MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M

ROLL NUMBER

DESCRIPTION

2192

2003 SENATE HUMAN SERVICES

SB 2194

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2194

Senate Human Services Committee

☐ Conference Committee

Hearing Date January 20, 2003

Tape Number	Side A	Side B	Meter #
1	X		0 - 4510
Committee Clerk Signature	Donna Kramer		

Minutes:

SENATOR JUDY LEE called the meeting to order.

Roll call was read with one absent. SENATOR FAIRFIELD had asked to be excused today.

Gavel was turned over to the SENATOR BROWN, VICE CHAIRMAN, so SENATOR LEE could introduce SB 2194. This is a Bill for an Act to provide for the establishment of a medical assistance buy-in program for individuals with disabilities and to provide for personal care services for eligible medical assistance recipients.

SENATOR LEE introduced SB 2194 and indicated that the Fiscal Note had not been completed. She stated that we will recess today and reconvene at a later date when they Fiscal Note is ready.

It was stated that we would hear the background from some of the people today.

DR. JOHN UPPAL, Project Director for Medicaid Infrastructure Program of Minot State University, testified in favor of the bill. (Meter #212 - 1090) He stated most people with significant disabilities would like to work and get dignity and self esteem for working. (Written

facts and figures regarding Medicaid Buy-In in folder submitted. Also spiral booklet of Endorsement Letters from Partners) This is keeping with the economic development in North Dakota we are so much interested in. The biggest barrier we have if the person with a disability works, they stand a change to lose their eligibility for Medicaid. This program was started by President Clinton and President Bush has endorsed it.

SENATOR BROWN: Their health insurance would be continued under Medicaid?

DR. JOHN UPPAL: That's right.

SENATOR LEE: It would allow those who are working, on a sliding scale, to buy into Medicaid who otherwise might lose their health coverage because of the income limits.

DR. JOHN UPPAL: This program is designed to help with disabilities to work. I have worked with the Medicaid program for the past 25 years. I designed MMIS in two states, New York and Michigan. There are programs being offered like this in 23 states.

JAMES M. MOENCH, Executive Director of the North Dakota Disabilities Advocacy Consortium (NDDAC) testified. NDDAC strongly supports SB 2194 and urges the Senate Human Services Committee to give this bill a "do pass." Removing the obstacle that a loss of benefits presents would be a step enhancing the opportunities of people with disabilities to participate fully in the economic life of our state. (Written testimony and member list sheet attached. Also Policy Statement on Employment and North Dakota Medicaid Buy-In Fact Sheet) (Meter #1337 - 1595)

DANENE HARKNESS testified for herself in favor of the bill. (Written testimony in the white notebook submitted by Dr. Uppal.) Danene stated she has a teaching degree and also works as a Braille transcriptionist.

BONNIE OLHEISER, constituent of District 37 and residing in Dickinson, testified. (Written testimony in white notebook submitted by Dr. Uppal) Bonnie stated that because of the current Medicaid regulations, the recipient liability is so huge, we have opted not to have Medicaid. She stated the only way out of their situation is either divorce or separation.

ABRAHAM TERNES, from Bismarck testified. (Written testimony included in white notebook) He is a part-time student at BSC. He said if he started working today, the current law forces him to choose between work and Medicaid as the recipient liability via Medicaid would leave me with very little income.

VICKAY GROSS, Coordinator of the Protection and Advocacy Project for Beneficiaries of the Social Security (PABSS) program. She submitted information about the Ticket to Work program. (Written testimony plus brochures and information sheets about the program attached) She stated the Medicaid buy-in is one of the components of the Ticket to Work legislation which removes the threat of people with disabilities losing their health care benefits if they choose to go to work.

SENATOR POLOVITZ: How long have you been working on this? (Meter # 3280 - 3429)

VICKAY GROSS: Since January of last year.

SENATOR LEE: What would an applicant do? (Meter # 3446 - 3811)

DR. JOHN UPPAL: Mentioned page 1, line 8 requires a slight change. (Meter #3857 - 3946) Need to mention ages.

DAVE ZENTNER: As requested by SENATOR LEE, Dave Zentner, Director of Medical Services, give an explanation of what recipient liability is in North Dakota. The eligibility criteria establishes an income level from which deductions are taken. If the person incurs a

liability over the income level, they would be responsible for that amount. A written testimony was requested. (Meter # 4084 - 4398)

SENATOR LEE: Requested written testimony from additional information Dr. John Uppal regarding Medicaid eligibility liability. (Meter # 4409)

Public Hearing closed at this time. (Meter # 4510)

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2194

Senate Human Services Committee

☐ Conference Committee

Hearing Date January 29, 2003

Tape Number	Side A	Side B	Meter #
2	X		2878 - 4879

Committee Clerk Signature Donna Kramer

Minutes:

SENATOR JUDY LEE opened the committee discussion for SB 2194 relating to the medical assistance buy-in program for persons with disabilities and concerning the fiscal note.

DAVID ZENTNER, Director of Medical Services for the Department of Human Services, testified before the committee. (Written testimony provided) (Meter # 2906 - 3827)

Discussion regarding merits of program, reference to Kathleen Drovdal's letter, and examples of disabled persons who cannot qualify for health insurance, and eligibility factors. (Meter # 3830 - 4832)

Committee Hearing closed. (Meter #4879)

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2194

Senate Human Services Committee

☐ Conference Committee

Hearing Date February 4, 2003

Tape Number	Side A	Side B	Meter #
1	X		2990 - end
		X	0 - 221
3	X		5453 - end
3		X	0 - 1400
Committee Clerk Signature	Donna Kramer		

Minutes:

SENATOR JUDY LEE opened the committee hearing for SB 2194 providing for the establishment of a medical assistance buy-in program for individuals with disabilities and to provide for personal care services for eligible medical assistance recipients.

DR. JOHN UPPAL, of Minot State University, testified in favor of SB 2194. He gave the intent of Medicaid Buy-In, explained the Work Incentive Program, and explained charts and graphs. (Previous written testimony with graphs and charts, Medicaid Buy-In History, and testimonial letters)

(Meter #3000 - 5726)

DAVID ZENTNER, Director of Medical Services with the Department of Human Services, testified. He stated the cost of the program is what the client used to pay and what they will be

paying. Provides a relief to people who can work, but not people over 65. Potential savings of $642,000. (Tape 1, Side A, Meter # 5822 - 6240 and Side B, 0 - 65)

DR. JOHN UPPAL made a comment that the premium was introduced as deterrent ... so only people who are gainfully employed can buy-in. (Meter # 94 - 170)

The public hearing for SB 2194 was closed. (Meter #221)

SENATOR LEE reconvened the Human Services Committee in the afternoon to discuss and hear comments from several people on the Medicaid Buy-In bill. David Zentner and Dr. Uppal have worked very closely on all this information.

SENATOR FAIRFIELD: Questioned about eligibility of people over 65.

DR. JOHN UPPAL: Stated the program was for people 18-64 who are capable of work and remain on Medicaid. Not penalized for working. Does not cover 65 and above as they do not work that much. (Meter # 5809 - 6081)

SENATOR BROWN: Is there any thing negative? (Meter # 6114 - end)

SENATOR LEE mentioned recipient liability dollars ... loss to the fund? Response by Dr. Uppal explaining federal match and continued discussion with committee regarding premium, eligibility requirements, and no change to SPED program. (Meter Tape 3, Side B, 0 - 1027)

DAVE ZENTNER, Director of Medical Services for Department of Human Services, stated there would be still be 100s of individuals who are working but don't earn enough and their liability will either be 0 or very minimal. So they will remain on the regular Medicaid program and will not switch over to the Buy-In because it won't be an advantage to them. (Meter # 1035 - 1090)

DAVE ZENTNER: Biggest problem is the unknown. Concept is good. (Meter # 1116 - 1170)

SENATOR LEE: We deal with the concepts. Appropriations ... fiscal impact. (Meter # 1180 - 1229)

SENATOR BROWN: Is the amendment necessary? Discussion. (Meter # 1230 - 1300)

SENATOR BROWN moved to accept the amendment as required.

SENATOR ERBELE seconded the motion.

Roll call was read. 6 yeas 0 nays.

SENATOR BROWN moved to Do Pass and rerefer to Appropriations.

SENATOR ERBELE seconded the motion.

Roll call was read. 6 yeas 0 nays.

Carrier will be SENATOR BROWN. (Meter # 1400)

FISCAL NOTE

Requested by Legislative Council
04/07/2003

Amendment to: SB 2194

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.*

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	$0	$0	$0	$2,883,739	$0	$2,817,138
Expenditures	$0	$0	($624,213)	$2,883,739	($761,999)	$2,817,138
Appropriations	$0	$0	($624,213)	$2,883,739	$0	$0

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

2001-2003 Biennium			2003-2005 Biennium			2005-2007 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
$0	$0	$0	($75,763)	$0	$0	($78,397)	$0	$0

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

This bill provides for the establishment of a medical assistance buy-in program for individuals with disabilities and to provide for personal care services for eligible medical assistance recipients.

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.*

Other revenues would increase for 2003-05 by $2,883,739. The medical assistance buy-in program (Section 1) would generate federal medical assistance funds totalling $1,056,437. Personal care services (Section 2) would generate federal medical assistance funds of $1,903,065 while reducing funds received from the counties by $75,763.

   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.*

This bill would increase expenditures for 2003-05 by $2,259,526. The medical assistance buy-in program would increase grants by $1,370,566 and increase operating expenditures for information system revisions of $250,000; of these amounts $564,129 would be general funds.

Personal care services would increase grants expenditures by $638,960. General funds would decrease by $1,188,342 due to changing personal care services from a state program to a federal Medicaid service.

   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.*

This bill would cause an overall increase in appropriations of $2,259,526; special funds would increase $2,883,739 while general funds would decrease by $624,213 for 2003-05.

Name:	Debra A. McDermott	**Agency:**	Human Services

Phone Number: 328-3695 **Date Prepared:** 04/07/2003

FISCAL NOTE

Requested by Legislative Council
03/18/2003

Amendment to: SB 2194

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.*

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	$0	$0	$0	$2,948,712	$0	$2,882,790
Expenditures	$0	$0	($593,581)	$2,948,712	($730,346)	$2,882,790
Appropriations	$0	$0	($593,581)	$2,948,712	$0	$0

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

2001-2003 Biennium			2003-2005 Biennium			2005-2007 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
$0	$0	$0	($75,763)	$0	$0	($78,397)	$0	$0

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

This bill provides for the establishment of a medical assistance buy-in program for individuals with disabilities and to provide for personal care services for eligible medical assistance recipients.

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.*

Other revenues would increase for 2003-05 by $2,948,712. The medical assistance buy-in program (Section 1) would generate federal medical assistance funds totalling $1,121,410. Personal care services (Section 2) would generate federal medical assistance funds of $1,903,065 while reducing funds received from the counties by $75,763.

   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.*

This bill would increase expenditures for 2003-05 by $2,355,131. The medical assistance buy-in program would increase grants by $1,466,171 and increase operating expenditures for information system revisions of $250,000; of these amounts $594,761 would be general funds.

Personal care services would increase grants expenditures by $638,960. General funds would decrease by $1,188,342 due to changing personal care services from a state program to a federal Medicaid service.

   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.*

This bill would cause an overall increase in appropriations of $2,355,131; special funds would increase $2,948,712 while general funds would decrease by $593,581 for 2003-05.

Name:	Brenda Welsz	**Agency:**	Human Services

Phone Number: 328-2397 Date Prepared: 03/19/2003

FISCAL NOTE

Requested by Legislative Council
02/07/2003

Amendment to: SB 2194

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.*

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	$0	$0	$0	$2,845,524	$0	$2,778,524
Expenditures	$0	$0	($642,229)	$2,845,524	($780,616)	$2,778,524
Appropriations	$0	$0	($642,229)	$2,845,524	($780,616)	$2,778,524

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

2001-2003 Biennium			2003-2005 Biennium			2005-2007 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
$0	$0	$0	($75,763)	$0	$0	($78,397)	$0	$0

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

This bill provides for the establishment of a medical assistance buy-in program for individuals with disabilities and to provide for personal care services for eligible medical assistance recipients.

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.*

Other revenues would increase for 2003-05 by $2,845,524. The medical assistance buy-in program (Section 1) would generate federal medical assistance funds totalling $1,018,222. Personal care services (Section 2) would generate federal medical assistance funds of $1,903,065 while reducing funds received from the counties by $75,763.

   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.*

This bill would increase expenditures for 2003-05 by $2,203,295. The medical assistance buy-in program would increase grants by $1,314,335 and increase operating expenditures for information system revisions of $250,000; of these amounts $546,113 would be general funds.

Personal care services would increase grants expenditures by $638,960. General funds would decrease by $1,188,342 due to changing personal care services from a state program to a federal Medicaid service.

   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.*

This bill would cause an overall increase in appropriations of $2,203,295; special funds would increase $2,845,524 while general funds would decrease by $642,229 for 2003-05.

Name:	Debra A. McDermott	**Agency:**	Human Services

Phone Number: 328-3695 **Date Prepared:** 02/07/2003

FISCAL NOTE

Requested by Legislative Council
01/15/2003

Bill/Resolution No.: SB 2194

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.*

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	$0	$0	$0	$2,845,524	$0	$2,778,524
Expenditures	$0	$0	($642,229)	$2,845,524	($780,616)	$2,778,524
Appropriations	$0	$0	($642,229)	$2,845,524	($780,616)	$2,778,524

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

2001-2003 Biennium			2003-2005 Biennium			2005-2007 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
$0	$0	$0	($75,763)	$0	$0	($78,397)	$0	$0

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

This bill provides for the establishment of a medical assistance buy-in program for individuals with disabilities and to provide for personal care services for eligible medical assistance recipients.

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.*

Other revenues would increase for 2003-05 by $2,845,524. The medical assistance buy-in program (Section 1) would generate federal medical assistance funds totalling $1,018,222. Personal care services (Section 2) would generate federal medical assistance funds of $1,903,065 while reducing funds received from the counties by $75,763.

   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.*

This bill would increase expenditures for 2003-05 by $2,203,295. The medical assistance buy-in program would increase grants by $1,314,335 and increase operating expenditures for information system revisions of $250,000; of these amounts $546,113 would be general funds.

Personal care services would increase grants expenditures by $638,960. General funds would decrease by $1,188,342 due to changing personal care services from a state program to a federal Medicaid service.

   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.*

This bill would cause an overall increase in appropriations of $2,203,295; special funds would increase $2,845,524 while **general funds would decrease by $642,229 for 2003-05.**

Name:	Brenda M. Welsz	**Agency:**	Human Services
Phone Number:	328-2397	**Date Prepared:**	01/24/2003

30374.0101
Title.0200

Adopted by the Human Services Committee
February 4, 2003

2-5-03

PROPOSED AMENDMENTS TO SENATE BILL NO. 2194

Page 1, line 8, after "Act" insert ", who is eighteen to sixty-four years of age,"

Renumber accordingly

Date: 02-04-03
Roll Call Vote #: (1)

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2194

Senate Human Services Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Amendment" as required

Motion Made By Sen. Brown Seconded By Sen. Erbele

Senators	Yes	No	Senators	Yes	No
Senator Judy Lee - Chairman	✓				
Senator Richard Brown - V. Chair.	✓				
Senator Robert S. Erbele	✓				
Senator Tom Fischer	✓				
Senator April Fairfield	✓				
Senator Michael Polovitz	✓				

Total (Yes) 6 No 0

Absent _____

Floor Assignment _____

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

Date: 02-04-03
Roll Call Vote #: 2

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2194

Senate Human Services Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken "Do Pass" and rerefer to Appropriations

Motion Made By Brown Seconded By Erbele

Senators	Yes	No	Senators	Yes	No
Senator Judy Lee - Chairman	✓				
Senator Richard Brown - V. Chair.	✓				
Senator Robert S. Erbele	✓				
Senator Tom Fischer	✓				
Senator April Fairfield	✓				
Senator Michael Polovitz	✓				

Total (Yes) 6 No 0

Absent

Floor Assignment Sen. Brown.

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

REPORT OF STANDING COMMITTEE (410)
February 5, 2003 1:21 p.m.

Module No: SR-22-1728
Carrier: Brown
Insert LC: 30374.0101 Title: .0200

REPORT OF STANDING COMMITTEE

SB 2194: Human Services Committee (Sen. J. Lee, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2194 was placed on the Sixth order on the calendar.

Page 1, line 8, after "Act" insert ", who is eighteen to sixty-four years of age,"

Renumber accordingly

2003 SENATE APPROPRIATIONS

SB 2194

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2194

Senate Appropriations Committee

☐ Conference Committee

Hearing Date 2-10-03

Tape Number	Side A	Side B	Meter #
1		X	1600-end

Committee Clerk Signature Sandra Dawson

Minutes: Chairman Holmberg opened the hearing to SB 2194. A bill relating to the establishment of a medical assistance buy-in program for individuals with disabilities and to provide for personal care services for eligible medical. (Meter 1600) Dr. John Uppal, Director Medicaid Buy-In Plan, Minot State University: See written testimony Exhibit 1 and Exhibit 2. (Meter 3027) Senator Mathern: I have seen this option available for years and I am wondering why your estimation the department of human services and the governor's office did not help this program and make it part of this recommendation to this legislature. (Meter 3055) Dr. John: This is the first question the Governor asked me. Gave his personal opinion. (Meter 3200) Senator Krauter asked about this bill being amended on the Senate floor, especially line 8. (Meter 3233) Dr. John: The only thing changed was the age requirement about the 64 or 65. (Meter 3339) Senator Mathern: basically asked the same question about the age requirement. (Meter 3468) Allen Knudson: If there is a question to clarify the age requirement, an amendment can be drawn up. (Meter 3838) Senator Bowman: If we put the emergency clause on this, would we be able to see

some benefits on the current budget? (Meter 3863) Dr. John: Yes, we would save. (Meter 4000): Senator Christmann: Why does the federal government pay more that than it costs to provide the service? (Meter 4006) Dr. John: The federal government pays us 67.96% of the total spending. (Meter 4052) Chairman Holmberg: If we were putting something on a brochure, what we would be saying is, if we pass the medical assistance buy-in program, the federal government will then pick up 67% of the cost of SPED and Extended SPED program. (Meter 4030) Dr. John: Yes, I have discussed this program with the federal government. Also gave a personal experience. (Meter 4325) James Moench, Executive Director of the ND Disabilities Advocacy Consortium: Supports this bill with Senator Lee who supports this bill. Dr. John Uppal has explained this bill very thoroughly. (Meter 4675) Dave Zentner, Director of Medical Services for the Department of Human Services: See written testimony Exhibit 3. (Meter 5648) Senator Krauter: In all reality, with an emergency clause on this, it won't be any effect because we don't have any general fund money to get this buy-in in process. Correct. (Meter 57703) Dave Z: You would be trading one for the other. I think it is important to realize you could do one of the programs without the other. You don't have to do both of them, you could do a Medicaid buy-in program without doing the personal care option. You could do the personal care option. in without the Medicaid buy-in. You will spend money on the buy-in process, you will initial save money on the other personal care option. If you put an emergency clause in there, if I was going to do that, I would put in only on the personal care option. There is no way we can implement this program in the time frame that we would have available to us during the rest of the interim. You have to put in place system changes, enrollments,. (Meter 5852) Senator Schobinger: Is the Department opposed to the buy-in? (Meter 5904) Dave Z: I am just providing you with the information so

you can make an informed decision. (Meter 5923) Chairman Holmberg: Was this information provided to the Human Service committee. (Meter 5939) Dave Z: My testimony was. This added issue with the Feds just happened within the last day or two. The other thing that would happen, we have waivers for home care community based services, the personal care option would serve that process, although we could have personal care in our waivers, the personal care option would have precedence over that. (Meter 6215) Chairman Holmberg closed the hearing to SB 2194.

