

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1463

2007 HOUSE HUMAN SERVICES

HB 1463

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1463

House Human Services Committee

☐ Check here for Conference Committee

Hearing Date: January 22, 2007

Recorder Job Number: 1581

Committee Clerk Signature

Judy Schock

Minutes:

Chairman Price: calls the committee to order and open the hearing on HB 1463.

Representative Todd Porter, district 34 Mandan, ND: Having been involved in the CHIPS program since 1999. When it was first put together as a program, we were under some Federal guide lines and restrictions in regards on how the poverty level was going to be set. Doing that, we put it under net income. It has always been an issue of contention and confusion. We have new federal money available, and we should implement and put it into gross income, and move it to the 200% poverty.

Kathy Grafsgaard, Health Care Advocate of the ND Catholic Conference: See attached testimony.

Kayla Pulvermacher, representing members of ND Farmers Union: See attached testimony.

David Peske, with Medical Association: We would just like to add our support for this bill. Pediatricians and physicians have for many years supported an increase in a level of eligibility.

James Moench, Executive Director of the ND Disabilities Advocacy Consortium: See attached testimony.

Jack McDonald, on behalf of the Arc of ND. See attached testimony.

Tom Tupo, with the National Association of Social Workers of ND chapter: We too would like to add our support for 1463.

Maggie Anderson, Director of Medical Services for the Department of Human Services:

See attached testimony and information on the fiscal note, also attached.

The committee discusses with Ms Anderson that there were very few that fell off the plan if we went to 185 % gross, so now we are up to 80 kids still going 50% higher? The committee goes through what qualifies for deductions and a chart on the levels of poverty with Ms Anderson. You have to look at Medicaid every month, but Healthy Steps every year. Other programs that go on gross income would be WIC, meals, and those are child specific programs. Is there a way to write language on the 80 children who are currently enrolled? Representative Conrad questions why the two fiscal notes are so different, and Ms Anderson answers her questions.

Rod St. Aubyn, with Blue Cross, Blue Shield of ND: Blue Cross Blue Shield has a caring foundation that provides caring for children. I am assuming that would be everyone would be calculated based on gross verses net rather than just renewed additional people. We are changing our system as well because we are calculating this based on that.

Chairman Price: We have asked a couple of times to take a look at the tracking as premium increases. Have you been able to provide with some of the utilization data for the premiums?

Mr. St Aubyn: It is my understanding we have.

Chairman Price: Any other questions and testimony? We will close the hearing on HB 1463.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1463

House Human Services Committee

☐ Check here for Conference Committee

Hearing Date: January 31, 2007

Recorder Job Number: 2457

Committee Clerk Signature

Judy Schock

Minutes:

Chairman Price: The CHIPS bill, I asked for the new chart on the federal poverty level. For healthy steps currently in order to qualify your monthly income for family of 3 of 1937 dollars, and that is net. We have two income levels for kids on Medicaid depending on their age. See attached diagram of proposed coverage. We could put more kids on Medicaid at less money than we pay for CHIPS. This would allow us to get more kids on CHIPS. We spend 110.94 a month on Medicaid and 207.31 for CHIPS premium. With that savings we could insure another 1400 kids. We have three issues in front of us. The first is the implications of changing the policy of Medicaid from 110 to 133 for that population. The second is going to 150% net and the third is the additional money. The goal is to cover more kids. You have proposed amendments before you. They were prepared by the department for me.

Margaret Mowery, Director for covering kids and families in ND: When we look at all of the options we look at the new number of children. We have a pretty good idea where those kids are. and what they are going through in order to be involved in Medicaid or CHIPS. When you have a family and the 0-5 year olds are on Medicaid and the 6-19 year olds on the S CHIP program. There is a difference in programs and a difference when you have and what you have to do to stay on those programs. If on Medicaid you have to do income reports. If you

are on Healthy steps it is yearly. They need to know what to do to stay enrolled. You may want to look at putting children on Medicaid longer than every month. That is what I want you to look at if you move children from CHIPS to Medicaid. That would have to be an education process.

Representative Conrad feels we should be looking at this longer. The public has a right to see them.

Representative Porter moves the amendments, seconded by **Representative Wesz**. The verbal vote is 11 yeas 1 nay and 0 absent. **Representative Weisz** moves a do pass as amended RR/Appropriations, seconded by **Representative Hatlestad**. The vote is 12 yeas, 0 nays, and 0 absent. **Representative Porter** will carry the bill to the floor.

FISCAL NOTE

Requested by Legislative Council
03/27/2007

Amendment to: Engrossed
 HB 1463

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.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$750,458	\$0	(\$467,381)
Expenditures	\$0	\$0	\$849,465	\$750,458	\$924,236	(\$467,381)
Appropriations	\$0	\$0	\$849,465	\$750,458	\$924,236	(\$467,381)

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

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$121,567	\$0	\$0	\$118,876	\$0	\$0

2A. Bill and fiscal impact summary: *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill would raise the Medicaid eligibility for individuals from birth through age eighteen to 133% of poverty. This bill would also raise the state childrens' health insurance program eligibility to net income of 150% poverty.

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 1 of this bill would result in 2,700 children becoming eligible for Medical Assistance. Of this, 2,450 children who are currently enrolled in Healthy Steps would become eligible for Medical Assistance.

Section 2 of this bill would result in 1,200 children becoming eligible for Healthy Steps.

If section 2 becomes effective and section 1 does not become effective, the Department will need the contingent appropriation listed in Section 3 to implement the Healthy Steps portion of the bill.

The Department is unable to estimate what the projected increase in caseload may be at the county level and which counties would be impacted. So without knowing the staffing levels and caseload capacities at the counties the Department is estimating that an additional full-time FTE would be needed at the county level.

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.*

For the 2007-09 biennium \$750,458 in federal funds would be received if sections 1 and 2 become effective.

For the 2009-11 biennium the Department would receive \$467,381 less in federal funds if sections 1 and 2 become effective. This is because the Federal Matching Assistance Percentage (FMAP) is less for Medicaid than for Healthy Steps.

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.*

For the 2007-09 biennium a total of \$1,599,923 would be expended for salary and related costs of a half-time FTE, childrens' health insurance premium payments and medical assistance grants. \$849,465 would be general funds and \$750,458 would be federal funds if sections 1 and 2 become effective.

For the 2009-11 biennium a total of \$456,855 would be expended for salary and related costs of a half-time FTE, childrens' health insurance premium payments and medical assistance grants. \$924,236 would be general funds and (\$467,381) would be federal funds if sections 1 and 2 become effective. This is because the Federal Matching Assistance Percentage (FMAP) is less for Medicaid than for Healthy Steps.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

For the 2007-09 biennium the Department would need a general fund appropriation of \$849,465 and a federal fund appropriation of \$750,458 if sections 1 and 2 become effective.

Name:	Debra A. McDermott	Agency:	DHS
Phone Number:	328-3695	Date Prepared:	01/27/2007

FISCAL NOTE
Requested by Legislative Council
02/05/2007

Amendment to: HB 1463

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.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$750,458	\$0	(\$467,381)
Expenditures	\$0	\$0	\$849,465	\$750,458	\$924,236	(\$467,381)
Appropriations	\$0	\$0	\$849,465	\$750,458	\$924,236	(\$467,381)

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

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$121,567	\$0	\$0	\$118,876	\$0	\$0

2A. Bill and fiscal impact summary: *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill would raise the Medicaid eligibility for individuals from birth through age eighteen to 133% of poverty. This bill would also raise the state childrens' health insurance program eligibility to net income of 150% poverty.

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 1 of this bill would result in 2,700 children becoming eligible for Medical Assistance. Of this, 2,450 children who are currently enrolled in Healthy Steps would become eligible for Medical Assistance.

Section 2 of this bill would result in 1,200 children becoming eligible for Healthy Steps.

The Department is unable to estimate what the projected increase in caseload may be at the county level and which counties would be impacted. So without knowing the staffing levels and caseload capacities at the counties the Department is estimating that an additional full-time FTE would be needed at the county level.

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.*

For the 2007-09 biennium \$750,458 in federal funds would be received.

For the 2009-11 biennium the Department would receive \$467,381 less in federal funds. This is because the Federal Matching Assistance Percentage (FMAP) is less for Medicaid than for Healthy Steps.

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.*

For the 2007-09 biennium a total of \$1,599,923 would be expended for salary and related costs of a half-time FTE, childrens' health insurance premium payments and medical assistance grants. \$849,465 would be general funds and \$750,458 would be federal funds.

For the 2009-11 biennium a total of \$456,855 would be expended for salary and related costs of a half-time FTE, childrens' health insurance premium payments and medical assistance grants. \$924,236 would be general funds and (\$467,381) would be federal funds. This is because the Federal Matching Assistance Percentage (FMAP) is less for Medicaid than for Healthy Steps.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

For the 2007-09 biennium the Department would need a general fund appropriation of \$849,465 and a federal fund appropriation of \$750,458.

Name:	Debra A. McDermott	Agency:	Dept of Human Services
Phone Number:	328-3695	Date Prepared:	02/05/2007

FISCAL NOTE
Requested by Legislative Council
01/17/2007

Bill/Resolution No.: HB 1463

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.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$4,550,601	\$0	\$8,387,600
Expenditures	\$0	\$0	\$1,534,761	\$4,550,601	\$2,828,126	\$8,387,600
Appropriations	\$0	\$0	\$1,534,761	\$4,550,601	\$2,828,126	\$8,387,600

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

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$198,442	\$0	\$0	\$193,059	\$0	\$0

2A. Bill and fiscal impact summary: *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

If sufficient additional federal funding becomes available, this bill would increase the income eligibility standard for the children's health insurance program from 140% of the federal poverty level (net income) to 200% of the federal poverty level (gross income).

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The fiscal note is prepared based on the number of children who were denied Healthy Steps coverage for the period August 2005 - July 2006 whose family income was between 140% (net) and 200% (gross) of poverty, which is 2,040 children. The number of children that would actually be eligible could be much greater. However, the Department is unable to determine the exact number of children that would apply and be eligible. Based on information from the 2000 census, it is estimated there are 24,505 children in ND between 140-200% of poverty. The Department is unable to determine the number that currently have health coverage and/or the number that would actually apply.

This change would result in 80 children who are currently enrolled in Healthy Steps losing coverage.

There would be additional costs for system changes. However the Department is unable to estimate the cost at this time.

