

July 2005

## STUDY OF SERVICES TO CHILDREN WITH SPECIAL HEALTH CARE NEEDS - BACKGROUND MEMORANDUM

House Concurrent Resolution No. 3054 (attached as Appendix A) provides for a study of state programs providing services to children with special health care needs to determine whether the programs are effective in meeting these special health care needs, whether there are gaps in the state's system for providing services to children with special health care needs, and whether there are significant unmet special health care needs of children which should be addressed.

In addition, Section 5 of 2005 Senate Bill No. 2395 (attached as Appendix B) requires the Department of Human Services to report to the Legislative Council regarding the status of the Medicaid waiver to provide in-home services to children with extraordinary medical needs who would otherwise require hospitalization or nursing facility care, the number of applications the department receives for the in-home services, and the status of the program's appropriation. The Legislative Council assigned this responsibility to the Budget Committee on Human Services.

### 2005 LEGISLATIVE ACTION

The 2005 Legislative Assembly approved Senate Bill No. 2395 which authorizes the Department of Human Services to provide services for children with Russell-Silver syndrome. The bill provides that the department pay up to \$50,000 per child per biennium for medical food and growth hormone treatment at no cost to the children who have been diagnosed with Russell-Silver syndrome regardless of the family's income. The bill appropriates \$150,000 from the general fund for providing the Russell-Silver syndrome services for the 2005-07 biennium.

Section 3 of the bill requires the department to apply for a Medicaid waiver to provide in-home services to children with extraordinary medical needs who would otherwise require hospitalization or nursing facility care which, if approved, will allow the services to be provided under the Medicaid program. The department may limit the waiver to 15 participants and may prioritize the applicants by degree of need.

### CHILDREN'S SPECIAL HEALTH SERVICES PROGRAM

North Dakota Century Code Chapter 50-10 (attached as Appendix C) provides for aid to crippled children in North Dakota.

Based on these statutory provisions, the Department of Human Services has established the children's

special health services program. The program is within the Medical Services Division of the department. The program assists in the payment of the cost of medical services for eligible North Dakota residents up to 21 years of age who require health and related services beyond those needed by most children. The program provides assistance for diagnostic and treatment services for over 100 eligible medical conditions. The program's medical condition list is attached as Appendix D. Families apply for services at county social services offices. Financial eligibility is not required for diagnostic services; however, for treatment services, families at or below 185 percent of the federal poverty level receive services at no cost to the family. If a family's income exceeds 185 percent of the federal poverty level, the child may still be eligible but the family shares in the cost of the services.

### FUNDING

For the 2005-07 biennium, the children's special health services program includes seven full-time equivalent (FTE) positions and funding as follows:

Salaries and wages	\$636,127
Operating expenses	92,540
Grants	1,056,911
<b>Total</b>	<b>\$1,785, 578</b>
General fund	\$790,750
Federal funds	994,828
<b>Total</b>	<b>\$1,785,578</b>

### STUDY PLAN

The committee may wish to proceed with this study as follows:

1. Receive information from the Department of Human Services regarding children's special health services program statistics, including the number of children served, covered medical conditions, the appropriateness of the eligibility guidelines, and other conditions that should be considered for coverage.
2. Receive testimony from other interested persons regarding the children's special health services program guidelines and other conditions that should be considered for inclusion in the program.

3. Receive information on surrounding state services provided to children with extraordinary health care needs.
4. Receive status reports from the Department of Human Services regarding the department's Medicaid waiver to provide in-home services to children with extraordinary medical needs under the Medicaid program.
5. Develop committee recommendations and any legislation necessary to implement the recommendations.
6. Prepare the committee's report for the Legislative Council.

ATTACH:4