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2194 vote

Senate Appropriations Committee

☐ Conference Committee

Hearing Date 2-10-03

Tape Number	Side A	Side B	Meter #
2	x		0-493

Committee Clerk Signature Sandra Dawson

Minutes: Chairman Holmberg opened the hearing to vote on SB 2194. Senator Schobinger made the motion to Do Pass and Senator Thane a second. Senator Krauter requested to clarify line 8 about the proposed amendments regarding the age requirement. Chairman Holmberg asked Allen Knudson to have Legislative Council draw up an amendment to correct the wording on that. Senator Christmann asked Allen to verify that the wording was up to code. Chairman Holmberg requested to pass the bill with the amendment (30374.0201). Senator Schobinger withdrew his original motion. Then the committee voted on the amendment with a voice vote - all yeas. (Meter 413) Senator Schobinger making a motion of Do Pass as amended with Senator Mathern a second. The vote was 14 yeas, 0 nays. Do Pass as amended. Senator Krauter to carry the amendments on the Senate floor. Chairman Holmberg closed the hearing to SB 2194.

30374.0201
Title.0300

Prepared by the Legislative Council staff for
Senate Appropriations
February 11, 2003

2-11-03

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2194

Page 1, line 8, after "is" insert "at least" and replace "to sixty-four" with "but less than sixty-five"

Renumber accordingly

2194

Date: 2-10-03
Roll Call Vote #: 1

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.

Senate Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Schobinger Withdraw Seconded By Thane

Senators	Yes	No	Senators	Yes	No
Senator Holmberg, Chairman					
Senator Bowman, Vice Chair					
Senator Grindberg, Vice Chair					
Senator Andrist					
Senator Christmann					
Senator Kilzer					
Senator Krauter					
Senator Kringstad					
Senator Lindaas					
Senator Mathern					
Senator Robinson					
Senator Schobinger					
Senator Tallackson					
Senator Thane					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

needs amendment

Amendments passed voice call

2194

Date:
Roll Call Vote #: 2

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.

Senate Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass As Amend

Motion Made By Schobinger Seconded By Mathern

Senators	Yes	No	Senators	Yes	No
Senator Holmberg, Chairman	✓				
Senator Bowman, Vice Chair	✓				
Senator Grindberg, Vice Chair	✓				
Senator Andrist	✓				
Senator Christmann	✓				
Senator Kilzer	✓				
Senator Krauter	✓				
Senator Kringstad	✓				
Senator Lindaas	✓				
Senator Mathern	✓				
Senator Robinson	✓				
Senator Schobinger	✓				
Senator Tallackson	✓				
Senator Thane	✓				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Krauter

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

REPORT OF STANDING COMMITTEE (410)
February 12, 2003 10:47 a.m.

Module No: SR-27-2382
Carrier: Krauter
Insert LC: 30374.0201 Title: .0300

REPORT OF STANDING COMMITTEE

SB 2194, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2194 was placed on the Sixth order on the calendar.

Page 1, line 8, after "is" insert "at least" and replace "to sixty-four" with "but less than sixty-five"

Renumber accordingly

2003 HOUSE HUMAN SERVICES

SB 2194

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2194

House Human Services Committee

☐ Conference Committee

Hearing Date March 4, 2003

Tape Number	Side A	Side B	Meter #
1	x		37.2 - 61.0
		x	0.0 - 35.4
Committee Clerk Signature	Sharon Rengrow		

Minutes:

Sen. Judy Lee appeared as prime sponsor stating this Medicaid buy-in program recognizes that there are individuals with disabilities who would like to work, but the challenge for them is that they sometimes lose their health coverage as a result. So this particular bill allows the buy-ins to Medicaid for those people who are regularly employed.

Dr. John Uppal appeared in support with written testimony.

Rep. Price: How many cases did you figure? Answer: 140

Rep. Price: Any other states that implemented this? Answer: 23.

Susan Helgeland, Chair of the ND Disabilities Advocacy Consortium (NDDAC) appeared in support with written testimony.

Bonnie Olheiser, Dickinson appeared in support with written testimony.

Leon Dietrich, Bismarck appeared in support with written testimony.

Cheryl Bersia, ND Human Rights Coalition appeared in support stating the legislation has the legislature has the ability to provide health insurance for those disabled and able to work.

Mike Schwab, for Jeannie Pederson appeared in support with written testimony.

Teresa Larsen, Executive Director of the Protection and Advocacy Project (P & A) appeared in support with written testimony.

Chuck Stebbans, Independent Living in Fargo appeared in support stating this addresses a barrier to employers in thinking about covering employees with health insurance. With them a buy-in with a qualified person with a disability who is applying for a job is going in there with the ammunition of already having health insurance, relieves a great amount of stress on the employment committee and community as well. We deal with attitudes and misperceptions everyday in the disability community to eliminate one more is one huge step forward for us.

Dave Zentner, Director of Medical Services, Dept. of Human Services appeared neutral with written testimony. Also stating the bottom line is if this bill passes, we will implement to the best of our ability and will carry out the intent of the Legislature. Also proposes an amendment. on page 2, line 7 replaces 40 with 42.

Rep. Kreidt: Wondered about the suggested amendment of imposing 40 hours minimum

Rep. Wieland: On page 2, cost of general funds, where is the other 50%. Answer: Federal Govt., matching rate is 50%.

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2194

House Human Services Committee

☐ Conference Committee

Hearing Date March 11, 2003

Tape Number	Side A	Side B	Meter #
1		x	24.5 - 27.0
Committee Clerk Signature	Sharon Kenfraw		

Minutes: Committee work.

Depending on what happens to 2083 could affect the fiscal note on this bill. We can hang onto it until tomorrow afternoon for that reason.

Rep. Price: I've asked the Dept. to bring far more information down on SPED than what they really need to for the bill. Allowed 1 1/2 hr for the hearing simply because we're getting conflicting information in the media in various places on what the additional 2 1/2 million dollars of SPED will or will not cover.

Rep. Wieland: We were talking about considering an amendment in relationship to the minimum of 40 hours per month, are we still going to consider that?

Answer: We certainly will

End of discussion.

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2194

House Human Services Committee

☐ Conference Committee

Hearing Date March 17, 2003

Tape Number	Side A	Side B	Meter #
1	x		0.9 - 9.9
Committee Clerk Signature	Sharm Kenfran		

Minutes: Committee work.

Rep. Weisz: Gave a report from the subcommittee. There was an issue on the minimum of 40 hrs.

Rep. Weisz moves the amendments by the department of Human Services, second by Rep. Potter.

Rep. Potter: Page 2, Line 2 to strike the program and put Medicaid, I have on my notes.

Dr. Uppal was called up to answer some questions for the committee stating we have to delete the 40 hours.

Rep. Price: So to meet the federal requirement on line 9, we could just say "and who is gainfully employed."

Rep. Porter: Would it meet the federal requirements if we added a section to the piece of legislation at section 3 and included in there the definition of gainfully employed? Answer: yes

what we could do is, we could put gainfully employed as defined by the State but if we put any limit on anything, _____.

Rep. Price: Do you want to amend your motion?

Rep. Weisz: I will amend my motion. Page 1, Line 9 remove the language "a minimum of 40 hours per month", page 2, line 2 to change the word program to Medicaid and page 2, line 7 under title 40 amended to title 42.

Rep. Potter agrees to amend her motion also.

VOTE: 12 - 0 - 1 Amendments Pass

Rep. Weisz makes a motion for DO PASS as Amended and re-refer to Appropriations, second by Rep. Uglem.

VOTE: 12 - 0 - 1 Rep. Weisz to carry the bill.

Date: March 17, 2003
Roll Call Vote #:

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2194

House HUMAN SERVICES Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken DP as Amended & rerer to Approps

Motion Made By Rep Weisz Seconded By Rep Uglem

Representatives	Yes	No	Representatives	Yes	No
Rep. Clara Sue Price - Chair	✓		Rep. Sally Sandvig	✓	
Rep. Bill Devlin, Vice-Chair R			Rep. Bill Amerman	✓	
Rep. Robin Weisz	✓		Rep. Carol Niemeier	✓	
Rep. Vonnie Pietsch	✓		Rep. Louise Potter	✓	
Rep. Gerald Uglem	✓				
Rep. Chet Pollert	✓				
Rep. Todd Porter	✓				
Rep. Gary Kreidt	✓				
Rep. Alon Wieland	✓				

Total (Yes) 12 No 0

Absent 1

Floor Assignment Rep Weisz

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

REPORT OF STANDING COMMITTEE (410)
March 17, 2003 4:24 p.m.

Module No: HR-47-4967
Carrier: Weisz
Insert LC: 30374.0301 Title: .0400

REPORT OF STANDING COMMITTEE

SB 2194, as reengrossed: Human Services Committee (Rep. Price, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Reengrossed SB 2194 was placed on the Sixth order on the calendar.

Page 1, line 9, remove "a minimum of forty hours per month"

Page 2, line 2, replace "the program" with "medical assistance"

Page 2, line 7, replace "40" with "42"

Renumber accordingly

2003 HOUSE APPROPRIATIONS

SB 2194

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2194

House Appropriations Committee
Human Resources Division

☐ Conference Committee

Hearing Date March 25, 2003

Tape Number	Side A	Side B	Meter #
One	X		
Committee Clerk Signature			

Minutes:

There was discussion relating to the fiscal note and how it was constructed. In addition, there was conversation regarding recipient liability (2.5-7.5%) and the impact of any new clients who would be coming on the program after the proposed changes.

Dave Zentner, DHS, said that he estimates around ten new clients, but can't be sure.

Chairman Delzer asked about the levels at 250% of poverty.

Zentner gave the following figures: $22,000 - single, net; $28,000 - two, net.

There was also discussion regarding the $20.00 disregard and that the first $65.00 are forgiven.

Zentner also said that the $600,042 Senate cut represents a $50K difference in general funds.

There was discussion regarding the personal care option for SPED and Expanded SPED. The funding is 25% state and 5% county.

There were questions regarding clients and services received.

Zentner said that there are clients who are receiving personal care services through Medicaid, but are also receiving other services through SPED.

Recessed.

Zentner also gave the following information:

$85.00	$2,925,207
$84.00	$2,762,359
$83.50	$2,674,651
$83.00	$2,582,685
$82.00	$2,354,900

There was discussion regarding an expiration date, income percentages of poverty (250 versus 225), and asset limits.

Adjourned.

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2194

House Appropriations Committee
Human Resources Division

☐ Conference Committee

Hearing Date April 3, 2003

Tape Number	Side A	Side B	Meter #
One	XX		
Committee Clerk Signature			

Minutes: **Chairman Delzer** called the meeting to order with all members present except Rep. Bellew. There was discussion relating to ~~an effective~~ date.

Rep. Kempenich moved the amendment with the addition of a sunset clause of June 30, 2005.

V-C Warnke seconded

VOICE VOTE

5 YES 0 NO 1 ABSENT

Motion passed.

V-C Warnke moved a do pass as amended.

Rep. Kempenich seconded.

ROLL CALL VOTE

5 YES 0 NO 1 ABSENT

Motion passed.

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2194

House Appropriations Committee

☐ Conference Committee

Hearing Date 04-03-03

Tape Number	Side A	Side B	Meter #
1		X	11.3 - end.

Committee Clerk Signature Claire S Stoltz

Minutes:

Chairman Svedjan Opens SB 2194 for discussion. A quorum was present.

Rep. Kempenich Introduced the bill.

Rep. Delzer This would allow a $10,000 safety account to keep yourself employed. Changing from 250 - 225 poverty would affect 17 people. The reason for the sunset is to reevaluate on two years.

Rep. Kempenich I move amendment .0303 to SB 2194. 2nd by Rep. Warnke. Motion Carries.

Rep. Kempenich I move a Do Pass As Amended. 2nd by Rep. Delzer. Motion Carries 21-0-2. Rep. Kempenich will carry this bill on the floor.

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2194

House Appropriations Committee
Human Resources Division

☐ Conference Committee

Hearing Date April 4, 2003

Tape Number	Side A	Side B	Meter #
One	XX		
Committee Clerk Signature			

Minutes:

Dave Zentner, DHS, began testimony regarding proposed amendments **(see attached).** There was discussion regarding moving to a disregard (up to an additional $10K) as opposed to an asset test. **Zentner** referred to a program called "Ticket to Work" which allows those on disability to work without impacting their benefits. There was also discussion regarding the personal care option.

V-C Warnke wondered whether clients using these services artificially keep their wages and hours low so as not to jeopardize their Medicaid benefits.

Recess.

There was discussion regarding cost averages for providing services.

Adjourned.

30374.0302
Title.

Prepared by the Legislative Council staff for
House Appropriations - Human Resources
April 3, 2003

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2194

In lieu of the amendments adopted by the House as printed on page 923 of the House Journal, Reengrossed Senate Bill No. 2194 is amended as follows:

Page 1, line 9, remove "a minimum of forty hours per month"

Page 1, line 12, replace "fifty" with "twenty-five"

Page 1, line 15, replace "Provide for an asset limit of three thousand dollars with" with "Disregard up to" and remove "asset limit of"

Page 1, line 16, remove "If the additional asset limit is"

Page 1, line 17, replace "the program" with "medical assistance and retained as an approved plan to achieve self-support"

Page 1, remove lines 22 through 24

Page 2, remove lines 1 through 3

Page 2, line 4, remove "and asset criteria;"

Page 2, line 5, replace "7" with "5"

Page 2, line 7, replace "40" with "42"

Renumber accordingly

30374.0303
Title.

Prepared by the Legislative Council staff for
House Appropriations - Human Resources
April 3, 2003

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2194

In lieu of the amendments adopted by the House as printed on page 923 of the House Journal, Reengrossed Senate Bill No. 2194 is amended as follows:

Page 1, line 3, after "recipients" insert "; and to provide an expiration date"

Page 1, line 9, remove "a minimum of forty hours per month"

Page 1, line 12, replace "fifty" with "twenty-five"

Page 1, line 15, replace "Provide for an asset limit of three thousand dollars with" with "Disregard up to" and remove "asset limit of"

Page 1, line 16, remove "if the additional asset limit is"

Page 1, line 17, replace "the program" with "medical assistance and retained as an approved plan to achieve self-support"

Page 1, remove lines 22 through 24

Page 2, remove lines 1 through 3

Page 2, line 4, remove "and asset criteria;"

Page 2, line 5, replace "7" with "5"

Page 2, line 7, replace "40" with "42"

Page 2, after line 10, insert:

"**SECTION 3. EXPIRATION DATE.** This Act is effective through June 30, 2005, and after that date is ineffective."

Renumber accordingly

Date: April 3, 2003
Roll Call Vote #: One

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2194

House Appropriations - Human Resources Division Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 30374.0303

Action Taken Do Pass As Amended

Motion Made By Rep. Warnke Seconded By Rep. Kempenich

Representatives	Yes	No	Representatives	Yes	No
Rep. Jeff Delzer, Chairman	X				
Rep. Amy Warnke, Vice Chair	X				
Rep. Larry Bellew					
Rep. Keith Kempenich	X				
Rep. James Kerzman	X				
Rep. Ralph Metcalf	X				

Total (Yes) Five No 0

Absent Rep. Bellew

Floor Assignment Rep. Kempenich

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

REPORT OF STANDING COMMITTEE (410)
April 4, 2003 12:45 p.m.

Module No: HR-61-6823
Carrier: Kempenich
Insert LC: 30374.0303 Title: .0500

REPORT OF STANDING COMMITTEE

SB 2194, as reengrossed: Appropriations Committee (Rep. Svedjan, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (21 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). Reengrossed SB 2194 was placed on the Sixth order on the calendar.

In lieu of the amendments adopted by the House as printed on page 923 of the House Journal, Reengrossed Senate Bill No. 2194 is amended as follows:

Page 1, line 3, after "recipients" insert "; and to provide an expiration date"

Page 1, line 9, remove "a minimum of forty hours per month"

Page 1, line 12, replace "fifty" with "twenty-five"

Page 1, line 15, replace "Provide for an asset limit of three thousand dollars with" with "Disregard up to" and remove "asset limit of"

Page 1, line 16, remove "if the additional asset limit is"

Page 1, line 17, replace "the program" with "medical assistance and retained as an approved plan to achieve self-support"

Page 1, remove lines 22 through 24

Page 2, remove lines 1 through 3

Page 2, line 4, remove "and asset criteria;"

Page 2, line 5, replace "7." with "5."

Page 2, line 7, replace "40" with "42"

Page 2, after line 10, insert:

"**SECTION 3. EXPIRATION DATE.** This Act is effective through June 30, 2005, and after that date is ineffective."

Renumber accordingly

2003 TESTIMONY

SB 2194

TESTIMONY BEFORE THE SENATE HUMAN SERVICES COMMITTEE
REGARDING SENATE BILL 2194
JANUARY 29, 2003

Chairman Lee, members of the committee, I am David Zentner, Director of Medical Services for the Department of Human Services. I appear to provide comments on this bill.

