15. The average age was 7.8 years in FY14 and 7.6 years in FY15.

A significant percentage of children served are those under age 5. This is likely due to prematurity and/or medical concerns that result in a child remaining in the hospital for a lengthy period of time. Many families apply to the Fund for assistance with costs associated with visiting their child in the hospital on a regular basis over an extended period of time.

TABLE 2: Age at Time of Application

	FY 2015		FY 2014	
	Number	Percent	Number	Percent
Under age 1	30	16.5%	29	17.8%
1 – 4 years	59	32.4%	47	28.8%
5 – 9 years	26	14.3%	26	16.0%
10 – 14 years	32	17.6%	31	19.0%
15 – 18 years	25	13.7%	20	12.3%
19 – 21 years	10	5.5%	10	6.1%
Total	182	100.0%	163	100.0%
Average Age	7.6 years		7.8 years	

We are very thankful... for all your efforts in helping us through the process of applying to the CICRF for medical reimbursement. We know it took a great deal of time and effort to organize all the paperwork and details of our daughter’s case.

To the Commission members, thank you for listening to our story, realizing the importance of having all the dental work completed, and understanding the tremendous financial burden it created for our family.

We are so grateful for all your work and the generosity of the CICRF. [Our daughter] is smiling a lot and looking forward to...school where she knows she can make a difference in caring for others.

- Recipient Family

Race

The table below shows the breakdown of families served by child’s race, as reported on the application.

TABLE 3: Families Served, by Race ^a

	FY2014-15	
	Number	Percent of Total
White ^b	145	44%
Hispanic/Black, Hispanic/White, Hispanic/Other	97	29%
Black ^c	38	11%
Multi-racial ^d	18	5%
Asian	14	4%
Other	11	3%
American Indian or Alaska Native	2	1%
Not reported	7	2%
Total # families	332	100%

^a Based on what is written on the application, either by the family or a referral source who may have helped the family with the application. Response options provided on the current application are: American Indian or Alaska Native; Asian; Black; Latino/Black; Latino/White; Latino/Other; Native Hawaiian or Other Pacific Islander; White; and Other.

^b Includes 7 families who used an old application form and checked “Caucasian.”

^c Includes 2 families who used an old application form and checked “African-American.”

^d Multi-racial is not a response option on the application. The child was considered multi-racial if more than one of the other response options were checked on the application.

Income Level

The majority of families helped by the CICRF are low-income and have limited access to other resources. Often a family with a catastrophically ill child has large, immediate expenses which, in conjunction with their low-income level, make traditional loans unavailable or unaffordable. For some families, the Fund represents a major and sometimes sole source of hope and support.

The CICRF provides assistance to families at all income levels as defined by the U.S. Department of Health and Human Services (USDHH). The federal poverty level (FPL) is a measure of family income that is calculated each year by the USDHH. It is used to determine financial eligibility for a variety of programs. These guidelines are a simplified version of the “poverty thresholds” developed by the U.S. Census Bureau.⁷

82% of families served in FY14, and 88% of families served in FY15, had incomes under 300% of FPL. This is noteworthy, since MassHealth eligibility for children extends to 300% FPL. In 2015, 300% FPL was \$72,750 for a family of four.

TABLE 4: Family Income, by Percent of Federal Poverty Level (FPL)

% of FPL	FY 2015		FY 2014	
	Number	Percent	Number	Percent
≤ 200%	133	73.1%	117	71.8%
201-300%	27	14.8%	17	10.4%
301-400%	7	3.8%	12	7.4%
401-600%	13	7.1%	11	6.7%
601-800%	2	1.1%	6	3.7%
>800%	0	0.0%	0	0.0%
Total	182	100.0%	163	100.0%
Average income	\$35,313		\$40,390	
Median income	\$21,937		\$25,467	

⁷ <http://aspe.hhs.gov/poverty/faq.shtml>.

Insurance Status

All children assisted by the CICRF in FY14 and FY15 had health insurance.⁸ Nevertheless these families still had catastrophic medical or related expenses. Often this is because the insurance does not cover certain services or expenses, or because families have significant co-pays or deductibles associated with care. Other times, the expenses are so great that families reach benefit limits and are left to cope with the rest of the expenses themselves. Fund staff make every effort to ensure insurance is used first and the Fund is the payor of last resort.

