FISCAL NOTE

Requested by Legislative Council 01/04/2017

Amendment to: HB 1119

1 A. **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.

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	2015-2017 Biennium		2017-2019 Biennium		2019-2021 Biennium		
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds	
Revenues							
Expenditures							
Appropriations							

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

	2015-2017 Biennium	2017-2019 Biennium	2019-2021 Biennium
Counties			
Cities			
School Districts			
Townships			

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

HB1119 allows for collection of an overpayment from the service payments for elderly and disabled program to be collected from any person that benefited from, or responsible for, the overpayment.

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.*

HB 1119 has no determinable fiscal impact on either HB 1072 or HB 1012.

- 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.
 - 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.
 - 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 or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.

Name: Jennifer Scheet

Agency: Dept of Human Services

Telephone: 701-328-4608

Date Prepared: 01/06/2017

FISCAL NOTE Requested by Legislative Council 01/04/2017

Bill/Resolution No.: HB 1119

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	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds		
Revenues								
Expenditures								
Appropriations								

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	2015-2017 Biennium	2017-2019 Biennium	2019-2021 Biennium
Counties			
Cities			
School Districts			
Townships			

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HB1119 allows for collection of an overpayment from the service payments for elderly and disabled program to be collected from any person that benefited from, or responsible for, the overpayment.

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 - 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 or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.

Name: Jennifer Scheet

Agency: Dept of Human Services

Telephone: 701-328-4608

Date Prepared: 01/06/2017

2017 HOUSE HUMAN SERVICES

HB 1119

2017 HOUSE STANDING COMMITTEE MINUTES

Human Services Committee

Fort Union Room, State Capitol

HB 1119 1/10/2017 26714

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

Relating to collection of overpayments for service payments for elderly and disabled program and expanded service payments for the elderly and disabled program

Minutes:

1

Chairman Weisz: called the committee to order.

Chairman Weisz: Support for HB 1119

Nancy Nikolas Maier, Director of Aging Services Division for Dept. H.S.

(Attachment 1)

1:30

3:46

Chairman Weisz: Any questions from the committee?

Representative Porter: Where is the component for the appeals process and who they go to do that.

Ms. Maier: When they don't provide their resources for example we need to close the case. They are given a 10 day notice and they are given appeal rights. On the form we give them there would be the name of the appeals supervisor and tell them how to go through that process. Any time this would be used, a case would be closed and they would have appeal rights.

Representative Porter: Who am I appealing to and where do I take that if I think I am right?

Who am I sitting in front of? Who makes that decision? Then is that final or can I take it to district court, administrative law? Where can I take this to keep it going if I think that you're wrong and I am right?

Ms. Maier: If we became aware of this situation we would work with our program integrity unit in medical services. The facts of the case would be presented to a team and the team

House Human Services Committee HB 1119 1/10/17 Page 2

which includes representatives from Aging Services, someone from our legal advisory unit, and the folks from program integrity. If we felt that there were assets that were not disclosed that effected their eligibility again we would close the case. They would be given their appeal rights and then they would have the opportunity to have a hearing with administrative law judge. He would then make a recommendation and if they wanted to take it further then then it could go to the district court.

Representative Porter: Can you show us where this component exists inside those steps that these are the rights of the person that is being accused?

Ms. Maier: Are you talking about the administrative code process that walks through appeals?

Representative Porter: I don't know where it is, but I want to see the steps that this runs through in order to see where it's at.

Jonathan Alm, Attorney Department of Human Services
We can send it electronically to you for the committee members to look at. There are different codes and statutes that would provide the rights to appeal.

Representative Porter: As long as you are up there. I did have one more question. Inside of a blanket statement given by the legislature to the department that there is no statute of limitations in this bill now. Does that allow you to go back 20 years to a case that may be sitting there as kind of a cold case or something that the previous statute of limitations ran out on or the 5 year lookback ran out on or the three year lookback ran out on and allow you to reopen a case or are you thinking that this would give you no statute of limitations inside of SPED or expanded SPED as starting July 1 and going forward on any cases that were closed.

J.Alm: What we are going to be looking at is whether there is any fraud or concealment from the date that this statute would go into effect and going forward.