Section one of the bill will establish a Medicaid buy-in for certain disabled individuals who have gross income up to 250% of the federal poverty level and are working more than 40 hours per month.

It will require the Department to establish a collection and monitoring process to ensure that premiums are paid properly. It will require the Department to establish a method of determining eligibility for this group of individuals for which no funds have been appropriated. It will require additional funds to pay for services provided to eligible recipients that are not included in the proposed budget.

If this bill is passed, the Medical Services Division will be required to implement a collection and monitoring process within its current administrative structure. My very capable staff will simply do more with the current available resources and complete this task without additional resources if this bill is approved.

The Department does have a concern regarding the collection process. Paragraph 7 permits enrollees to continue on the program for three consecutive months without paying a premium. Is there an expectation of any consequences for individuals who do not pay in full the required monthly premium?

County Social Service Board offices determine eligibility for the Medicaid Program. This bill would add another category of eligibility and would require

changes to the VISION system, which currently assists workers in determining eligibility for the program. It is difficult to determine the cost of adding the new group because of the short time frame available to complete fiscal notes. Based on the information available at this time, it is estimated that it would cost about $250,000 to make the necessary changes, of which 50% would be general funds. It is estimated to take four to six months to complete the project.

Our review of the eligibility file disclosed that 769 disabled individuals work more than 40 hours per month, of which 258 have recipient liability. We estimated that about 214 of those individuals would realize an advantage by paying a premium rather than incurring their calculated monthly recipient liability and would enroll in the new program. We estimated that the average premium payment would be about $92.38 per month or a monthly premium collection of about $19,769. The recipient liability that would now be covered through the Medicaid buy in program will total about $70,806 per month. Based on these estimates, the additional cost to the Medicaid Program to allow these individuals to buy in the Medicaid Program would total about $1,203,000, of which about $385,000 would be general funds.

There are an additional 27 recipients who work between 30 and 39 hours per month. It is unknown how many of these individuals would increase their work hours to qualify for the Medicaid buy in program. Also, it is unknown how many new recipients would take advantage of this new provision. The Department estimated at a minimum that at least another 10 individuals would enroll in the program. The estimated additional cost to add these individuals would total about $111,829, of which about $35,830 would be general funds.

The total estimated general fund expenditures necessary to implement the Medicaid buy-in program would total about $546,000.

The Department did consider the merits of implementing this type of program in the new biennium. However, we are facing a major contraction of the program including eliminating eligibility for working parents who work more than 100 hours a month no matter how much income they earn. We are also proposing to eliminate several optional services for adults including dental and hospice services. Because of these proposed reductions, we did not believe it was prudent to propose a new program at this time.

Section two of the bill would require the Department to add personal care services for individuals living in their homes to the list of optional services available to Medicaid recipients. Such a change will create an entitlement to these services for any Medicaid recipient who meets established criteria. Personal care services for Medicaid recipients would no longer be part of the SPED or Expanded SPED programs, but would become a separate service available under the Medicaid Program.

While it is likely that initial savings will be realized by adopting this service, there is no guarantee that savings will accumulate in the future. At the present time it is possible to establish waiting lists or freeze enrollment in order to control costs as has been done this biennium in these programs because they are funded with state and county funds. Once a Medicaid service becomes available, anyone who qualifies for the service must be provided the service. As you are aware, increased utilization during the current biennium has contributed to the $16.3 general fund shortfall being experienced in the Medicaid Program.

It is difficult to estimate how many additional individuals will utilize the personal care option if a Medicaid entitlement is created for personal care services in the home. We estimated that at least 140 additional individuals would use the service.

Based on our analysis, all of Expanded SPED personal care services and about 22.5% of the SPED expenditures for personal care services could become eligible for the Medicaid Program. If the current SPED and Expanded SPED recipients were added to the Medicaid Program the total cost would be about $2,161,000, of which about $692,000 are general funds. This switch would generate a general fund savings of about $1,393,000. The savings would be offset by the additional 140 recipients at a cost of $639,000, of which about $205,000 would be general funds. The net affect would be a potential savings of $1,188,000 in general funds and $76,000 in county funds.

The Department was aware of this option, but we were concerned about the potential future costs that could occur when an additional Medicaid entitlement is created with a limited ability to control access to this service.

It is not required that both the Medicaid buy-in and the personal care option be implemented at the same time. The two issues are separate and one could be implemented and the other proposal could be eliminated. If both proposals were implemented, it is estimated that the general fund savings would be initially about $642,000 with no accurate method to determine the ultimate outcome of providing an entitlement for the personal care option for Medicaid.

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

Exhibit 3

TESTIMONY BEFORE THE SENATE APPROPRIATIONS COMMITTEE
REGARDING SENATE BILL 2194
FEBRUARY 10, 2003

Chairman Holmberg, members of the committee, I am David Zentner, Director of Medical Services for the Department of Human Services. I appear to provide comments on this bill.

Section one of the bill will establish a Medicaid buy-in for certain disabled individuals who have gross income up to 250% of the federal poverty level and are working more than 40 hours per month.

It will require the Department to establish a collection and monitoring process to ensure that premiums are paid properly. It will require the Department to establish a method of determining eligibility for this group of individuals for which no funds have been appropriated. It will require additional funds to pay for services provided to eligible recipients that are not included in the proposed budget.

If this bill is passed, the Medical Services Division will be required to implement a collection and monitoring process within its current administrative structure. My very capable staff will simply do more with the current available resources and complete this task without additional resources if this bill is approved.

The Department does have a concern regarding the collection process. Paragraph 7 permits enrollees to continue on the program for three consecutive months without paying a premium. Is there an expectation of any consequences for individuals who do not pay in full the required monthly premium?

County Social Service Board offices determine eligibility for the Medicaid Program. This bill would add another category of eligibility and would require

changes to the VISION system, which currently assists workers in determining eligibility for the program. It is difficult to determine the cost of adding the new group because of the short time frame available to complete fiscal notes. Based on the information available at this time, it is estimated that it would cost about $250,000 to make the necessary changes, of which 50% would be general funds. It is estimated to take four to six months to complete the project.

Our review of the eligibility file disclosed that 769 disabled individuals work more than 40 hours per month, of which 258 have recipient liability. We estimated that about 214 of those individuals would realize an advantage by paying a premium rather than incurring their calculated monthly recipient liability and would enroll in the new program. We estimated that the average premium payment would be about $92.38 per month or a monthly premium collection of about $19,769. The recipient liability that would now be covered through the Medicaid buy in program will total about $70,806 per month. Based on these estimates, the additional cost to the Medicaid Program to allow these individuals to buy in the Medicaid Program would total about $1,203,000, of which about $385,000 would be general funds.

There are an additional 27 recipients who work between 30 and 39 hours per month. It is unknown how many of these individuals would increase their work hours to qualify for the Medicaid buy in program. Also, it is unknown how many new recipients would take advantage of this new provision. The Department estimated at a minimum that at least another 10 individuals would enroll in the program. The estimated additional cost to add these individuals would total about $111,829, of which about $35,830 would be general funds. This number may be conservative given the uncertainty of predicting the actual number of individuals who will take advantage of a new more expansive program.

The total estimated general fund expenditures necessary to implement the Medicaid buy-in program would total about $546,000.

The Department did consider the merits of implementing this type of program in the new biennium. However, we are facing a major contraction of the program including eliminating eligibility for working parents who work more than 100 hours a month no matter how much income they earn. We are also proposing to eliminate several optional services for adults including dental and hospice services. Because of these proposed reductions, we did not believe it was prudent to propose a new program at this time.

Section two of the bill would require the Department to add personal care services for individuals living in their homes to the list of optional services available to Medicaid recipients. Such a change will create an entitlement to these services for any Medicaid recipient who meets established criteria. Personal care services for Medicaid recipients would no longer be part of the SPED or Expanded SPED programs, but would become a separate service available under the Medicaid Program.

While it is likely that initial savings will be realized by adopting this service, there is no guarantee that savings will accumulate in the future. At the present time it is possible to establish waiting lists or freeze enrollment in order to control costs as has been done this biennium in these programs because they are funded with state and county funds. Once a Medicaid service becomes available, anyone who qualifies for the service must be provided the service. As you are aware, increased utilization during the current biennium has contributed to the $16.3 general fund shortfall being experienced in the Medicaid Program.

It is difficult to estimate how many additional individuals will utilize the personal care option if a Medicaid entitlement is created for personal care services in the home. We estimated that at least 140 additional individuals would use the service.

Based on our analysis, all of Expanded SPED personal care services and about 22.5% of the SPED expenditures for personal care services could become eligible for the Medicaid Program. If the current SPED and Expanded SPED recipients were added to the Medicaid Program, the total cost would be about $2,161,000, of which about $692,000 are general funds. This switch would generate a general fund savings of about $1,393,000. The savings would be offset by the additional 140 recipients at a cost of $639,000, of which about $205,000 would be general funds. The net affect would be a potential savings of $1,188,000 in general funds and $76,000 in county funds.

There are additional issues that are difficult to quantify. For example, the SPED and Expanded SPED programs have limits on the amount of payment that can be authorized each month. While limits are permissible under the Medicaid Program, they generally cannot apply to a strict monetary limit. While we could not quantify the potential cost of removing monthly caps, it further illustrates the uncertainty of estimating the true cost of this program.

Currently, personal care services are included in the Home and Community Based Waivers. The state will need to determine if we should continue paying for services through the waivers or paying for all personal care services through the separate Medicaid option

The Department was aware of this option, but we were concerned about the potential future costs that could occur when an additional Medicaid entitlement is created with a limited ability to control access to this service.

It is not required that both the Medicaid buy-in and the personal care option be implemented at the same time. The two issues are separate and one could be implemented and the other proposal could be eliminated. If both proposals were implemented, it is estimated that the general fund savings could initially be about

$642,000 with no accurate method to determine the ultimate outcome of providing an entitlement for the personal care option for Medicaid.

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

TESTIMONY BEFORE THE HOUSE HUMAN SERVICES COMMITTEE
REGARDING SENATE BILL 2194
MARCH 4, 2003

Chairman Price, members of the committee, I am David Zentner, Director of Medical Services for the Department of Human Services. I appear to provide comments on this bill.

There are two distinct parts of this bill. The first section of the bill establishes a Medicaid buy-in program. This section will increase general fund expenditures. The second section requires the Medicaid Program to establish a personal care optional service for individuals residing in their homes. This section has the possibility of saving general fund dollars. One section is not necessarily dependent on the other. The Legislature may approve one section without the need to approve the other.

Section one of the bill will establish a Medicaid buy-in for certain disabled individuals who have gross income up to 250% of the federal poverty level and are working more than 40 hours per month.

It will require the Department to establish a collection and monitoring process to ensure that premiums are paid properly. It will require the Department to establish a method of determining eligibility for this group of individuals for which no funds have been appropriated. It will require additional funds to pay for services provided to eligible recipients that are not included in the proposed budget that totals about $1.7 million, of which $546,000 are general funds.

If this bill is passed, the Medical Services Division will be required to implement a collection and monitoring process within its current administrative structure. My very capable staff will simply do more with the current available resources and complete this task without additional resources if this bill is approved.

The Department does have a concern regarding the collection process. Paragraph 7 permits enrollees to continue on the program for three consecutive months without paying a premium. Does the Legislature have an expectation of any consequences for individuals who do not pay in full the required monthly premium?

County Social Service Board offices determine eligibility for the Medicaid Program. This bill would add another category of eligibility and would require changes to the VISION system, which currently assists workers in determining eligibility for the program. It is difficult to determine the cost of adding the new group because of the short time frame available to complete fiscal notes. Based on the information available at this time, it is estimated that it would cost about $250,000 to make the necessary changes, of which 50% would be general funds. It is estimated to take four to six months to complete the project.

Our review of the eligibility file disclosed that 769 disabled individuals work more than 40 hours per month, of which 258 have recipient liability. We estimated that about 214 of those individuals would realize an advantage by paying a premium rather than incurring their calculated monthly recipient liability and would enroll in the new program. We estimated that the average premium payment would be about $92.38 per month or a monthly premium collection of about $19,769. The recipient liability that would now be covered through the Medicaid buy in program will total about $70,806 per month. Based on these estimates, the additional cost to the Medicaid Program to allow these individuals to buy in the Medicaid Program would total about $1,203,000, of which about $385,000 would be general funds.

There are an additional 27 recipients who work between 30 and 39 hours per month. It is unknown how many of these individuals would increase their work hours to qualify for the Medicaid buy in program. Also, it is unknown how many

new recipients would take advantage of this new provision. The Department estimated at a minimum that at least another 10 individuals would enroll in the program although it is unknown how many individuals will actually apply and be eligible for this new eligibility category. The estimated additional cost to add these individuals would total about $111,829, of which about $35,830 would be general funds. This number may be conservative given the uncertainty of predicting the actual number of individuals who will take advantage of a new more expansive program.

The total estimated general fund expenditures necessary to implement the Medicaid buy-in program would total about $546,000.

The Department did consider the merits of implementing this type of program in the new biennium. However, we are facing a major contraction of the program including eliminating eligibility for working parents who work more than 100 hours a month no matter how much income they earn. The Senate eliminated several optional services for adults including durable medical equipment, optometry and psychological services, reduced payments for prescription drugs by $9 million and required an additional $2.7 million in general fund reductions as the Medicaid share of the $4 million reduction in the Program and Policy Management Section of the budget. While this bill would reduce the recipient liability for the working disabled, it does nothing for the thousands of elderly who have worked all their lives in North Dakota. A couple living at home must spend down the difference between their net adjusted income and $516 in order to qualify for Medicaid. The $516 amount is about 52% of the federal poverty level. Because of the above issues, we did not believe it was prudent to propose a new program at this time.

Section two of the bill would require the Department to add personal care services for individuals living in their homes to the list of optional services available to Medicaid recipients. Such a change will create an entitlement to

these services for any Medicaid recipient who meets established criteria. Personal care services for Medicaid recipients would no longer be part of the SPED or Expanded SPED programs, but would become a separate service available under the Medicaid Program. In addition, the personal care services in the three home and community-based waivers would also be transferred to the regular Medicaid Program as an entitlement.

While the current fiscal note indicates that an initial savings will be realized by adopting this service, there is no guarantee that savings will accumulate in the future. At the present time it is possible to establish waiting lists or freeze enrollment in order to control costs as has been done this biennium in these programs because they are funded with state and county funds. Once a Medicaid service becomes available, anyone who qualifies for the service must be provided the service. As you are aware, increased utilization during the current biennium has contributed to the $16.3 million deficiency request for the Medicaid Program.

It should also be noted that the changes made to House Bill 2083 could also affect the fiscal impact of this bill. The Senate reduced the SPED budget by a total of $4.6 million, which was tied to eligibility changes in the asset test. The savings in the fiscal note could be overstated since it was prepared prior to the changes made in SB 2083. Some of the funds that were anticipated to be shifted to the personal care option may no longer be available and could result in an increase in the amount of general funds needed for this option. It is unknown what affect this change in eligibility will have on the number of individuals who will qualify for personal care services in the Medicaid Program.

It is difficult to estimate how many additional individuals will utilize the personal care option if a Medicaid entitlement is created for personal care services in the home. We estimated that at least 140 additional individuals would use the service.

Based on our analysis, all of Expanded SPED personal care services and about 22.5% of the SPED expenditures for personal care services could become eligible for the Medicaid Program prior to the changes made in SB 2083. If the current SPED and Expanded SPED recipients were added to the Medicaid Program, the total cost would be about $2,161,000, of which about $692,000 are general funds. This switch would generate a general fund savings of about $1,393,000. The savings would be offset by the additional 140 recipients at a cost of $639,000, of which about $205,000 would be general funds. The net affect would be a potential savings of $1,188,000 in general funds and $76,000 in county funds. However, as I noted earlier the provisions contained in SB 2083 could reduce the savings that was originally estimated in the fiscal note.

There are additional issues that are difficult to quantify. For example, the SPED and Expanded SPED programs have limits on the amount of payment that can be authorized each month. While limits are permissible under the Medicaid Program, it is not clear if the federal government would approve a monthly dollar limit for personal care. Currently, SPED has a $700 per month limit for family home care and a $1,200 limit for personal care. The limit for waiver services is $2,400 per month. While we could not quantify the potential cost of removing monthly caps, it further illustrates the uncertainty of estimating the true cost of this program.

The Department was aware of this option, but we were concerned about the potential future costs that could occur when an additional Medicaid entitlement is created with a limited ability to control access to this service.

As noted earlier, it is not required that both the Medicaid buy-in and the personal care option be implemented at the same time. The two issues are separate and one could be implemented and the other proposal could be eliminated. If both proposals were implemented, there is no accurate method to determine the

ultimate outcome of providing an entitlement for the personal care option for Medicaid.

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

Prepared by the North Dakota
Department of Human Services
3/3/03

PROPOSED AMENDMENTS TO SECOND REENGROSSED SENATE BILL NO. 2194

Page 2, line 7, replace "40" with "42"

Renumber accordingly

DAVE ZENTNER, 04.02.03
SB2194

Prepared by the North Dakota
Department of Human Services
April 1, 2003

**PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2194,
SECOND ENGROSSMENT with House Amendments**

Page 1, line 14, replace "Provide for an asset limit of three thousand dollars with" with "Disregard up to" and remove "asset limit of"

Page 1, line 15, remove "if the additional asset limit is"

Page 1, line 16, after "program" insert "and retained as an approved plan to achieve self-support"

Page 1, remove lines 21 through 23

Page 2, remove lines 1 through 3

Page 2, line 4, remove "meet income and asset criteria;"

Page 2, line 5, replace "7." with "5."

Renumber accordingly

TESTIMONY: HOUSE HUMAN SERVICES COMMITTEE

Chairman Price, members of the committee, I am John Uppal, Director of Medicaid Infrastructure Project at Minot State University. Our main focus is Medicaid Buy-In.

Medicaid Buy-In is a unique work incentive program which represents a move towards eliminating the choice that persons with disabilities have to make between working and losing health insurance (or paying high recipient liability) or not working at all. The plan is structured to facilitate their decision to seek, secure and maintain competitive employment.

Without the proposed plan, persons with disabilities would often stay at home and collect a welfare check and not compromise their Medicaid status. Sometimes wives with disabilities are forced to live separate from their husbands whom they love in order to access the health care they need through Medicaid. The burden of their support then falls on the state government. Some would seek only limited employment so that they would not lose Medicaid or not be liable for huge recipient liabilities. North Dakota Medicaid Buy-In would turn this negative trend, making it possible for people with disabilities to earn money rather than remaining dependent on welfare.

