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Deanna Hallen
Operator's Signature

10/22/03

Date

2003 SENATE HUMAN SERVICES

SB 2364

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10/22/03

Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2364

Senate Human Services Committee

☐ Conference Committee

Hearing Date February 3, 2003

| Tape Number | Side A | Side B | Meter # |
|---|--------|--------|-------------|
| 1 | X | X | 2350 - 5308 |
| 2 | X | | 1878 - 2217 |
| Committee Clerk Signature <i>Donna Kramer</i> | | | |

Minutes:

SENATOR JUDY LEE opened the public hearing for SB 2364 relating to definitions under the children's health insurance program.

SENATOR ERBELE introduced the bill SB 2364 which adds the unborn child to the program who come under SCHIP after birth. About 20 people per year. (Meter # 2350 - 2600)

SENATOR BROWN: Some fall through the cracks who don't have medical insurance.

SENATOR ERBELE: That is my understanding.

SENATOR LEE: SCHIP does include prenatal care for women who have to have it. (Meter # 2649)

CHRIS DODSON, Executive Director of Catholic Conference, testified. (Written testimony)

For children not qualified for Medicaid. Urge do pass. \$1,000 per child is the cost of prenatal services. (Meter 2707 - 3420)

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10/22/03
Date

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Senate Human Services Committee
Bill/Resolution Number SB 2364
Hearing Date February 3, 2003

SENATOR LEE: "Wiggle room" for Appropriations mentioned. Eliminates million dollar baby stuff. (Meter # 3430 - 3540)

CHRIS DODSON: Keep policy, change the way it is implemented. State has a lot of options.
(Meter # 3535 - 3679)

SENATOR LEE: How many of the 30 mothers had prenatal care? (Meter # 3692)

CHRIS DODSON: Assume they did not have coverage. (Meter # 3720 - 3800)

STACEY PFLIGER, Executive Director of the North Dakota Right to Life Association, testified. (Written testimony) Urged a do pass.

DAVID ZENTNER, Director of Medical Services for the Department of Human Services, provided information regarding SB 2364. (Written testimony) (Meter # 4029 - 4582)

DAN ULMER, Lobbyist, BCBS, testified in a neutral position. Did a SWAG and came up with a number as of Friday, \$2,000 over a 9 month period and 6 months after. There is an additional question ... what does the language "unborn children" mean? Conception to birth? Need to definite parameters of the bill. (Meter # 4629 - 5224)

Public Hearing closed. (Meter #5308)

Committee Discussion:

CHRIS DODSON gave some proposed amendments to SB 2364 and explanation. (Meter # 1882 - 2005)

SENATOR FISCHER: How do we deal with the indirect?

CHRIS DODSON: Same definition. (Meter # 2030 - 2061)

SENATOR LEE: Give to David Zentner. (Meter # 2062 - 2117)

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2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2364

Senate Human Services Committee

☐ Conference Committee

Hearing Date February 5, 2003

| Tape Number | Side A | Side B | Meter # |
|---|--------|--------|-----------|
| 2 | | X | 94 - 3187 |
| 2 | | X | 4027 |
| | | | |
| Committee Clerk Signature <i>Donna Hramer</i> | | | |

Minutes:

SENATOR JUDY LEE opened committee discussion on SB 2364 relating to definitions under the children's health insurance program.

DAN ULMER, of BCBS, stated that they were back to the original number. \$1,000 per child for prenatal. Cost of the plan \$1.10 per policy. Another option, to have a newborn with 9 months worth of premium. We need to sit down with Human Services. (Meter # 94 - 290)

CHRIS DODSON, Ex. Dir. of Catholic Conference, talked about the number of cost dollars and the amendment which gives coverage for prenatal. (Meter # 303 - 580)

DAVID ZENTNER, Director of Medical Services, stated when a newborn is put on the system ... the family is on the program. They check date of birth and add if they are not Medicaid eligible, there is no gap. What original amendment would have done is create a gap. Fix this language

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10/22/03
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Senate Human Services Committee

Bill/Resolution Number SB 2364

Hearing Date February 5, 2003

later based on what the Federal government says. Continued discussion with committee on the newborn first child qualifying the month after the application is made. (Meter # 596 - 1110)

SENATOR BROWN questioned why do we need this legislation? Who is going to help that isn't being helped now?