The Department is unable to estimate what the projected increase in caseload may be at the county level and which counties would be impacted. So without knowing the staffing levels and caseload capacities at the counties the Department is estimating that an additional 2 FTEs would be needed at the county level.

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.*

For the 2007-09 biennium \$4,550,601 in federal funds would be received, if available.

For the 2009-11 biennium \$8,387,600 in federal funds would be received, if available.

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.*

For the 2007-09 biennium a total of \$6,085,362 would be expended, \$102,395 for salary and related costs of an additional FTE and \$5,982,967 in medical assistance grants. \$1,534,761 would be general funds and \$4,550,601 would be federal funds.

For the 2009-11 biennium a total of \$11,215,726 would be expended, \$99,704 for salary and related costs and \$11,116,022 in medical assistance grants. \$2,828,126 would be general funds and \$8,387,600 would be federal funds.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

If sufficient federal funds become available, for the 2007-09 biennium the Department would need a general fund appropriation of \$1,534,761 and a federal fund appropriation of \$4,550,601.

Name:	Debra A. McDermott	Agency:	Dept of Human Services
Phone Number:	328-3695	Date Prepared:	01/19/2007

Date: 4/31
Roll Call Vote #: /

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. "Click here to type Bill/Resolution No."

House HUMAN SERVICES HB 1463 Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken move Amendment

Motion Made By Rep Porter

Seconded By Rep Weisz

Representatives	Yes	No	Representatives	Yes	No
Clara Sue Price - Chairman			Kari L Conrad		
Vonnie Pietsch - Vice Chairman			Lee Kaldor		
Chuck Damschen			Louise Potter		
Patrick R. Hatlestad			Jasper Schneider		
Curt Hofstad					
Todd Porter					
Gerry Uglem					
Robin Weisz					

Total (Yes) 4 "Click here to type Yes Vote" No 1 "Click here to type No Vote" Rep Conrad

Absent 0

Floor Assignment _____

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

Date: 4/31
Roll Call Vote #: 2

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. "Click here to type Bill/Resolution No."

House HUMAN SERVICES

HB 1463

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken

As Passed Amended RR/APP.

Motion Made By

Rep Weisz

Seconded By

Rep Hatlestad

Representatives	Yes	No	Representatives	Yes	No
Clara Sue Price - Chairman	<input checked="" type="checkbox"/>		Kari L. Conrad	<input checked="" type="checkbox"/>	
Vonnie Pietsch - Vice Chairman	<input checked="" type="checkbox"/>		Lee Kaldor	<input checked="" type="checkbox"/>	
Chuck Damschen	<input checked="" type="checkbox"/>		Louise Potter	<input checked="" type="checkbox"/>	
Patrick R. Hatlestad	<input checked="" type="checkbox"/>		Jasper Schneider	<input checked="" type="checkbox"/>	
Curt Hofstad	<input checked="" type="checkbox"/>				
Todd Porter	<input checked="" type="checkbox"/>				
Gerry Uglem	<input checked="" type="checkbox"/>				
Robin Weisz	<input checked="" type="checkbox"/>				

Total (Yes) 12 "Click here to type Yes Vote" No 0 "Click here to type No Vote"

Absent

0

Floor Assignment

Rep. Porter

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

REPORT OF STANDING COMMITTEE

HB 1463: 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, 0 ABSENT AND NOT VOTING). HB 1463 was placed on the Sixth order on the calendar.

Page 1, line 1, replace "section 50-29-05" with "subsection 3 of section 50-24.1-02.6 and section 50-29-04"

Page 1, line 2, after "to" insert "medical assistance eligibility for minors and"

Page 1, replace lines 4 through 21 with:

"SECTION 1. AMENDMENT. Subsection 3 of section 50-24.1-02.6 of the North Dakota Century Code is amended and reenacted as follows:

3. The department of human services shall establish income levels for minors, based on the age of the minors, at amounts, no less than required by federal law, that provide an income level for all ~~minors born before September 30, 1983,~~ individuals from birth through age eighteen equal to one hundredthirty-three percent of the federal poverty level in the month for which eligibility for medical assistance benefits is being determined ~~and that do not exceed legislative appropriations for that purpose.~~

SECTION 2. AMENDMENT. Section 50-29-04 of the North Dakota Century Code is amended and reenacted as follows:

50-29-04. Plan requirements. The plan:

1. Must be provided through private contracts with insurance carriers;
2. Must allow conversion to another health insurance policy;
3. Must be based on an actuarial equivalent of a benchmark plan;
4. Must incorporate every state-required waiver approved by the federal government;
5. Must include community-based eligibility outreach services; and
6. Must provide:
 - a. ~~An~~ A net income eligibility limit of one hundred~~forty~~ fifty percent of the poverty line;
 - b. A copayment requirement for each pharmaceutical prescription and for each emergency room visit;
 - c. A deductible for each inpatient hospital visit;
 - d. Coverage for:
 - (1) Inpatient hospital, medical, and surgical services;
 - (2) Outpatient hospital and medical services;
 - (3) Psychiatric and substance abuse services;

- (4) Prescription medications;
 - (5) Preventive screening services;
 - (6) Preventive dental and vision services; and
 - (7) Prenatal services; and
- e. A coverage effective date that is the first day of the month, following the date of application and determination of eligibility."

Renumber accordingly

2007 HOUSE APPROPRIATIONS

HB 1463

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1463

House Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: 2/8/07

Recorder Job Number 3242

Committee Clerk Signature

Kelly N. Savel

Minutes:

Chairman Svedjan opened the hearing for HB 1463. This deals with Medicaid and S CHIP.

Rep Price distributed handout regarding Medicaid and SCHIP (Attachment A). SCHIP was initiated in 1999. This program is to provide health insurance for the level of children above the current Medicaid poverty rate.

Rep. Price discussed the chart. Currently we have 2 levels of coverage for children. From 0 to 6 years old their covered at a 133% of poverty and from age 6 to 19 they are covered at 100% poverty. The bill in front of you makes it level across the board, so from 0 to 19 they are 133%. The reason the committee took a look at this is because we received feed back from the eligibility workers that there is a lot of confusion out there. The one level of poverty will clear some of this for them as you will have children from the same family with the same type of plans.

The second piece to this is that we did raise the poverty level from 140% to 150% for the children's Health Insurance Program. In doing these 2 things we will a net effect of covering an additional 1,450 children on health insurance. So what we will have done is we will have moved some of the children to Medicaid because of the increase of the poverty rate and we have added children to Healthy Step. After they are out of Healthy Step because of the level of poverty, there is a caring program that is sponsored by BCBS which is funded by private

donations that goes up to 200% of poverty. This is some very basic coverage and is not comprehensive coverage like Medicaid or CHIPS.

This will all be accomplished with the amount of \$849,000 of State Funds and we would access \$750,000 of Federal Funds. Currently we are pretty much using all of the Federal Funds that are available to us under CHIPS, under the current program but because we are moving some of the kids to Medicaid we would be free up a few more dollars which would allow us to add these children.

The other piece that is very important has been done in the Senate. This is to put in the money for continuous eligibility. Currently children in CHIPS only have to basically report or go through eligibility once every 12 months. A Medicaid kids have to do it every month and we loose a lot of children because of failure to report. There is a little bit of difference though, because if they would end up in the emergency room they really can go back 3 months for the coverage, so they can get picked up again.

It is cheaper to have a child on a Medicaid from the premium point of view because that is at \$110 a month where the CHIPS payment is \$207.00 per month. CHIPS reimbursement under the Federal payment is 78% and Medicaid is 64%.

Chairman Svedjan: The total number of newly insured children under this plan is how many?

Rep Price: The department supplied us with a number of 1,450.

Rep Wald: How many kids receive treatment that would be eligible? The eligibility being 100%, how many come forward to take advantage of CHIPS.

Rep Price: Are you saying how many are out there that are currently eligible for CHIPS that are not enrolled? This could be a guess. There was a difference of about 2,300 children that were turned down in the last year between the 2 poverty levels of 140 to 150 percent. We can't guess exactly how many children are out there. There was one point that Mr. Zentner told

us that between Medicaid and CHIPS there is a potential out there of about 5,000 children out there that were not enrolled. However that was before our out reach numbers had really increased.

Rep Wald: By outreach do you mean an awareness program?

Rep Price: It was a grant from Robert Wood Johnson and Dakota Medical Foundation is currently administrating that and is soon to run out. We have a discussion on that and have a meeting tomorrow morning at 10:30 on the continuation of that particular plan.

Rep Wald: Would you translate that perhaps 80% participation?

Rep Price: I couldn't even guess.

Rep Monson: What is the income of someone who is at poverty level of a family of 4? What is the earning of a family of 4 at poverty level?

Rep Price: With the program of CHIPS we went with net income.

For a family of 4 currently at 100% poverty is \$1667 a month.

For a family of 4 currently at 140% poverty is \$2,334 a month.

For a family of 4 currently at 133% poverty is \$2,217 a month. (Medicaid)

Rep Carlisle motioned for a Do Pass. Rep Kreidt seconded the motion. The motion carried by a roll call vote of 24 ayes, 0 nays and 0 absent and not voting. Rep Porter was designated to carry the bill.

Date: 2/8/07
Roll Call Vote #: 1

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1403

House Appropriations Full Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken No Pass as expressed

Motion Made By Carlisle Seconded By Kreidt

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan	✓				
Vice Chairman Kempenich	✓				
Representative Wald	✓		Representative Aarsvold	✓	
Representative Monson	✓		Representative Gulleson	✓	
Representative Hawken	✓				
Representative Klein	✓				
Representative Martinson	✓				
Representative Carlson	✓		Representative Glassheim	✓	
Representative Carlisle	✓		Representative Kroeber	✓	
Representative Skarphol	✓		Representative Williams	✓	
Representative Thoreson	✓				
Representative Pollert	✓		Representative Ekstrom	✓	
Representative Bellew	✓		Representative Kerzman	✓	
Representative Kreidt	✓		Representative Metcalf	✓	
Representative Nelson	✓				
Representative Wieland	✓				

Total (Yes) 24 No 0

Absent 0

Floor Assignment Porter

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

REPORT OF STANDING COMMITTEE (410)
February 8, 2007 8:16 p.m.

Module No: HR-27-2625
Carrier: Porter
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1463, as engrossed: Appropriations Committee (Rep. Svedjan, Chairman)
recommends **DO PASS** (24 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).
Engrossed HB 1463 was placed on the Eleventh order on the calendar.