In the North Dakota Medicaid Buy-In Plan, it is assumed that persons with disabilities are not the problem but are a part of the solution. In a state such as North Dakota where the labor force is limited, persons with disabilities represent an untapped resource. They deserve to work, have dignity and pride and contribute to the well-being of the state. The proposed "buy-in" plan represents an investment in a future that supports the employees with disabilities in the workplace. Additionally, the plan provides an economic development initiative for persons with disabilities. It is not merely an extension of the Medicaid program.

In North Dakota, we have designed a cost beneficial Medicaid Buy-in Plan which has been endorsed by the persons with disabilities and several agencies within the state. It is also endorsed by President Clinton, President Bush and the Governors of several states. Medicaid Buy-In is not a Republican issue; it is not a Democratic issue; it is a People issue. In the United States of America we take great pride in "the government of the people, for the people and by the people." In this great nation, we need to make persons with disabilities a part of "by the people" doing everything we can do to remove barriers that get in the way of their securing competitive employment.

SB 2194 does not ask for increase in services nor does it result in decrease in any service for any group. It simply provides for the continuation of Medicaid if the persons with disabilities were to work or increase working hours. It provides incentives to work as it eliminates recipient liability for persons eligible for Medicaid Buy-In.

Implementation of Medicaid Buy-In would be fairly simple. It is envisioned that Eligibility determination will take place at the county case worker level. We tried to determine financial eligibility for two cases. It took us seven minutes each. A review of Medicaid Buy-In indicates that the recipient eligibility for a person with disability would not take more than a maximum of thirty minutes per case. Premium collection and monitoring seems just as simple. Again, it is

conceived that the premium would be collected at the county level and journal to state general funds to offset some of the cost of Medicaid. System change does not appear very involved either.

The main concerns about Medicaid Buy-In are basically initial inertia and the fear of what might happen in the future. It has been pointed out in the last few days that the implementation of Medicaid Buy-In would involve a few hardships. The benefits of Medicaid Buy-In, however, far outweigh the anticipated hardships. Besides anything worthwhile involves some work. We do not stop having the babies for fear of labor pains. Even if we have to expend some energy, in the short run, it is worth providing employment opportunities to the persons with disabilities in North Dakota. North Dakota would be a better place to live if we devote half as much time and energy to plan how we can accomplish things instead of spending an enormous amount of energy on how not to do things. The second concern the state has is the potential precariousness of the estimates used in the fiscal bill. I assure you that the future savings are intact as long as eligible SPED PAS and ESPED PAS continue to be moved to Medicaid. We must not stop the progress today because of the fear of the uncertainties of tomorrow.

The following facts and components show why the Medicaid Buy-In Plan is so effective:

Determination of Recipient Liability
Determination of Medicaid Buy-In Eligibility
Medicaid Cost/benefit Analysis – Table I and Table II

We have a Medicaid Buy-In plan in North Dakota which enables persons with disabilities to secure and maintain employment without risking medical insurance (Medicaid). Through process re-engineering, we are in a position to implement Medicaid Buy-In and save $642,231 in the State General Fund, save $75,783 for Counties and increase cash flow from the Federal Government by $3,091,188. Besides, the persons with disabilities would pay $36,822 in additional taxes. Net savings to the persons with disabilities are $1,833,362. The savings would be realized due to elimination of recipient liability for the group that enrolls in Medicaid Buy-In. The savings shown in the tables above are guaranteed as long as a part of SPED PAS and all ESPED PAS as moved to Medicaid remain on Medicaid.

The cost of Medicaid decreases when people with disabilities work more. Research on Medicaid costs in Indiana suggests that when people with disabilities are employed, they decrease the use of Medicaid funded services by up to 57%. Medicaid Buy-In is a WIN-WIN proposition.

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

Regards,

Dr. John Uppal

MEDICAID BUY-IN

Background

- Most people with significant disabilities would like to work.
- Current ND law forces people with disabilities to choose between healthcare coverage and employment.
- If they work, earn money and pay taxes, they lose Medicaid healthcare benefits.
- Significant disabilities are often associated with expensive medical services.
- Without healthcare benefits, some people would have to pay more in medical fees than they could expect to earn in wages.
- The proposed Medicaid Buy-in would allow people with significant disabilities to work, pay taxes, and pay a pro-rated premium to maintain their Medicaid healthcare benefits.
- The proposed Medicaid Buy-in initiative would make it possible for unemployed North Dakotans with significant disabilities to become part of the workforce.

Medicaid Buy-In

- The North Dakota Medicaid Infrastructure Project has worked with consumers, advocates, service providers, and state agencies to develop a Medicaid Buy-In plan.
- The plan proposes that the Medicaid income eligibility level for people with disabilities be raised to about $22,000/year (250% of the federal poverty level).
- People with disabilities could enroll in Medicaid Buy-In by paying a pro-rated premium that will not exceed 7.5 % of their gross income.

Fiscal Impact of North Dakota Medicaid Buy-In

- Under current ND law workers with significant disabilities lose benefits and people who choose to remain unemployed receive free healthcare.
- If the proposed Medicaid Buy-In plan is adopted people with disabilities will be able to work, pay taxes, and pay part of their healthcare expenses.
- It is estimated that the Buy-In plan will save the Division of Medical Assistance over $273,640 in its first year of implementation.
- ND will also gain an additional 2. 7 million dollars in the federal government's contribution to our Medicaid fund.

- ND counties will save an additional $58,172.
- Workers with disabilities, who are currently unemployed, will pay about $12,000 dollars *in* N. taxes.
- Implementation of the proposed Medicaid Buy-In plan is a win-win situation. ND's savings will total about 3 million dollars and people with disabilities won't have to choose between employment and healthcare.

For further information contact Dr. John Uppal, MIG Project Director at 1800-233-1737 or 701-858-3494.

TESTIMONY: SENATE APPROPRIATION COMMITTEE

Medicaid Buy-In is a unique work incentive program which represents a move towards eliminating the choice that persons with disabilities have to make between working and losing health insurance (or pay high recipient liability) or not working at all. The plan is structured to facilitate their decision to seek, secure and maintain competitive employment.

Without the proposed plan, persons with disabilities would often stay at home and collect a welfare check and not compromise their Medicaid status. Sometimes wives with disabilities are forced to live separate from their husbands whom they love in order to access the health care they need through Medicaid. The burden of their support then falls on the state government. Young persons would seek only limited employment so that they would not lose Medicaid. North Dakota Medicaid Buy-In would turn this negative trend, making it possible for people with disabilities to earn money rather than remain dependent on welfare.

In the North Dakota Medicaid Buy-In Plan, it is assumed that persons with disabilities are not the problem but are a part of the solution. In a state such as North Dakota where the labor force is limited, persons with disabilities represent an untapped resource. They deserve to work, have dignity and pride and contribute to the well-being of the state. The proposed "buy-in" plan represents an investment in a future that supports the employees with disabilities in the workplace. Additionally, the plan provides an economic development initiative for persons with disabilities. It is not merely an extension of the Medicaid program.

In North Dakota, we have designed a cost beneficial Medicaid Buy-in Plan which has been endorsed by the persons with disabilities and several agencies within the state. It is also endorsed by President Clinton, President Bush and the Governors of several states. Medicaid Buy-In is not a Republican issue; it is not a Democratic issue; it is a People issue. In the United States of America we take great pride in "the government of the people, for the people and by the people." In this great nation, we need to make persons with disabilities a part of "by the people" doing everything we can do to remove barriers that get in the way of their securing competitive employment.

SB 2194 does not ask for increase in services nor does it result in decrease in any service for any group. It simply provides for the continuation of Medicaid if the persons with disabilities were to work or increase working hours. It provides incentives to work as it eliminates recipient liability for persons eligible for Medicaid Buy-In.

Implementation of Medicaid Buy-In would be fairly simple. It is envisioned that Eligibility determination will take place at the county case worker level. We tried to determine financial eligibility for two cases. It took us seven minutes each. A review of Medicaid Buy-In indicates that the recipient eligibility for a person with disability would not take more than a maximum of thirty minutes per case. Premium collection and monitoring seems just as simple. Again, it is conceived that the premium would be collected at the county level and journal to state general funds to offset some of the cost of Medicaid. System change does not appear very involved either.

The following facts and components show why the Medicaid Buy-In Plan is so effective:

ELEMENTS OF MEDICAID BUY-IN

INCOME:
Income level is equal to 250% of Federal Poverty Level

ASSETS:
- $3,000

- Additional $10,000 (Provided the $10,000 was earned while enrolled in Buy-In. To be approved by CMS.)

AGE:

- 18-64 Years

ONE TIME ENROLLMENT FEE
- Buy-In fee of $100 for every enrollment

PREMIUM
- 2.5-7.5% of the gross income as determined by Medical Assistance Department

EMPLOYMENT
- Must be gainfully employed; minimum 40 hours a month

DISABILITY
- Must be a person with a disability according to Social Security Standards

MEDICAL REVIEW
- Medical Review is the same as required by Ticket to Work

OTHER
- Once on Medicaid Buy-In, there is automatic eligibility for 12 months from the date of termination of employment provided income and asset criteria are met. However, if client voluntarily terminates enrollment in Medicaid Buy-In, without loss of employment, grace period does not apply. Also if client voluntarily quits employment without cause, grace period does not apply.

- If premium is not paid for 3 consecutive months, enrollee will be dropped from Medicaid Buy-In.

PERSONAL ASSISTANCE SERVICES:

- Personal Assistance Services is included in the State Plan

COST/BENEFIT

Data used in Tables I and II is based on the Fiscal Note which Mr. Dave Zentner has already presented to you. The following are tables I and II:

TABLE I: MEDICAID BUY-IN COST/BENEFIT ANALYSIS
Moving 1/3 SPED & 100% ESPED TO MEDICAID - FISCAL NOTE

ITEM	CATEGORY	DATA	STATE SHARE	FED. SHARE [67.96%]
1	**COSTS**			
2	Cost of adding SPED Recipients to Medicaid	1,515,260		
3	Cost of adding ESPED Recipients to Medicaid	646,053		
4	Additional Cases (woodwork)	638,960		
5	**TOTAL COST [ITEM 2+ITEM 3+ITEM 4]**	**2,800,273**	**897,207**	**1,903,066**
6				
7	**BENEFITS (OFFSETS)**			
8	State Savings to move SPED-PAS to MEDICAID [ITEM 2 * 0.95]	1,439,497		
9	Counties Savings to move SPED-PAS to MEDICAID [ITEM 2 - ITEM8]	75,763		
10	State Savings to move ESPED-PAS to MEDICAID [ITEM 3]	646,053		
11	**TOTAL STATE GENERAL FUND SAVINGS [ITEM 8 + ITEM 10]**	2,085,550		
12				
13	**REVENUES (Other Funds)**			
14	Federal Assistance Funds (Section I; Table II)	1,018,223		
15	Federal Assistance Funds (Section I) [ITEM 5]	1,903,066		
16	County Savings [ITEM 9]	75,763		
17	Revenues (Other Funds) [ITEM 14 +ITEM 15 - ITEM 16]	2,845,526		
18				
19	**NET STATE GENERAL FUND SAVINGs [ITEM 11 - ITEM 5]**	**1,188,343**		

Service Payments for Elderly and Disabled (SPED)

The purpose of the SPED Program is to provide payments for a continuum of in-home and community-based services adequate to appropriately sustain individuals in their homes and community and to delay or prevent institutional care. NDCC # 50-06.2-01(3). SPED is 95% state and 5% county funded program.
One third of SPED can be moved to Medicaid.

Extended Service Payments for Elderly and Disabled (ESPED)

The purpose of the Expanded SPED Program is to provide payments for in-home and community-based services to persons who would otherwise receive care in licensed basic care facilities in North Dakota.
All ESPED is a state funded program. All ESPED can be moved to Medicaid.

The following facts and components show why the Medicaid Buy-In Plan is so effective:

Elements of Medicaid Buy-In
Determination of Recipient Liability
Determination of Medicaid Buy-In Eligibility
Medicaid Cost/benefit Analysis – Table I
Medicaid Cost/benefit Analysis – Table II

CONCLUSION

We have a Medicaid Buy-In plan in North Dakota which enables persons with disabilities to secure and maintain employment without risking medical insurance (Medicaid). Through process re-engineering, we are in a position to implement Medicaid Buy-In and save $642,229 in the State General Fund, save $75,783 for Counties and increase cash flow from the Federal Government by $2,921,287. Besides, the persons with disabilities would pay $36,822 in additional taxes. Net savings to the persons with disabilities are $1,833,362. The savings would be realized due to elimination of recipient liability for the group that enrolls in Medicaid Buy-In. The savings shown in the tables above are guaranteed as long as a part of SPED PAS and all ESPED PAS as moved to Medicaid remain on Medicaid.

The cost of Medicaid decreases when people with disabilities work more. Research on Medicaid costs in Indiana suggests that when people with disabilities are employed, they decrease the use of Medicaid funded services by up to 57%.

Medicaid Buy-In is a WIN-WIN proposition.

Thank you very much.

Regards,

Dr. John Uppal

RECIPIENT LIABILITY WITHOUT MEDICAID BUY_IN
(SINGLE PERSON)

ITEM SINGLE PERSON WITH DISABILITY

	INCOME/EXPENSE TITLE	SINGLE INDIVIDUAL
1		
2		
3	Gross Earned Income (Regular or Self Employment	700.00
4	Minus Union Dues Withhold or Self-Paid	0.00
5	Earned Income minus $65 Deductible (Item 3 - 65)	635.00
6	1/2 disregard (Item 5 divided by 2)	317.50
7	Total Income Disregard ((Item 6 +65))	-382.50
8	Net Countable Earned Income (Item 3 - Item 7)	317.50
9	Unearned Income (SSI/SSDI, GIFTS, ETC.)	650.00
10	Minus $20 Disregard	20.00
11	Net Countable Unearned Income (Item 9 - 20)	630.00
12	**Equals Countable Earned and Unearned Income (Item 8 + Item 11)**	947.50
13	Minus Medical Expenses	0.00
14	Minus Medicare Premiums	0.00
15	Minus Health Insurance Premiums	0.00
16	Minus Guardianship Fees	0.00
17	Minus Child Care Expenses	0.00
18	Minus Dependent Payments	0.00
19	Minus Adult Dependent Care	0.00
20	**Equals Adjusted Net Income**	947.50
21	Minus Medically Needy Income Level	500.00
22	Equals Excess Income (Item 20 - Item21 ; 0 if negative)	447.50
23	Plus Veterans Aid and Attendance or Medical Care Premiums	0.00
24	**Equals Recipient Liability Item 22 + Item 23)**	447.50

RECIPIENT LIABILITY WITH MEDICAID BUY_IN
(SINGLE PERSON)

ITEM SINGLE PERSON WITH DISABILITY

1	**INCOME/EXPENSE TITLE**	SINGLE INDIVIDUA
2		
3	Gross Earned Income (Regular or Self Employment	700.00
4	Minus Union Dues Withhold or Self-Paid	.00
5	Earned Income minus $65 Deductible (Item 3 - 65)	635.00
6	1/2 disregard (Item 5 divided by 2)	317.50
7	Total Income Disregard ((Item 6 +65))	-382.50
8	Net Countable Earned Income (Item 3 - Item 7)	317.50
9	Unearned Income (SSI/SSDI, GIFTS, ETC.)	650.00
10	Minus $20 Disregard	20.00
11	Net Countable Unearned Income (Item 9 - 20)	630.00
12	**Equals Countable Earned and Unearned Income (Item 8 + Item 11)**	947.50
13	Minus Medical Expenses	0.00
14	Minus Medicare Premiums	0.00
15	Minus Health Insurance Premiums	0.00
16	Minus Guardianship Fees	0.00
17	Minus Child Care Expenses	0.00
18	Minus Dependent Payments	0.00
19	Minus Adult Dependent Care	0.00
20	**Equals Adjusted Net Income**	947.50
21	Medicaid Buy_In level at 250% FPL (821, 554.2)	-1789.58
22	Equals Excess Income (Item 20 - Item 21 if negative)	0.00
23	Plus Veterans Aid and Attendance or Medical Care Premiums	0.00
24	**Equals Recipient Liability Item 22 + Item 23)**	0.00

RECIPIENT LIABILITY WITHOUT MEDICAID BUY_IN
(MARRIED COUPLE)

ITEM	MARRIED COUPLE, BOTH HAVE A DISABILITY	Wife	Husband
1	**INCOME/EXPENSE TITLE**		
2			
3	Gross Earned Income (Regular or Self Employment	700.00	1500.00
4	Minus Union Dues Withhold or Self-Paid	0.00	0.00
5	Earned Income minus $65 Deductible (Item 3 - 65)	700.00	1435.00
6	1/2 disregard (Item 5 divided by 2)	350.00	717.50
7	Total Income Disregard ((Item 6 +65))	-350.00	-782.50
8	Net Countable Earned Income (Item 3 - Item 7)	350.00	717.50
9	Unearned Income (SSI/SSDI, GIFTS, ETC.)	370.00	650.00
10	Minus $20 Disregard	0.00	20.00
11	Net Countable Unearned Income (Item 9 - 20)	370.00	630.00
12	**Equals Countable Earned and Unearned Income (Item 8 + Item 11)**	720.00	1347.50
13	Minus Medical Expenses	0.00	0.00
14	Minus Medicare Premiums	0.00	0.00
15	Minus Health Insurance Premiums	0.00	0.00
16	Minus Guardianship Fees	0.00	0.00
17	Minus Child Care Expenses	0.00	0.00
18	Minus Dependent Payments	0.00	0.00
19	Minus Adult Dependent Care	0.00	0.00
20	**Equals Adjusted Net Income**	720.00	1347.50
21	**Combined Adjusted Net Income (Item 20; Husb. + Wife Income**	2067.50	
22	Minus Medically Needy Income Level	-516.00	
23	Equals Excess Income (Item 20 - Item21 ; 0 if negative)	1551.50	
24	Plus Veterans Aid and Attendance or Medical Care Premiums	0.00	
25	**Equals Recipient Liability Item 22 + Item 23)**	$1,551.50	

RECIPIENT LIABILITY WITH MEDICAID BUY_IN
(MARRIED COUPLE)

