2011 SENATE HUMAN SERVICES

SCR 4020

2011 SENATE STANDING COMMITTEE MINUTES

Senate Human Services Committee
Red River Room, State Capitol

SCR 4020
2-14-2011
Job Number 14485

☐ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

Directing the Legislative Management to study the causes of increases in Department of Human Services caseloads and program utilization.

Minutes:

Senator Judy Lee opened the hearing on SCR 4020.

Senator Tim Mathern, District 11, introduced the resolution in the absence of the prime sponsor **Sen. Larry Robinson**. Sen. Robinson has been on the Appropriations committee for a long time and has been raising the issue about "Why is it that things are getting better in our economy, our state is doing better than other states, but yet we have this increasing case load in many of the programs within the department of human services." This resolution is his attempt at getting attention to this.
Senator Tim Mathern stated that he had similar concerns and raise it more in terms of the whole issue of what can be done in how we do programming. This study looks more at what's underneath it all socio-economically.
He encouraged a Do Pass recommendation.

Senator Dick Dever didn't disagree with the spirit of the resolution but wondered if they should also include the upcoming impact of the federal health care bill.

Senator Tim Mathern supported **Senator Dick Dever's** addition that they look at the health care reform and how it impacts this group of people. Even as Obama's budget message was released publicly that consequence to our funding over the coming years is important.

Sen. Larry Robinson joined the committee and testified in support of SCR 4020. He said the resolution is self explanatory. The human services budget is the largest and provides a wide variety of important services to the people of ND. This resolution is an attempt to get a handle on the causes of the increases in the human service caseloads.

Senator Tim Mathern told **Sen. Robinson** that two ideas had been discussed before he came. 1. The impact of health care reform on this group of people. 2. The budget proposals now before Congress in terms of deficit reduction. He wondered if they should add those concepts in this resolution.

Sen. Robinson said he didn't want to assume anything but in looking at the resolution if they are going to do a comprehensive analysis of the causes and reasons he would find it hard to believe that they wouldn't be discussing those issues. There are those who would come down on the side of being more structured that it should be included so no one overlooks those issues.
He would trust the wisdom of the committee if they think it is important to make some revisions to improve the message in 4020.

Senator Judy Lee offered that it occurred to her some of the reasons for the increases were: The medically fragile, the vulnerable population, people in group homes – that kind of care costs money. In a strong economy in order to get people to work in those facilities we need to compete with salaries in the private sector where the jobs are much easier.
Part of the challenge is 6% of that budget is administration and the rest is going to recipients and providers.

Sen. Robinson didn't disagree. He talked about the demography changing, the aging population, and the fear of not being prepared to respond to the demand for 30% more medical providers. This resolution would help build a better understanding and awareness. He was not about cutting services or suggesting they spend new money.

The wording of this resolution is discretionary and, if passed, Sen. Robinson hopes the merits of the resolution are such that it would be studied.

There was no further testimony.

The hearing on SCR 4020 was closed.

Senator Dick Dever moved to **amend to include the impact of the health care reform**.

Seconded by **Senator Spencer Berry**.

Senator Tim Mathern encouraged different wording to include both the concept of health care reform and the federal deficit.
He thought there was debate about it costing more or less for people on assistance.

At the suggestion of **Senator Judy Lee** the motion was withdrawn and both **Senator Dick Dever** and **Senator Tim Mathern** agreed to talk to the intern to draw up amendments so they could be considered by the committee.

Discussion followed on the increases.
Brenda Weisz, Dept. of Human Services, said the increase this biennium is large. The general fund increase is almost as high as the overall increase. It is important to note that 63% of the increase is tied to the FMAP. When the economy of ND is at its greatest

strength in relation to the nation, ND will have to contribute more of the state resources and will receive fewer federal funds. 31% is tied to things such as cost changes. 6% is tied to case load.

Senator Tim Mathern asked if Ms. Weisz had data on the increase in caseload of 10,000 people in an environment where the economy is good. He felt that is a key ingredient in this resolution.