Representative Seibel: I am not an attorney and I think most of us aren't but what is the doctrine of latches

J. Alm: The doctrine of latches is unforeseen reason or delay that an individual can bring that as a defense. That the department took too long to take action, so they should not be able to collect.

Vice Chairman Rohr: What happens to the documentation if it doesn't go to the court? Does it get shredded and thrown away or just stay someplace?

J. Alm: The Dept. does have retention policies. Some are controlled by federal regulations and some are controlled by internal or state policies or requirements. We may have a 6 year retention for some records and in some situations for like intentional program violations, the federal government has a 100 year retention requirement.

House Human Services Committee HB 1119 1/10/17 Page 3

Representative Skroch: In Section 2 line 22 this bill would authorize the department to action, give direction and adopt rules as necessary to carry out the provisions of this chapter. Is that like rules of enforcement? How does that work, because then it would be out of our hands.

J Alm: That is currently existing language in the statute. The adoption of rules and administrative rules would have to go through administrative rules notice, so we do a publication for individual in the community to provide feedback on our rules and then we go before administrative rules committee. They meet every quarter and then the legislators as a body can determine whether or not to move those rules forward or to deny.

Chairman Weisz: Further questions from the committee?

Representative Schneider: I think the language is permissive so you may recup and this often depends on inaccurate information which often happens with the elderly. difficulty with some of the complicated financial information. So it is more of a mistake than a fraud. Who decides if something needs to be recuped? Is there a protocol or a list of criteria that you consider for that? Or is it just a judgement call and by whom?

J. Alm: Sometimes it is just a simple phone call to figure things out. Sometimes an individual will voluntarily make payment when they realize their mistake was. Sometimes their mistakes don't impact their eligibility either. We also have a Medicaid program integrity unit and they look at the Medicaid side and what recoupment is needed. We would use their expertise.

Chairman Weisz: Is this language identical to the language in the Medicaid portion for the federal government?

J. Alm: I can't say if it is identical. I looked at a couple various statutes we use and put them into one.

Chairman Weisz: Are there further questions from the committee?

Anyone else in support of HB 1119? Any opposition to HB 1119?

Closed the hearing on HB 1119.

2017 HOUSE STANDING COMMITTEE MINUTES

Human Services CommitteeFort Union Room, State Capitol

1119 1/11/2017 26797

☐ Subcommittee

	☐ Conference Committee	
Committee Clerk Signature	Suder Pepple	

Explanation or reason for introduction of bill/resolution:

Relating to collection of overpayments for service payments for service payments for elderly and disabled program and expanded service payments for elderly and disabled program.

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Minutes:		

Discussion

Representative Porter: This is for applications and processes going forward after this bill is passed. That their ability in our limited statute of limitations does not just show up as a blanket policy. That we felt it was important to make sure this is only for after this law goes into effect.

Chairman Weisz: Representative Porter do you think we need an amendment?

Representative Porter: I don't think we need an amendment. Mr. Alm testified that that was their intent and we have legislative intent. I just wanted it on the tape that that is what the department told us and that is what we are voting on. With that I would move a do pass on HB 1119.

Chairman Weisz: We have a motion for a do pass on HB 1119. Do we have a second?

Oh we have amendment.

Representative Porter: Ok. I withdraw my motion. I would move that we accept the proposed amendments from the department.

Chairman Weisz: Does everyone have a copy of the proposed amendments? We have a motion to accept the amendments. Do we have a second?

Representative Seibel: I second

Chairman Weisz: Voice vote for amendments. Motion carried.

House Human Services Committee HB 1119 1/11/17 Page 2

Chairman Weisz: Now we have an amended bill before us.

Representative Porter: I would move a do pass on the amended version of HB 1119

Chairman Weisz: Do we have a second?

Vice Chairman Rohr: Second

Discussion

Chairman Weisz: I agree with Representative Porter that we pass this so it is going forward, Not the retroactive. It is only proactive. They shouldn't be going back in 30 years and suddenly going after someone. If there is no further discussion.

Representative McWilliams: Just so I understand a bit better of how the law is implemented with legislative intent. Does that mean that any person that would execute on this law has to be made aware of legislative intent or will they look at it and be able to interpret it a different way than what the legislative intent was?