The table below describes the insurance coverage of the families reimbursed by CICRF in FY14 and FY15. Most families with private insurance had secondary Medicaid or CommonHealth coverage in order to supplement their primary private insurance. Almost all families in both years had some form of MassHealth as a primary or secondary insurer.

As noted in the chart, a small percentage of children each year had MassHealth Limited. MassHealth Limited is emergency medical coverage for noncitizens who meet MassHealth eligibility except for their immigration status. While most of those children were also covered by the Children’s Medical Security Plan (CMSP), which provides basic health coverage, these two plans alone do not meet all of the service, medication and equipment needs of children with chronic or complex medical conditions.

TABLE 5: Primary Insurance

	FY 2015		FY 2014	
	Number	Percent	Number	Percent
Primary Insurance				
MassHealth Standard	114	62.7	103	63.1
Private/Other	63	34.6	56	34.4
MassHealth Limited	5	2.7	4	2.5
Total	182	100.0%	163	100.0%
Number of privately insured with secondary MassHealth ⁹ coverage	57		50	
% with MassHealth as primary or secondary insurer	96.7%		96.3%	

⁸ If a family applies to the CICRF and staff learn that the child does not have health insurance, CICRF staff refers the family to the appropriate resource(s), to ensure all children have insurance coverage for which they are eligible.

⁹ Includes MassHealth Standard, CommonHealth and Kaileigh Mulligan.

Services Supported

The Fund reimburses families for a diverse set of medical and related services and expenses. Examples of eligible expenses include medical supplies and equipment, such as wheelchairs; physical, occupational, and speech therapy; hospital and physician services; per diem travel and related expenses during inpatient hospitalizations; and some alternative or complementary treatments (following an in-depth review by the Commission). Most families receive reimbursement from the Fund for more than one type of expense. Some expenditures reflect partial payments for medical and related services, such as co-payments and deductibles.

See the table on the next page for the distribution.

The Commission supports families' decisions to care for their children in their homes. Financial support from the Fund allows many families to avoid residential or institutional care by enabling them to make structural or other modifications that are necessary in order to care for their child at home (such as an accessible bathroom or a wheelchair accessible home entrance/exit). The Fund also assists families who need an accessible vehicle to transport their child to medical visits and elsewhere within the community.¹⁰ The largest percent of funds reimbursed to families each year is for Family Support, a per diem stipend which represents expenses parents incur while being with and caring for a sick child in the hospital or expenses incurred by lengthy outpatient appointments, such as in-state transportation costs, parking, meals, etc. Many children have multiple and/or lengthy hospitalizations – sometimes for months at a time – and the presence of parents at the hospital and parental involvement in the child's care team are critical components to the child's care, making this support essential.

As children grow, their needs change, and this has been reflected in some of the requests received by the Fund in recent years. Beginning a few years ago, the Commission began receiving repeat requests from families who were assisted in earlier years of the Fund. In particular, as children get older they outgrow certain equipment, such as leg braces and wheelchairs, which require replacement or modification in order to continue to meet the child's needs. Parents who may have been able to lift their child into a vehicle when the child was smaller may now require a wheelchair lift. Also, equipment simply wears out over time. For example, an eight year old wheelchair accessible van may no longer be roadworthy and may need to be replaced.

My family would like to thank you and the Commission and all involved with the CICRF for such amazing generosity! We have had many moments where we have been so grateful for your support in making our lives easier with home and vehicle modifications that are so needed. God bless you all.

- Recipient Family

¹⁰ Certain expenses, such as home and vehicle modifications, are reimbursed according to a sliding scale based on income, and families have a lifetime limit on the total amount that the Fund will reimburse for these types of expenditures. The lifetime limit is also determined by a sliding scale.

