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<u>10-16-03</u> Date 00  $\hat{\Sigma}$ 0  $\mathcal{M}$ 00 Operator s Signature

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## 2003 SENATE HUMAN SERVICES

SB 2087

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## 2003 SENATE STANDING COMMITTEE MINUTES

## **BILL/RESOLUTION NO. SB 2087**

Senate Human Services Committee

Conference Committee

Hearing Date January 15, 2003

Tape Number	Side A	Side B	Meter #
1	X		298 - 2170
	A		1
Committee Clerk Signature	yom	a frame	

Minutes:

SENATOR JUDY LEE opened the public hearing on SB 2087 relating to oral maxillofacial and orthodontic services provided by the medical assistance program.

**DAVID ZENTER**, Medical Services Director of the Department of Human Services, testified.

(Written testimony attached) (Meter # 334 - 444)

Question and answer regarding what is serious impairment. (Meter #454 -591)

Discussion about the alignment of the budget to Century Code, savings to Medicaid Services,

and eliminating orthodontia coverage. (Meter # 592 - 860)

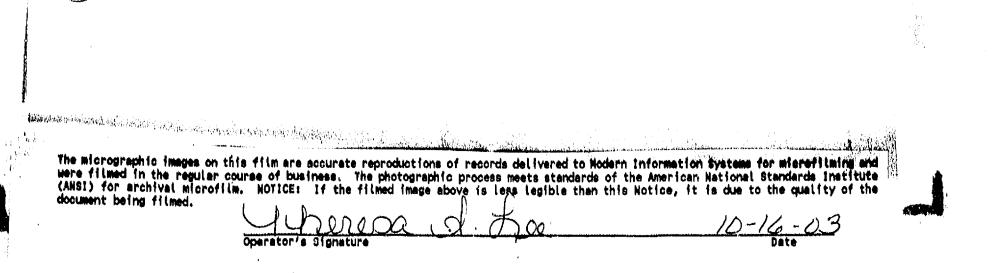
SENATOR KILZER: Stated he would submit written testimony, but would listen for now.

(Written testimony attached)

MATHEW C. SCHARTZ testified as a parent in opposition. (Written testimony attached)

(Meter #964 - 1614)

Public Hearing Closed. (Meter # 1716)



Page 2 Senate Human Services Committee Bill/Resolution Number SB 2087 Hearing Date January 15, 2003

Short discussion on the SB 2087.

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SENATOR FISCHER made a motion to "do not pass."

SENATOR BROWN seconded the motion

Roll call was read. There 5 yes and 0 no. One absent.

Senator Fischer volunteered to be the carrier. (End Meter # 2170)

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## FISCAL NOTE Requested by Legislative Council 01/03/2003

Bill/Resolution No.: SB 2087

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1A. **State fiscal effect:** Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.

	2001-200	3 Biennlum	2003-2005	Biennium	2005-2007 Biennium		
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds	
Revenues				(\$10,704)		(\$10,996)	
Expenditures		1 1	(\$5,046)	(\$10,704)	(\$5,302)	(\$10,996)	
Appropriations							

1B. County, city, and school district fiscal effect: Identify the fiscal effect on the appropriate political subdivision.

2001	1-2003 Blenr	lum	2003-2005 Blennium			2005-2007 Biennium			
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts	

2. Narrative: Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.

This bill repeals the requirement that the North Dakota Medicaid Program provide oral maxillofacial and orthodontic services to certain adults. The Executive Budget does not contain funding for these services. If this section of the Century Code remains, the Medicaid Program would be obligated for orthodontic services even though it will eliminate all other adult dental services.

- 3. State fiscal effect detail: For information shown under state fiscal effect in 1A, please:
  - A. Revenues: Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

The reduction in other revenues relates to Federal Medicaid funds.