2007 SENATE HUMAN SERVICES

HB 1463

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1463

Senate Human Services Committee

☐ Check here for Conference Committee

Hearing Date: March 5, 2007

Recorder Job Number: 4345, 4397

Committee Clerk Signature

Mary K. Monson

Minutes:

JOB #4345

Madame Chair Lee opened the hearing on HB 1463, a bill relating to medical assistance eligibility for minors and eligibility under the state children's health insurance program.

Representative Porter, District 34, introduced and spoke in support of HB 1463. This bill seeks to create a program that combines two ideas from the CHIPs program. Explanation regarding specific changes in the eligibility for medical assistance and the CHIPs program followed (meter 01:30). The fiscal note reflects 1458 new covered lives between the medical aid program and the SCHIPs program (02:22). Referred to chair (Attachment #1).

Senator Warner referenced the deletion of line 12 and asked about the significance of that.

Representative Porter referred Ms. Anderson to answer that question. That is an existing sub-section of the law that has been amended. The only changes made by the House were the age and percentages.

Senator Dever asked if the House changes were just to change the levels.

Representative Porter explained that this bill started out as an SCHIP bill. Specific explanation regarding the original bill and the fiscal impacts on the general fund was given (04:30). With the changes, children will be able to move off of SCHIP to Medicaid. It is a

shuffle of the children between the programs to free up the dollars to increase and pick up extra covered lives.

Discussion regarding the significant difference between fiscal notes followed (06:48).

Kathryn Graftsgaard, ND Catholic Conference, spoke and provided written testimony in support of HB 1463 (Attachment #2).

Caitlin McDonald, Arc of ND, spoke and provided written testimony in support of HB 1463 (Attachment #3).

Carlotta McCleary, Executive Director for the ND Federation of Families for Children's Mental Health (NDDFCMH), spoke and provided written testimony in support of HB 1463 (Attachment #4).

James Moench, Executive Director of the North Dakota Disabilities Advocacy Consortium (NDDAC), spoke and provided written testimony in support of HB 1463 (Attachment #5).

No opposing testimony.

Maggie Anderson, Director of Medical Services for the Department of Human Services, spoke and provided written testimony on a neutral position on HB 1463 (Attachment #6). Specific explanation of the Comparison of Health Care Coverage Options for Children (blue sheet in Attachment #6) was given (meter 20:30).

Madame Chair Lee asked about the funding in the original bill (meter 22:20).

Maggie Anderson explained that the original fiscal note included the expectations of county and medical services costs. Changes were made before that fiscal note was considered.

Senator Dever asked for clarification regarding how Healthy Steps works with federal and state.

Maggie Anderson explained that Medicaid is an entitlement and gave examples (meter 23:13). It is estimated that an additional 2700 children will be eligible. Explanation regarding

the Federal Medicaid Match (FMAP) was given (23:43). SCHIP is not an entitlement and it could be capped. The federal government has a calculation and gives an annual share to run the SCHIP. In that federal share, the federal government provides an enhanced FMAP for SCHIP. Specific numbers regarding the biennium were given (meter 24:23). The federal allotment is heavily relied on. Once that is gone, the remaining expenditures become all general funds. Unlike Medicaid, they do not match dollar-for-dollar regardless. They match up to a certain dollar amount. Based on the growth this biennium, it is expected that all carry-over and current allotment will be spent.

Senator Dever asked if the state is obligated to continue SCHIP at 100% if Congress does not reauthorize it.

Maggie Anderson answered that there is no obligation or requirement for the state to do that; however, changes would need to be made due to the language in the Century Code. There does not seem to be a significant risk in the federal government not reauthorizing the program. The concern is how much they will add to the funding and how long they will reauthorize the program. Most states are looking for a 10-year reauthorization and there is concern about the dollars that may be put into the program to sustain the current children who are on the program. Some states have extended SCHIP to cover adults and there is some discussion about whether that piece should be continued.

Senator Warner asked if it was foreseeable to have a situation where there was extra federal allotment and a trigger mechanism to change the percentage would be useful (meter 27:02).

Maggie Anderson stated that until the reauthorization conversations are complete, they will not know if that is a possibility. If the legislature decided to put that type of mechanism in the bill, the department would implement the direction. Examples followed (27:36). Based on the

known allotment and the changes that have been made, it is expected that the allotment will be fully spent.

Senator Warner asked about the time frame regarding the reauthorization decision from the federal government.

Maggie Anderson stated that ideally they should know by October 1, 2007 but it is possible that they will not decide until after that.

Senator Warner asked if it would be retroactive if the decision was made later.

Maggie Anderson answered that that decision is very specific to the issue they are dealing with, so it is difficult to speculate. There are many complications with this issue.

Madame Chair Lee closed the public hearing on HB 1463.

JOB # 4397

Madame Chair Lee opened the discussion on HB 1463.

Senator Warner moved a Do Pass and Rerefer motion on HB 1463.

Senator Erbele seconded the motion.

Roll call vote was taken. Motion passed 6-0-0. Senator Warner will carry the bill.

Date: 3-5-07

Roll Call Vote #: _____

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. HB 1463

Senate HUMAN SERVICES Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass / rerefer

Motion Made By Sen. Warner Seconded By Sen. Erbele

Senators	Yes	No	Senators	Yes	No
Senator Judy Lee, Chairman	✓		Senator Joan Heckaman	✓	
Senator Robert Erbele, V. Chair	✓		Senator Jim Pomeroy	✓	
Senator Dick Dever	✓		Senator John M. Warner	✓	

Total (Yes) 6 No 0

Absent 0

Floor Assignment Senator Warner

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

REPORT OF STANDING COMMITTEE

HB 1463, as engrossed: Human Services Committee (Sen. J. Lee, Chairman)
recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee**
(6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1463 was
rereferred to the **Appropriations Committee**.

2007 SENATE APPROPRIATIONS

HB 1463

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1463

Senate Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: March 15, 2007

Recorder Job Number: 5141

Committee Clerk Signature

Janet Pinks

(8/11)

Minutes:

Vice Chairman Bowman opened the hearing on HB 1463.

Representative Porter introduced the bill. The House Human Services Committee has been working very closely with the department on eligibility. The bill deals with Medicaid and CHIPS. Currently CHIPS is at 140% of net income, there are numerous deductions from gross income to reach net income. After age 6 through age 18, in the Medicaid program, it drops from 133% of poverty to 100% of poverty. As they were looking at the programs and strike a balance between them, they looked at expanding the Medicaid side of our system and keep it consistent at 133% of poverty. They also looked at bumping up the SCHIPS program to 150% of net income of poverty. They discovered there would be a savings on the SCHIP side where we have totally allocated the federal funds. Now if the SCHIP program would be extended by 1%, it would be all general fund dollars because we are maxed out. The reallocation is still in Congress and we don't know where that will come out. By moving the Medicaid percentage to 133% of poverty, that moved children off of SCHIP onto Medicaid which freed up dollars on the SCHIP side that allowed them to bump up SCHIP to 150% of poverty. The fiscal note on this is \$863,000. For that increase in fiscal note, it adds coverage for 1500 children on one of the two programs. They want to assure there is consistency among the programs and to avoid a

sudden drop off at age 6 by 33% of poverty with children slipping through the gaps in our programs.

Senator Kilzer asked when this was heard in House Human Services, did the providers testify against the bill.

Representative Porter said no. They did not hear from the providers at all in testimony. There was information in the halls that we are going to have 1500 additional lives covered and those are typically going to be uninsured situations. It would go from a private pay, charity care situation to a scenario where there is at least some reimbursement.

Senator Kilzer said the more you load up Medicaid with financially losing situations, access to providers needs to be considered.

Representative Porter said he couldn't agree more. That is a whole other argument on how we reimburse our providers and how they cannot be expected to cost shift the underpayment of Medicaid patients onto a different population. We have run out of places to make that cost shift.

Senator Kilzer said in this type of a bill, it is increasing cost shifting.

Representative Porter said they looked at it from the perspective the added coverage for children. Their concern for the existing inequities in the programs was not at the top of their list of concerns.

Maggie Anderson, Director of Medical Services, Department of Human Services, appeared to provide information and offer an amendment. (Written testimony attached)

Senator Mathern asked if this requires a change in SB 2012 as well.

Ms. Anderson said it will require an amendment to SB 2012, with regard to the additional income disallowances that Senate Appropriations funded. That was one of the OAR's that the Senate funded. That OAR was originally funded at 100% general funds. The reason for that

was they knew they would be out of this CHIP allotment. They will be providing similar amendment information to House Appropriations this afternoon.

Senator Mathern asked if we planned it in terms of general funds. It seems like the Senate's work anticipated some of these problems.

Ms. Anderson said we did have general funds but they were drawing down the federal match. It was three hundred and some thousand dollars general fund that would draw down \$1 million of federal match for those income disregards.

Senator Fischer asked the effects of the change at the federal level.

Ms. Anderson said for Medicaid they will have to stay at 100% for 6 – 19 year olds and for SCHIP they will have to stay at 140%. Right now, the department is not planning a cap. They are anticipating 3958 children on average per month. If they have less, they may have some additional allotment left over. The trend is showing they will hit the 3958 level and they will fully expend their allotment by the end of 2009.

Senator Fischer asked if the federal authorization comes through and it is expanded, why would they need to go to 133% at all. Then it would satisfy the concerns of Senator Kilzer of not shifting anyone in Medicaid. You could put more kids onto SCHIP and not go back to the 70:30 cost share with the federal government on Medicaid.

Ms. Anderson clarified that if the federal government not only fixes the eligibility issue but also funds SCHIP to the level that the Congressional budget office is recommending, we in North Dakota could go to 180 or 200 and not change Medicaid eligibility. That is certainly an option.

They are proposing an option to save 1463. She believes the House's intent when they amended 1463 was based on knowing what they know today because they could not anticipate if Congress and the president would fund SCHIP at the level that needs to be funded

to keep the 6 million children currently on SCHIP let alone find the others out there that are eligible.

Senator Fischer asked if there is any reason that couldn't be written into the amendment, depending on the federal government's actions.

Ms. Anderson said that would be fine. If the committee wants to further amend this to indicate if the funding were to be enhanced or expanded, that will allow the department to expand SCHIP without having to look at Medicaid, the dollar amount could be set and the department could report to the interim committee and implement it quickly. The fiscal note would look different. If that was the authorization, at 200%, the fiscal note would look different because they were saving quite a bit of money from moving from SCHIP to Medicaid. That savings would not be generated with an amendment like this.