TABLE 6: Expenditures by Service Category

Service Category	FY 2015		FY 2014	
	Amount	Percent of total expenditures	Amount	Percent of total expenditures
Family support	540,965	30%	471,076	26%
Vehicle purchase	346,303	19%	321,264	20%
Vehicle modification	343,284	19%	269,165	16%
Previously modified vehicles	160,800	9%	134,294	8%
Medical services	147,547	8%	164,903	10%
Home modification	118,247	7%	116,434	7%
Equipment	42,536	2%	44,020	3%
Funeral expenses	31,587	2%	45,319	3%
Medication	13,543	1%	40,881	3%
Family travel & lodging (primarily related to out-of-state treatment)	16,276	1%	29,070	2%
Insurance premiums (MassHealth, CommonHealth)	5,783	<1%	4,402	<1%
Other	14,111	1%	47,898	3%
Total Expenditures	\$1,780,983	100.0%	\$1,634,726	100.0%

Reimbursements to Families

Total reimbursements to families in FY14 and FY15, and in all years since the creation of the Fund, are shown in the tables on the following page. From July 1, 2014 through June 30, 2015, the Fund reimbursed 182 families close to \$1.8 million. In FY14, the Fund reimbursed 163 families approximately \$1.63 million.

Total reimbursements to families and numbers of families served in FY14 decreased from FY13. Staff shortage is likely responsible for this decrease, as the number of applications submitted remained constant, and there was a significant backlog in applications throughout the year. Had there been greater staff capacity during this period, more applications would have been processed during FY14 and FY15, resulting in a higher total reimbursement and more families served in those years. Of note, the total reimbursement and total number of families served in FY15 increased over FY14. This corresponds to the hiring of additional staff in late FY14. Given the increase in staff and resumption of transfers (see next section), it is expected that even more families will be served and a greater total amount of reimbursements will be made in FY16.

TABLE 7: Reimbursements to Families

	FY15	FY14	FY01-15*
Total	\$1,780,983	\$1,634,726	\$23,587,002
Minimum	60	30	30
Maximum	85,276	68,900	85,276
Average	9,786	10,029	13,053
Median	5,508	6,000	8,400
25 th percentile	3,255	3,433	4,788
75 th percentile	13,340	12,953	17,365
Total # families	182	163	1807

* FY01-15 figures represent total payments made to families when all years are combined. It represents an unduplicated number of families, taking into consideration that some families receive payments over multiple years.

TABLE 8: Reimbursements to Families Since Inception of Fund

	Total Amount Reimbursed	Number of Families Receiving Assistance	Average Amount per Family
FY01	\$ 63,062	2	\$ 31,531
FY02	70,861	13	5,451
FY03	1,144,335	121	9,457
FY04	3,108,764	303	10,260
FY05	1,219,532	186	6,557
FY06	1,437,730	187	7,688
FY07	1,180,503	139	8,493
FY08	1,699,299	211	8,054
FY09	2,277,800	261	8,727
FY10	2,561,725	286	8,957
FY11¹¹	1,946,417	248	7,848
FY12	1,467,282	171	8,581
FY13	1,993,984	197	10,122
FY14	1,634,726	163	10,029
FY15	1,780,983	182	9,786

¹¹ As explained in the FY10 Annual Report, in mid-FY10, faced with decreased revenues and increased applications, the Commission made significant changes to reimbursement policy, with the intended effect of reducing per-family reimbursements. The Commission's aim was to assist as many families as possible while ensuring funds remained to assist families in FY11 and beyond. This is partly responsible for the decrease in total reimbursements after FY10.

Reimbursable expenses are defined in the Fund's policies set by the Commission and can change. The total amount reimbursed to families in a given year is not pre-defined. In general, if a family meets the eligibility criteria for the Fund, then the Fund reimburses the family 100% of the reimbursable expenses.

IV. REVENUE AND EXPENDITURES

Until December 31, 2013, the CICRF was funded by quarterly transfers made from the Medical Security Trust (MSTF), if funds were available after other obligations of the MSTF were met¹². As of January 1, 2014, the funding mechanism was changed to the Commonwealth Care Trust. As before, the funding continues to come from employers' contributions.¹³

During the Fund's initial years of service, there were significant remaining funds at the close of the fiscal year, as the Fund was still fairly unknown and underutilized. As knowledge and utilization of the Fund increased, the expenditures increased to match the need.

Due to the economic downturn and the resulting shortfall in the MSTF, there were no transfers from the MSTF to the CICRF from the 4th quarter FY09 through FY13. This was of tremendous concern. While the CICRF Trust was able to support the program in FY10 and FY11 (due to a surplus in previous years and policy changes made in FY10 to reduce expenditures) – the balance in the Fund dropped to under \$900,000 by the end of FY11. Spearheaded by Senate President Therese Murray, the legislature allocated funds from the Health Safety Net administration account in FY12 and FY13 to supplement CICRF Trust funds so the program could remain in operation. By the end of FY13, the CICRF Trust balance had fallen to \$15,507, and in FY14 the legislature included an earmark in the Department of Public Health administration account for the CICRF. Without these actions the program would not have survived.