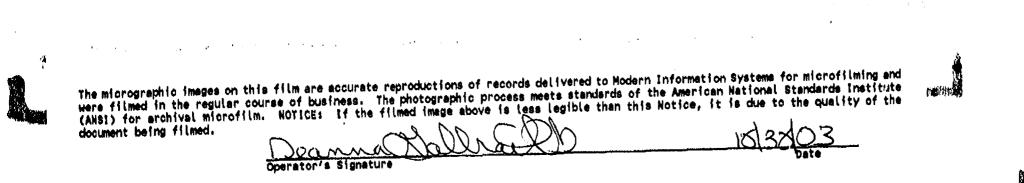
B. Expenditures: Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

The fiscal impact of this change will be limited because it is anticipated that no more than five adults would access this service during the next biennium. The savings realized would be in the Medical Services grants line item.

C. **Appropriations:** Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.

The 2003 - 2005 Executive Budget does not include funding for these dental services.

Name:	Debra A. McDermott	Agency:	Human Services
Phone Number:	328-3695	Date Prepared:	01/13/2003



			Date: ( Roll Call Vote #:	0/-15-	-03
2003 SENATE STAN BI	DING C LL/RES	COMM SOLUT	ITTEE ROLL CALL VO TION NO. 2008/00 3	TES 087	J. S.
Senate Human Services				Com	mittee
Check here for Conference Com	nmittee				
Legislative Council Amendment Nur	nber _			•	
Action TakenON	not.	nas			
Motion Made By <u>Serv.</u> <del>J</del> .	ische	<u>א</u> Se	conded By <u>Sorv.</u>		
Senators Senator Judy Lee - Chairman	Yes	No	Senators	Yes	No
Senator Richard Brown - V. Chair.					
Senator Robert S. Erbele					
Senator Tom Fischer			,		
Senator April Fairfield					
Senator Michael Polovitz			Rew Tale		
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Fotal (Yes) <u>5</u>		No			
Total (Yes) <u>5</u> Absent <u>/</u> Noor Assignment <u>Sen. Fisika</u>					

If the vote is on an amendment, briefly indicate intent:

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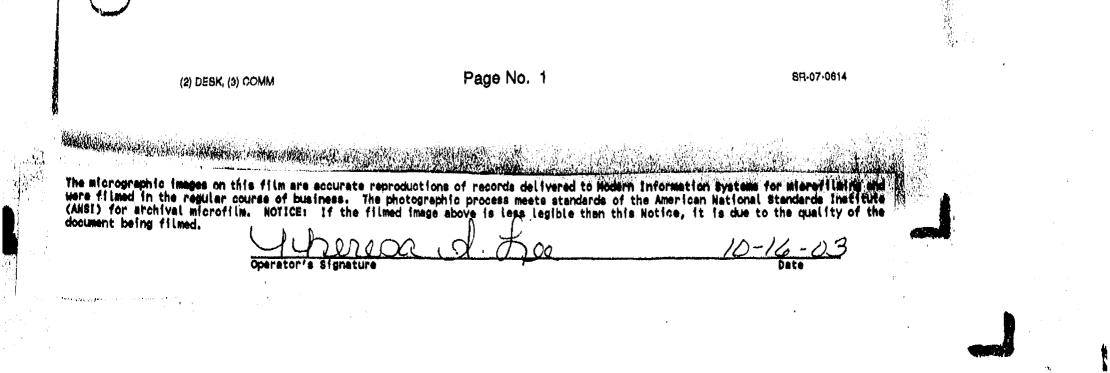
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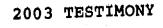
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# REPORT OF STANDING COMMITTEE (410) January 15, 2003 2:07 p.m.

#### Module No: SR-07-0614 **Carrier: Fischer** Insert LC: . Title: .

REPORT OF STANDING COMMITTEE SB 2087: Human Services Committee (Sen. J. Lee, Chairman) recommends DO NOT PASS (5 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2087 was placed on the Eleventh order on the calendar.





SB 2087

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## TESTIMONY by Senator Ralph Kilzer To the Senate Human Services Committee Regarding <u>Senate Bill 2087</u>

Attention: Chairman Judy Lee

Chairman Lee, Members of the Senate Human Services Committee.