Senator Fischer said maybe our best option is to use this amendment and live with it for a few years.

Ms. Anderson said she doesn't know if it's the best option. They were just offering an alternative to killing the bill.

Senator Bowman closed the hearing on HB 1463.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1463

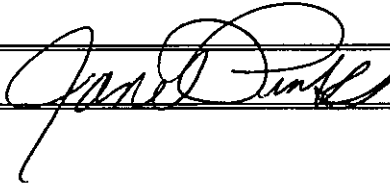
Senate Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: 03-23-07

Recorder Job Number: 5521

Committee Clerk Signature



Minutes:

Chairman Holmberg opened HB 1463.

Senator Fischer discussed amendments indicating it was at the legislative council.

Maggie Anderson medical services division, DHS, distributed a draft of the amendment and discussed it, indicating there was a glitch in the federal law on Medicaid and Schip. What the amendment does is put HB 1463 on hold until the glitch is taken care of. What this amendment does in section 4 is place an effective date which after the federal government fixes the glitch would authorize DHS to move forward. Section 5 states if the federal Government does not fix this and do provide enough funding for the schip program sufficient enough to allow the department of implement section 2 of the bill. Section 3 says if we are not able to expand Medicare eligibility then we don't have the savings we planned on when this was calculated. The reason for that is the average cost of Medicare for a child per month is much less then on Healthy Steps, because of the premium versus the schedule that Medicaid has. If we are not able to expand Medicaid but get federal allotment from feds we will need an additional amount from general funds and if both things happen, we will return money.

Senator Fischer moved a do pass on the amendments, Senator Mathern seconded. An oral vote was taken and the motion passed.

Senator Fischer moved a do pass as amended, Senator Tallackson seconded. A roll call vote was taken resulting in 14 yes. Senator Fischer will carry the bill.

Chairman Holmberg close the hearing on HB 1463.

Date: 3/23
Roll Call Vote #:

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1463

Senate Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken _____

DP as amend (attached)

Motion Made By _____

Fischer

Seconded By _____

Tallackson

Senators	Yes	No	Senators	Yes	No
Senator Ray Holmberg, Chrm	✓		Senator Aaron Krauter	✓	
Senator Bill Bowman, V Chrm	✓		Senator Elroy N. Lindaas	✓	
Senator Tony Grindberg, V Chrm	✓		Senator Tim Mathern	✓	
Senator Randel Christmann	✓		Senator Larry J. Robinson	✓	
Senator Tom Fischer	✓		Senator Tom Seymour	✓	
Senator Ralph L. Kilzer	✓		Senator Harvey Tallackson	✓	
Senator Karen K. Krebsbach	✓				
Senator Rich Wardner	✓				

Total (Yes) 14 No _____

Absent _____

Floor Assignment _____

~~Matthew~~ Fisher

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

REPORT OF STANDING COMMITTEE

HB 1463, 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 HB 1463 was placed on the Sixth order on the calendar.

Page 1, line 3, after "program" insert "; to provide a contingent appropriation; and to provide an effective date"

Page 2, after line 13, insert:

"SECTION 3. CONTINGENT APPROPRIATION. If section 1 of this Act does not become effective and section 2 of this Act does become effective, there is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$144,067 and from special funds derived from federal funds and other income \$2,196,987 to the department of human services for the purpose of defraying the expenses of implementing the expansion of the state children's health insurance program as described in section 2 of this Act for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 4. EFFECTIVE DATE. Section 1 of this Act becomes effective on the date the department of human services certifies to the legislative council that the department has received approval to claim federal financial participation to expand medical assistance benefits to children as described in section 1 of this Act.

SECTION 5. EFFECTIVE DATE. Section 2 of this Act becomes effective on the date the department of human services certifies to the legislative council that the federal reauthorization of the state children's health insurance program resulted in an allotment to the state in an amount that is sufficient to fund the increase identified in section 2 of this Act."

Renumber accordingly

2007 HOUSE HUMAN SERVICES

CONFERENCE COMMITTEE

HB 1463

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1463

House Human Services Committee

☐ Check here for Conference Committee

Hearing Date: April 12, 2007

Recorder Job Number: 5972

Committee Clerk Signature

Judith Schock

Minutes:

Chairman Price: Will the Senate explain their amendments?

Senator Lee: Our understanding is we needed to make sure that reauthorization actually takes place. In order to make those move forward and that we had to know that the federal plan be in place.

Senator Dever: It looks like an amendment drafted by appropriations committee.

Representative Kaldor: The fiscal note kind of explains it.

Senator Lee: We had to fit the two. The initial bill, we had talked about the percentages where we had to split out the two to indicate that the financing component that each of them was going to be handled a bit differently or it wouldn't work at all, and separate the Medicaid from the children's health insurance.

Maggie Anderson, with Director of Medical services for the Department of Human Services:
What happen with 1463 is the result of guidance from CMS. They indicated that we couldn't implement the bill unless there was a change made to the federal statue. There is a little glitch in the 1997 S CHIP law, so we brought that to the attention of the Senate appropriations committee. They were going to put a contingency in the bill and they also wanted to look at if that doesn't get changed can we still look at increasing S CHIP if additional federal allotment

becomes available. What this bill does is one of two things depending on the timing and the action of the federal government with the S CHIP reauthorization. If the federal government makes the change for the eligibility change can occur than the bill would go into effect we would rose 6-19 year olds to 133 percent of poverty, because of the children that would move from S CHIP to Medicaid we would roll up enough allotment we wouldn't need to worry about any additional federal allotment became available, and the bill would go into effect. If the federal government does not fix the change to eligibility as part of S CHIP reauthorization the contingent appropriation in section 3 kicks in at that point, if they provided additional federal allotment. If they don't fix the eligibility piece, but do provide additional federal allotment that would allow the department to take the eligibility to 150 percent of poverty for S CHIP than go ahead and implement that. That is what that series of amendments does. Either of those actions needs action from the federal government at this point. They are working on S CHIP reauthorization.

Representative Porter: If the feds were to authorize the program in the same language that they authorized back in 1997 than nothing would happen?

Ms. Anderson: If they authorize it with the same language nothing could happen with the Medicaid piece and we would have to wait and see what the funding changes. If they use the same language but increase the federal allotment, than we could implement the 150 for S CHIP. Either of these require going to Legislative Council.

Representative Porter: The part that confuses me is the 133% of poverty on Medicaid side. If we change that, but don't do the shifting and grandfather those into each of the programs that they are in, and just from tomorrow move forward. Would that be allowed under the current guidelines?

Ms. Anderson: If we moved the Medicaid criteria 133 for 6-19 year olds. No, they wouldn't allow that because you are still moving that line in the fan. You are moving the eligibility line regardless of the current children who are involved.

Representative Porter: So if this was January 3, and a bill was put into move the Medicaid just a stand alone bill that said we want it to be at 133% poverty. We couldn't do that as a state.

Ms Anderson: Using the words that we can't do it are strong. We could do it but have to use our S CHIPS allotment to do that. Legally would make that change, but we have no funding source. Had that been introduced the department would have built a fiscal note.

Chairman Price: Some states have done that. (Could not understand)

Ms. Anderson: If they have done that than they have had to use their S CHIP allotment and once that is gone than they have to tap into general funds. The problem with ND even doing that and kind of watching the allotment go down is we have that stand alone S CHIP program. There is no where for that to fall back.

Senator Warner: Could you revisit the issue of certification. Who would that be to?

Ms Anderson: I am not sure that was specified. When we have the information we would let legislative council know that we have the information and they could direct us to where we should provide that information. .

Senator Lee: The F map information had just come and I thought it was at the brief note but maybe for every ones sake let us know what the most recent information is.

Since you got that after this whole thing was thing was in process, does it change anything we might need to do here so we have every thing adequately addressed.

Ms. Anderson: I believe we prepared the fiscal note before we had the new F map. We have been recently been notified that our F map will be going down. It is less than we thought it would be for 09. I want to say 883,000 dollar impact.

Senator Lee: It isn't going to be something we need to consider in this bill because it won't impact until 09.

Ms Anderson: When we do that over all impact that is based on our current grant budget. There would be a minimal impact.

Chairman Price: Could you address the continuous eligibility?

Ms. Anderson: With the continuous eligibility right now the children who are on S CHIP have 12 month continuous eligibility, and children who are on Medicaid typically do not. If the bill as a whole those 1200 children would potentially moving from S CHIPS to Medicaid would loose that 13 month continuous eligibility and we need to follow the Medicaid rule. How that will impact them I can't speak to that because every family and house hold how they follow through and submit their monthly paperwork. The potential impact is that a family failed to submit their paper work to the county office as required and requested and that child would be dropped from the program.

Representative Kaldor: Currently that continuous eligibility has been taken out of the 2012, I believe. What is the fiscal effect? What is the cost of that particular element?

Ms Anderson: When the information was put into contingency appropriation that was put into 2012 for the continuous eligibility it was an estimate of about 2.2 million in general funds. That was for an 18 month biennium because there would be system changes that would need to be made. That is based on what it costs us on average for each child to be on Medicaid per month and that is about 110.00 dollars per child per month. The contingency money would be placed in the department's budget, but we could not access that unless we demonstrated to

legislative council that adding that continuous eligibility element actually cost us that money. That was removed by the house.

Senator Lee: I think everyone would agree still under discussion because there is some eligibility requirement for the feds.

Representative Kaldor: It seems to me that there are some circumstances to where there are families where there is S CHIP kids, and Medicaid kids. You have circumstances where they have to do both for 6-19 year olds.

Senator Lee: Do we have everything covered as we need to?

Ms. Anderson: We believe that the appropriations did allow the department to implement either or both.

Chairman Price: I have concerns with what happens to kids with out continuous eligibility.

Representative Porter: The 2 million dollars for the continuous eligibility is also taken into account that because of the monthly eligibility there is a certain number of individuals who are found ineligible per month during the course of the biennium that wouldn't be tested. The number you used were you using the fall out numbers or were you using the numbers of what you expected to be enrolled numbers?

Ms Anderson? We looked at the calendar year 2005 or 06. We looked at all children who were in the categorically meeting, which was optional. There were a total of 11,191 children who received services in those categories for that time period. Of those 4, 901 of them were eligible for the entire 12 months for a 12 month period. Some were only a month or 3 months. We collected all the claims that we paid for all those children and came with on average what does it cost for us to have a child on Medicaid per month. It came up to \$110.94. We apply that to the children who are on for 12 months. It is not going to cost us anything extra for continuous eligibility.