Ms. Weisz answered that part of the largest increase in their Medicaid caseload is tied to the change in the healthy steps going to 160% - the outreach efforts. The majority of it is tied to children.

Committee discussion was adjourned.

2011 SENATE STANDING COMMITTEE MINUTES

Senate Human Services Committee
Red River Room, State Capitol

SCR 4020
2-15-2011
Job Number 14576

☐ Conference Committee

Committee Clerk Signature Mmorrison

Explanation or reason for introduction of bill/resolution:

Minutes: Attachments

Senator Judy Lee opened SCR 4020 for additional information.

Senator Tim Mathern had suggested wording to address the issue of federal health care reform. Attachment #1 His attempt was to recognize that federal health care reform is an issue, that federal budgets are an issue, but he didn't want to add a statement about whether this was positive or negative to our budget or state or to our country but that it should be part of the study.

Senator Dick Dever also had suggested wording for an amendment. Attachment #2

Senator Tim Mathern thought that one of the impacts of more people having insurance, in terms of federal policy, could also have the impact of fewer persons being on Medicaid or other programs.

Senator Tim Mathern moved to **adopt the first line of his amendment (attachment #1) and the second line of Sen. Dever's amendment (attachment #2).**

The motion died for lack of a second.

Senator Dick Dever thought the fact that the eligibility level of Medicaid is increasing indicates that there will be increased cost to the state of ND and is beyond the control of the state of ND.

Senator Dick Dever moved to **accept the amendment he proposed (attachment #2).**

Seconded by **Senator Spencer Berry.**

Senator Judy Lee asked **Maggie Anderson**, Dept. of Human Services, if it was her impression that future expenditures of the Dept. of Human Services would be increased because of Affordable Health Care.

Maggie Anderson, Dept. of Human Services, replied that the department estimates for a ten year period starting in calendar year 2010 and going forward for ten years there would be about a 106 million dollar increase in state general funds to the Dept. of Human Services. The primary cost of that is for the previously eligible newly enrolled as well as the newly enrolled group after the 100% financing ends after the first three years of the expansion. The expansion would begin Jan. 1, 2014.

Senator Tim Mathern stated that there are provisions of health care reform that have mandatory insurance for employers' requirements and individual mandates to buy insurance. Are those situations taken into account?
If the bill passes that would nullify health care reform, and there literally was no health care reform, would there not be those cost estimates.

Ms. Anderson replied that she did not know what the mandates are on the employer requirements within the health care reform bill. They have heard that some employers that currently provide coverage may drop that coverage and there may be additional people who are currently covered with private insurance who may come forward and seek Medicaid coverage. Their numbers do not include that effect of people who are currently covered who might lose coverage who could come on Medicaid.
Her understanding of the individual mandate was that they have to have coverage, not necessarily that they have to purchase insurance.
In answer to the second question she said they would have to wait and see what action happens on that bill and then they would need to act accordingly.

Roll call vote 4-1-0. **Amendment adopted**.

Senator Dick Dever moved a **Do Pass as Amended**.

Seconded by **Senator Spencer Berry**.

Roll call vote 5-0-0. **Motion carried.**

Carried by **Senator Tim Mathern.**

FISCAL NOTE

Requested by Legislative Council
02/02/2011

Bill/Resolution No.: SCR4020

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.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	$0	$0	$0	$0	$0	$0
Expenditures	$0	$0	$0	$0	$0	$0
Appropriations	$0	$0	$0	$0	$0	$0

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

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

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 is a concurrent resolution directing the Legislative Management to study the causes of increases in Department of Human Services caseloads and program utilization.

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 proposed study would be included in the list of studies to be prioritzed by the Legislative Management.

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.*

N/A

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.*

There is no fiscal impact relating to this resolution.

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.*

No additional appropriation necessary.