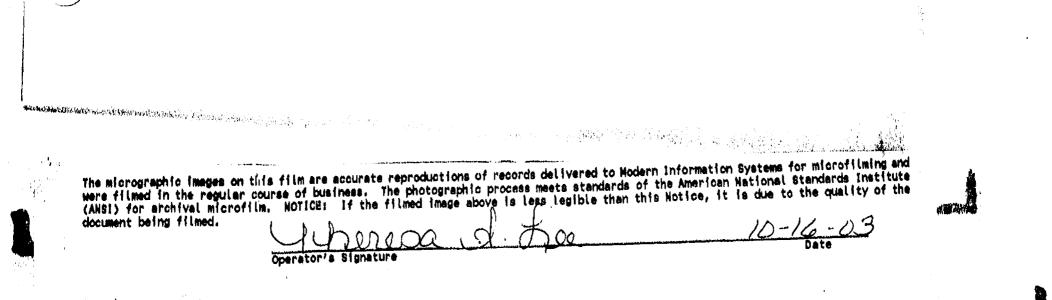
I am Senator Ralph Kilzer, State Senator from District 47 in Bismarck. I submit my testimony in opposition to Senate Bill 2087.

During the 57th Legislative Session several people worked hard to get Senate Bill 2043 passed. It was my feeling and the feeling of the House and Senate that this was a good piece of legislation. It passed each House unanimously.

One of the problems that we have in North Dakota in providing this type of service to patients who need it very badly is that it comes under the classification of "Orthodontia." In actuality, it is major surgery. I understand that there were very few cases; however it is life threatening to some patients who do not receive the medically-indicated treatment. Hopefully in the future it will be considered major surgery to correct a major clinical problem; it is unfortunate that it gets grouped with Orthodontia, which carries with it the connotation of cosmetic correction of teeth alignment in juveniles.

The proponents of the bill stated that they will "no longer pay for any trasic dental services for adults." Actually this is not a basic dental service; it is major surgery.

Thank you for considering my testimony at this late date. Any unfavorable consideration that you give to this bill is much appreciated. I would be happy to respond to any questions that you might have.



## TESTIMONY BEFORE THE SENATE HUMAN SERVICES COMMITTEE REGARDING SENATE BILL 2087 JANUARY 15, 2003

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Chairman Lee, members of the committee, I am David Zentner, Director of Medical Services for the Department of Human Services. I appear before you to provide Information and support this bill.

During the last legislative session, Senate Bill 2403 was enacted by the Legislature. it required the Medicaid Program to cover orthodontic services to anyone who is a Medicaid recipient in conjunction with or in lieu of maxillofacial surgery services if the services are reasonably likely to correct or mitigate a congenital or acquired deformity associated with a significant impairment in drinking, eating, swallowing or speaking.

Previous to the enactment of this bill, the Medicaid Program did not pay for any adult orthodontic services. After the bill was passed, the Department amended its state plan allowing for adult orthodontic services in accordance with the language of the bill.

The Department's appropriation, Senate Bill 2012, eliminates adult dental services from the program including all preventive and restorative services including full dentures, cleanings and fillings.

Since we are proposing to no longer pay for any basic dental services for adults, the Department is requesting that this provision be repealed from the Century Code.

I would be happy to respond to any questions you may have.

## SENATE BILL 2087 Human Services Committee

Testimony by Mathew C. Schwarz January 14, 2003

Good Morning

Madam Chair Lee and Members of the Committee.

My name is Matt Schwarz. I live in Bismarck (District 47) with my wife Marcia, and two daughters, Stephanie, 28, and Jessica 24.

I am here as a parent to speak in opposition to Senate Bill 2087 which would repeal Medicaid coverage for orthodontia after age 21, that was overwhelmingly passed during the last legislative session. In fact I'd like to pass around a photo of the bill signing ceremony taken with our family after an invitation by Governor Hoeven's office.

Some of you may recall, our daughters have Muscular Dystrophy and due to complications at birth ended up with mental retardation. Jessica is on life support. My wife, a Registered Nurse, has devoted her entire career to care for our two girls, giving up working out of the home. She now herself uses a wheelchair as she also has the same disability.

I have attached to my handout a copy of my testimony last session. To be brief I will not repeat the entire contents here this morning. The issues are the same.

One of the problems associated with our daughters' underlying disease is severe deformation of the mouth, including high pallet, lack of space in the mouth, the tongue continually pushes teeth out of place.