Representative Porter: When we look at the buy in program and other things we have done, wouldn't some of those kids that were dropped off be potentially eligible to buy back in regardless or have a higher recipient liability. Was it income that kicked them off or was it someone got insurance. Do we have information on the group you looked at?

Ms Anderson: We don't have that information and it would be a combination of those things.

Representative Porter: Would the new buy in program take care of some of that also?

Ms Anderson: With buy in they have to be determined disabled by Social Security. The percentage of children who are disabled who family income went up or parent failed to provide the paper work. They are all speculative. One of the difficulties with having multiple bills the do multiple thing to the Medicaid program during legislative session. When we do a fiscal note we have to do it in isolation. Some pass and some do not.

Chairman Price: On the kids that are only on a month or two and they fall off did those kids ever come back on?

Ms Anderson: We make sure who reapplied and went back were removed from the estimate.

Chairman Price: Any other information the committee wants? The meeting is adjourned.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1463

House Human Services Committee

☐ Check here for Conference Committee

Hearing Date: April 17, 2007

Recorder Job Number: 6064

Committee Clerk Signature

Judy Schock

Minutes:

Chairman Price: We will open the meeting on HB 1463. The main reasons we met was to discuss what the senate added and our understanding is that that it is basically to make sure the effective dates are in place with the reauthorization and all the things that may or may not happen with the Federal Government.

Representative Porter moves that the House accede to the Senate amendments on HB 1463, seconded by **Representative Kaldor**.

Senator Lee: I think every ones goal is to make this work and the feds are a bit of an obstacle for us here, but these recommendations we are incorporated in the senator can at least put things in place. The intent of the legislation is a real positive session and hope it can be implemented soon.

Representative Kaldor: I am hoping there is some way we can move toward continuous eligibility in this area so people don't drop off.

The roll was taken with 6 teases, 0 nays, and 0 absent. **Representative Price** will carry the bill to the floor.

**REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)**

Bill Number 1463 (, as (re)engrossed):

Date: 4/17/06

Your Conference Committee House Human Services

attest
For the Senate:

YES / NO

attest
For the House:

YES / NO

<input checked="" type="checkbox"/>	Sen. Lee	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Chairman Price	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Sen. Deener	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Rep. Porter	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Sen. Warner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Rep. Haldor	<input checked="" type="checkbox"/>	<input type="checkbox"/>

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) 1410 --

and place on the Seventh order.

, adopt (further) amendments as follows, and place on the Seventh order:

, having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

((Re)Engrossed) was placed on the Seventh order of business on the calendar.

DATE: 4/2/07

CARRIER: Price

LC NO.	of amendment
LC NO.	of engrossment
Emergency clause added or deleted	
Statement of purpose of amendment	

MOTION MADE BY: Rep. Porter

SECONDED BY: Rep. Haldor

VOTE COUNT 6 YES 0 NO 0 ABSENT

REPORT OF CONFERENCE COMMITTEE

HB 1463, as engrossed: Your conference committee (Sens. J. Lee, Dever, Warner and Reps. Price, Porter, Kaldor) recommends that the **HOUSE ACCEDE** to the Senate amendments on HJ page 1410

Engrossed HB 1463 was placed on the Seventh order of business on the calendar.

2007 TESTIMONY

HB 1463

North Dakota Farmers Union

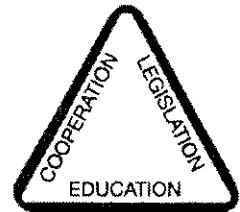
PO Box 2136 • 1415 12th Ave SE • Jamestown ND 58401

701-252-2340 • 800-366-NDFU

FAX: 701-252-6584

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E-MAIL: ndfu@ndfu.org



HB 1463

Health and Human Services Committee

Chairman Price and Members of the Health and Human Services committee,

My name is Kayla Pulvermacher; I am here representing the members of North Dakota Farmers Union. I am here to testify in support of House Bill 1463.

North Dakota Farmers Union believes that affordable, comprehensive health plans should be developed to enable all citizens' access to health insurance.

NDFU urges adequate state funding of CHIP and we urge the state to increase eligibility to 200% of poverty level.

With passage of this bill as proposed, we will begin to close the gap of uninsured and cover more of North Dakota's children, which is the ultimate goal.

We strongly urge a do pass on House Bill 1463.

Thank you Chairman Price and members of the committee. I will answer any questions at this time.



*Representing the Diocese of
Fargo and the Diocese
of Bismarck*

Christopher T. Dodson
Executive Director and
General Counsel

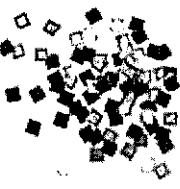

Testimony HB 1463

I am Kathy Grafsgaard, Health Care Advocate of the North Dakota Catholic Conference and I am speaking in support of HB 1463.

Thousands of North Dakota Children do not receive the primary and preventive health care they need. They are from low income working families who cannot afford insurance and do not ask for Medicaid. The children fall through the cracks in terms of receiving basic health services.

Although the number of uninsured in North Dakota may be below the national average, we as Catholics we share a concern for those who remain in need of health insurance protection. Those with economic means and health insurance enjoy the benefits of the health care system, while the working poor continue in their struggle to achieve basic levels of care. Access to affordable health care is a right of all people, and a goal that we must all work toward.

To ensure this basic right, we support the proposed expansion of eligibility. In addition, we would recommend the exploration of efficiencies in the system that ensure that children are not left unprotected.



Maggie D. Anderson

01/23/2007 08:46 PM

To: Clara Sue Price <cprice@nd.gov>, Vonnie A. Pietsch <vpietsch@nd.gov>, Charles D. Damschen <cdamschen@nd.gov>, Patrick R. Hatlestad <phatlestad@nd.gov>, Curt L. Hofstad <chofstad@nd.gov>, Todd K. Porter <tkporter@nd.gov>, Gerald P. Uglem <guglem@nd.gov>, Robin L. Weisz <rweisz@nd.gov>, Kari L. Conrad <kconrad@nd.gov>, Lee A. Kaldor <lakaldor@nd.gov>, Louise S. Potter <lpotter@nd.gov>, Jasper Schneider <jaschneider@nd.gov>

cc: Carol K. Olson/DHS/NoDak@NoDak, Brenda M.

Weisz/DHS/NoDak@NoDak, Debra A.

McDermott/DHS/NoDak@NoDak, Twyla J. Lee/DHS/NoDak@NoDak, soelke@state.nd.us, Curtis A. Volesky/DHS/NoDak@NoDak


Subject: HB 1463 - Healthy Steps to 200% Federal Poverty Level (Gross)

Representative Price and Committee Members,

Monday, during the hearing on HB 1463, you requested a chart with the various income eligibility levels. I am attaching the chart we currently use for Medicaid and Healthy Steps, with a column added for 300% of poverty. While 300% is not currently used, it would be the maximum allowed with the Medicaid Buy-In for Children (SB 2326).

1-22-07 Income Chart with 300%.t

Also, a question was asked about "grandfathering" the approximately 80 children who would not be eligible for coverage if the eligibility criteria was changed from 140% (net) to 200% (gross). I contacted CMS on this question and their answer was that "grandfathering" would not be allowed.



Please contact me if you have additional questions.
Maggie

Maggie Anderson, Director
Division of Medical Services
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e-mail: soandm@nd.gov

INCOME LEVELS EFFECTIVE JANUARY 1, 2007

Family Size	Family Coverage (1931)	Med. Needy	SSI (Effective 01/01/07)	Children Age 6 to 19 and QMB 100% of Poverty	SLMB 120% of Poverty	Preg. Women Child to Age 6 133% of Poverty	QI-1 135% of Poverty	Healthy Steps 140% of Poverty	Caring for Children 170% of Poverty	Transitional Medicaid 185% of Poverty	Women's Way 200% of Poverty	Workers with Disabilities 225% of Poverty	<u>PROPOSED</u> Buy-In for Children 300% of PL
1	\$311	\$ 500	\$623	\$ 817	\$ 980	\$1087	\$1103	\$1144	\$1389	\$ 1511	\$1634	\$1837	\$ 2,451
2	417	516	934	1100	1320	1463	1485	1540	1870	2035	2200	2475	3,300
3	523	666		1384	1660	1840	1868	1937	2353	2560	2767	3112	4,152
4	629	800		1667	2000	2217	2250	2334	2834	3084	3334	3750	5,001
5	735	908		1950	2340	2594	2633	2730	3315	3608	3900	4387	5,850
6	841	1008		2234	2680	2971	3015	3127	3798	4132	4467	5025	6,702
7	947	1083		2517	3020	3348	3398	3524	4279	4656	5034	5662	7,551
8	1053	1141		2800	3360	3724	3780	3920	4760	5180	5600	6300	8,400
9	1159	1200		3084	3700	4101	4163	4317	5243	5705	6167	6937	9,252
10	1265	1250		3368	4040	4478	4546	4714	5726	6230	6734	7574	10,104
+1*	107	57		284	340	377	383	397	483	525	567	637	852

Spousal Impoverishment Levels

Community Spouse Minimum Asset Allowance (Effective 01/01/07)	Community Spouse Maximum Asset Allowance (Effective 01/01/06)	Community Spouse Income Level (Effective 01/01/03)	Income Level for each Additional Individual (Effective 04/01/06)
\$20,328	\$101,640	\$2,267	\$550

Average Cost of Nursing Care

Average Monthly Cost of Care (Effective 01/01/07)	Average Daily Cost of Care (Effective 01/01/07)
\$ 4865	\$ 159.96

Note: LTC income level increased from \$40 to \$50 effective with the benefit month of 01/01/02

Rev. 12/200

Testimony
North Dakota Disabilities Advocacy Consortium

HB 1463
Children's Health Insurance Program (CHIP)

House Human Services Committee
January 22, 2007

Chairman Price, members of the House Human Services Committee, I am James M. Moench, Executive Director of the North Dakota Disabilities Advocacy Consortium (NDDAC). The Consortium is made up of 22 organizations concerned with addressing the issues that affect North Dakotans, especially people with disabilities. We are very interested in adding our support to expanding health insurance coverage to more of North Dakota's children with the Children's Health Insurance Program (CHIP).

Too many children in North Dakota have no health insurance. That means preventive and primary healthcare needs such as immunizations, dental checkups, well baby checks and eye examinations are not provided to many of North Dakota's most vulnerable citizens, our children. When parents are struggling just to put food on the table purchasing health insurance, even for their children, too often is only a pipe dream.