DAVE ZENTNER: Stated extending coverage services to the unborn prior to birth up to the time of conception. The Bush Administration created this window. We have to decide whether we want to do it or not ... optimal. Discussion with committee. Refer to CHIP does not cover adults. CARING program does not cover prenatal or maternity. Coverage under Medicaid explained. (Meter # 1170 - 1574)

SENATOR POLOVITZ: Does any of your departments, Medicaid or BCBS, have insurance on insurance?

DAN ULMER: Pooled in cost of premium.

CHRIS DODSON: Another way to look at this. Same 23 kids ... mothers are in 20-40% poverty level. Option here. (Meter # 1705 - 1785)

SENATOR LEE: Is there a definition of unborn child as opposed to fetus and embryo?

CHRIS DODSON: Rules say conception to birth. Rules say that children can be conception to under age 19. (Meter # 1836 - 1920)

SENATOR LEE: Have we any evidence that any person has not gotten proper coverage because of a little crack in the CHIP or Medicaid net?

DAVE ZENTNER: Could not give an answer.

DAN ULMER: No one denied medical care.

SENATOR FISCHER made a motion to approve the amendment.

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Senate Human Services Committee
Bill/Resolution Number SB 2364
Hearing Date February 5, 2003

SENATOR FAIRFIELD seconded the motion.

Roll call was read. 4 yeas 1 nay and 1 absent.

SENATOR LEE mentioned that there should be a fiscal note but we not have it as yet.

We could consider bringing it back if we had too. But, at this point, I would like to be able to move it along. (Meter # 2327 - 2535)

SENATOR BROWN made motion of DO NOT PASS as amended and rereferred to Appropriations..

SENATOR LEE seconded the motion. She had passed the gavel to Vice Chairman Brown.

Committee discussion.

SENATOR BROWN stated that no one has been denied. Not opposed to prenatal care.

Concerned there is open endedness to financing. (Meter #2762 - 3027)

Roll call was read. 3 yeas 2 nays and 1 absent. (Meter #3187)

SENATOR FISCHER to be the carrier. (Tape 2, Side B, Meter #4027)

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2364

Senate Human Services Committee

☐ Conference Committee

Hearing Date February 10, 2003

| Tape Number | Side A | Side B | Meter # |
|---|--------|--------|-----------|
| 2 | | X | 47 - 1583 |
| | | | |
| | | | |
| Committee Clerk Signature <i>Donna Kramer</i> | | | |

Minutes:

SENATOR JUDY LEE reopened the committee discussion on SB 2364 relating to children's health insurance through the Department of Human Services.

DAVID ZENTNER, Director of Medical Services of the Department of Human Services, talked about what kind of coverage we can provide to the unborn child. The way the amendment to the law reads is that we would be limited to prenatal care. We have an approved benefits package right now ... we have the PERS package minus the delivery charges plus dental and vision. If we deviate from that with the unborns, you would to get Secretarial Permission to do that. ... Just use the basic benefits package. (Meter #47 - 157)

SENATOR LEE: So, the problem is limiting the neonatal cost and that coverage would be different from PERS. Trying to limit the costs.

DAVID ZENTNER: Did not know how BCBS would react to a whole benefits package.

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10/22/03

Date

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Senate Human Services Committee

Bill/Resolution Number SB 2364

Hearing Date February 10, 2003

Continued discussion with Mr. Zentner and the committee regarding the newborn, additional children, SCHIP budget, and bill as it is without amendments. (Meter # 160 - 483)

SENATOR ERBELE: Bill as it is without amendments, delivery would not be covered?