Chairman Weisz: Legislative intent is not the force of law. But in effect it is a message to the department. They could still ignore legislative intent, but generally there is a price to be paid if they do that. If there is a question about how they are interpreting it, then you go back and look at legislative intent is, take the testimony, they will take the comments in this committee and take a look at it. If there needs to be an attorney general's opinion, that office uses legislative intent in determining indeed what the legislature intended when they passed this bill if it is not clear. Generally, they will follow legislative intent and J. Alm testified that that was their intent as well so that is on the record. If they decided to not follow legislative intent, they would have to back against their own testimony.

Representative Devlin: Also on this statute, after the legislature has it is passed it, they will have to bring forth the rules. The rules will have to come before the legislative rules committee. There are very few things in law where we can void one of their rules, but that is one. If they violated legislative intent, we can void the rule which we have done and they are very careful about it now.

Representative McWilliams: Would it be easier to propose an amendment to the statute of limitations?

Chairman Weisz: They know upfront that if they would choose to ignore that there is already a process in place we can void the rules. I don't believe in messing with century code if you don't have to. Short, sweet, and simple. If they abuse it we would have to come back and has to pass specific laws to make it clear what legislative intent is.

Chairman Weisz: If there is no further discussion, the clerk will call the roll for a do pass as amended on HB 1119.

Chairman Weisz: Vote is 14 yes 0 no do pass as amended.

House Human Services Committee HB 1119 1/11/17 Page 3

Chairman Weisz: Who would like to carry this one?

Representative Seibel: I will carry it.

Adopted by the Human Services Committee

January 11, 2017

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1119

Page 1, line 18, remove "guardian of the"

Page 1, line 19, after "individual's" insert "legal representative's"

Page 2, line 24, remove "guardian of the"

Page 2, line 25, after "beneficiary's" insert "legal representative's"

Renumber accordingly

Page No. 1

17.8066.01001

Date:	1-	11-	/	7	
Roll Call	Vote	#:	1		_

2017 HOUSE STANDING COMMITTEE ROLL CALL VOTES BILL/RESOLUTION NO. _____

House Human Services				_ Com	mitte
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Amendment LC# or Description:	F/1:	3 /	119 17.8066	.010	10,
Decomposedations # 1					
Recommendation: Adopt Ame		_			
☐ Do Pass		Pass	☐ Without Committee Red		lati
☐ As Amende			☐ Rerefer to Appropriation	าร	
☐ Place on C	onsent Cal	endar			
Other Actions: Reconsider	r				
Motion Made By Rep. 40	rter	∕ Se	conded By	Eile	L
Representatives	Yes	No	Representatives	Yes	N
Chairman Weisz			Rep. P. Anderson		
Vice Chairman Rohr			Rep. Schneider		
Rep. B. Anderson			+9		
Rep. D. Anderson			(1)		
Rep. Damschen					
Rep. Devlin	6	. 1) \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \		
Rep. Kiefert		7			
Rep. McWilliams		V	600		
Rep. Porter) 1	1	NU		
Rep. Seibel	1	<u></u>			
Rep. Skroch	170				_
Rep. Westlind		0			_
				-	_
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Absent					
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Date:	1-11-1	7	
Roll Ca	II Vote #:_	2	

House Human Services				Comr	mittee	
	□ Subcommittee					
Amendment LC# or Description:						
Recommendation: Adopt Amendment Do Pass Do Not Pass Without Committee Recommendation Rerefer to Appropriations Place on Consent Calendar Other Actions: Reconsider Seconded By Rep Roke					lation	
Representative	s Yes	No	Representatives	Yes	No	
Chairman Weisz	V		Rep. P. Anderson	V		
Vice Chairman Rohr	V		Rep. Schneider			
Rep. B. Anderson	~					
Rep. D. Anderson	~					
Rep. Damschen						
Rep. Devlin	V					
Rep. Kiefert						
Rep. McWilliams	V					
Rep. Porter	V					
Rep. Seibel	~					
Rep. Skroch						
Rep. Westlind						
Total (Yes)/	14	No	0			
Absent	2					
Floor Assignment KEP - Seibel						

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

Module ID: h_stcomrep_05_016 Carrier: Seibel

h_stcomrep_05_016

Insert LC: 17.8066.01001 Title: 02000

REPORT OF STANDING COMMITTEE

HB 1119: Human Services Committee (Rep. Weisz, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1119 was placed on the Sixth order on the calendar.