At age 13, Stephanie had maxillo-facial surgery whereby a cross-section of her jaw was removed and reattached with miscellaneous hardware. This improved her condition but

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she continues to need followup treatment from an orthodontist for the rest of her life or her condition will reverse, deteriorate and cause considerably more serious problems related to her eating, drinking, and speaking. There is a high probability her resulting general health would then also become at risk! Presently she still has not had some of the necessary treatment we needed two years ago because of reoccurring infections. In fact just this month we had hoped to proceed with the appropriate orthodontic services.

Jessica also needs the same surgical procedure as Stephanie. But because of her fragile medical condition, our doctors advised us the risk of surgery would be too great. As an option, various orthodontic treatments, although not as good as the surgery, would greatly improve Jessica's functional ability to eat, drink, and speak. This was not a problem when there was Medicaid coverage under age 21.

As you review the history of my previous testimony you will learn that our family had no idea that after age 21, the coverage for orthodontics would discontinue. We were shocked when we were informed by Mr. Zentner (Medicaid Director, DHS) that there was absolutely no orthodontic coverage for anyone on Medicaid after age 21 in North Dakota, no matter what the condition. In fact, DHS had the authority by federal law to cover orthodontia necessary to correct serious functional problems and would receive matching funds.

I worked with Senator Kilzer from my home district, as well as Senators Christmann and Mathern who agreed, supported, and assisted in crafting the appropriate language for the legislation. During my testimony in the House Human Services Committee I was asked if this shouldn't really have the Emergency Clause added to which I gratefully responded in the affirmative. From what I can tell the final bill passed unanimously in the House 095y, 000n and in the Senate 049y, 000n including the Emergency Clause carried. I made a copy of the Legislative Journal from the internet for my file which is attached.

As I stated in my previous testimony, this is not simply braces for straightening teeth, but for major life functions including the ability to eat, swallow, drink, and speak!

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Our family was so elated and thankful after our mutual efforts with the legislators resulted in what we thought to be a change in the law that would permanently provide for this important orthodontic service. To our dismay we learned that as quickly as it was provided, it may again be taken away!

This coverage is vital for people whose underlying disability and/or an unfortunate accident results in a need for this orthodontic service.

Again as the President has said so often, please do not leave our adult daughters behind on the coverage they need as a result of their disability and/or unfortunate accident. The long term implications, including costs, if these orthodontic services are not provided put Stephanie and Jessica at risk.

WHO WILL TAKE CARE OF THESE NEEDS WHEN WE AS PARENTS ARE NO LONGER AVAILABLE FOR OUR ADULT CHILDREN???

Our family sincerely requests you <u>reject this bill</u> which would repeal the legislation enacted last session providing important orthodontic services to prevent serious functional problems in our adult children.

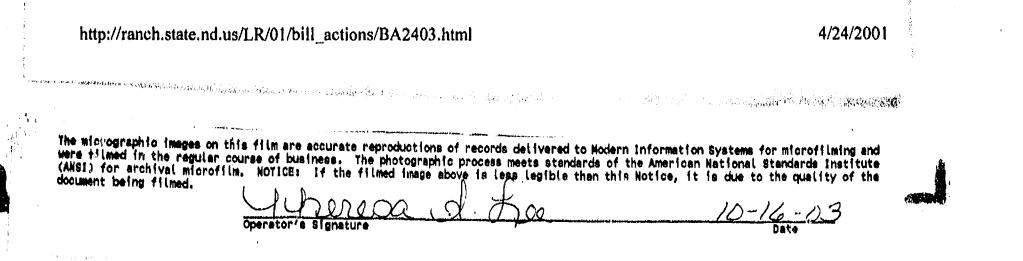
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Measure Actions	Go to 2001 SB 2403 Versions Select New Measure No. Go to Major Topics Index Legislative Information
	HJ = House Journal SJ = Senate Journal
-	Sen. Kilzer, Christmann, T. Mathern he provision of medically necessary orthodontic care through the medicaid
program.	
01/29 Senate	Introduced, first reading, referred Human Services SJ 213
2/06 Senate	
2/09 Senate	•
2/12 Senate	Amendment adopted SJ 405
0.110.0	Rereferred to Appropriations SJ 405
2/19 Senate	Committee Hearing 10:30
2/20 Senate	Reported back, do pass, placed on calendar y 014 n 000 SJ 592
2/22 Senate 2/22 House	Second reading, passed, yeas 049 nays 000 SJ 622 Received from Senate HJ 732
2/28 House	Introduced, first reading, referred Human Services HJ 757
3/07 Kouse	Committee Hearing 09:00
3/16 House	Reported back amended, amendment poc y 013 n 000 HJ 964
3/19 House	Amendment adopted, placed on calendar HJ 971
	Rereferred to Appropriations HJ 971
/27 House	Committee Hearing 08:00
5/29 House	Reported back amended, amendment poc y 018 n 002 HJ1177
3/30 House	Amendment adopted, placed on calendar HJ1184
	Second reading passed, y 095 n 000 Emergency clause carried HJ1197 -
3/30 Senate	Returned to Senate (12) SJ1067
4/04 Senate	Concurred SJ1144
	Second reading passed, y 049 n 000 Emergency clause carried SJ1144
4/09 Senate	Signed by President SJ1245
4/11 House	Signed by Speaker HJ1431
4/16 Senate	Sent to Governor SJ1356
4/40 0	