DAVID ZENTNER: That's correct. (Meter #551 - 580)

SENATOR LEE: Leave as is or call it back? Discussion with committee. (Meter # 581 - 830)

Senator Fischer, Senator Lee, and Senator Brown voted yes. Senator Fairfield and Senator Polovitz voted no. So, it would have to be Senator Brown and Senator Fischer who are willing to bring it back. Otherwise, we would go forward with a "Do Not Pass" recommendation.

SENATOR ERBELE: But the amendment was passed.

SENATOR LEE: Four to one. If the bill passed, it would have to go to the Secretary for approval of the change in the benefits package. Discussion with committee on procedure. (Meter # 900 - 1130)

SENATOR ERBELE: Prolife statement. (Meter # 1157 - 1188)

SENATOR FISCHER: Statement that President Bush has made is recognizing coverage of unborns. (Meter # 1252 - 1291)

DAVID ZENTNER: To my understanding, no other state has done it through their SCHIP program yet. (Meter # 1297 - 1318)

SENATOR LEE: This is so new, maybe it will evolve. Maybe by the next session, you can look at again.

Continued discussion regarding prenatal care.

SENATOR LEE: Committee discussion closed. (Meter # 1495 - 1583)

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10/22/03

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2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2364

Senate Human Services Committee

☐ Conference Committee

Hearing Date 02/12/03

| Tape Number | Side A | Side B | Meter # |
|---|--------|--------|-----------|
| 1 | x | | 400 - 467 |
| | | | |
| | | | |
| Committee Clerk Signature <i>Donna Kramer</i> | | | |

Minutes:

Senator Judy Lee opened the discussion on SB 2364. All members were present.

It was moved by Senator Fisher, seconded by Senator Brown and passed by a voice vote that the Re-referral to Appropriations be removed from the original motion.

Senator Judy Lee moved on to other business of the Senate Human Services committee.

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10/22/03
Date

FISCAL NOTE
Requested by Legislative Council
02/11/2003

Amendment to: SB 2384

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.

| | 2001-2003 Biennium | | 2003-2005 Biennium | | 2005-2007 Biennium | |
|----------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | \$0 | \$0 | \$0 | \$35,696 | \$0 | \$43,341 |
| Expenditures | \$0 | \$0 | \$10,304 | \$35,696 | \$12,779 | \$43,341 |
| Appropriations | \$0 | \$0 | \$10,304 | \$35,696 | \$0 | \$0 |

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

| 2001-2003 Biennium | | | 2003-2005 Biennium | | | 2005-2007 Biennium | | |
|--------------------|--------|------------------|--------------------|--------|------------------|--------------------|--------|------------------|
| Counties | Cities | School Districts | Counties | Cities | School Districts | Counties | Cities | School Districts |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

2. Narrative: Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.

This bill would create and enact a new subsection to section 50-29-02 and two new subsections to section 50-29-04 of the Century Code relating to duties of the Department of Human Services and coverage under the children's health insurance program.

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.

Revenues of \$35,696 would come from the federal medicaid program at the enhanced federal medical assistance percentage.

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.

For the 2003-05 biennium, total expenditures would be approximately \$46,000 in medical assistance grants.

C. Appropriations: Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.

The 2003-05 executive budget does not include any amount for providing prenatal care for unborn children. Passage of this bill would require an additional appropriation of \$46,000 of which \$10,304 would be general funds. This would be contingent on the department receiving approval from the secretary of health and human services to limit the services for unborn children to prenatal services.

| | | | |
|---------------|--------------------|----------------|----------------|
| Name: | Debra A. McDermott | Agency: | Human Services |
| Phone Number: | 328-3695 | Date Prepared: | 02/13/2003 |

Debra A. McDermott
Operator's Signature

10/22/03
Date

FISCAL NOTE
Requested by Legislative Council
01/28/2003

Bill/Resolution No.: SB 2364

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.

| | 2001-2003 Biennium | | 2003-2005 Biennium | | 2005-2007 Biennium | |
|----------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | \$0 | \$0 | \$0 | \$35,696 | \$0 | \$43,341 |
| Expenditures | \$0 | \$0 | \$10,304 | \$35,696 | \$12,779 | \$43,341 |
| Appropriations | \$0 | \$0 | \$10,304 | \$35,696 | \$0 | \$0 |