Regular transfers from the MSTF resumed in FY14. Since then, the CICRF has begun to replenish and no supplemental funds have been needed. As noted above, the MSTF was abolished at the end of 2013, and the funding mechanism for the CICRF was changed to the Commonwealth Care Trust. Transfers to the CICRF Trust have been consistent throughout FY14 and FY15. FY15 ended with a healthy balance of \$3,393,064.

Table 9 lists a breakdown of annual revenue and expenditures.

¹² Prior to January 1, 2014: Chapter 111K, Section 9 of the Massachusetts General Laws provides that funding is to come through an employer's contribution to the office of employment and training, as \$1 annually for each employee "whose wages determine such employer's total unemployment health insurance contribution" under Chapter 151A section 14G of the General Laws.

¹³ As of January 1, 2014: Chapter 111K, Section 9 of the Massachusetts General Laws provides that funding is to come through an employer's medical assistance contribution under section 189 of chapter 149, "\$1 annually for each employee whose wages determine such employer's total employer medical assistance contribution."

TABLE 9: Annual Revenue and Expenditures

	Balance from Prior Fiscal Year (\$)	Deposits (includes interest) (\$)	Expenditures (includes administrative costs) (\$)	Balance Forward to Next Fiscal Year (\$)
FY01	--	\$ 2,762,950	\$ 63,062	\$ 2,699,888
FY02	\$ 2,699,888	2,519,271	120,149	5,099,010
FY03¹⁴	5,099,010	720,771	1,208,507	4,611,274
FY04¹⁴	4,611,274	47,260	3,171,764	1,486,769
FY05	1,486,769	2,606,336	1,242,563	2,850,541
FY06	2,850,541	2,799,303	1,489,261	4,160,584
FY07	4,160,584	2,845,088	1,292,183	5,713,488
FY08	5,713,488	2,841,943	1,819,146	6,736,284
FY09¹⁴	6,736,284	2,070,541	2,487,524	6,319,302
FY10¹⁴	6,319,302	23,293	3,051,570	3,291,025
FY11¹⁴	3,291,025	16,066	2,425,395	881,695
FY12^{14,15}	881,695	2,098	639,952	243,842
FY13^{14,15}	243,842	572	228,907	15,507
FY14¹⁵	15,507	3,323,428	615,421	2,723,515
FY15	2,723,515	2,903,247	2,233,697	3,393,064

“Thank you CICRF for your assistance. As you know there are many factors that impact caring for a medically complex child. [My daughter] has made amazing gains due to the support you have given us.”

- Recipient Family

¹⁴ During FY03, FY04, and from FY09-FY13 the Fund did not receive the full amount of anticipated transfers from the Medical Security Trust. In FY04 and from FY10-FY13, no transfers were made; deposits reflect interest payments only. Transfers resumed in FY14; five transfers were received in FY14 because the 4th quarter FY13 transfer was made in early FY14.

¹⁵ As explained on the previous page, state appropriated funds were used to supplement CICRF Trust funds in FY12-FY14; only those expenditures from the CICRF Trust are represented here.

V. CONCLUSION

The Catastrophic Illness in Children Relief Fund provides vital support to many families of children with varied and significant health conditions and special health care needs throughout Massachusetts. The Fund allows children with significant health problems to remain with their families and as a part of their communities. In addition, the illnesses or injuries of the children the Fund assists demand a wide range of medical services.

The diverse needs the Fund encounters attest to the value of this unique safety net. Ultimately, the Fund serves to improve the quality of life for many children and their families.

The Commission is proud of the assistance the Fund has provided to families over the past 15 years and is hopeful it will be able to continue to serve families in need.

“...I know how slim the budgets are and your assistance was invaluable. As I had written before, we had a very difficult and expensive year with [child’s name]... We are so grateful to you. I hope that I don’t have to contact you ever again, but it is nice to know you are there in case we have to... Thank you once again for all of your help throughout the years. Please thank everyone else who quietly save us and all the other catastrophic families.

- Recipient Family

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