Access to health care means that a child can reasonably expect to get health care services. Not having affordable insurance coverage means that a child's basic medical needs most likely will not be met because the family lacks the funds to pay for doctor, dentist or optometrist visits. When prevention and primary care is not possible, routine screening is not done. The cost of screening, early detection, and treatment for a disease or disability is always far less than the cost of emergency care or hospitalization later.

North Dakotans face many decisions about where to spend their money. When basic needs like food, shelter, heat and basic communication, cannot be met, the chances of spending for health insurance are small. The cost of providing the Children's Health Insurance Program to more children should be a made apriority especially given our current budget situation. If you choose to add more children to the program, the long-term payback will be worth the current cost. The NDDAC supports raising the CHIP's eligibility level to at least 200% of poverty.

I appreciate this opportunity to testify on behalf of the NDDAC and look forward to working with you over the course of this legislative session. Thank you.

NORTH DAKOTA DISABILITIES ADVOCACY CONSORTIUM

2006 Membership

1. AARP
2. Dakota Center for Independent Living
3. Family Voices of North Dakota
4. Freedom Resource Center for Independent Living
5. Independence Center for Independent Living
6. ND APSE: The Network on Employment
7. ND Association of the Blind
8. ND Association of the Deaf
9. ND Association for the Disabled
10. ND Center for Persons with Disabilities (NDCPD)
11. ND Children's Caucus
12. Fair Housing of the Dakotas
13. ND Fed. of Families for Children's Mental Health
14. ND Human Rights Coalition
15. ND IPAT Consumer Advisory Committee
16. ND Mental Health Assn.
17. ND Statewide Living Council
18. Options Resource Center for Independent Living
19. Protection & Advocacy Project
20. The Arc of Bismarck
21. The Arc of Cass County
22. The Arc of North Dakota

Updated: July 10, 2006

January 22, 2007

HOUSE HUMAN SERVICES COMMITTEE HB 1463

CHAIRMAN PRICE AND COMMITTEE MEMBERS:

My name is Jack McDonald. I'm appearing here today on behalf of The Arc of North Dakota. **We support HB 1463 and urge a do pass.**

The Arc is an open membership organization made up of people with mental retardation and other related developmental disabilities, their families, friends, interested citizens, and professionals in the disability field.

It is organized on three levels: local chapters, state chapters and the national organization. All three levels provide opportunities to engage policy-makers in efforts to improve public policy affecting people with mental retardation and related developmental disabilities and their families.

The Arc of North Dakota has over 1,500 committed members and friends...your neighbors and constituents...in chapters in Grand Forks, Fargo, Valley City, Jamestown, Bismarck, Dickinson and Bowman.

Our **Mission Statement** is to improve the quality of life for children and adults with mental, retardation and related developmental disabilities and their families through advocacy, education and family support services.

Public policy advocacy is an essential component of the Arc movement, and that's why we're here today. Arc members have worked together over the past 50 years to secure family support services, special education, health care, leisure opportunities, vocational training, community housing and other community support services.

Much of our work involves the families of individuals with developmental disabilities. We therefore support the expanded coverage afforded these families under this bill.

Therefore, we respectfully request that you give HB 1463 a do pass. If you have any questions, I will be happy to try to answer them. THANK YOU FOR YOUR TIME AND CONSIDERATION.

Testimony
House Bill 1463– Department of Human Services
House Human Services Committee
Representative Clara Sue Price, Chairman
January 22, 2007

Chairman Price, members of the House Human Services Committee, I am Maggie Anderson, Director of Medical Services for the Department of Human Services. I appear before you to provide information regarding the fiscal note on this bill.

This bill would increase the income eligibility standard for the Healthy Steps Program from 140 percent of the federal poverty level (net income) to 200 percent of the federal poverty level (gross income).

The Department's estimate is based on the number of children who were denied Healthy Steps Coverage for the period of August 2005 through July 2006. The number of children estimated is 2,040, which is the number whose family income was between 140 percent (net) and 200 percent (gross). We are unable to estimate the number of additional, potential applicants that may seek coverage.

As noted in my testimony on House Bill number 1047, based on information from the 2000 Census, there are 24,505 children in North Dakota who reside in households whose income is between 140 percent and 200 percent of poverty. It is unknown; however, how many of these children already have coverage, or how many families would apply. For this reason, we cannot determine a fiscal impact for this group of children.

We estimate in the first two months of implementation about 305 children would enroll in Healthy Steps, if the income level was increased to 200 percent (gross) of poverty. We further estimate that an additional 65 children would enroll each of the remaining 22 months. By the end of the biennium, we estimate the additional enrollees to be approximately 2,040.

Also, because this bill looks at gross income versus net, it is estimated that approximately 80 children who are currently enrolled in Healthy Steps would lose coverage at 200% gross.

Based on an average monthly premium of \$207.31 per month, the additional NET cost to increase the Healthy Steps income level to 200 percent (gross) of the federal poverty level would be approximately \$6 million, of which \$1.5 million would be general funds. This fiscal note contains Federal funds while the fiscal note for House Bill 1047 did not. This is because Lines 18 and 19 of the bill indicate that this provision would only be implemented should additional federal funds become available.

Unlike Medicaid, which is an entitlement program, states receive annual federal allotments for the operation of the State Children's Health Insurance Program. If an annual allotment is not fully used, it can be carried over to be used in subsequent years. During this current biennium, the Healthy Steps program in North Dakota has seen tremendous growth (Attachment A). In preparing the 2007-2009 Budget request, the Department prepared the Healthy Steps projection, based on an average of 3,958 children per month. Based on the current allotments, we expect to essentially fully expend all carryover, and current year allotments to sustain the program at the current eligibility

limit. SCHIP is scheduled for reauthorization this year; therefore, changes may be made to the funding and allotment processes or amounts.

The fiscal note also includes the funding for an additional Full Time Equivalent (FTE) in the Medical Services Division and additional funding at the county level. Of the current Healthy Steps case load, approximately one-third of the cases are at the State office, the remainder at the county. Based on this same allocation, if this bill passed, an additional FTE would be needed to assist with the cases processed at the State Office. The estimated cost for this additional FTE for the 2007-2009 Biennium is \$102,395. This estimate includes salary, fringe, equipment and office space. Again, based on the current case load allocation, the remaining two-thirds of the cases would be processed at the county-level. The estimate of additional funds needed for county-level expenses is \$198,442, which would support the cost of two additional FTE.

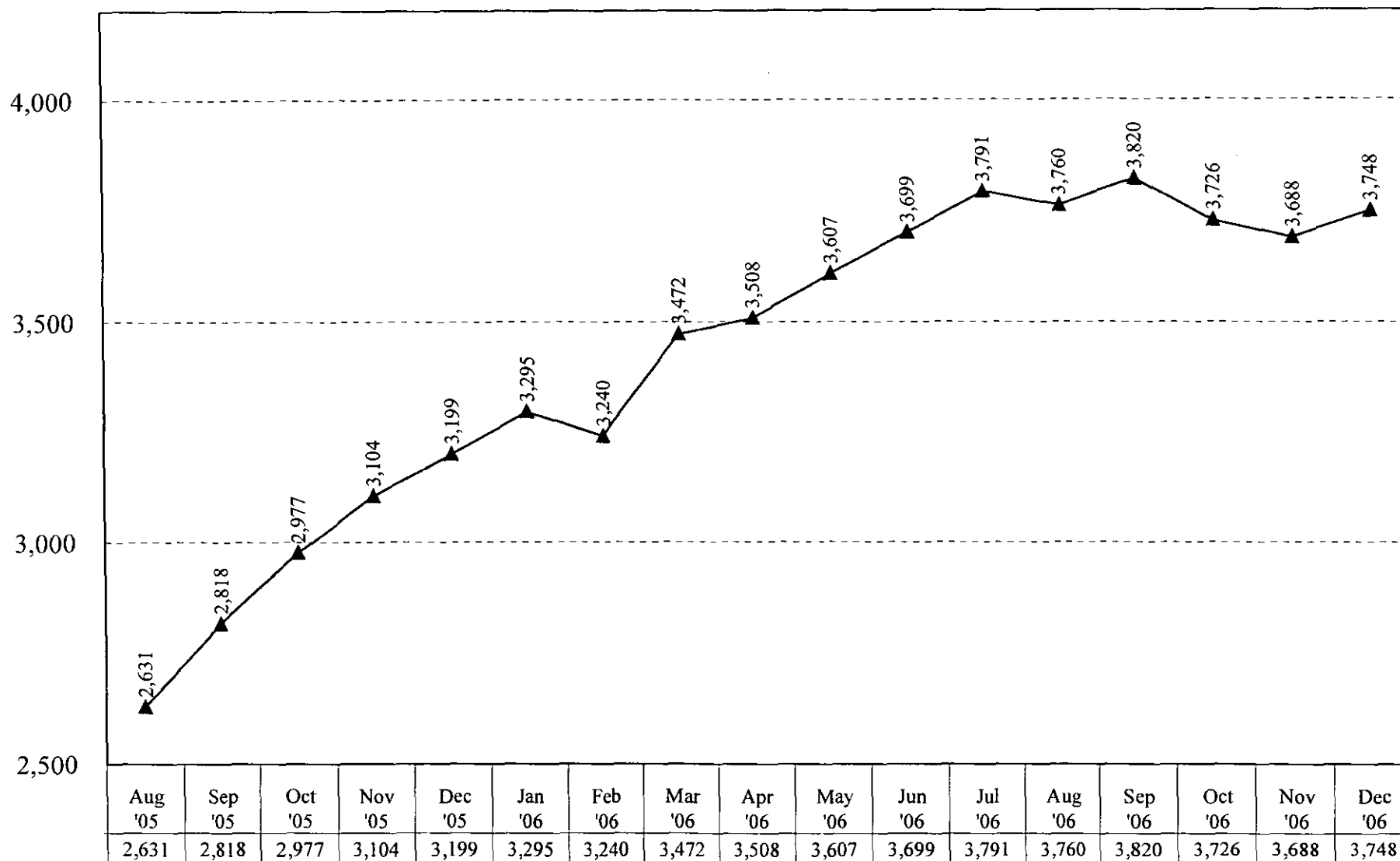
An expense that is unable to be determined at this time is the cost to modify the Vision eligibility system to implement this change. Currently Medicaid and SCHIP eligibility determinations are completed in Vision, and the process is streamlined as both are calculated on net income. Changing to a gross income calculation would require significant Vision system changes, which are expected to take no less than six months to implement.

