

November 2009

## OTHER DUTIES OF THE HEALTH AND HUMAN SERVICES COMMITTEE - BACKGROUND MEMORANDUM

In addition to the study responsibilities assigned to the Health and Human Services Committee for the 2009-10 interim, the committee has also been assigned to:

- Receive annual reports from the Department of Human Services regarding children's health insurance program statistics;
- Recommend a private entity to contract with for preparing cost-benefit analyses of health insurance mandate legislation;
- Receive annual reports from the Department of Human Services regarding the alternatives-to-abortion services program;
- Receive periodic reports from the State Health Officer and the Regional Public Health Network Task Force regarding the protocol for the regional public health network; and
- Receive an accountability report from the North Dakota Fetal Alcohol Syndrome Center before September 1, 2010, regarding the use of funds granted to the center by the State Department of Health.

### STATE CHILDREN'S HEALTH INSURANCE PROGRAM STATISTICS

North Dakota Century Code Section 50-29-02 ([Appendix A](#)) provides that the Legislative Management receive annual reports from the Department of Human Services describing enrollment statistics and costs associated with the state children's health insurance program. The Legislative Management assigned this responsibility to the Health and Human Services Committee. The 2009 Legislative Assembly appropriated \$21,632,536, of which \$5,598,799 is from the general fund and \$16,033,737 is from federal funds, for Healthy Steps (North Dakota's children's health insurance program). The 2009 Legislative Assembly made a number of adjustments to the funding for Healthy Steps, including:

- Increased eligibility for the program from 150 percent to 160 percent of the federal poverty level.
- Adjusted funding to reflect utilization rejections anticipating an average of 3,941 children per month and a revised premium amount of \$228.71 per month.
- Added funding of \$300,000 from the general fund for additional program outreach.

The following schedule provides a comparison of funding for Healthy Steps:

	2007-09 Biennium	2009-11 Executive Budget	2009-11 Legislative Appropriation	2009-11 Legislative Increase (Decrease) to 2009-11 Executive Budget	2009-11 Legislative Increase (Decrease) to 2007-09 Biennium
Total Healthy Steps	\$20,204,746	\$35,248,129	<b>\$21,632,536</b>	(\$13,615,593)	\$1,427,790
General fund	\$4,669,885	\$9,122,897	<b>\$5,598,799</b>	(\$3,524,098)	\$928,914
Federal funds	\$15,534,861	\$26,125,232	<b>\$16,033,737</b>	(\$10,091,495)	\$498,876

The department contracts with Blue Cross Blue Shield of North Dakota for the health insurance coverage for the children in the program. The premium rate for the 2009-11 biennium is anticipated to be \$228.71 per child per month, an increase of 13 percent compared to the 2007-09 premium rate of \$202.40.

### HEALTH INSURANCE COVERAGE MANDATES

Section 54-03-28 ([Appendix B](#)) provides that a legislative measure mandating health insurance coverage may not be acted on by any committee of the Legislative Assembly unless accompanied by a cost-benefit analysis. The Health and Human Services Committee has been assigned the responsibility of recommending a private entity, after receiving recommendations from the Insurance

Commissioner, for the Legislative Council to contract with to perform the cost-benefit analysis for the 2011 Legislative Assembly. The Insurance Commissioner is to pay the costs of the contracted services and each cost-benefit analysis must include:

1. The extent to which the proposed mandate would increase or decrease the cost of services.
2. The extent to which the proposed mandate would increase the use of services.
3. The extent to which the proposed mandate would increase or decrease the administrative expenses of insurers and the premium and administrative expenses of the insured.
4. The impact of the proposed mandate on the total cost of health care.

The section also provides that a legislative measure mandating the health insurance coverage must provide that:

1. The measure is effective only for the next biennium.
2. The application of the mandate is limited to the public employees health insurance program and the public employees retiree health insurance program.
3. For the next Legislative Assembly, the Public Employees Retirement System prepare and request introduction of a bill to repeal the expiration date and extend the mandated coverage to apply to all accident and health insurance policies.