ITEM	MARRIED COUPLE, BOTH HAVE A DISABILITY	Wife	Husband
1	**INCOME/EXPENSE TITLE**		
2			
3	Gross Earned Income (Regular or Self Employment	700.00	1500.00
4	Minus Union Dues Withhold or Self-Paid	0.00	0.00
5	Earned Income minus $65 Deductible (Item 3 - 65)	700.00	1435.00
6	1/2 disregard (Item 5 divided by 2)	350.00	717.50
7	Total Income Disregard ((Item 6 +65))	-350.00	-782.50
8	Net Countable Earned Income (Item 3 - Item 7)	350.00	717.50
9	Unearned Income (SSI/SSDI, GIFTS, ETC.)	370.00	650.00
10	Minus $20 Disregard	0.00	20.00
11	Net Countable Unearned Income (Item 9 - 20)	370.00	630.00
12	**Equals Countable Earned and Unearned Income (Item 8 + Item 11)**	720.00	1347.50
13	Minus Medical Expenses	0.00	0.00
14	Minus Medicare Premiums	0.00	0.00
15	Minus Health Insurance Premiums	0.00	0.00
16	Minus Guardianship Fees	0.00	0.00
17	Minus Child Care Expenses	0.00	0.00
18	Minus Dependent Payments	0.00	0.00
19	Minus Adult Dependent Care	0.00	0.00
20	**Equals Adjusted Net Income**	720.00	1347.50
21	**Combined Adjusted Net Income (Item 20; Husb. + Wife Income**	2067.50	
22	Medicaid Buy_In level at 250% FPL ($21,475/12)	-2418.75	
23	Equals Excess Income (Item 20 - Item21 ; 0 if negative)	0.00	
24	Plus Veterans Aid and Attendance or Medical Care Premiums	0.00	
25	**Equals Recipient Liability Item 22 + Item 23)**	$0.00	

RECIPIENT ELIGIBILITY FOR MEDICAID BUY_IN
(SINGLE PERSON)

ITEM SINGLE PERSON WITH DISABILITY

	INCOME/EXPENSE TITLE	SINGLE INDIVIDUAL
1		
2	Gross Earned Income (Regular or Self Employment	2380.00
3	Minus Union Dues Withhold or Self-Paid	0.00
4	Earned Income minus $65 Deductible (Item 3 - 65)	2315.00
5	1/2 disregard (Item 5 divided by 2)	1157.50
6	Total Income Disregard ((Item 6 +65))	-1222.50
7	Net Countable Earned Income (Item 3 - Item 7)	1157.50
8	Unearned Income (SSI/SSDI, GIFTS, ETC.)	652.00
9	Minus $20 Disregard	20.00
10	Net Countable Unearned Income (Item 9 - 20)	632.00
11	**Equals Countable Earned and Unearned Income (Item 8 + Item 11)**	1789.50
12	Minus Medical Expenses	0.00
13	Minus Medicare Premiums	0.00
14	Minus Health Insurance Premiums	0.00
15	Minus Guardianship Fees	0.00
16	Minus Child Care Expenses	0.00
17	Minus Dependent Payments	0.00
18	Minus Adult Dependent Care	0.00
19	**Equals Adjusted Net Income**	1789.50
20	250% FPL Income	1789.58
21	IF ITEM 20 LESS THAN ITEM 21	ELIGIBLE FOR MBI
22	IF ITEM 20 GREATER THAN ITEM 21	NOT ELIGIBLE FOR MBI
23	**Equals Recipient Liability IF ELIGIBLE**	0.00
24		

RECIPIENT ELIGIBILITY FOR MEDICAID BUY_IN
(MARRIED COUPLE)

ITEM	MARRIED COUPLE, BOTH HAVE A DISABILITY	Wife	Husband
1	**INCOME/EXPENSE TITLE**		
2			
3	Gross Earned Income (Regular or Self Employment	901.00	1800.00
4	Minus Union Dues Withhold or Self-Paid	0.00	0.00
5	Earned Income minus $65 Deductible (Item 3 - 65)	700.00	1735.00
6	1/2 disregard (Item 5 divided by 2)	350.00	867.50
7	Total Income Disregard ((Item 6 +65))	-350.00	-932.50
8	Net Countable Earned Income (Item 3 - Item 7)	551.00	867.50
9	Unearned Income (SSI/SSDI, GIFTS, ETC.)	370.00	630.00
10	Minus $20 Disregard	0.00	20.00
11	Net Countable Unearned Income (Item 9 - 20)	370.00	630.00
12	**Equals Countable Earned and Unearned Income (Item 8 + Item 11)**	921.00	1497.50
13	Minus Medical Expenses	0.00	0.00
14	Minus Medicare Premiums	0.00	0.00
15	Minus Health Insurance Premiums	0.00	0.00
16	Minus Guardianship Fees	0.00	0.00
17	Minus Child Care Expenses	0.00	0.00
18	Minus Dependent Payments	0.00	0.00
19	Minus Adult Dependent Care	0.00	0.00
20	**Equals Adjusted Net Income**	921.00	1497.50
21	**Combined Adjusted Net Income (Item 20: Husb. + Wife Income**	2418.50	
22	Medicaid Buy_In level at 250% FPL ($21,775/12)	-2418.75	
23	Equals Excess Income (Item 20 - Item 21)	-0.25	
24	**IF ITEM 23 IS NEGATIVE; ELIGIBLE WITH RL EQUAL**	0.00	

TABLE I: MEDICAID BUY-IN COST/BENEFIT ANALYSIS
Moving 22.8% SPED-PAS & 100% ESPED-PAS TO MEDICAID - FISCAL NOTE

ITEM	CATEGORY	DATA	STATE SHARE	FED. SHARE
1	**CURRENT COSTS; PRE MEDICAID BUY-IN**			
2	Cost of SPED-PAS for Medicaid Eligibles	1,515,260	1439497	
3	Cost of ESPED-PAS for Medicaid Eligibles	646,053	646,053	
4	Total Cost of SPED-PAS & EPED for Medicaid Eligibles	2,161,313	[redacted]	0
5		*Note: Counties Share=$75,763*	2,085,550	
6	**COSTS; POST MEDICAID BUY-IN**			
7	Cost of adding SPED Recipients to Medicaid	1,515,260		
8	Cost of adding ESPED Recipients to Medicaid	646,053		
9	Additional Cases (woodwork)	638,960		
10	**TOTAL COST [ITEM 7+ITEM 8+ITEM 9]**	2,800,273	**897,207**	1,903,066
11				
12	**BENEFITS (OFFSETS)**			
13	State Savings to move SPED-PAS to MEDICAID [ITEM 2 * 0.95]		1,439,497	
14	Counties Savings to move SPED-PAS to MEDICAID [ITEM 2 - ITEM13]		75,763	
15	State Savings to move ESPED-PAS to MEDICAID [ITEM 8]		646,053	
16	**TOTAL STATE GENERAL FUND SAVINGS [ITEM 13 + ITEM 14]**		**2,085,550**	
17				
18	**NET STATE GENERAL FUND SAVINGs [ITEM 16- ITEM 10]**		**1,188,343**	

Service Payments for Elderly and Disabled (SPED)

The purpose of the SPED Program is to provide payments for a continuum of in-home and community-based services adequate to appropriately sustain individuals in their homes and community and to delay or prevent institutional care. NDCC # 50-06.2-01(3). SPED is 95% state and 5% county funded program.
One third of SPED can be moved to Medicaid.

Extended Service Payments for Elderly and Disabled (ESPED)

The purpose of the Expanded SPED Program is to provide payments for in-home and community-based services to persons who would otherwise receive care in licensed basic care facilities in North Dakota.
All ESPED is a state funded program. All ESPED can be moved to Medicaid.

TABLE II: MEDICAID BUY_IN COST/BENEFIT ANALYSIS AT 250% FPL - FISCAL NOTE

	ITEM CATEGORY	PAS ON STATE PLAN	STATE SHARE	FEDERAL SHARE
1	**COSTS**			
2	Medicaid cost (RI. ENROLLEES)	1,699,362		
3	Medicaid cost (Woodwork Effect)	134,000		
4	PAS (woodwork effect)	638,960		
5	Information System Change	250,000	125,000	125,000
6	Total SB 2194 Bill Cost [ITEMS 2+3+4+5-ITEM12]	2,203,295	625,836	1,327,459
7	Total Medical Assistance Buy-In Cost [ITEMS 2+3 - ITEM 12]	1,314,335	546,113	1,018,222
8				
9	**BENEFITS (OFFSETS)**			
10	Initial Joining fee	22,400		
11	Premium	496,627		
12	**TOTAL OFFSET [ITEM 10 + ITEM 11]**	519,027	**166,296**	**352,731**
13	**REVENUES (Other Funds)**			
14	Federal Assistance Funds (Section I) [ITEM 7]	1,018,223		
15	Federal Assistance Funds [TABLE I;ITEM 5]	1,903,066		
16	County Saving [TABLE I;ITEM 9]	75,783		
17	**Revenues (Other Funds) [ITEM 14 +ITEM 15 - ITEM 16]**	2,845,506		
18	**TOTAL REVENUE - OTHER .[ITEM 17]**	**2,845,524**		
19	**Total SB 2194 Bill Cost [ITEM 6]**	**2,203,295**		
20	**NET SAVINGS TO STATE GENERAL FUND [ITEM 14 - ITEM 15]**	**642,229**		
21				
22				
23	Net Savings to State	**$642,229**		
24	Net Savings to counties	**$75,783**		
25	Estimated State Tax collection	**$36,822**		
26	Total Cash Flow from Fed. Govt. [ITEM 7 + ITEM 15]	**$2,921,287**		

Net Savings to $1,833,364
disabilities

CONCLUSION

We have a Medicaid Buy-In plan in North Dakota which enables persons with disabilities to secure and maintain employment without risking medical insurance (Medicaid). Through process re-engineering, we are in a position to implement Medicaid Buy-In and save $642,229 in the State General Fund, save $75,783 for Counties and increase cash flow from the Federal Government by $2,921,287. Besides, the persons with disabilities would pay $36,822 in additional taxes. The savings shown in the tables above are guaranteed as long as a part of SPED PAS and all ESPED PAS as moved to Medicaid remain on Medicaid.

TABLE II: MEDICAID BUY_IN COST/BENEFIT ANALYSIS AT 250% FPL - FISCAL NOTE

	ITEM CATEGORY	PAS ON STATE PLAN	STATE SHARE	FEDERAL SHARE
1	**COSTS**			
2	Medicaid cost (RL ENROLLEES)	1,699,362		
3	Medicaid cost (Woodwork Effect)	134,000		
4	PAS (woodwork effect)	638,960		
5	Information System Change	250,000	125,000	125,000
6	Total SB 2194 Bill Cost [ITEMS 2+3+4+5-ITEM12]	2,203,295		
7	Total Medical Assistance Buy-In Cost [ITEMS 2+3 - ITEM 12]	1,564,335	546,112	1,188,123
8	Total Medical Assistance Buy-In Cost not Inc. System Cost	**1,314,335**		
9	**BENEFITS (OFFSETS)**			
10	Initial Joining fee	22,400		
11	Premium	496,627		
12	**TOTAL OFFSET [ITEM 10 + ITEM 11]**	519,027	**166,296**	**352,731**
13	**REVENUES (Other Funds)**			
14	Federal Assistance Funds (Section I) [ITEM 7]	1,018,223		
15	Federal Assistance Funds [TABLE I;ITEM 10G]	1,903,066		
16	County Saving [TABLE I;ITEM 5]	75,763		
17	**Revenues (Other Funds) [ITEM 14 +ITEM 15 - ITEM 16]**	2,845,526		
18	**TOTAL REVENUE - OTHER .[ITEM 17]**	**2,845,526**		
19	**Total SB 2194 Bill Cost [ITEM 6]**	**2,203,295**		
20	**NET SAVINGS TO STATE GENERAL FUND [ITEM 14 - ITEM 15]**	**642,231**		
21				
22				
23	Net Savings to State	**$642,231**		
24	Net Savings to counties	**$75,763**		
25	Net Savings for the Persons with Disabilities	**$1,314,335**		
26	Estimated State Tax collection	**$36,822**		
27	Total Cash Flow from Fed. Govt. [ITEM 7 + ITEM 15]	**$2,738,457**		

TABLE II: MEDICAID BUY_IN COST/BENEFIT ANALYSIS AT 250% FPL - FISCAL NOTE

	ITEM CATEGORY	PAS ON STATE PLAN	STATE SHARE	FEDERAL SHARE
1	**COSTS**			
2	Medicaid cost (RL ENROLLEES)	1,699,362		
3	Medicaid cost (Woodwork Effect)	134,000		
4	PAS (woodwork effect)	638,960		
5	Information System Change	250,000	125,000	125,000
6	Total SB 2194 Bill Cost [ITEMS 2+3+4+5-ITEM12]	2,203,295		
7	Total Medical Assistance Buy-In Cost [ITEMS 2+3 - ITEM 12]	1,564,335	546,112	1,188,123
8	Total Medical Assistance Buy-In Cost not Inc. System Cost	**1,314,335**		
9	**BENEFITS (OFFSETS)**			
10	Initial Joining fee	22,400		
11	Premium	496,627		
12	**TOTAL OFFSET [ITEM 10 + ITEM 11]**	519,027	**166,296**	**352,731**
13	**REVENUES (Other Funds)**			
14	Federal Assistance Funds (Section I) [ITEM 7]	1,018,223		
15	Federal Assistance Funds [TABLE I;ITEM 10]	1,903,066		
16	County Saving [TABLE I;ITEM 14]	75,763		
17	**Revenues (Other Funds) [ITEM 14 +ITEM 15 - ITEM 16]**	2,845,526		
18	**TOTAL REVENUE - OTHER .[ITEM 17]**	**2,845,526**		
19	**Total SB 2194 Bill Cost [ITEM 6]**	**2,203,295**		
20	**NET SAVINGS TO STATE GENERAL FUND [ITEM 14 - ITEM 15]**	**642,231**		
21				
22				
23	Net Savings to State	**$642,231**		
24	Net Savings to counties	**$75,763**		
25	Net Savings for the Persons with Disabilities	**$1,833,362**		
26	Estimated State Tax collection	**$36,822**		
27	Total Cash Flow from Fed. Govt. [ITEM 7 + ITEM 15]	**$3,091,188**		

04.02.03. Dr. Uppal
SB 2194

TABLE II: MEDICAID BUY_IN COST/BENEFIT ANALYSIS AT 250% FPL - FISCAL NOTE

	ITEM CATEGORY	PAS ON STATE PLAN	STATE SHARE	FEDERAL SHARE
1	**COSTS**			
2	Medicaid cost (RL ENROLLEES)	2,101,630		2,101,630
3	Medicaid cost (Woodwork Effect)	134,000		
4	PAS (woodwork effect)	638,960		
6	Information System Change	250,000	125,000	125,000
6	Total SB 2194 Bill Cost [ITEMS 2+3+4+5-ITEM12]	2,605,563		
7	Total Medical Assistance Buy-In Cost [ITEMS 2+3 - ITEM 12]	1,716,603	**594,900**	1,291,603
8	Total Medical Assistance Buy-In Cost not inc. System Cost	**1,466,603**		
9	**BENEFITS (OFFSETS)**			
10	Initial Joining fee	22,400		
11	Premium	496,627		
12	**TOTAL OFFSET [ITEM 10 + ITEM 11]**	519,027	**166,296**	352,731
13	**REVENUES (Other Funds)**			
14	Federal Assistance Funds,			
15	Federal Assistance Funds [TABLE I;ITEM 10G]	1,121,410		996,410
16	County Saving [TABLE I;ITEM 6]	1,903,066		1,121,410
17	**Revenues (Other Funds) [ITEM 14 +ITEM 15 - ITEM 16]**	75,763		
18	**TOTAL REVENUE - OTHER .[ITEM 17]**	2,948,713		
19				
20		**2,948,713**		
21				
22				
23	Net Savings to State			
24	Net Savings to counties	**$593,443**		593,443
25	Net Savings for the Persons with Disabilities	**$75,763**		
26	Estimated State Tax collection	**$1,716,603**		
27	Total Cash Flow from Fed. Govt. [ITEM 7 + ITEM 15]	**$36,822**		
		$2,841,938		

MEDICAID BUY-IN COST/BENEFIT ANALYSIS
Moving 1/3 SPED & 100% ESPED TO MEDICAID

CATEGORY	DATA	STATE SHARE	FEDERAL SHARE
#of SPED-PAS Recipients	*700*		
# SPED PAS to be moved to MEDICAID	*233*		
#of SPED-PAS Recipients (assited living)	*28*		
# SPED PAS to be moved to MEDICAID	*9*		
# ESPED-PAS Recipients	*76*		
# ESPED-PAS to be moved to MEDICAID	*76*		
#of ESPED-PAS Recipients (assited living)	*3*		
# ESPED PAS to be moved to MEDICAID	*3*		
COSTS			
Cost of adding SPED Recipents to Medicaid	1,224,678		
State Share	**385,774**	**385,774**	
Federal Share	838,904		838,904
Cost of adding ESPED Recipents to Medicaid	349,580		
State Share	**110,118**	**110,118**	
Federal Share	239,462		239,462
TOTAL COST	**495,891**	**495,891**	1,078,367
BENEFITS (OFFSETS)			
Saving to move SPED-PAS to MEDICAID	1,163,444		
Saving to move ESPED-PAS to MEDICAID	349,580		
TOTAL SAVING	1,513,024		
NET STATE SAVING	1,017,133		
Net Counties Saving			58,172
Cash Flow from Federal Govt.			1,078,367

Service Payments for Elderly and Disabld (SPED)

The purpose of the SPED Program is to provide payments for a continuum of in-home and community-based services adequate to appropriately sustain individuals in their homes and community and to delay or prevent institutional care. NDCC # 50-06.2-01(3). SPED is 95% state and 5% county funded program.
One third of SPED can be moved to Medicaid.

Extended Service Payments for Elderly and Disabld (ESPED)

The purpose of the Expanded SPED Program is to provide payments for in-home and community-based services to persons who would otherwise receive care in licensed basic care facility in North Dakota.
All ESPED is a state funded program. All ESPED can be moved to Medicaid.