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

North Dakota Department of Human Services

Healthy Steps Enrollment by Month

August 2005 - December 2006



Proposed Coverage	Medicaid @ 133% 6 to 19 yr olds	SCHIP @ 185% Gross	150% (net) for Healthy Steps
Potential Children	2,700	1,640	1,200
Census Data / Uninsured			
Fiscal Estimate	4,126,968	5,253,235	3,875,868
General Funds	1,486,534		977,106
Federal Funds	2,640,434		2,898,762
Other	Would be offset by savings to Healthy Steps 2,450 children @ \$207.31/month. Total \$6,468,072 General \$1,630,601 Federal \$4,837,471	1. 120 current children would lose coverage	Only if federal funds are available. Otherwise, all general funds



*Representing the Diocese of
Fargo and the Diocese
of Bismarck*

Christopher T. Dodson
Executive Director and
General Counsel

To: Senate Human Services Committee
From: Kathryn Grafsgaard, Health Care Advocate
Subject: HB 1463 (Medical Assistance and Healthy Steps eligibility)
Date: March 5, 2007

The North Dakota Catholic Conference supports HB 1463. The bill, as amended, takes steps to increase access to health care by 10,000-12,000 North Dakota low-income children who may not receive the primary and preventive care they need because their families cannot afford health insurance, or who do not qualify for Medicaid or other programs.

As a society, we have a responsibility to promote actions that further the common good and protect the inherent dignity of all persons. Access to affordable health care is a basic right that must be preserved, and the protection of the health and well being of the most vulnerable in our society is imperative.

Informed by our knowledge that health care is a basic right, we remain committed to the continued expansion of the state's Children's Health Insurance Program (Healthy Steps). Improving coverage for children is a moral priority and an investment in the future. Expanding the eligibility guideline from 140% to 150% of poverty for Healthy Steps, with a corresponding expansion of Medicaid eligibility is a good step forward.

We commend the agencies, organizations and individuals that have worked to promote all of the health insurance options for low-income families, and recognize the recent gains in providing coverage to children under Healthy Steps.

We urge a Do Pass on HB 1463.

March 5, 2007

SENATE HUMAN SERVICES COMMITTEE
HB 1463

CHAIRMAN LEE AND COMMITTEE MEMBERS:

My name is Caitlin McDonald. I'm appearing here today on behalf of The Arc of North Dakota. **We strongly support HB 1463 and urge a do pass.**

This bill will raise the Medicaid eligibility for children to 133% of poverty and raise the state children's' health insurance program eligibility to net income of 150% of poverty.

The change to 133% of poverty will result in 2,700 children becoming eligible for medical assistance, including the 2,450 children now in Healthy Steps. And, the 150% change will allow approximately 1,200 children to become eligible for Healthy Steps.

The net result of this bill is to provide more insurance for more children. Nothing wrong with that!!

Therefore, we respectfully request that you give HB 1463 a do pass. If you have any questions, I will be happy to try to answer them. THANK YOU FOR YOUR TIME AND CONSIDERATION.

The Arc is an advocacy organization. The Arc advocates for the rights and full participation of all children and adults with intellectual and developmental disabilities. Together with our network of members and affiliated chapters, we improve systems of supports and services; connect families, inspire communities and influence disability policy.

TESTIMONY: HOUSE BILL 1463
SENATE HUMAN SERVICES COMMITTEE
JUDY LEE, CHAIRMAN
March 5, 2007

Chairman Lee and members of the Committee: my name is Carlotta McCleary. I am the Executive Director for the ND Federation of Families for Children's Mental Health (NDFFCMH). The NDFFCMH is a parent run organization that focuses on the needs of children with emotional, behavioral and mental disorders and their families. On behalf of the Federation, I am testifying in support of House Bill 1463.

According to U. S. Department of Health and Human Services, studies show that at least one in five children and adolescents have a mental health disorder. At least one in 10 have a serious emotional disturbance. Two thirds are not getting the help they need.

Families may face many problems; the absence of appropriate childcare prevents many families from participating in social or recreational activities and they experience isolation from friends and relatives. Often, family members must learn to cope with the difficulty and demanding behaviors of their children, and may face the staggering costs for special treatment, education, or other services. For some families the cost of treatment has prevented them from getting this care.

North Dakota is one of 13 states that have passed laws that prohibit DHS from requiring custody relinquishment in order for parents to obtain out-of-home treatment for their children. However, ND currently has no laws to improve access.

The NDFFCMH supports raising the Medicaid eligibility to 133% of the federal poverty level, this will allow children to have access to more comprehensive coverage. In addition this bill increases access to the Voluntary Treatment Program by allowing more children access to Medicaid.

The NDFFCMH supports raising the income eligibility limit for Children Health Insurance Program. Please consider raising the income eligibility limit to 200%.

The NDFFCMH believes children and their families must receive supports necessary to remain with their families. This bill allows families to gain access to needed treatment, by ensuring access to health insurance.

Thank you for your time.

Carlotta McCleary, Executive Director
ND Federation of Families for Children's Mental Health
PO Box 3061
Bismarck, ND 58502
Phone/Fax: (701) 222-3310
Email: carlottamccleary@bis.midco.net

Testimony
North Dakota Disabilities Advocacy Consortium

HB 1463
Children's Health Insurance Program (CHIP)

Senate Human Services Committee
March 5, 2007

Chairman Lee, members of the Senate Human Services Committee, I am James M. Moench, Executive Director of the North Dakota Disabilities Advocacy Consortium (NDDAC). The Consortium is made up of 22 organizations concerned with addressing the issues that affect North Dakotans, especially people with disabilities. We are very interested in adding our support to expanding health insurance coverage to more of North Dakota's children with the Children's Health Insurance Program (CHIP).

Too many children in North Dakota have no health insurance. That means preventive and primary healthcare needs such as immunizations, dental checkups, well baby checks and eye examinations are not provided to many of North Dakota's most vulnerable citizens, our children. When parents are struggling just to put food on the table purchasing health insurance, even for their children, too often is only a pipe dream.

Access to health care means that a child can reasonably expect to get health care services. Not having affordable insurance coverage means that a child's basic medical needs most likely will not be met because the family lacks the funds to pay for doctor, dentist or optometrist visits. When prevention and primary care is not possible, routine screening is not done. The cost of screening, early detection, and treatment for a disease or disability is always far less than the cost of emergency care or hospitalization later.

North Dakotans face many decisions about where to spend their money. When basic needs like food, shelter, heat and basic communication, cannot be met, the chances of spending for health insurance are small. The cost of providing the Children's Health Insurance Program to more children should be a made a priority especially given our current budget situation. If you choose to add more children to the program, the long-term payback will be worth the current cost. NDDAC supports raising the eligibility criteria for Medicaid for children to 133% of poverty and the CHIP's eligibility level to 150% net of the poverty level as found in the House version of HB 1463. We would urge the Senate to raise CHIP eligibility to 200% if possible and cover even more children.

I appreciate this opportunity to testify on behalf of the NDDAC and will try to answer any questions that you may have. Thank you.

Testimony
House Bill 1463– Department of Human Services
Senate Human Services Committee
Senator Judy Lee, Chairman
March 5, 2007

Chairman Lee, members of the Senate Human Services Committee, I am Maggie Anderson, Director of Medical Services for the Department of Human Services. I appear before you to provide information regarding the fiscal note on this bill.

House Bill 1463, as amended, proposes to make a change to the Medicaid Income eligibility requirements. **Currently**, the income eligibility guideline for children six years of age to 19 years of age is 100 percent of the federal poverty level. The proposed change in this bill would increase this income eligibility level to 133 percent of the federal poverty level, which is the current level for children up to six years of age.

The change to the Medicaid income eligibility level is expected to result in an increased Medicaid enrollment of 2,700 children. Of these, approximately 2,450 children would move from the Healthy Steps (SCHIP) program to the Medicaid program. The net change for this portion of the bill is a savings of \$2.3 million of which \$144,067 are general funds.

House Bill 1463, as amended, would also increase the income eligibility standard for the Healthy Steps Program from 140 percent of the federal poverty level (net income) to 150 percent of the federal poverty level (net income).

The Department's estimate of an additional 1,200 children to be eligible for Healthy Steps is based on the number of children who were denied Healthy Steps Coverage for the period of August 2005 through July 2006, whose family income was between 140 percent (net) and 150 percent (net).

We estimate in the first two months of implementation about 204 children would enroll in Healthy Steps, if the income level was increased to 150 percent (net) of poverty. We further estimate that an additional 36 children would enroll each of the remaining 22 months. By the end of the biennium, we estimate the additional enrollees to be approximately 1,200.

Based on an average monthly premium of \$207.31 per month, the additional NET cost to increase the Healthy Steps income level to 150 percent (net) of the federal poverty level would be approximately \$3,875,868 million, of which \$977,106 would be general funds.

Unlike Medicaid, which is an entitlement program, states receive annual federal allotments for the operation of the State Children's Health Insurance Program. If an annual allotment is not fully used, it can be carried over to be used in subsequent years. During this current biennium, the Healthy Steps program in North Dakota has seen tremendous growth (Attachment A). In preparing the 2007-2009 Budget request, the Department prepared the Healthy Steps projection, based on an average of 3,958 children per month. Based on the current allotments, we expect to essentially fully expend all carryover, and current year allotments to sustain the program at the current eligibility limit. SCHIP is scheduled for reauthorization this year; therefore, changes may be made to the funding and allotment processes or

amounts. The changes proposed in House Bill 1463 actually result in a savings of federal allotment; however, if the Medicaid change was removed from House Bill 1463, the federal funds to support the Healthy Steps change (to 150 percent) would not be available.

The fiscal note also includes the funding for an additional .5 Full Time Equivalent (FTE) in the Medical Services Division and additional funding at the county level. Of the current Healthy Steps caseload, approximately one-third of the cases are processed at the State Office, the remainder at the county. The estimated cost for this additional .5 FTE for the 2007-2009 Biennium is \$65,159. This estimate includes salary, fringe, equipment and office space. Again, based on the current caseload allocation, the remaining two-thirds of the cases would be processed at the county-level. The estimate of additional funds needed for county-level expenses is \$121,567, which would support the cost of two additional FTE.

Senate Bill 2012 (The Department's Appropriation Bill) was amended in the Senate to include the funds necessary to support the proposed Medicaid and Healthy Steps income eligibility changes. The Senate Amendments do not include the funding for .5 FTE or county costs. The total included in Senate Bill 2012 is \$1.5 million of which \$.8 million are general funds.