The Public Employees Retirement System Board is also required to prepare a report, which is attached to the bill, regarding the effect of the mandated coverage or payment on the system's health insurance program. The board must include information on the utilization and costs relating to the mandated coverage and a recommendation on whether the coverage should continue.

A majority of the members of the standing committee to which the legislative measure is referred during a legislative session, acting through the chairman, determines whether a legislative measure mandates coverage of services. Any amendment to the legislative measure that mandates health insurance coverage may not be acted on by a committee of the Legislative Assembly unless the amendment has had a cost-benefit analysis prepared and attached.

The Insurance Department has categorized and defined mandated health insurance benefits as follows:

1. Service mandates - Benefit or treatment mandates that require insurers to cover certain treatments, illnesses, services, or procedures. Examples include child immunization, well-child visits, and mammography.
2. Beneficiary mandates - Mandates or defines the categories of individuals to receive benefits. Examples include newborns from birth, adopted children from the time of adoption, and handicapped dependents.
3. Provider mandates - Mandates that require insurers to pay for services provided by specific providers. Examples include nurse practitioners, optometrists, and psychologists.
4. Administrative mandates - Mandates that relate to certain insurance reform efforts that increase the administrative expenses of a specific health care plan. Examples include information disclosures, precluding companies from basing policy rates on gender, and precluding insurers from denying coverage for preauthorized services.

The 2003-04 and 2005-06 interim Budget Committees on Health Care and the 2007-08 interim Human Services Committee recommended that the Insurance Department contract with Milliman USA for cost-benefit analysis services on health insurance

mandates during the 2005, 2007, and 2009 legislative sessions. During the 2005 legislative session, two bills were referred for cost-benefit analysis at a total cost of \$8,323. In addition, the Insurance Department paid \$5,606 to Milliman USA for general project work during the 2005 legislative session for total payments during the 2005 legislative session of \$13,929. During the 2007 legislative session, there were no health insurance mandates referred for cost-benefit analysis. The Insurance Department paid a total of \$28,070 to Milliman USA for analyses conducted on three bills during the 2009 legislative session.

## **ALTERNATIVES-TO-ABORTION SERVICES PROGRAM REPORTS**

The 2009 Legislative Assembly approved Senate Bill No. 2391 ([Appendix C](#)) which requires the Department of Human Services, in consultation with a nongovernmental entity that provides alternatives-to-abortion services, contract to inform the public about the alternatives-to-abortion services program. The bill provides \$100,000 from federal temporary assistance for needy families block grant funds to the Department of Human Services to inform the public about the alternatives-to-abortion services program. The appropriation bill for the Department of Human Services--House Bill No. 1012 (2009)--includes \$400,000 from federal funding for the alternatives-to-abortion services program to provide a total of \$500,000 from federal funds for the program.

In addition, Senate Bill No. 2391 requires that during the 2009-10 interim the Department of Human Services make annual reports to the Legislative Management regarding the status of the alternatives-to-abortion services program. The Health and Human Services Committee has been assigned the responsibility to receive this report.

The program began in 2005 and provides funds to organizations that provide alternatives-to-abortion services and to educate the public about the program. The schedule below presents the appropriations provided by the Legislative Assembly for the 2005-07 through 2009-11 bienniums:

Biennium	Appropriations From Federal Funds
2005-07	\$500,000
2007-09	\$400,000
2009-11	\$500,000

The 2005-06 interim Judiciary Committee received the alternatives-to-abortion services report from the Department of Human Services for the 2005-07 biennium. The report indicated that the Department of Human Services was unable to obtain funding from the federal Office of Faith-Based and Community Initiatives during the 2005-07 biennium for the project. Funds from this office were available only for abstinence programs or grants to agencies that would provide technical assistance to faith-based or community-based programs interested in applying for federal funds. Because funds were not available from