Page 1, line 18, remove "guardian of the"

Page 1, line 19, after "individual's" insert "legal representative's"

Page 2, line 24, remove "guardian of the"

Page 2, line 25, after "beneficiary's" insert "legal representative's"

Renumber accordingly

2017 SENATE HUMAN SERVICES

HB 1119

2017 SENATE STANDING COMMITTEE MINUTES

Human Services Committee Red River Room, State Capitol

HB 1119 2/20/2017 Job Number 28518

☐ Subcommittee☐ Conference Committee

muren

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

A bill relating to collection of overpayments for service payments for elderly and disabled program and expanded service payments for elderly and disable program.

Minutes:

Attachment: #1

For Mana Joll

Chair J. Lee: Brought the hearing to order, all members were present.

(1:00-4:30) Nancy Maier, Director, Aging Services Division, Department of Human Services: Introduced HB 1119 (See Attachment #1).

Senator Piepkorn: What's the extent of the problem now?

Nancy Maier: I wouldn't describe this as a big problem and it happens once in a while; we haven't had the authority to collect over payments.

Senator Piepkorn: When there is a problem it isn't from the recipient themselves but someone who is acting on their behalf?

Nancy Maier: That could be the case, that is why we added a representative because oftentimes it is a family member disclosing finances but it could happen either way.

Chair J. Lee: My understanding from your testimony is that we are just looking to make it consistent with the other programs.

Senator Anderson: Remind me what the appeals process is?

Nancy Maier: There is an appeal process that anyone who is potentially receiving a service, if they are denied, terminated, or their services are reduced, there is a process we follow so they have given their care rights and they would contact an advisor who would set up a process for them to have an administrative hearing with an administrative law judge and that would be the process we would follow.

Senate Human Services Committee HB 1119 2/20/17 Page 2

Senator Anderson: On page 2, we are making this like a student loan where it is not dischargeable so there is no statute of limitations, correct?

Nancy Maier: There would not be a statute of limitations, it would not apply to this.

Senator Anderson: Can you tell me what the statute of limitations would be if that phrase wasn't in there?

Johnathon Alm. Department of Human Services: I would have to check and get back to you with what specifically the statute of limitations would be. It's either 2-3 years.

Chair J. Lee: If we were looking at recapturer on Medicaid or someone who has been in a skilled care facility, how does that compare? After the independent spouse has passed away claim and there is a claim against the estate; then we have a claim to recapture some of the dollars Medicaid spent for the support of that person in the nursing home.

Mr. Alm: The reason why we put the language regarding the statutes of limitations and similar statutes is due to the fact that we may not discover that the individual lied on their application or the authorized representative lied on their application four years down the road, so that would give us the authority to go ahead and collect that overpayment. It would be 7 years down the road that we are able to determine that they lied on their application for us to collect and so that is the purpose behind that. The state recover on Medicaid is a different process than what this is describing here.

V-Chair Larsen: With the Medicaid expansion, when you enroll on the Healthcare.gov website, one of the questions you have to consider to continue to receive healthcare is that you give the ok that if at any time you owe or find yourself ineligible but stay on the Medicaid expansion, that they can collect that from your estate. Even if you are a young person getting the qualification and forget about it, they can come back whenever for that.

Chair J. Lee: I'm not sure if it is also a 5-year timeframe or if there is any time frame on recapturing some of that estate.

Mr. Alm: There are two different processes. If they paid for benefit inappropriately because someone has failed to disclose, we can go after that indicial at any time. Properly paid benefits upon their death if they're not married we can collect if they are past a certain age. If they are married, we have to wait until that spouse passes away and then we can collect against estate.

Chair J. Lee: So years don't matter there, it is the survival of independent spouse?

Mr. Alm: That is correct.

Senator Heckaman: How far does that go back into the estate? Children inheriting the estate would be liable for overpayment?

Senate Human Services Committee HB 1119 2/20/17 Page 3

Mr. Alm: The previous discussion was on the Medicaid estate recovery; on this, it is a matter if the individual failed to disclose or if it is an authorized agent, we are able collect that overpayment from any person that benefited from that failure to disclose.

V-Chair Larsen: Would expound on the collaboration your entity and the PACE pilot programs? How do you work together with that group?