Name:	Allen H. Knudson	**Agency:**	Legislative Council
Phone Number:	328-2916	**Date Prepared:**	02/03/2011

2-15-2011 #2 1020 Dever

PROPOSED AMENDMENT TO SCR NO. 2040

Page 1, after line 13 insert "WHEREAS, the Patient Protection and Affordable Care Act will increase the future expenditures of the Department of Human Services beyond the control of the State of North Dakota; and"

Page 1, line 17, after "utilization;" insert "and the impact of Health Care Reform;"

Date: 2-15-2011

Roll Call Vote # 1

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 4020

Senate **HUMAN SERVICES** Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number Dever Amendment

Action Taken: ☐ Do Pass ☐ Do Not Pass ☒ Amended ☐ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By **Sen.** Dever Seconded By **Sen.** Berry

Senators	Yes	No	Senators	Yes	No
Sen. Judy Lee, Chairman	✓		Sen. Tim Mathern		✓
Sen. Dick Dever	✓				
Sen. Gerald Uglem, V. Chair	✓				
Sen. Spencer Berry	✓				

Total (Yes) 4 No 1

Absent 0

Floor Assignment

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

11.3082.01001
Title.02000

Adopted by the Human Services Committee

February 15, 2011

2-16-11

PROPOSED AMENDMENTS TO SENATE CONCURRENT RESOLUTION NO. 4020

Page 1, line 2, after "utilization" insert "and the impact of federal health care reform"

Page 1, line 13, after the semicolon insert "and

WHEREAS, the federal Patient Protection and Affordable Care Act will increase the future expenditures of the Department of Human Services beyond the control of the state of North Dakota; "

Page 1, line 17, after "utilization" insert "and the impact of federal health care reform"

Renumber accordingly

Date: 2-15-2011

Roll Call Vote # 2

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 4020

Senate **HUMAN SERVICES** Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☒ Do Pass ☐ Do Not Pass ☒ Amended ☐ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By **Sen.** Dever Seconded By **Sen.** Berry

Senators	Yes	No	Senators	Yes	No
Sen. Judy Lee, Chairman	✓		**Sen. Tim Mathern**	✓	
Sen. Dick Dever	✓				
Sen. Gerald Uglem, V. Chair	✓				
Sen. Spencer Berry	✓				

Total (Yes) 5 No 0

Absent 0

Floor Assignment Sen. Mathern

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

REPORT OF STANDING COMMITTEE

SCR 4020: Human Services Committee (Sen. J. Lee, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SCR 4020 was placed on the Sixth order on the calendar.

Page 1, line 2, after "utilization" insert "and the impact of federal health care reform"

Page 1, line 13, after the semicolon insert "and

WHEREAS, the federal Patient Protection and Affordable Care Act will increase the future expenditures of the Department of Human Services beyond the control of the state of North Dakota; "

Page 1, line 17, after "utilization" insert "and the impact of federal health care reform"

Renumber accordingly

2011 HOUSE HUMAN SERVICES

SCR 4020

2011 HOUSE STANDING COMMITTEE MINUTES

House Human Services Committee
Fort Union Room, State Capitol

SCR 4020
March 16, 2011
Job #15498

☐ Conference Committee

Committee Clerk Signature Vicky Crabtree

Explanation or reason for introduction of bill/resolution:

A study by Legislative Management to find the causes of increases in the DHS caseloads and program utilization and the impact of federal health reform.

Minutes: No Testimony

Chairman Weisz: Opened the hearing on SCR 4020.