MEDICAID BUY-IN COST/BENEFIT ANALYSIS
AT 250% FPL

CATEGORY	PAS ON STATE PLAN	STATE SHARE	FEDERAL SHARE
Buy-In Enrollment			
% already receiving Medicaid	73		
Already receiving Medicaid	85		
Net New	62		
# PAS Recipients through Medicaid Waivers	11		
Additional PAS Recipients; Woodwork effect	198		
	132		
COSTS			
Medicaid cost			
Federal Govt Share	222,500		
State Share	152,412		152,412
Cost of Adding Additional PAS	70,088	70,088	
State Share	2,217,331		
Federal Govt. Share	698,459	698,459	
TOTAL COST	1,518,872		1,518,872
Cashflow from Federal Govt.	768,547		1,671,283
BENEFITS (OFFSETS)			
Initial Joining fee	2,300		
Premium	17,478		
Medicaid savings	5,276		
TOTAL SAVING	25,054		
STATE COST			
SAVING (From Previous Page)	743,493		
	1,017,133		
BENEFIT/COST RATIO			
Net Saving to Counties	1.37		
Net Saving to State			58,172
TOTAL CASHFLOW FROM Federal Govt.			273,640
			2,749,650

John Uppal

From: "Carey O'Connor" <COconnor2@cms.hhs.gov>
To: <uppal@minotstateu.edu>
Cc: "Betty Strecker" <BStrecker@cms.hhs.gov>; "Cynthia Gillaspie" <CGillaspie@cms.hhs.gov>; "Roy Trudel" <RTrudel@cms.hhs.gov>
Sent: Friday, February 21, 2003 12:12 PM
Subject: Re:

Dr. Uppal,
I have reviewed the legislation you attached and also requested review by Roy Trudel who is the eligibility expert in the central office on Ticket to Work.

We have the following comments:

1.) We made the assumption that you are using this legislation to create an eligibility group under the Ticket to Work Act (Section 1902(a)(10)(A)(ii)(XV) of the Social Security Act) not the Balanced Budget Act of 1997. If this assumption is not correct and you intend to use the group created by the Balanced Budget Act of 1997, some of these comments will not be accurate.

2.) As you acknowledged, you cannot set an earnings threshold. You may require proof of employment but you may not require a certain amount of employment.

3.) In number 2 on line 15 an asset test is described that sets up two tiers--one for applicants and another for participants. If this legislation passes, that test will have to be implemented in a way that does not violate comparability which mandates that everyone is treated the same. What might be easiest is to create a dedicated account for certain purposes (e.g. retirement or disability expenses) and use section 1902(r)(2) of the Social Security Act to disregard savings accumulated in that account. CMS staff can assist the Medicaid staff in doing this during implementation.

4.) In number 5 on line 22 the legislation references medical review requirements under Ticket to Work. I am not sure what these are. The group that is created by this legislation must meet the disability test for SSI but may have higher earnings. Ticket to Work does not change any medical standards. If this is referring to the second group for the medically improved it is not explicit.

5.) Number 6 on page 2 line 1 talks about a 12 month period during which a person may be unemployed but still enrolled. Please do not submit a State Plan Amendment that includes this. If you want to create state operational policy that provides for a period accounting for the possiblity of lost employment so be it. If you request in any formal manner our approval of such a policy, we will be forced to disapprove. The eligibility group is defined as "working" and our lawyers will not see any room to negotiate. That said, we are aware that states have done this. You should be aware that we do not approve it.

I hope these comments are helpful. If any cc's have further comments, I am sure they will forward them.

Carey

>>> "John Uppal" <uppal@minotstateu.edu> 02/21/03 11:35AM >>>
Hi Carry,

Thanks for your help. I understand that we can not have a threshhold for the amount of work. Our Attorney is looking into the appropriate language.

Please glance at the rest of the bill to see if there are any concerns.

2/21/2003

As I mentioned, the bill has passed through the Senate. It is currently in the House ready to be acted upon any day.

Thank you once again.

John Uppal
Tel: 701-858-3494

2/21/2003

TO: Interested Citizens

FROM: Teresa Larsen

DATE: 1/19/03

SUBJ: DHS Budget

Senate Appropriations Committee took up 2 bills today important to the budget for the Department of Human Services: **SB 2012** and **SB 2025**. There is **some good news** and **some very disconcerting news**.

First, SB 2012 (DHS budget) –
7 pages of amendments were brought forth by Senator Bowman and, after much discussion, passed by Senate Appropriations by a vote of 8-5. I do not yet have these in an electronic format that I can send you by computer. As soon as I have them, I will e-mail them out. If you need them in the mean time, please contact Jim Moench (NDDAC; 223-0347)) or me and they will be faxed to you.

Here is a summary of the amendments as passed by Senate Appropriations:

- Total all funds ($12,225,138)
  Less estimated income 4,009,932
  General fund ($16,235,070)

- **Management/Information Technology**
  - Removes salary increases ($120,303)
  - replaces $1.5 million in general fund support with special or federal funds, "if available"
  - reduces postage by $401,773
  - reduces funding for IT contractual services by $100,000
  - removes funding for computer system changes relating to the prescription drug assistance program for senior citizens ($232,348)
  - adds funding for computer system changes relating to the Medicaid Buy-In ($250,000)
  - TOTAL SENATE APPROPRIATIONS CHANGES = ($604,424)

- **Program/Policy**
  - Removes salary increases ($233,611)
  - replaces $4 million in general fund support with special or federal funds, "if available"
  - **Economic Assistance** – no changes

- **Child Support Program** – restores funding the Devils Lake child support enforcement unit reservation project ($215,016)
- **Medical Services Program** – removes funding for prescription drug assistance program for seniors ($9,736,121); adds funding for the Medicaid Buy-In program ($1,953,295); restores funding for optional Medicaid services: chiropractic ($267,607), dental ($7,305,319), hospice ($1,291,600), private duty nursing ($1,459); removes funding for optional Medicaid services: durable medical equipment ($3,073,360), optometric ($1,239,576), psychological ($466,336); reduces funding for Rx drugs under Medicaid ($9 million); adds funding to provide a 50 cents/hour salary increase to DD provider employees ($7,746,118)

- **Long Term Care** – reduces funding as a result of DHS Dec. 2002 re-projection of anticipated nursing facility costs for the 03-05 biennium ($5 million); restores funding for the 3% nursing facility operating margin ($6,088,878); restores funding for nursing facility incentives ($1,363,547); reduces funding for SPED relating to the reduction in allowable assets from $25,000 to $20,000 (($1,762,684); reduces funding for SPED relating to the inclusion of all assets, except the individual's primary home, rather than only liquid assets when determining SPED eligibility ($2,850,000); reduces funding for Expanded SPED ($300,000)
- **Aging Services** – no changes
- **Children & Family Services** – removes funding for eligibility determination costs relating to Rx drug assistance for seniors ($317,000); restores funding for special needs adoption contract workers ($318,725)
- **Mental Health & Substance Abuse** – no changes
- $50,000 (not > $10,000 each) for DHS to provide grants to community health centers to support community development and grant writing services
- **Disabilities Program** – adds funding for corporate guardianship services relating to an anticipated increase in caseload and to increase the rate paid from $3.20/day to $3.92/day ($275,383)
- TOTAL SENATE APPROPRIATIONS CHANGES = ($7,101,741)

- **State Hospital**
  - Removes salary increases ($381,651); reduces funding from the general fund (DHS may determine the specific areas to reduce) ($2 million)
  - TOTAL SENATE APPROPRIATIONS CHANGES = ($2,381,651)

SB 2194
House Human Services
March 4, 2003
Testimony of the Protection & Advocacy Project

Chairman Price and members of House Human Services, I am Teresa Larsen, Executive Director of the Protection and Advocacy Project (P&A). I am here today in support of SB 2194.

The Medicaid Buy-In is a work incentive that was first brought forward by Congress in the Balanced Budget Act of 1997 and again through the Ticket to Work and Work Incentives Improvement Act of 1999. In 1996, the Government Accounting Office (GAO) estimated that if only 1% of the disability beneficiaries on the rolls returned to work, lifetime cash benefits would be reduced by $2.9 billion (GAO/HEHS-96-133, SSA Disability: Return-to-Work Strategies from Other Systems May Improve Federal Programs, July 1996, p. 2). These savings would double if as many as 2% of the beneficiaries returned to work.

The Ticket to Work program is being rolled out to states in three phases, starting with 13 states in February 2002. North Dakota is a Phase II state and began receiving tickets in November 2002. Individuals with disabilities between the ages of 18 and 64, who are recipients of SSI or SSDI, have the potential of receiving a ticket through the Social Security Administration. Attached is information regarding the Ticket to Work program which has the primary focus of removing barriers which prevent people with disabilities from going to work. One of the biggest barriers is the potential loss of health care coverage.

The Medicaid Buy-In proposed in SB 2194 is a solution to this barrier. It will allow people with disabilities to go to work while maintaining health care coverage. It will also provide relief to those who have already gone to work and have been assessed high recipient liabilities in order to access

health care coverage. The recipient liability that some people with disabilities pay ends up being much higher than a regular insurance premium might cost. However, purchasing a regular health insurance policy is not an option for many people with disabilities due to pre-existing conditions and specialized service needs which are not covered.

The Medicaid buy-in is a viable, cost effective way to address this problem. It will mean that many individuals with disabilities will no longer have to choose between taking a job and having health care.

This concludes my prepared remarks. I will be glad to answer questions. Thank you.

Testimony – Senate Bill Number 2194
January 20, 2003

Senator Lee and members of the Senate Human Services Committee:

My name is Vickay Gross, Coordinator of the Protection and Advocacy Project for Beneficiaries of Social Security (PABSS) program. The PABSS program is a new initiative funded by the Social Security Administration through the "Ticket to Work and Work Incentives Improvement Act" of 1999.

The Ticket to Work and Work Incentives Improvement Act

- increases beneficiary choice in obtaining rehabilitation and vocational services to help them go to work and attain their employment goals;
- removes barriers that require people with disabilities to choose between health care coverage and work; and
- assures that more Americans with Disabilities have the opportunity to participate in the workforces and lessen their dependence on public benefits.

The Ticket to Work program is being brought into states in three phases. North Dakota is a Phase II state and began seeing tickets around November 15, 2002. SSI and SSDI recipients between the ages of 18-64 have the potential of receiving a ticket. The beneficiary can use their ticket to obtain vocational rehabilitation services from an Employment Network approved by SSA or the state designated vocational rehabilitation agency. The program is voluntary for the Employment Networks and the beneficiary.

The Medicaid buy-in in one of the components of the Ticket to Work legislation which removes the threat of people with disabilities losing their health care benefits if they choose to go to work. It also will provide relief to people with disabilities who currently choose to work but have a recipient liability that becomes higher as they work more.

It is the goal of the Social Security Administration to the remove disincentives that prevent people with disabilities from going to work and becoming self sufficient. In order to do this they have set up a support structure which includes vocational rehabilitation services, benefits planning and advocacy. I have brought packets of information regarding Ticket to Work and the support services available through the program. I am also available to answer questions or research information for you regarding the Ticket to Work program.

Thank you for your interest in the Medicaid buy-in and Ticket to Work program.

Vickay Gross
PABSS Coordinator
Protection and Advocacy Project
400 E. Broadway, Suite 409
Bismarck, ND 58501
701-328-2950
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HHS News

U.S. Department of Health and Human Services

www.hhs.gov/news

FOR IMMEDIATE RELEASE
Monday, Feb. 24, 2003

Contact: CMS Public Affairs
(202) 690-6145

HHS AWARDS $2.5 MILLION TO FIVE STATES TO ENABLE MORE DISABLED PERSONS TO WORK

HHS Secretary Tommy G. Thompson today announced $2.5 million in grants to five states to help people with disabilities in those states to become and stay competitively employed. Each of the states -- Indiana, Maryland, Mississippi, North Carolina and South Carolina -- will receive $500,000 to support efforts to increase services and supports to workers, as well as help others return to work without the fear of losing health coverage.

Including today's grants, HHS has awarded more than $59 million to 40 states and the District of Columbia to expand their health coverage for disabled workers through the Medicaid program. The grants support the goals of the President Bush's New Freedom Initiative, which is working to eliminate the many barriers that unnecessarily hinder Americans with disabilities as they seek to participate fully in the life of their communities.

"Already through this initiative, nearly 30,000 disabled workers have returned to work without losing their health coverage, and the number of states offering expanded health care to these workers continues to grow," Secretary Thompson said. "We must continue to work together to create these kinds of opportunities for people with disabilities so we can fulfill President Bush's promise to make life better for millions of Americans with disabilities who work."

The grants advance the goals of the Ticket to Work and Work Incentives Improvement Act of 1999 (TWWIIA), a law passed by Congress to encourage people with disabilities to work without fear of losing their Medicare, Medicaid or similar health benefits.

The grants will help states build the systems they need to allow individuals with a disability to purchase health coverage through Medicaid at affordable rates. People with a disabling condition often cite the fear of losing health coverage as one of the major barriers to a possible return to work.

"Initiatives by the federal government and states that provide opportunities for disabled individuals to become more productive and successful in their lives makes sense for the person and the economy," said Thomas Scully, administrator of HHS' Centers for Medicare and Medicaid Services (CMS). "We encourage the business community to take advantage of this pool of workers who are willing and able to be productive members of the workplace."

- More -

The grants can be used to support systems that provide personal assistance and supports. Such assistance can include help with bathing, dressing and other activities at home or on the job. States can also use the funds to reach out to people with a disability, train staff in new employment possibilities and improve transportation or other support programs that allow people with a disability to become productive members of the American workforce.

HHS plays a key role in carrying out the President's New Freedom Initiative and leads inter-agency efforts to increase opportunities for community living. Earlier this month, President Bush appointed Secretary Thompson and other Cabinet members to serve on an interagency work group to identify ways to help individuals with disabilities obtain assistive technology mobility devices needed for employment.

In addition, President Bush has proposed a new $1.75 billion, five-year program to help Americans with disabilities transition from nursing homes or other institutions to living in the community. The proposal is one of several new efforts in the fiscal year 2004 budget for the President's New Freedom Initiative. Altogether, the President's New Freedom Initiative budget proposals will represent $2.1 billion in planned new spending over five years, with $417 million in new spending proposed for fiscal year 2004.

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Note: All HHS press releases, fact sheets and other press materials are available at www.hhs.gov/news

4480. PERSONAL CARE SERVICES

A. General.--Effective November 11, 1997, HCFA published a final regulation in the Federal Register that removed personal care services from regulations at 42 CFR 440.170 and added a new section at 42 CFR 440.167, APersonal Care Services in a home or other location.@ The final rule specifies the revised requirements for Medicaid coverage of personal care services furnished in a home or other location as an optional benefit. This rule conforms to the Medicaid regulations and to the provisions of '13601(a)(5) of the Omnibus Budget Reconciliation Act (OBRA) of 1993, which added '1905(a)(24) to the Social Security Act to include payment for personal care services under the definition of medical assistance

Under '1905(a)(24) of the Act, States may elect, as an optional Medicaid benefit, personal care services furnished to an individual who is not an inpatient or resident of a hospital, nursing facility, intermediate care facility for persons with mental retardation (ICF/MR), or institution for mental disease. The statute specifies that personal care services must be: (1) authorized for an individual by a physician in a plan of treatment or in accordance with a service plan approved by the State; (2) provided by an individual who is qualified to provide such services and who is not a member of the individual=s family; and (3) furnished in a home or other location.

B. Changes Made by Final Regulation.--Personal care services may now be furnished in any setting except inpatient hospitals, nursing facilities, intermediate care facilities for the mentally retarded, or institutions for mental disease. States choosing to provide personal care services may provide those services in the individual's home, and, if the State so chooses, in settings outside the home.

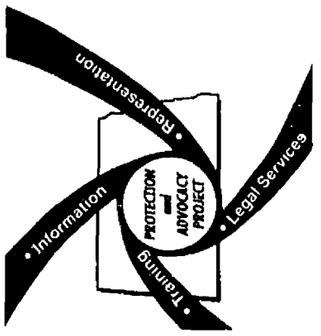
In addition, services are not required by Federal law to be provided under the supervision of a registered nurse nor does Federal law require that a physician prescribe the services in accordance with a plan of treatment. States are now permitted the option of allowing services to be otherwise authorized for the beneficiary in accordance with a service plan approved by the State.

C. Scope of Services.--Personal care services (also known in States by other names such as personal attendant services, personal assistance services, or attendant care services, etc.) covered under a State=s program may include a range of human assistance provided to persons with disabilities and chronic conditions of all ages which enables them to accomplish tasks that they would normally do for themselves if they did not have a disability. Assistance may be in the form of hands-on assistance (actually performing a personal care task for a person) or cuing so that the person performs the task by him/her self. Such assistance most often relates to performance of ADLs and IADLs. ADLs include eating, bathing, dressing, toileting, transferring, and maintaining continence. IADLs capture more complex life activities and include personal hygiene, light housework, laundry, meal preparation, transportation, grocery shopping, using the telephone, medication management, and money management. Personal care services can be provided on a continuing basis or on episodic occasions. Skilled services that may be performed only by a health professional are not considered personal care services.

1. Cognitive Impairments.--An individual may be physically capable of performing ADLs and IADLs but may have limitations in performing these activities because of a cognitive impairment. Personal care services may be required because a cognitive impairment prevents an individual from knowing when or how to carry out the task. For example, an individual may no

Do You Receive SSI or SSDI?

Do You Want to Work?



ND Protection and Advocacy Project . . .

Helping SSI and SSDI Beneficiaries with Work Issues

ND Protection and Advocacy Project
400 E. Broadway, Suite 409
Bismarck, ND 58501

The ND Protection and Advocacy Project does not discriminate in admission or access to, or treatment or employment in, its programs and activities. If accommodations are needed as a result of disability, or if this material is needed in an alternative format, please contact:

Protection and Advocacy Project
400 E. Broadway, Suite 409
Bismarck, ND 58501
701-328-2950
701-328-3934 (Fax)
1-800-472-2670 (Toll Free)
1-800-366-6888 (TTY Relay)
www.ndpanda.org

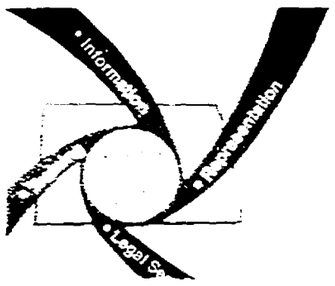
All costs associated with this publication were made possible by grant from the Social Security Administration. The contents of this publication are the sole responsibility of the author and do not represent the official views of the Social Security Administration.