04/19 Senate Signed by Governor SJ1435



## SENATE BILL 2403

House Appropriations Committee

Testimony by Mathew C. Schwarz March 27, 2001

Good Morning!

Chairman Timm and Members of the Committee.

My name is Matt Schwarz. I live in Bismarck (District 47) with my wife Marcia, and two daughters, Stephanie, 26, and Jessica 22.

I am here to testify, as a parent, in support of Medicaid coverage for orthodontia after age 21.

Our daughters have Muscular Dystrophy and due to complications at birth ended up with mental retardation. Jessica is on life support. My wife, a Registered Nurse, has devoted her entire career to care for our two girls, giving up working out of the home. She now herself also uses a wheelchair as she also has the same disability.

Our daughters both graduated from Bismarck High School and are both working part time. Stephanie, who always wanted to work with children, loves her job at BECEP as a teacher's aide. Jessica daily looks forward to her job, formerly at Dakota Radiology (clinic), and, now at Bismarck State College, shredding paper. We are very proud of them. Nevertheless, due to many medical issues, it has not been an easy life for our family over the last 26 years. Both of them were required by the State to enroll in the Medicaid program at age 18 so funds could be leveraged from the federal government.

One of the problems associated with our daughters' underlying disease is severe deformation of the mouth, including high pallet, lack of space in the mouth, the tongue continually pushes teeth out of place.

At age 13, Stephanie had maxillo-facial surgery whereby a cross-section of her jaw was MANYARANGARANGARAN ANTARAN BARARAN BARARAN ANTARAN ANTARAN ANTARAN ANTARAN ANTARAN ANTARAN ANTARAN ANTARAN ANT The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the  $f_{1}$ 1444 document being filmed.



removed and reattached with miscellaneous hardware. This improved her condition but she continues to need followup treatment from an orthodontist for the rest of her life or her condition will reverse, deteriorate and cause considerably more serious problems related to her eating, drinking, and speaking. There is a high probability her resulting general health would then also become at risk! She presently continues to receive speech therapy every week.

Jessica also needs the same surgical procedure as Stephanie. But because of her fragile medical condition, our doctors advised us the risk of surgery would be too great. As an option, various orthodontic treatments, although not as good as the surgery, would greatly improve Jessica's functional ability to eat, drink, and speak. This was not a problem when there was Medicaid coverage under age 21.

About 2-1/2 years ago Stephanie's knee gave out and she fell down the stairs. She knocked out her front teeth and fractured her upper jaw. Making a long story short, she had surgery, had her mouth wired together, and a team of three: a dentist, an oral surgeon, and an orthodontist, have come up with a treatment program for Stephanie, including orthodontic services. Our family had no idea that after age 21, the coverage for her orthodontics would discontinue. We were shocked when we were informed by Mr. Zentner (Medicaid Director, DHS) that there was absolutely no orthodontic coverage for anyone on Medicaid after age 21, no matter what the condition. In fact, it appears the DHS has the authority to cover these types of needs:

§ 75-02-02-08 Amount, duration and scope of medical assistance.....