Nancy Maier: The way they work most often is with those referrals made. Someone presents themselves and has a need for home community based series, maybe they have their assessment done with the county case manager and the particular need that they have cannot be met under one of our waivers, they make a referral to the PACE program for those particular services and vice versa.

Chair J. Lee: What does PACE stand for and how does it differ?

Nancy Maier: PACE is Program for All-Inclusive Care for the Elderly and it is a managed care series where someone who is on Medicaid and Medicare and it a service that wraps around that individual to support them in the home. So they would act as their managed care, so they would help them with their medical needs, help with personal cares, attend day center for activities and socialization. It takes the Medicaid and Medicare benefits and puts them under one roof and supports that person in a person centered way.

No opposition or neutral testimony.

Chair J. Lee: Closed the hearing on Engrossed HB 1119.

V-Chair Larsen: Do Pass on Engrossed HB 1119.

Senator Kreun: Seconded the motion.

A Roll Call Vote Was Taken: 7 yeas, 0 nays, 0 absent.

Motion Carries.

V-Chair Larsen will carry the bill to the floor.

Date:	2/20	_2017
Roll Call Vote #:_	1	

2017 SENATE STANDING COMMITTEE ROLL CALL VOTES

		BILL/RESOLUTION NO	1119	
Senate _	Human S	Services		Committee
		☐ Subcomm	ittee	
Amendmer	nt LC# or I	Description:		
Recommer	ndation:	 ☐ Adopt Amendment ☒ Do Pass ☐ Do Not Pass ☐ As Amended ☐ Place on Consent Calendar 	☐ Without Committee Reco☐ Rerefer to Appropriations	
Other Actio	ons:	☐ Reconsider		
Motion Ma	ade By _	Sun. Lassen Se	conded By Sen. K	revu

0	V	N.	0	- V	Ma
Senators	Yes	No	Senators	Yes	No
Senator Judy Lee (Chairman)	X		Senator Joan Heckaman		
	1				
Senator Oley Larsen (Vice-Chair)	X		Senator Merrill Piepkorn	X	
O a salar Haward O Ardanan In	1			/	
Senator Howard C. Anderson, Jr.				-	
Senator David A. Clemens	X				
Senator Curt Kreun	X				
Total (Yes)					
Absent					
Floor Assignment Seu. Larsen					

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

Com Standing Committee Report February 20, 2017 11:14AM

Module ID: s_stcomrep_33_012 Carrier: O. Larsen

REPORT OF STANDING COMMITTEE

HB 1119, as engrossed: Human Services Committee (Sen. J. Lee, Chairman) recommends DO PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1119 was placed on the Fourteenth order on the calendar.

(1) DESK (3) COMMITTEE Page 1 s_stcomrep_33_012

2017 TESTIMONY

HB 1119

att. 1

Testimony House Bill 1119 – Department of Human Services House Human Services Committee Representative Robin Weisz, Chairman January 10, 2017

Chairman Weisz, and members of the House Human Services Committee, I am Nancy Nikolas Maier, Director of the Aging Services Division, for the Department of Human Services (Department). I am here today to support House Bill 1119, which was introduced at the request of the Department.

Through House Bill 1119, the Department is requesting to amend section 50-06.2-10 and 50-24.7-02 of the North Dakota Century Code to obtain authority for the collection of overpayments for the Service Payments for the Elderly and Disabled (SPED) program and the Expanded Service Payments for the Elderly and Disabled (Ex-SPED) program when a recipient or guardian of the recipient provides inaccurate information for the purpose of obtaining benefits.

In order to qualify for SPED or Ex-SPED services, an individual or their legal representative must provide sufficient information to determine their functional and financial eligibility for the service. If an individual provides inaccurate or false information about finances, health status, or ability to complete everyday tasks, the Department currently lacks the authority to recoup the funds that were paid for the services received when the individual was not eligible.

This authority exists for home and community based services (HCBS) that are Medicaid-funded, but does not exist for SPED and Ex-SPED which are

funded through State general fund. House Bill 1119 proposes to provide for a consistent recipient overpayment collection policy for all HCBS programs.