Protection and Advocacy for Beneficiaries of Social Security

The Protection and Advocacy for Beneficiaries of Social Security (PABSS) Program is a new program funded by the Social Security Administration.

The purpose of this advocacy program is to assist beneficiaries of SSI and SSDI with work issues, including training and employment-support services.

If you are an SSI/SSDI beneficiary receiving cash benefits, the Protection Advocacy Project is available to help you exercise your legal rights.



Employment Issues

The Protection and Advocacy Project is committed to helping SSI/SSDI beneficiaries with work issues. These issues may include accessing needed services, supports and accommodations from vocational rehabilitation, service providers and employers.

Benefit Planning

SSI/SSDI beneficiaries may also obtain help in understanding work incentive programs, and how returning to work will affect other public benefits. For more information about this service, contact Rehab Services, Inc., at 701-859-4240 or 1-800-258-8132.

Services Available

Services under the PABSS Program are free to eligible individuals. These services include:

- **Information and Referral:** The Project will provide individuals with information and materials, or refer them to others who can help.
- **Education and Training:** The Project can conduct training sessions and conferences designed to promote an awareness of employment issues facing people with disabilities.
- **Systems Advocacy:** The Project will work with others to promote positive changes for people with disabilities, including working to improve employment support services.
- **Individual Representation:** The Project may represent SSI/SSDI beneficiaries who believe their work-related rights have been violated.

If you are receiving Social Security benefits, we can help you in the following ways:

- Analyze benefits and determine how they may be affected by employment, as well as available work incentives to support employment.
- Identify employment-related education, training, placement services, personal support services, and consumer advocacy, as needed.
- Help access SSA work incentives.

Rehab SERVICES, INC.

For more information about this program, contact:

Rehab Services, Inc.
1421 2nd Avenue SW
Minot, ND 58701

Phone: 701-839-4240
or 1-800-258-8132
Fax: 701-838-2621
E-mail: rsi@minot.com
TTY: 701-839-5988

This publication was made possible by a grant from the Social Security Administration.

North Dakota Benefits Planning, Assistance and Outreach Program

Rehab SERVICES, INC.

Do You Need Help With Your Social Security Benefits Planning?

We can answer your questions about Medicaid, SSDI/SSI, Food Stamps, Public Assistance, and other disability-related benefits. Information is based specifically on your own eligibility, and plans for further services are developed as needed.

What Are Social Security Work Incentives?

An incentive is anything that makes a person want to take action. Incentives were established so people receiving benefits will want to work, without fear of losing those benefits as well as to help them transition off of benefits. Examples of incentives consist of the following:

- **Plans for Achieving Self-Support (PASS):**

PASS is a plan for the future. If you want to enter the work force, go back to school or start a business, this is the first step toward that goal. The emphasis is on making certain that financial resources are in place.

- **Impairment Related Work Expenses (IRWE):**

This is a way for recipients to recover some work-related expenses without having the money count as earnings toward substantial gainful activity.

- **Subsidies:**

Allows a portion of a person's wages to be excluded when determining if substantial work is being completed by the beneficiary.

- **Blind Work Expenses (BWE):**

Any expenses that a person with blindness incurs in order to work are not counted toward determining SSI payment. BWEs do not have to be related to their impairment.

- **Trial Work Period (TWP):**

This allows you to test your ability to work for nine months without fear of losing benefits. As long as you continue to have a disabling impairment, you will receive full benefits for that period, regardless of how high your earnings may be.

- **Student Earned Income Exclusion (SEIE):**

This allows SSI recipients (under age 22), who regularly attend school, to subtract $1,320 of earned income monthly and $5,340 annually.

- **Continued Medicaid Eligibility (1619B) for SSI Recipients:**

Your Medicaid coverage can continue even if your earnings, along with other income, become too high for SSI cash benefits.

- **Earned Income Exclusion for SSI Recipients:**

The first $65.00 of your earnings per month plus 1/2 of the remainder is not counted.

Three Terms You Should Know:

1. SSDI - This stands for Social Security Disability Insurance, providing benefits to disabled or blind people who are "insured" by workers' contributions to the Social Security Trust Fund.
2. SSI - This means Supplemental Security Income, cash assistance payments to aged, blind, and persons with disabilities (including children under age 18) who have limited income and resources.
3. SGA - Substantial Gainful Activity is the greatest amount of money a Social Security recipient can earn monthly without losing eligibility for benefits. As of January 1, 2002, this amount is usually $780.00. A person's income can be higher due to utilization of work incentives.

For more information,
Call 1-800-258-8132 or
E-mail us at rsi@minot.com

PROTECTION AND ADVOCACY FOR BENEFICIARIES OF SOCIAL SECURITY

Background: The Protection and Advocacy for Beneficiaries of Social Security (PABSS) program is a new initiative funded by the Social Security Administration (SSA) through the "Ticket to Work and Work Incentives Improvement Act" of 1999.

Intent: To address employment-related barriers facing SSI/SSDI beneficiaries.

Eligibility for Individual Representation: SSI/SSDI beneficiaries who receive cash payments from the SSA, and believe their legal rights have been violated.

Eligibility for Information, Referral, Technical Assistance, Training: Any provider of employment-support services, employer, advocacy organization, or other individual involved in a beneficiary's return to work effort.

Advocacy Priorities:

- Investigation of improper/inadequate services by service providers, employers, VR, and others involved in a beneficiary's effort to obtain/maintain employment;

- Information and referral about employment rights, services, and incentives;

- Consultation and legal representation to protect the rights of beneficiaries; and

- Advocacy to identify and correct deficiencies in entities providing VR, employment, and other services.

Advocacy Services:

- Individual Representation
- Information, Referral, and Technical Assistance
- Systems Advocacy
- Training and Materials Development

The ND Protection and Advocacy Project does not discriminate in admission or access to, or employment in, its programs and activities. If accommodations are needed as a result of disability, or if this material is needed in an alternative format, contact the Project's administrative office at (701) 328-2950, 1-800-472-2670, 1-800-366-6888 (TDD Relay), or panda.state.nd.us.

FACT SHEET
10/01

TICKET TO WORK AND WORK INCENTIVES IMPROVEMENT ACT

New Employment Opportunities for People with Disabilities

Purpose

A new federal law is intended to affect millions of SSI and SSDI beneficiaries seeking gainful employment. The Ticket to Work and Work Incentives Improvement Act of 1999 has three primary goals:

- To increase a SSI/SSDI beneficiary's choice in obtaining rehabilitation and vocational services;
- To remove barriers to employment; and
- To assist more SSI/SSDI beneficiaries to participate in the workforce and decrease dependence on public benefits.

Five Major Components

- Ticket to Work

  After North Dakota is phased into this national program, some SSI/SSDI beneficiaries will receive a "ticket" from the Social Security Administration. Beneficiaries may use the tickets to obtain vocational rehabilitation, employment, or other support services from services providers call "Employment Networks". Beneficiaries and Employment Networks must mutually agree to work with each other. However, those beneficiaries who receive tickets will not be required to use them.

- Work Incentive Enhancements

  Expedited Reinstatement of Benefits - Former SSI/SSDI beneficiaries may request a reinstatement of their benefits if the benefits were terminated because they went to work. In order to be reinstated, beneficiaries must be unable to continue working because of their medical condition, and file a reinstatement request within 60 months of the month in which previous benefits were terminated.

  Continuing Disability Review (CDR) - The Social Security Administration will not conduct a CDR of a beneficiary's medical condition while that beneficiary is using a ticket.

- New Services

  Protection and Advocacy for Beneficiaries of Social Security - This service, which is administered by the Protection and Advocacy Project, is available to provide information, education, and advocacy services to beneficiaries, as well as education and resource materials to employers and service providers.

Benefit Planning, Assistance, and Outreach - This service, which is administered by Rehab Services, Inc. in Minot, is available to assist beneficiaries in determining the impact employment will have on other public assistance programs.

Employment Support Representatives - This service, which is administered by the Social Security Administration, is being piloted in some states to assist beneficiaries in identifying incentives that may help beneficiaries gain or regain employment.

Work Incentives Advisory Panel - A national panel of 12 members was appointed in 2000 to provide advice to the Social Security Administration and Congress about work incentives and the "Ticket" program.

- Expanded Availability of Health Care

Part A Medicare - Coverage will be extended an additional 4.5 years for working beneficiaries. (This is in addition to the 4 years of Part A coverage a beneficiary currently receives after going to work).

Regaining Medicare Coverage - Workers with disabilities covered under Medicare will be allowed to suspend their Medicare supplemental policies while covered by their employer's group health insurance, and regain coverage under their supplemental plans if they lose coverage under their group health plans.

Expanded Medicaid Coverage - States will be allowed to expand eligibility for Medicaid to include more individuals with disabilities. They will also be allowed to permit working individuals with disabilities to buy into Medicaid, even if such individuals are no longer eligible for SSI/SSDI benefits due to an improved medical condition.

Infrastructure Grant - The US Dept. of Health and Human Services awarded grants to states to develop and operate programs to support working individuals with disabilities. In North Dakota, a planning grant was awarded to the ND Center for Persons with Disabilities in Minot, and will begin in January 2002.

- Demonstration Grants

The new law requires the Social Security Administration to conduct a project to determine the effects of withholding $1 of SSDI benefits for every $2 a beneficiary earns over a specific amount. The SSA will report the results of this project to Congress.

More Information

Social Security Administration - www.ssa.gov/work
Protection and Advocacy Project - 328-2950, 1-800-472-2670, or 1-800-366-6888 (TDD)
Cornell University - www.ilr.cornell.edu/ped
Neighborhood Legal Services - www.nls.org

The ND Protection and Advocacy Project does not discriminate in admission or access to, or employment in, its programs and activities. If accommodations are needed as a result of disability, or if this material is needed in an alternative format, contact the Project's administrative office at (701) 328-2950, 1-800-472-2670, 1-800-366-6888 (TDD Relay), or panda.state.nd.us.

WHAT DO I DO WHEN I RECEIVE MY TICKET TO WORK FROM SOCIAL SECURITY?

Starting in November 2002, persons receiving SSI or SSDI in North Dakota will begin receiving "Tickets to Work" from Social Security Administration. This is a voluntary program from Social Security Administration. If you or someone you know receives a "Ticket" in the mail, feel free to contact any of the numbers below for more information.

1-866-968-7842	Maximus (www.yourtickettowork.com) (The program manager for Social Security)
1-800-258-8132	Benefits, Planning, Assistance & Outreach (Information on how working would affect your SSI, SSDI, housing, etc., Rehab Services, Inc.) www.minotrehabservices.com
1-800-472-2670 1-800-366-6888 (TDD Relay)	Protection & Advocacy Project for ND www.ndpanda.org

Fact Sheet

Ticket To Work And Work Incentives Improvement Act Of 1999

The *Ticket to Work and Work Incentives Improvement Act of* 1999 was enacted on Dec. 17, 1999. This law:

- increases beneficiary choice in obtaining rehabilitation and vocational services to help them go to work and attain their employment goals;
- removes barriers that require people with disabilities to choose between health care coverage and work; and
- assures that more Americans with disabilities have the opportunity to participate in the workforce and lessen their dependence on public benefits.

The provisions of the law become effective at various times, generally beginning one year after enactment. They are described below.

Ticket to Work Program

Most Social Security and Supplemental Security Income (SSI) disability beneficiaries will receive a "ticket" they may use to obtain vocational rehabilitation, employment or other support services from an approved provider of their choice to help them go to work and achieve their employment goals.

The Ticket to Work Program is voluntary.

The program is being phased in nationally over a three year period. During the first phase beginning in February 2002, SSA has distributed tickets in the following 13 States: Arizona, Colorado, Delaware, Florida, Illinois, Iowa, Massachusetts, New York, Oklahoma, Oregon, South Carolina, Vermont and Wisconsin.

During the second phase, beginning in November 2002, SSA will distribute tickets in the following 20 States: Alaska, Arkansas, Connecticut, Georgia, Indiana, Kansas, Kentucky, Louisiana, Michigan, Mississippi, Missouri, Montana, Nevada, New Hampshire, New Jersey, New Mexico, North Dakota, South Dakota, Tennessee, Virginia and in the District of Columbia.

During the third phase, SSA will distribute tickets in 2003 in the following 17 States: Alabama, California, Hawaii, Idaho, Maine, Maryland, Minnesota, Nebraska, North Carolina, Ohio, Pennsylvania, Rhode Island, Texas, Utah, Washington, West Virginia, Wyoming, as well as in American Samoa, Guam, the Northern Mariana Islands, Puerto Rico and the Virgin Islands.

Expanded Availability of Health Care Services

Starting Oct. 1, 2000, the law expands Medicaid and Medicare coverage to more people with disabilities who work.

States may provide Medicaid coverage to more people who are still working. States also may permit working individuals with income above 250 percent of the federal poverty level to purchase Medicaid coverage. This provision creates an experiment in which medical assistance will be provided to workers with impairments who are not yet too disabled to work. In addition, a Medicaid Infrastructure Grant program is available to support State efforts to increase employment options for people with disabilities.

To find out if these provisions are available in your state, call the State Medicaid office in your area or check the State Chart of Work Incentives Activity at http://www.ssa.gov/work/Beneficiaries/activity2.html The law also expands Medicare coverage to people with disabilities who work. It extends Part A premium-free coverage for at least four and-a-half years beyond the current limit (39 months) for most Social Security disability beneficiaries who work. This is a minimum for eight and-a-half years for most Social Security disability beneficiaries who work.

Expedited Reinstatement of Benefits

Effective Jan. 1, 2001, when a person's Social Security or SSI disability benefits have ended because of earnings from work, he or she would be able to request reinstatement of benefits, including Medicare and Medicaid, if applicable, without filing a new application. Beneficiaries must be unable to work because of their medical condition. They must file the request for reinstatement with Social Security within 60 months from the month their benefits are terminated. In addition, they may receive temporary benefits - as well as Medicare or Medicaid - for up to six months while their case is being reviewed. If they are found not disabled, these benefits would not be considered an overpayment.

Deferral of Medical Disability Reviews

Effective Jan. 1, 2001, an individual who is "using a ticket" will not be subject to regularly scheduled continuing disability medical reviews. However, benefits can still be terminated if earnings are above the limits. Effective Jan. 1, 2002, Social Security disability beneficiaries who have been receiving benefits for at least 24 months will not be medically reviewed solely because of work activity. However, regularly scheduled medical reviews can still be performed and, again, benefits terminated if earnings are above the limits.

Work Incentives Advisory Panel

The law establishes a Work Incentives Advisory Panel within Social Security, composed of 12 members appointed by the President and Congress. The panel is to advise the Commissioner and report to Congress on implementation of the Ticket to Work Program. At least one-half of the panel members are required to be individuals with disabilities or representatives of individuals with disabilities, with consideration given to current or former Social Security disability beneficiaries.

Work Incentives Outreach Program

The law directs Social Security to establish a community-based work incentives planning and assistance program to disseminate accurate information about work incentives and to give beneficiaries more choice. Social Security has established a program of cooperative agreements and contracts to provide benefits planning and assistance to all Social Security disability beneficiaries, including information about the availability of protection and advocacy services. Information on these organizations is available at http://www.ssa.gov/work/ServiceProviders/bpaofactsheet.html. Information on contacting the BPAO program in your State is available at http://www.ssa.gov/work/ServiceProviders/BPAODirectory.html.

The law also directs Social Security to establish a corps of work incentives specialists within Social Security offices. These specialists provide timely and accurate information about SSA's employment support programs for beneficiaries with disabilities who want to work.

Protection and Advocacy

The law authorizes Social Security to make payments to protection and advocacy systems established in each State to provide information, advice and other services to disability beneficiaries. Information on these organizations is available at http://www.ssa.gov/work/ServiceProviders/pafactsheet.html. Information on contacting the P&A service in your State is

available at
http://www.ssa.gov/work/ServiceProviders/BPAODirectory.html.

Demonstration Projects and Studies

The law extends Social Security disability insurance demonstration authority for five years. Under the law , Social Security is required to conduct a demonstration project to test reducing Social Security disability insurance benefits by $1 for each $2 that a beneficiary earns over a certain amount.

The implementation date for this demonstration will be announced.

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Ticket to Work Program Questions and Answers

The Ticket to Work and Work Incentive Improvement Act was enacted on December 17, 1999. This law includes several important new opportunities for people who receive Social Security disability benefits who want to go to work.

I. The Ticket to Work Program

What is the Ticket to Work Program?

The Ticket to Work Program is something new in SSA. The program offers SSA disability beneficiaries greater choice in obtaining the services they need to help them go to work and attain their employment goals.

When will the Ticket to Work Program begin?

The regulations implementing this new program were published in the Federal Register on December 28, 2001, and they were effective 30 days after that date. We are distributing tickets to beneficiaries as we explain below.

Will the Ticket to Work Program start everywhere at the same time?

No. SSA is phasing in the Ticket to Work Program over a three-year period. During the first phase which began in February 2002, the program will be available only in the following 13 States: Arizona, Colorado, Delaware, Florida, Illinois, Iowa, Massachusetts, New York, Oklahoma, Oregon, South Carolina, Vermont and Wisconsin.

In the second phase, we will expand the program to these 20 additional States beginning in November 2002: Alaska, Arkansas, Connecticut, Georgia, Indiana, Kansas, Kentucky, Louisiana, Michigan, Mississippi, Missouri, Montana, Nevada, New Hampshire, New Jersey, New Mexico, North Dakota, South Dakota, Tennessee and Virginia, as well as in the

District of Columbia.

In the third phase, we will expand the program to the remaining 17 States: Alabama, California, Hawaii, Idaho, Maine, Maryland, Minnesota, Nebraska, North Carolina, Ohio, Pennsylvania, Rhode Island, Texas, Utah, Washington, West Virginia and Wyoming, as well as in American Samoa, Guam, the Northern Mariana Islands, Puerto Rico and the Virgin Islands.

The program will be operating in the entire country by January 1, 2004. So, people will receive their Tickets at different times.

How can I get more information about the Ticket program?

SSA has contracted with **MAXIMUS, Inc.** to serve as the **Program Manager** for the Ticket Program. MAXIMUS, Inc. will help us to manage the program. You can get information about the Ticket to Work Program by calling **MAXIMUS, Inc.** at their toll-free numbers, 1-866-968-7842 (1-866-YOURTICKET) or 1-866-833-2967 TTY (1-866-TDD 2 WORK).

How will I know where the Ticket to Work Program is available?