Sen. Larry Robinson: From District 24 sponsored and introduced the bill. The resolution before you is a product of having been through a number of sessions working with the DHS budget. You are familiar with the budget and the challenges we have sustaining that effort. It created in my mind a lot of questions. We are in a situation where we are in a strong economy and have very low unemployment. ND is almost a flag ship right now when you compare our state with the nation. That might change down the road, but at this point and time we are in a situation where so many things are going very well. Yet we have a story that continues to unfold in human services in the terms of growing caseloads and the question is why? What are the issues and circumstances driving these caseloads? I thought it was important for us to step back during the interim and take a look at this situation from the standpoint of hopefully coming up with a better understanding. We need some factual information on the causes for the continued rise of caseloads with the human service budget. We know some of the reasons, but not all of the reasons. The budget this time around because of FMAP and other concerns has increased significantly once again. I think it is incumbent that we take a good look at this and document the reasons. The Senate side Human Services Committee did amend it to tie in the healthcare concept and how that is playing out within the budget and we are fine with that. That is the intent behind the resolution. In this budget we not just dealing with numbers we are dealing with faces, families and children. I visited with the motel clerk at the motel I'm staying at and told her what we were working on and said she would love to visit with me on that. She is a single mother with two children. She was on TANF and got off. She said, "I am trying so hard to stay off from TANF. But, I get home at night and have calls from bill collectors. About every third month I'm behind $500-700". And it is an accumulation of healthcare costs, clothing, shoes or dental for her children. She said, "I'm just in a box and I don't want to go back on and I don't know what I'm going to do". She said she tried to get another job, but offset that with daycare, you know the story. It is a real difficult situation. I admired her for her commitment to find a way to make it work. And she has yet to do that. So that and a

number of reasons caused me to and others to think about this whole situation and the need to take another look at it. Someone on the Senate side made the comment, "well haven't we looked at this in years past"? Don't know if we have looked at this to this extent. I would say it is time again. A lot of things have changed. The healthcare situation and a lot of issues. I don't know what it is going to tell us, but I can't help believe it will help us in our deliberations and our budget preparation in 2013. Appears there is no end in sight.

Chairman Weisz: Some of us have asked the same question. We have at least in theory a booming economy and yet we are seeing increased caseloads. Is it your intent to look at support structures that are currently in place or should be in place? The reasons, are they going off of your anecdotal information of the lady going off and then having to go back on because there wasn't any support structures in place? Is it your intent to look at that broad range? Are we not giving them enough support when they are at that bubble?

Sen. Robinson: I think it is all of that. It shouldn't have to be either or. We are kind of in a situation either get on or get off. Is there something in between? I don't know. You mentioned the support structure and that is a good analogy. We have a good system and a great staff. Maybe there are some voids and sometimes we are so close to it that we don't see the trees from the forest. I would hope we would look at and I think we can learn a lot.

No Opposition

Chairman Weisz: What are your wishes committee?

Rep. Damschen: I move a Do Pass

Rep. Holman: Second

Voice Vote: Motion Carried and placed on the Consent Calendar

Bill Carrier: Rep. Devlin

Date: 3-16-11
Roll Call Vote # 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 4020

House HUMAN SERVICES Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☒ Do Pass ☐ Do Not Pass ☐ Amended ☐ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Rep. Damschen Seconded By Rep. Holman

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN WEISZ			REP. CONKLIN		
VICE-CHAIR PIETSCH			REP. HOLMAN		
REP. ANDERSON			REP. KILICHOWSKI		
REP. DAMSCHEN					
REP. DEVLIN					
REP. HOFSTAD					
REP. LOUSER					
REP. PAUR					
REP. PORTER					
REP. SCHMIDT					

Total (Yes) _____ No _____

Absent _____

Floor Assignment Rep. Devlin

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

Voice Vote
Motion Carried

Place on consent Calendar

REPORT OF STANDING COMMITTEE

SCR 4020, as engrossed: Human Services Committee (Rep. Weisz, Chairman) recommends **DO PASS** and **BE PLACED ON THE CONSENT CALENDAR** (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SCR 4020 was placed on the Tenth order on the calendar.

2011 TESTIMONY

SCR 4020

2-15-2011 #1 Nuttern

PROPOSED AMENDMENT TO SCR NO. 4020

Page 1, after line 11 insert "WHEREAS, the Congress and President are debating the issues of health care reform and federal budget deficits."

Page 1, line 17, after "utilization;" insert "and the changing federal government policies;"

2-15-2011 #2 4020 Dever

PROPOSED AMENDMENT TO SCR NO. 2040

Page 1, after line 13 insert "WHEREAS, the Patient Protection and Affordable Care Act will increase the future expenditures of the Department of Human Services beyond the control of the State of North Dakota; and"

Page 1, line 17, after "utilization;" insert "and the impact of Health Care Reform;"