

**SECOND ENGROSSMENT
with Senate Amendments**

Fifty-seventh
Legislative Assembly
of North Dakota

REENGROSSED HOUSE BILL NO. 1441

Introduced by

Representatives Niemeier, Boucher, Cleary, Kerzman

Senator Bercier

1 A BILL for an Act to create and enact a new subsection to section 50-24.1-02.6 of the North
2 Dakota Century Code, relating to medical assistance benefits; to amend and reenact sections
3 50-29-01, 50-29-02, and subdivision a of subsection 6 of section 50-29-04 of the North Dakota
4 Century Code, relating to the children's health insurance program; to repeal section 50-29-03 of
5 the North Dakota Century Code, relating to administration of the children's health insurance
6 program by county agencies; to provide for a legislative council study; to require maximizations
7 of federal reimbursement; to require grant applications; to provide an appropriation; and to
8 provide an effective date.

9 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

10 **SECTION 1.** A new subsection to section 50-24.1-02.6 of the North Dakota Century
11 Code is created and enacted as follows:

12 The department of human services shall provide medical assistance benefits to
13 children and families coverage groups without consideration of assets.

14 **SECTION 2. AMENDMENT.** Section 50-29-01 of the North Dakota Century Code is
15 amended and reenacted as follows:

16 **50-29-01. Definitions.** As used in this chapter:

- 17 1. "Children's health insurance program" means a program to provide health
18 assistance to low-income children funded through title XXI of the federal Social
19 Security Act [42 U.S.C. 1397aa et seq.].
20 2. ~~"County agency" means the county social service board.~~
21 3. "Department" means the department of human services.
22 4. 3. "Plan" means the children's health insurance program state plan.

- 1 5- 4. "Poverty line" means the official income poverty line as defined by the United
2 States office of management and budget and revised annually in accordance with
3 42 U.S.C. 9902(2), applicable to a family of the size involved.

4 **SECTION 3. AMENDMENT.** Section 50-29-02 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **50-29-02. Duties of the department.** The department shall:

- 7 1. Prepare, submit, and implement the plan that includes eligibility determinations for
8 self-employed applicants based on the average of the previous three years of
9 adjusted gross income, which means the adjusted gross income as computed for
10 an individual for federal income tax purposes under the Internal Revenue Code;
11 2. ~~Supervise the administration of~~ Administer the children's health insurance program
12 throughout this state;
13 3. Take action, give directions, and adopt rules as may be necessary or desirable to
14 carry out ~~the provisions of~~ this chapter;
15 4. After federal approval of the plan, apply for a federal waiver allowing plan coverage
16 for a family through an employer-based insurance policy if an employer-based
17 family insurance policy is more cost-effective than the traditional plan coverage for
18 the children;
19 5. Report annually to the legislative council and describe enrollment statistics and
20 costs associated with the plan; and
21 6. ~~Reimburse counties for expenses incurred in the administration of the children's~~
22 ~~health insurance program at rates based upon all counties' total administrative~~
23 ~~costs; and~~
24 7- Administer all funds appropriated or made available to the department for the
25 purpose of carrying out ~~the provisions of~~ this chapter.

26 **SECTION 4. AMENDMENT.** Subdivision a of subsection 6 of section 50-29-04 of the
27 North Dakota Century Code is amended and reenacted as follows:

- 28 a. ~~An~~ A gross income eligibility limit of one hundred ~~forty~~ eighty-five percent of
29 the poverty line, except as otherwise provided under section 50-29-02 for
30 self-employed individuals;

1 **SECTION 5. REPEAL.** Section 50-29-03 of the North Dakota Century Code is
2 repealed.

3 **SECTION 6. LEGISLATIVE COUNCIL STUDY.** During the 2001-02 interim, the
4 legislative council shall consider studying the feasibility and desirability of standardizing the
5 definition of "income" for all programs administered by the department of human services,
6 whether the state or the counties should administer the children's health insurance program,
7 the costs and procedures to provide equal payment under the medical assistance and
8 children's health insurance programs, and the effects of eliminating the asset eligibility
9 requirement for the medical assistance program. The legislative council shall report its findings
10 and recommendations, together with any legislation required to implement the
11 recommendations, to the fifty-eighth legislative assembly.

12 **SECTION 7. FEDERAL REIMBURSEMENT.** The department of human services shall
13 seek an amendment to its state plan to maximize federal reimbursement through the program
14 to provide health assistance to low-income children funded through title XXI of the federal
15 Social Security Act, for the removal of the asset test for the medical assistance program.

16 **SECTION 8. GRANTS - APPROPRIATION.** The department of human services shall
17 study the feasibility and desirability of standardizing the definition of "income" for all programs
18 administered by the department, whether the state or the counties should administer the
19 children's health insurance program, the costs and procedures to provide equal payment under
20 the medical assistance and children's health insurance programs, and the effects of eliminating
21 the asset eligibility requirement for the medical assistance program. Before April 1, 2002, the
22 department shall report the results of these studies to the legislative council. The department
23 shall seek grants to fund these studies from the academy for health research and health policy
24 state coverage initiative and from any other entity that may award such grants. All grant
25 moneys awarded to the department of human services under this section are appropriated to
26 the department of human services for the purpose of defraying the costs of the studies required
27 under this section, for the biennium beginning July 1, 2001, and ending June 30, 2003.

28 **SECTION 9. EFFECTIVE DATE.** Sections 1 and 4 of this Act become effective on
29 January 1, 2002.