2.c. Coverage may not be extended and payment may not be made for <u>orthodintia</u> prescribed for eligible recipients, <u>except</u> for <u>orthodontia necessary to correct serious functional problems.</u>

Apparently, for whatever reason, the DHS has decided to ignore this provision of the Rules.

This creates a serious dilemma for our daughters. Several weeks ago Stephanie had her front teeth removed after a long attempt to save them failed. Infection had set in. We are presently faced with major orthodontic services. This is not simply braces for straightening teeth, but for major life functions including the ability to eat, drink,

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#### and speakl

It is our understanding the federal Medicald program provided for and suggests State Medicald coverage for such orthodontics, including funds. This coverage is vital for people whose underlying disability and/or an unfortunate accident results in a need for this orthodontic service.

From a fiscal point of view this is a preventive investment! The services provided for in this bill are necessary to maintain a delicate balance for our daughters' health. Nutrition and keeping the digestive system operating properly are directly related to dental and orthodontic care. If these services are not available it is likely future medicald costs will be higher from long term problems associated with poor eating functions and deteriorating dental and orthodontic fiealth.

Please do not leave our adult daughters behind on the coverage they need as a result of their disability and/or unfortunate accident. The long term implications, including costs, if these orthodomic services are not provided put Stephanie and Jessica at risk.

## WHO WILL TAKE CARE OF THESE NEEDS WHEN WE AS PARENTS ARE NO LONGER AVAILABLE FOR OUR ADULT CHILDREN777

Our family sincerely requests you support this bill to guarantee orthodontic services for serious functional problems to our adult children:

Thank you!

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#### 38237.0100

Fifty-eighth Legislative Assembly of North Dakota

## SENATE BILL NO. 2088

Introduced by

Human Services Committee

(At the request of the Office of Management and Budget)

A BILL for an Act to create and enact a new section to chapter 50-24.1 of the North Dakota
Century Code, relating to development of a pharmacy best practices and cost control program
and to authorize additional prescription drug cost containment strategies in the medical

4 assistance program.

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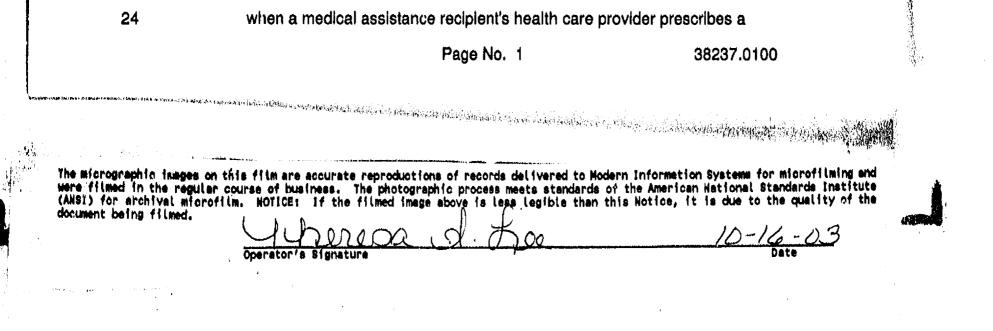
#### 5 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NOR ON DAKOTA:

SECTION 1. A new section to chapter 50-24.1 of the North Dakota Century Code is created and enacted as follows:

Prescription drug cost containment - Third-party contract - Rules.

9 The department of human services shall establish a pharmacy best practices and 1. 10 cost control program designed to reduce the cost to the medical assistance 11 program of providing prescription drugs while maintaining high quality in 12 prescription drug therapies. The program must include a preferred list of covered 13 prescription drugs which identifies preferred choices within therapeutic classes for 14 particular diseases and conditions, including generic alternatives, utilization review 15 procedures, including a prior authorization review process, and any other cost 16 containment activity designed to reduce the cost of providing prescription drugs 17 while maintaining high quality in prescription drug therapies. The department of 18 human services may negotiate additional rebates from drug manufacturers to 19 supplement the rebates required by federal law governing the medical assistance 20 program. The department of human services may implement all or a portion of this 21 program through a contract with a third party with expertise in the management of 22 pharmacy benefits.

2. The department of human services shall authorize pharmacy benefit coverage



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