

Testimony
House Bill No. 1067
House Human Services Committee
Representative Ruby, Chairman
January 14, 2025

Chairman Ruby, and members of the House Human Services Committee, I am Krista Fremming, Assistant Director of Medical Services with the Department of Health and Human Services (Department). I appear before you in support of House Bill No. 1067, which was introduced at the request of the Department.

Section 1 of this bill allows Medicaid coverage, and therefore federal matching funds, for children who are in the U.S. legally without regard to the length of time they or their parents have resided in the United States. We estimate that up to an additional 180 children may receive Medicaid coverage each year if this bill passes.

During the 2023 ND legislative session, Senate Bill No. 2181 passed that allowed for Medicaid coverage for pregnant women who are legally in the U.S. without regard to length of time they have been in the U.S. or qualifying quarters of social security coverage. We are recommending the same change be made for children. This will allow us to provide children who are here legally with access to health care services and connect them with cost effective preventive care.

Currently 36 states plus the District of Columbia provide Medicaid coverage to lawfully present children without a 5-year waiting period.

There have been situations since Oct. 1, 2023 (date we implemented the 2023 Senate Bill No. 2181) where we were able to provide coverage for a pregnant woman who did not meet the 5-year waiting period or have enough qualifying quarter of social security coverage but had to deny her children coverage due to the current law. Passing this bill would ensure the family unit is eligible for Medicaid and children aren't left without coverage we are able to grant to their pregnant mother.

There have also been a few situations in our state where a human service zone or the Division of Juvenile Services had custody of a child who was legally present in ND, however due to the five year, forty-quarter ban, the child did not qualify for Medicaid and their services had to be funded with state general funds.

Fortunately, there are not many children who fall into this category, but for those who do, their care is typically costly, as it may involve inpatient and residential levels of care. For example, the monthly cost for a child to receive treatment at a psychiatric residential treatment facility is around \$19,000. Without the passage of this bill, the state will incur general fund expenses of around \$236,877 in the 2025-27 biennium. This factor has been included in the fiscal estimate of the bill. By passing the bill, we can obtain federal matching dollars for all the children who fall into this situation, regardless of if their custody is transferred to a zone or the Division of Juvenile Services.

The fiscal impact of Section 1 for the 2025-27 biennium is \$356,491 in general funds and \$604,829 in federal funds.

We are requesting an amendment to the effective date of Section 1 of this bill, which we have drafted and included in the attached document. The amendment would change the effective date to April 1, 2026. As we analyzed the IT systems changes that would be needed if the bill passes, we concluded that a few additional months for development and testing are needed. If the amendment is adopted, the fiscal impact would need to be amended as well.

Section 2 of the bill increases the age limit for participation in the Medicaid children's autism and medically fragile waivers to age 20. Currently the age limit is 18. This change would enable children who are currently participating in the waiver to remain as participants at ages 19 and 20. If this change is not made, 23 children will age out of these waivers in the coming biennium. The transition period from youth into adulthood is critical, and disruption of services and supports for these young adults would make the transition more challenging. There is no fiscal impact associated with this change, as there are a set number of waiver slots each year, and each slot is funded in the Department's cost to continue budget.

This concludes my testimony. I would be happy to try to answer any questions the committee may have. Thank you.

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1067

A BILL for an Act to amend and reenact sections 50-24.1-02.6 and 50-24.1-26 of the North Dakota Century Code, relating to medical assistance benefits and Medicaid waivers; and to provide an effective date.

SECTION 3. EFFECTIVE DATE. Section 1 of this Act becomes effective on April 1, 2026.