Attachment B shows the proposed coverage and estimated costs of the 2007 children's health care coverage bills, as of crossover. Attachment C provides a summary of the various income eligibility levels.

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

North Dakota Department of Human Services
Medical Services Division
Comparison of Health Care Coverage Options for Children
Status at Legislative Crossover February 2007

Bill No	To Senate SB 2012	To House SB 2012	SB 2326
Proposed Coverage	SCHIP 140% Net	SCHIP 140% Net	Medicaid Buy-In @200% /Waiver
Potential Children	3,958	4,271	402/15
Census Data / Uninsured			
Fiscal Estimate	19,690,305	21,249,232	2,733,767
General Funds	4,965,555	5,358,560	1,059,932
Federal Funds	14,724,750	15,890,672	1,673,835
Other	The 2007-2009 Budget built on an average of 3,958 children per month	Includes enhancements that would serve an additional 313 children HB 1463, if adopted as amended, would change SCHIP to 150% and add an additional 1,200 children.	Includes Funding for Waiver for Children with Extra-Ordinary Health Care Needs

HB 1463	
Medicaid @ 133% 6 to 19 yr olds	150% (net) for Healthy Steps
2,700	1,200
4,126,968	3,875,868
1,486,534	977,106
2,640,434	2,898,762
Would be offset by savings to Healthy Steps 2,450 children @ \$207.31/month. Total \$6,468,072 General \$1,630,601 Federal \$4,837,471	

HB 1463 Appropriation is in SB 2012, as amended	
Total	1,534,814
General Funds	833,039
Federal Funds	701,775

INCOME LEVELS EFFECTIVE JANUARY 1, 2007

Family Size	Family Coverage (1931)	Med. Needy	SSI Income Level	Children Age 6 to 19 and QMB 100% of Poverty	SLMB 120% of Poverty	Preg. Women Child to Age 6 133% of Poverty	QI-1 135% of Poverty	Healthy Steps 140% of Poverty	Healthy Steps Proposed HB 1463 150% of Poverty	Caring for Children 170% of Poverty	Transitional Medicaid 185% of Poverty	Buy-in for Children in Proposed SB 2326 and Women's Way 200% of Poverty	Workers with Disabilities 225% of Poverty
1	\$311	\$ 500	\$623	\$ 817	\$ 980	\$1087	\$1103	\$1144	\$1277	\$1389	\$ 1511	\$1634	\$1837
2	417	516	934	1100	1320	1463	1485	1540	1712	1870	2035	2200	2475
3	523	666		1384	1660	1840	1868	1937	2147	2353	2560	2767	3112
4	629	800		1667	2000	2217	2250	2334	2582	2834	3084	3334	3750
5	735	908		1950	2340	2594	2633	2730	3017	3315	3608	3900	4387
6	841	1008		2234	2680	2971	3015	3127	3452	3798	4132	4467	5025
7	947	1083		2517	3020	3348	3398	3524	3887	4279	4656	5034	5662
8	1053	1141		2800	3360	3724	3780	3920	4322	4760	5180	5600	6300
9	1159	1200		3084	3700	4101	4163	4317	4757	5243	5705	6167	6937
10	1265	1250		3368	4040	4478	4546	4714	5192	5726	6230	6734	7574
+1*	107	57		284	340	377	383	397	435	483	525	567	637

Spousal Impoverishment Levels

Community Spouse Minimum Asset Allowance (Effective 01/01/07)	Community Spouse Maximum Asset Allowance (Effective 01/01/07)	Community Spouse Income Level (Effective 01/01/03)	Income Level for each Additional Individual (Effective 04/01/06)
\$20,328	\$101,640	\$2,267	\$550

Average Cost of Nursing Care

Average Monthly Cost of Care (Effective 01/01/07)	Average Daily Cost of Care (Effective 01/01/07)
\$4865	\$159.96

Note: LTC income level increased from \$40 to \$50 effective with the benefit month of 01/01/02

①

Testimony
House Bill 1463– Department of Human Services
Senate Appropriations Committee
Senator Ray Holmberg, Chairman
March 15, 2007

Chairman Holmberg, members of the Senate Appropriations Committee, I am Maggie Anderson, Director of Medical Services for the Department of Human Services. I appear before you to provide information regarding the fiscal note on this bill, and to offer an amendment.

Engrossed House Bill 1463 proposes to make a change to the Medicaid Income eligibility requirements. **Currently**, the income eligibility guideline for children six years of age to 19 years of age is 100 percent of the federal poverty level. The proposed change in this bill would increase this income eligibility level to 133 percent of the federal poverty level, which is the current level for children up to six years of age.

The change to the Medicaid income eligibility level is expected to result in an increased Medicaid enrollment of 2,700 children. Of these, approximately 2,450 children would move from the Healthy Steps (SCHIP) program to the Medicaid program. The net change for this portion of the bill is a savings of \$2.3 million of which \$144,067 are general funds.

Engrossed House Bill 1463 would also increase the income eligibility standard for the Healthy Steps Program from 140 percent of the federal poverty level (net income) to 150 percent of the federal poverty level (net income).

The Department estimates an additional 1,200 children would be eligible for Healthy Steps. This estimate is based on the number of children who were denied Healthy Steps Coverage for the period of August 2005 through July 2006, whose family income was between 140 percent (net) and 150 percent (net).

We estimate in the first two months of implementation about 204 children would enroll in Healthy Steps, if the income level was increased to 150 percent (net) of poverty. We further estimate that an additional 36 children would enroll each of the remaining 22 months. By the end of the biennium, we estimate the additional enrollees to be approximately 1,200.

Based on an average monthly premium of \$207.31 per month, the additional NET cost to increase the Healthy Steps income level to 150 percent (net) of the federal poverty level would be approximately \$3,875,868, of which \$977,106 would be general funds.

Unlike Medicaid, which is an entitlement program, states receive annual federal allotments for the operation of the State Children's Health Insurance Program. If an annual allotment is not fully used, it can be carried over to be used in subsequent years. During this current biennium, the Healthy Steps program in North Dakota has seen tremendous growth. In preparing the 2007-2009 Budget request, the Department prepared the Healthy Steps projection, based on an average of 3,958 children per month. Based on the current allotments, we expect to essentially fully expend all carryover, and current year allotments to sustain the program at the current eligibility limit. SCHIP is scheduled for reauthorization this year; therefore, changes may be made to the funding and allotment processes or amounts. The changes proposed in Engrossed

House Bill 1463 actually result in a savings of federal allotment; however, if the Medicaid change was removed from Engrossed House Bill 1463, the federal funds to support the Healthy Steps change (to 150 percent) would not be available.

The fiscal note also includes the funding for an additional .5 Full Time Equivalent (FTE) in the Medical Services Division and additional funding at the county level. Of the current Healthy Steps caseload, approximately one-third of the cases are processed at the State Office, the remainder at the county. The estimated cost for this additional .5 FTE for the 2007-2009 Biennium is \$65,159. This estimate includes salary, fringe, equipment and office space. Again, based on the current caseload allocation, the remaining two-thirds of the cases would be processed at the county-level. The estimate of additional funds needed for county-level expenses is \$121,567, which would support the cost of two additional FTE.

Senate Bill 2012 (the Department's Appropriation Bill) was amended by this committee to include the funds necessary to support the proposed Medicaid and Healthy Steps income eligibility changes in Engrossed House Bill 1463. The Senate Amendments do not include the funding for .5 FTE or county costs. The total included in Senate Bill 2012 is \$1.5 million of which \$.8 million are general funds.

Last week, I was notified by the Centers for Medicare and Medicaid Services (CMS) that North Dakota would be unable to expand coverage, as proposed in Engrossed House Bill 1463. Following is the information provided by CMS:

"This is to confirm our conversation. Under 1905(u)(2)(B), a Medicaid-eligible child who would not have been eligible under the State plan as of March 31, 1997 is an optional targeted low income child (for whom the State can claim the enhanced FMAP out of the

SCHIP allotment under 1905(b)). The statute does not provide a mechanism for the State to change that status. Because of this, the State cannot claim FMAP from Medicaid. I have heard there may be some states proposing a technical correction be put in the reauthorization for SCHIP to change this, since it does have the effect of limiting some States from expanding eligibility.

Unless or until this section of the law is changed, you cannot expand Medicaid to children who were not eligible for Medicaid on March 31, 1997, unless you have exhausted all your SCHIP allotment at the time of the change."

Based on this communication from CMS, the Department is offering an amendment (Attachment A) which would allow for implementation of Engrossed House Bill 1463, if the appropriate changes are made during the reauthorization of SCHIP. The Department will ensure that the North Dakota Congressional Delegation and the American Public Human Services Association are aware of the section of the federal law that needs to be changed.

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

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1463

Page 1, line 3, after "program" insert "; and to provide an effective date"

Page 2, after line 13, insert:

SECTION 3. EFFECTIVE DATE. This Act becomes effective upon certification by the department of human services to the legislative council that the department has received approval to claim federal financial participation to expand medical assistance benefits to children as described in this Act.

Renumber accordingly

TESTIMONY – PROTECTION AND ADVOCACY PROJECT
HOUSE BILL 1463 -- SCHIP

SENATE APPROPRIATIONS COMMITTEE
Honorable Ray Holmberg, Chairman

March 15, 2007

Chairman Holmberg, and members of the Senate Appropriations Committee, I am Bruce Murry, a lawyer with the North Dakota Protection and Advocacy Project (P&A).

The proposal to increase the eligibility for children and eighteen-year olds under Medicaid would be very welcome. The 133% Federal Poverty Level (FPL) for an individual is only \$1,132 per month. Each additional member of the family would add about \$400 to that level. With such an income to work with, it is very unlikely that an eighteen year old could afford health insurance.

Similarly, 150% of FPL would be a needed improvement in SCHIP eligibility. An individual at 150% FPL earns only \$1,276 per month, with an additional \$435 for additional family members. Extending contracted insurance coverage through SCHIP seems very appropriate.

The Department of Human Services has informed P&A that federal law may interfere with this bill as written. The Department plans to alert Congress of how the federal law could improve to allow changes such as these. If the federal law specifically conflicts with this legislation, P&A supports amendments to implement as much of HB 1463 as soon as possible. P&A appreciates the Department taking these steps to allow HB 1463 to move forward.

Thank you very much for your time and consideration.