that source, the department used federal temporary assistance for needy families funds for the program. The department provided alternatives-to-abortion services by making vouchers available to individuals needing the service. Those individuals used the vouchers to access the services and the service providers used the vouchers to bill the department. This method allowed the department to pay all interested providers for these services. The department contacted all agencies that had been providing alternatives-to-abortion services before implementation of the program. These agencies became partners in developing the program and are receiving payments through the program for their services. Nine agencies were providing services during the 2005-07 biennium, including BirthRight, Catholic Charities of North Dakota, Christian Family Life Services, First Choice Clinic, the Perry Center, the St. Gianna Maternity Home, the Village Family Service Center, the Women's Pregnancy Center, and the YFC Teen Moms. Mental Health America of North Dakota is also a partner by allowing use of its 211 hotline to direct referrals to the alternatives-to-abortion services program. The department developed a script for the Mental Health America of North Dakota staff to use when a 211 call is received regarding an unplanned pregnancy. The program became operational shortly before the beginning of 2006. Through May 2007, nine service providers had submitted 12,111 claims for services. Through May 2007 a total of 1,470 clients had been served at a total cost of \$150,200.

The 2007-08 interim Human Services Committee received the alternatives-to-abortion services report from the Department of Human Services for the 2007-09 biennium. The committee learned 15 agencies were providing alternatives-to-abortion services. Nine agencies provide outpatient services while two are residential facilities for pregnant women. The committee learned 882 women received services through providers of alternatives-to-abortion services from July 2007 through September 2008. Information on alternatives to abortion was distributed in September 2007 to higher education institutions and larger high schools in the state. The committee learned the department contracted with Mental Health America of North Dakota to allow the alternatives-to-abortion services program to be a part of the 211 call answering service. Mental Health America of North Dakota received 24 211 calls regarding unplanned pregnancies in 2006 and 1 call in 2007. Total program expenditures for the 2007-09 biennium were \$321,202.

### **REGIONAL PUBLIC HEALTH NETWORK REPORT**

The 2009 Legislative Assembly approved Senate Bill No. 2333 ([Appendix D](#)) to create regional public health networks. Section 1 of Senate Bill No. 2333 establishes regional public health networks that

correspond to the emergency preparedness and response regions established by the State Department of Health. The regional public health networks must share a minimum of three administrative functions and a minimum of three public health services. Participation by local public health units is voluntary. The bill provides \$275,000 from the general fund to the State Department of Health for a regional public health network pilot project.

Section 2 of Senate Bill No. 2333 directs the State Health Officer to appoint a Regional Public Health Network Task Force to meet during the 2009-10 interim to establish protocol for the regional public health network. The task force is to consist of at least seven members, including at least three members representing local public health districts, three members representing private health care providers, and representatives of the State Department of Health. The bill requires the State Health Officer and the Regional Public Health Network Task Force to report periodically to the Legislative Management during the 2009-10 interim regarding the development of the regional public health network. The Health and Human Services Committee has been assigned the responsibility to receive this report.

### **NORTH DAKOTA FETAL ALCOHOL SYNDROME CENTER REPORT**

The 2009 Legislative Assembly approved Senate Bill No. 2412 ([Appendix E](#)) providing a \$369,900 general fund appropriation to the State Department of Health for a grant to the North Dakota Fetal Alcohol Syndrome Center.

The North Dakota Fetal Alcohol Syndrome Center began diagnosis of fetal alcohol syndrome in 1982. The center received competitive funding to form the Four State Fetal Alcohol Syndrome Consortium, which included Minnesota, Montana, North Dakota, and South Dakota, to examine rates of alcohol use during pregnancy and identify intervention and prevention strategies. The 1993 Legislative Assembly established the North Dakota Fetal Alcohol Syndrome Center at the University of North Dakota where the Fetal Alcohol Syndrome Clinic evaluates and treats children and adults for fetal alcohol syndrome and related conditions. The center also has multiple ongoing research activities funded by the National Institutes of Health and by the Centers for Disease Control and Prevention.

Section 2 of Senate Bill No. 2412 requires the North Dakota Fetal Alcohol Syndrome Center to provide an accountability report with respect to the use of the funds appropriated. The Health and Human Services Committee has been assigned the responsibility to receive this report.

ATTACH:5