We will announce our plans in many different places where people who receive Social Security disability benefits get information about SSA, including Social Security's Internet web site, www.ssa.gov. You also can contact MAXIMUS, Inc. at the numbers listed above or, if you can use the Internet, you can find this information at their web site, www.yourtickettowork.com.

Are there age limits for receiving a Ticket?

Yes. You must be age 18 or older and have not reached age 65 to be eligible for a Ticket.

What will a Ticket look like?

The Ticket is a paper document that has some personal information about the person receiving it and some general information about the Ticket Program. You can find an example of the Ticket at www.ssa.gov/work/Ticket/newticketimage.html.

How will I get my Ticket?

We will send the Ticket in the mail, along with a notice and a booklet explaining the Ticket Program.

If I get a Ticket, do I have to use it?

No. The Ticket to Work Program is voluntary.

Where would I take my Ticket to get services?

You would take your Ticket to an Employment Network or to the State Vocational Rehabilitation Agency. The Employment Networks are private organizations or public agencies, that have agreed to work with Social Security to provide services under this program. As of July 2002, we have approved 358 organizations to operate as Employment Networks in the first 13 States.

How will I find out about the Employment Networks?

You may contact **MAXIMUS, Inc.** at the toll-free numbers shown above for information about Employment Networks that serve the area where you live. If you use the Internet, you can find this information on SSA's special "Worksite," www.ssa.gov/work, and on MAXIMUS, Inc.'s web site, www.yourtickettowork.com. Also, some Employment Networks may contact you to offer their services.

How will I choose an Employment Network?

You can contact any Employment Network in your area to see if it is the right one for you. Both you and the Employment Network have to agree to work together to attain your employment goals. You are free to talk with as many Employment Networks as you choose without having to give one your Ticket. And you can stop working with one Employment Network and begin working with another one, or with the State Vocational Rehabilitation Agency.

If you need help in choosing an Employment Network, you may contact the Protection and Advocacy System in your State. You can call MAXIMUS, Inc. at the toll-free numbers shown above for the telephone number and address. You can also find this information at http://www.ssa.gov/work/ServiceProviders/PADirectory.html.

II. Expanded Availability of Health Care Services

Does the new law include changes in health care coverage?

Yes. Starting October 1, 2000, the law extends Medicare Part A (Hospital) premium-free coverage for four and one-half years beyond the current limit for disability beneficiaries who work.

What about Medicaid?

The law includes several important changes to Medicaid. For example, it gives States the option of providing Medicaid

coverage to more people ages 16-64 with disabilities who work. To find out if this coverage is available in your State, call the State Medicaid office in your area.

III. Removal of Work Disincentives

Will you still review my medical condition?

SSA will not conduct a medical review of a person receiving disability benefits if that person is using a Ticket. Benefits can still be terminated if earnings are above the limits.

Starting January 1, 2002, Social Security disability beneficiaries who have received benefits for at least 24 months will not be medically reviewed solely because of work activity. However, regularly scheduled medical reviews can still be performed and, again, benefits terminated if earnings are above the limits.

If I go back to work, will I automatically lose my disability benefits?

No, the new law has not changed our work incentives rules.

For more information about Social Security's work incentives you should:

- call our toll-free number at 1-800-772-1213;
- contact your local Social Security office; or
- visit our special **"Worksite"** at www.ssa.gov/work

If my disability benefits stop because I go back to work, will I have to file a new application if I can't work anymore?

Starting January 1, 2001, if your benefits have ended because of work, you can request that we start your benefits again without having to file a new application. There are some important conditions:

- You have to be unable to work because of your medical condition.
- The medical condition must be the same as or related to the condition you had when we first decided that you should receive disability benefits.
- You have to file your request to start your benefits again within 60 months of the date you were last entitled to benefits.

Will I have to wait for you to make a new medical decision before I can receive benefits?

No. We will make a new medical decision, but while we are

making the decision, you can receive up to six months of temporary benefits--as well as Medicare or Medicaid.

If you decide that you are unable to start my benefits again, will I have to pay back the temporary benefits?

No.

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Testimony
North Dakota Disabilities Advocacy Consortium

SB 2194
Medicaid Buy-In

House Human Services Committee
March 4, 2003

Chairperson Price, members of the House Human Services Committee, I am Susan R. Helgeland, Chair of the North Dakota Disabilities Advocacy Consortium (NDDAC). The Consortium is made up of 25 organizations concerned with addressing the issues that affect people with disabilities. We are very interested in improving the ability of people with disabilities to fully participate in all aspects of life in North Dakota. One of the most visible ways that any citizen participates is through his or her contribution to the economic engines that power our society. People work and get paid. They pay bills and taxes. They participate in life. They are involved and generally happier and healthier than individuals who can not work.

The NDDAC believes that there is a great chasm keeping many people with disabilities from even seeking employment. When a person who is receiving benefits because of a disability starts to work, they are in great danger of losing their health care benefits. If they must purchase coverage, they are hit with such high insurance rates or recipient liability that it quickly becomes apparent going to work is in almost all cases too great a financial burden to be overcome.

SB 2194 attempts to bridge that great chasm for people with disabilities. By providing access to affordable health insurance through Medicaid, the Buy-In program will build a bridge between people with disabilities and a job or career. The Medicaid Buy-In idea is not new. It has been implemented and is working in at least 23 other states. North Dakota could implement the buy-in program envisioned in SB 2194 and still save money both at the state and county level.

The NDDAC strongly supports SB 2194 and urges the House Human Services Committee to give this bill a do pass. Removing the obstacle that loss of benefits presents would be a significant step in enhancing the opportunities of people with disabilities to participate fully in the economic life of our state.

I appreciate this opportunity to testify on behalf of the North Dakota Disabilities Advocacy Consortium. I will try to answer any questions. Thank you.

NDDAC

NORTH DAKOTA DISABILITIES ADVOCACY CONSORTIUM

POLICY STATEMENT ON EMPLOYMENT

October 2002

Background:

"Today, only about one percent of the people who get Social Security and Supplemental Security Income (SSI) disability benefits leave the rolls each year to go to work. We can do better, and we must do better," said Jo Anne Barnhart, Commissioner of Social Security. "President Bush said, 'My Administration is committed to tearing down any barriers that unreasonably prevent the full participation of Americans with disabilities.'

People with disabilities face many barriers when trying to go to work including:

- Fear of losing Medicaid/healthcare coverage
- Limited access to employment services and supports
- Difficulty securing employment at a competitive wage with benefits

NDDAC's believes and supports the following:

- People with disabilities need to be able to work without fear of losing medical coverage. The State of North Dakota needs to take advantage of federal initiatives and develop and implement a Medicaid buy-in option for people with disabilities who want to work.
- The State of North Dakota needs to develop policies that will clarify the role of Vocational Rehabilitation and the public school system in providing identified transition services, which includes assistive technology services and devices, to students with disabilities beginning at 14 years of age.
- The State of North Dakota should provide opportunities for people with disabilities to secure employment through state government by initiating a worker pool that would provide jobs at a competitive wage with benefits.

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For more information or to request this document in an alternative format contact the North Dakota Disabilities Advocacy Consortium at 701-223-0347 or 1-877-766-6907 or 1-800-366-6888 (TDD Relay).

Funded by a grant from the State Council on Developmental Disabilities.

NORTH DAKOTA MEDICAID BUY-IN
FACT SHEET
November 2002

BACKGROUND:

Most people with disabilities would like to work. Current North Dakota law forces people with disabilities to choose between healthcare coverage and employment. If they work, earn money and pay taxes, they are at risk of losing Medicaid healthcare benefits.

Without healthcare benefits, some people would have to pay more in medical fees than they could expect to earn in wages. The proposed Medicaid Buy-in would allow people with disabilities to work, pay taxes and pay a pro-rated premium to maintain their Medicaid healthcare benefits. The proposed Medicaid Buy-in initiative would make it possible for North Dakotans with disabilities to become part of the workforce. **North Dakota's savings and cash flow will total approximately 3 million dollars and people with disabilities won't have to choose between employment and healthcare.**

NORTH DAKOTA MEDICAID BUY-IN PROPOSAL:

The North Dakota Medicaid Infrastructure Project has worked with people with disabilities, advocates, service providers and state agencies to develop a Medicaid Buy-in.

- The plan proposes that the Medicaid income eligibility level for people with disabilities be raised to about $22,000/year (250% of the federal poverty level).

- People with disabilities could enroll in Medicaid Buy-in by paying a pro-rated premium that will not exceed 7.5% of their gross income.

FISCAL IMPACT OF MEDICAID BUY-IN:

Under current North Dakota law workers with significant disabilities lose benefits. If the proposed Medicaid Buy-in plan is adopted people with disabilities will be able to work, pay taxes and pay part of their healthcare expenses.

- **It is estimated that the Buy-in plan will save the Division of Medical Assistance over $275,000 in its first year of implementation.**
- **North Dakota will also gain an additional 2.7 million dollars in the federal government's contribution to our Medicaid fund.**
- **North Dakota counties will save an additional $61,000.**
- **Previously unemployed workers with disabilities, who become employed, will pay approximately $12,000 in North Dakota taxes.**
- **Implementation of the proposed Medicaid Buy-in plan is a win-win situation. North Dakota's savings will total approximately 3 million dollars and people with disabilities won't have to choose between employment and healthcare.**

NDDAC RECOMMENDS THAT:

- ✓ **The North Dakota State Legislature adopt a Medicaid Buy-in during the 2003 legislative session.**

For more information or to request this document in an alternative format contact the North Dakota Disabilities Advocacy Consortium at 701-223-0347 or 1-877-766-6907 or 1-800-366-6888 (TDD Relay).

ND Disabilities Advocacy Consortium

Member List

Dakota Center for Independent Living
Mental Health Association in ND
The Arc of Cass County
ND Statewide Independent Living Council
The Arc of Bismarck
Bismarck Public Schools
ND Federation of Families for Children's Mental Health
People First of ND
ND Center for Persons With Disabilities
Friendship Inc.
ND Protection & Advocacy Project
Options Inc.
Independence Inc.
ND Association for Persons in Supported Employment
ND Association of the Blind
ND IPAT Consumer Advisory Committee
ND Association of the Deaf
Freedom Resource Center for Independent Living Inc.
The Arc of ND
ND Fair Housing Council
ND Association for the Disabled
Family Voices of ND
American People Self-Advocacy Association
United Voices

Associate Member

North Dakota Nurses Association

and growing.....

NDDAC North Dakota Disabilities Advocacy Consortium

Updated 12/13/02

HUMAN SERVICES COMMITTEE TESTIMONY

Re: Medicaid Buy-In Plan

Bonnie Olheiser, North Dakota Constituent

Madam Chairman and other committee members:

My name is Bonnie Olheiser and I am a constituent of District 37 and I reside in Stark County in the city of Dickinson, North Dakota. My story like many others is nothing new but I truly hope you will read this and take a few minutes to reflect.

Before myself and my spouse became totally disabled we lived on a medium income with nothing fancy but we survived. Beginning in 1992 with my spouse becoming disabled our world began to crash. I went back to school and graduated to become a Licensed Practical Nurse. Then in 1999 our world crashed again with me becoming a paraplegic.

Because of the current Medicaid regulations, the recipient liability is so huge, we have opted not to have Medicaid. We pay over $1,000 a month towards medicine alone. The only way out of this desperate situation is that I divorce my husband (or stay separate) to avoid paying recipient liability. However, I love him dearly. Medicaid Buy-In is the solution.

I implore you to pass the Medicaid Buy-In Plan so that more can be helped in our fair state of North Dakota. It is a wonderful work incentive plan that would enable us, the persons with disability, to regain self esteem, dignity and confidence that comes from working productively.

Thank you for your time and consideration.

Bonnie Olheiser
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bgobonz@pop.ctctel.com

January 2003

Human Services Committee Testimony
Re: North Dakota Medicaid Buy-In Plan

Madam Chairman and other committee members.

My name is Abe Ternes and I am from Bismarck. Thank you for giving me the opportunity to tell my story.

I sincerely urge you to pass the Medicaid Buy-In bill. I receive Social Security Disability Income (SSDI) and utilize a wheelchair for mobility purposes. I have a recipient liability of $235 per month which is approximately one third of my monthly income.

I am a part-time student at Bismarck State College and like most college students, I would like to find a rewarding job after graduation. If I started working today, the current law forces me to choose between work and Medicaid as the recipient liability via Medicaid would leave me with very little income.

The Medicaid Buy-In bill would be a great option for me as well for other people who have to choose between health benefits and work. I want to work, pay taxes and be an active citizen of North Dakota.

Once again, thank you for taking the time to listen!

HUMAN SERVICES COMMITTEE TESTIMONY

Re: Medicaid Buy-In Plan

Danene Harkness-Ward County Resident

Madam Chairman and members of the committee, my name is Danene Harkness. I live in Minot. I thank you for this opportunity to address the Medicaid Buy-In Plan.

I have been visually impaired since birth. My disability will never go away.

I have earned a teaching degree and also work as a Braille transcriptionist.

Because I receive SSI, I am covered by Medical Assistance.

I want to become self employed through establishing my own Braille transcription business.

Medicaid Buy-In is a work incentive program because it would allow me to increase my asset limit. In order to maintain the business, I would need more assets than currently allowed.

Thank you for allowing me to share my personal story.

#2194

House Human Service Committee
January 19, 2003

Committee Chairperson and members of the House Human Service Committee I am writing to express my support for the Medicaid-buy in program you have before you. As the parent of a twenty five year old child with disabilities it is a constant worry that she will not qualify for Medicaid. She was born with bilateral (both) club feet, a ventricular (hole) heart defect and is mildly mentally handicapped. She also suffers from chostochondritis, migraine headaches and foot problems left over from her surgery. I tell you this not to get your symphony but to help you better understand that she is slower than average in reaching her goal to be self sufficient. She is currently working and has good work ethics, the problem is this. The local nursing home in our small town has created a position for her where she works approximately 15 hours a week stocking patients rooms with supplies and washing wheel chairs. In October she was over the dollar limit to receive social security because three pay periods were within that one month. In December she worked the holidays so others could have them off and the nursing homes policy is to pay overtime thus disqualifying her from Social Security benefits. The concern is not the loss of social security but it could lead to a sudden loss of Medicaid and she would not be able to pay for insurance because of her income level. It is her dream and ours that as she gets more experience she would be able to work more hours to the point she could afford the insurance. In the mean time it is imperative that she is able to keep her qualification for Medicaid because of her ongoing need for medical care.

It would mean the world to us and her if the Medicaid buy in was available to help her over the stumbling block created by the present system. Thank you for your time and consideration on this matter that is very important to our daughter and to those of us who want individuals to be all that they can be.

Karen Duvall

February 10, 2003

My name is Virginia (Jeannie) Pedersen and I am from Bismarck, North Dakota. I am here today to share how the Medicaid buy-in would help me to maximize my employment potential.

I receive Social Security Disability Income (SSDI) due to a spinal cord injury that resulted in quadriplegia. The spinal cord injury occurred as a result of an automobile crash I was involved in 26 years ago. I use a power wheelchair for mobility and a modified van for transportation. I live independently but require personal care attendant services for my daily needs. This includes assisting me to get ready for work, meal preparation, house keeping and other personal care.

In 1993 I returned to work part time as a Peer Supporter for the Dakota Center for Independent Living. I currently work 25 hours per week but may have an opportunity to go full time in the near future. I am currently receiving Medicaid through the medically needy program which requires me to pay a high recipient liability each month. For example, this month my recipient liability is $1027.80 and in previous months it has been around $950 and up. On this program I lose approximately half of my SSDI and half of my wages to recipient liability. So at this time I have no incentive to work full time because the more I work the more I pay into recipient liability. The bottom line is that my recipient liability is higher than my current monthly wages. This is very discouraging for me. The amount that I pay for recipient liability is higher than what most people have to pay for a health insurance policy.

The Medicaid buy-in would allow me to pay a premium for my health care coverage rather than the high recipient liability. I could go to work full time and still be able to maintain the personal care attendant services I depend on to get ready for work and live independently. I would be able to keep more of my income so that I am able to pay my bills and still have money left to do something I enjoy. Currently, my expenses each month often exceed the money I have left after the recipient liability. Another thing to take into consideration is that as I move toward self sufficiency I will lose other benefits such as housing assistance and food stamps. I am comfortable with this if the Medicaid buy-in is available to provide me with affordable health care coverage.

Even though I have a significant disability I choose to work because I am the type of person who cannot sit at home and do nothing. I need to be out contributing to my community through employment and community service. However, without affordable health care coverage I will not be able to become self sufficient or even meet my monthly financial obligations. Therefore, I ask you to support SB 2194 which establishes a Medicaid buy-in for North Dakota.

Thank you for the opportunity to share my story. I will be happy to answer any questions you may have.

Signature: _____

Human Services Committee Testimony

Chairman Price, Members of the Committee, my name is Leon Dietrich. I live in Bismarck. Thank you for this opportunity to explain why I support North Dakota Medicaid Buy-In.

I am a person with a disability. Because I have chosen to work, I do not get any Social Security benefits. Neither am I receiving Medicaid benefits.

I am hoping North Dakota will get a Medicaid Buy-In Plan that will help me to get health insurance.

I have worked for many years and have paid my own bills except for the small amount of housing assistance. I work 30 hours a week at my job which is not considered full time so I do not get health insurance. I have personally been buying health insurance from American Family Insurance which is expensive and does not cover very much. I have this insurance just in case I get really sick or in case I am injured. This insurance plan has a very high deductible so it does not cover clinic visits. Because of this I do not go for regular check-ups yearly and I do not go to the doctor when I am sick. I try to get well on my own because I cannot afford the deductible.

And like others, I would like to get married to Sandy. However, my girl friend, who is employed at a motel, is on SSI and has several medical costs. If we would get married, our meager income would make her ineligible for SSI. Therefore, we would have a huge monthly recipient liability. So we have decided that we cannot afford to get married.

Medicaid Buy-In would make health insurance available to Sandy and me at a cost that we could afford. I hope that you will support the Medicaid Buy-In because there are others with disability who could use the help to get health insurance.

Thank you for your commitment to the elimination of employment barriers for people with disabilities in North Dakota.

Leon Dietrich
409 N Mandan St. Apt. 4
Bismarck, ND 58501-3745

Endorsement Letters from Partners

North Dakota Center for Persons With Disabilities
Minot State University
Minot, ND

Medicaid Infrastructure Project
October 2002