The requested changes are as follows:

Section 1 of this Bill adds a subsection 3 to sections 50-06.2-10 to provide for the recoupment of any overpayment that results from an eligible individual's or guardian of the eligible individual's concealment, misrepresentation, fraud, or from assistance granted pending a decision on an appeal that was adverse to the recipient. It further states that an overpayment may be collected from any person who benefitted from, or who was responsible for the overpayment and that no statute of limitations or similar statute prevents the Department from recouping the overpayment.

Section 2 of this Bill amends subsections 1, 2, and 3 of section 50-24.7-02 to clarify language and does not modify the intent of these subsections. Subsection 4 of section 50-24.7-02 was added to provide for the recoupment of any overpayment that results from an eligible individual's or guardian of the eligible individual's concealment, misrepresentation, fraud, or from assistance granted pending a decision on an appeal that was adverse to the recipient. It further states that an overpayment may be collected from any person who benefitted from, or who was responsible for the overpayment and that no statute of limitations or similar statute prevents the Department from recouping the overpayment.

Attached to my testimony is a proposed amendment to House Bill 1119. The proposed amendment replaces "guardian of the eligible individual's" with "the eligible individual's legal representative" in sections 50-06.2-10, page 1 lines 18 and 19, and 50-24.7-02, page 2, lines 24 and 25, to ensure



9

guardians, power of attorneys, and other individuals with legal authority are included.

This concludes my testimony. I will be happy to address any questions you may have.

Proposed Amendments to House Bill No. 1119

att. 2 1481119 1-10-17

Page 1, line 18, remove "guardian of the"

Page 1, line 19, after "individual's" insert "legal representative's"

Page 2, line 24, remove "guardian of the"

Page 2, line 25, after "beneficiary's" insert "legal representative's"

Renumber accordingly

Testimony Engrossed House Bill 1119 – Department of Human Services Senate Human Services Committee Senator Judy Lee, Chairman February 20, 2017

Chairman Lee, and members of the Senate Human Services Committee, I am Nancy Nikolas Maier, Director of the Aging Services Division, for the Department of Human Services (Department). I am here today to support Engrossed House Bill 1119, which was introduced at the request of the Department.

Through Engrossed House Bill 1119, the Department is requesting to amend section 50-06.2-10 and 50-24.7-02 of the North Dakota Century Code to obtain authority for the collection of overpayments for the Service Payments for the Elderly and Disabled (SPED) program and the Expanded Service Payments for the Elderly and Disabled (Ex-SPED) program when a recipient or legal representative of the recipient provides inaccurate information for the purpose of obtaining benefits.

In order to qualify for SPED or Ex-SPED services, an individual or their legal representative must provide sufficient information to determine their functional and financial eligibility for the service. If an individual or their legal representative provides inaccurate or false information about finances, health status, or ability to complete everyday tasks, the Department currently lacks the authority to recoup the funds that were paid for the services received when the individual was not eligible.

This authority exists for home and community based services (HCBS) that are Medicaid-funded, but does not exist for SPED and Ex-SPED which are

funded through State general fund. Engrossed House Bill 1119 proposes to provide for a consistent recipient overpayment collection policy for all HCBS programs. SPED and Ex-SPED recipients may request an appeal of a decision by the Department to recoup overpayments per N.D. Admin. Code § 75-03-23-11 and N.D. Admin. Code § 75-03-24-09.

The requested changes are as follows:

Section 1 of this Bill adds a subsection 3 to section 50-06.2-10 to provide for the recoupment of any overpayment that results from an eligible individual's or eligible individual's legal representative's concealment, misrepresentation, fraud, or from assistance granted pending a decision on an appeal that was adverse to the recipient. It further states that an overpayment may be collected from any person who benefited from, or who was responsible for the overpayment and that no statute of limitations or similar statute prevents the Department from recouping the overpayment.

Section 2 of this Bill amends subsections 1, 2, and 3 of section 50-24.7-02 to clarify language and does not modify the intent of these subsections. Subsection 4 of section 50-24.7-02 was added to provide for the recoupment of any overpayment that results from an eligible individual's or eligible individual's legal representative's concealment, misrepresentation, fraud, or from assistance granted pending a decision on an appeal that was adverse to the recipient. It further states that an overpayment may be collected from any person who benefited from, or who was responsible for the overpayment and that no statute of limitations or similar statute prevents the Department from recouping the overpayment.

This concludes my testimony. I will be happy to address any questions you may have.