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

| 2001-2003 Biennium | | | 2003-2005 Biennium | | | 2005-2007 Biennium | | |
|--------------------|--------|------------------|--------------------|--------|------------------|--------------------|--------|------------------|
| Counties | Cities | School Districts | Counties | Cities | School Districts | Counties | Cities | School Districts |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

2. Narrative: Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.

This bill would create and enact a new subsection to section 50-29-02 and two new subsections to section 50-29-04 of the Century Code relating to duties of the Department of Human Services and coverage under the children's health insurance program.

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.

Revenues of \$35,696 would come from the federal medical program at the enhanced federal medical assistance percentage.

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.

For the 2003-05 biennium, total expenditures would be approximately \$46,000 in medical assistance grants.

C. Appropriations: Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.

The 2003-05 executive budget does not include any amount for providing prenatal care for unborn children. Passage of this bill would require an additional appropriation of \$46,000 of which \$10,304 would be general funds. However, the department is not sure about these amounts because it has not been able to determine from the federal government if additional services other than prenatal care would be required as a minimum. Depending on the answer to this question, the bill and this fiscal note may need to be amended.

| | | | |
|---------------|-----------------|----------------|----------------|
| Name: | Debra McDermott | Agency: | Human Services |
| Phone Number: | 328-3695 | Date Prepared: | 02/07/2003 |

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Date

30751.0101
Title.0200

Adopted by the Human Services Committee
February 5, 2003

903
2-5-3

PROPOSED AMENDMENTS TO SENATE BILL NO. 2364

Page 1, line 1, replace "two" with "three"

Page 2, line 1, replace "Two" with "Three"

Page 2, line 5, remove "and"

Page 2, line 8, after "program" insert "; and"

Must limit coverage for unborn children to prenatal services that would be available to an eligible pregnant woman"

Renumber accordingly

Page No. 1

30751.0101

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10/22/03
Date

Date: 02-05-03
Roll Call Vote #: 1

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2364

Senate Human Services Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number LC: 30751:0101

Action Taken Amendment approved

Motion Made By Sen. Fischer Seconded By Sen. Fairfield

| Senators | Yes | No | Senators | Yes | No |
|-----------------------------------|-----|----|----------|-----|----|
| Senator Judy Lee - Chairman | ✓ | | | | |
| Senator Richard Brown - V. Chair. | | ✓ | | | |
| Senator Robert S. Erbele | | | | | |
| Senator Tom Fischer | ✓ | | | | |
| Senator April Fairfield | ✓ | | | | |
| Senator Michael Polovitz | ✓ | | | | |
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Total (Yes) 4 No 1

Absent 1

Floor Assignment _____

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

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Date

Date: 02-05-03
Roll Call Vote #: (2)

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2364

Senate Human Services Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number LC: 30751.0101

Action Taken "Do Not Pass" as amended and
referred to Appropriations

Motion Made By Sen. Brown Seconded By Sen. Lee

| Senators | Yes | No | Senators | Yes | No |
|-----------------------------------|-----|----|----------|-----|----|
| Senator Judy Lee - Chairman | ✓ | | | | |
| Senator Richard Brown - V. Chair. | ✓ | | | | |
| Senator Robert S. Erbele | | | | | |
| Senator Tom Fischer | ✓ | | | | |
| Senator April Fairfield | | ✓ | | | |
| Senator Michael Polovitz | | ✓ | | | |
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Total (Yes) 3 No 2

Absent 1

Floor Assignment Sen. Fischer

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

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10/22/03
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REPORT OF STANDING COMMITTEE (410)
February 10, 2003 4:21 p.m.

Module No: SR-25-2195
Carrier: Fischer
Insert LC: 30751.0101 Title: .0200

REPORT OF STANDING COMMITTEE

SB 2364: Human Services Committee (Sen. J. Lee, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO NOT PASS (3 YEAS, 2 NAYS, 1 ABSENT AND NOT VOTING). SB 2364 was placed on the Sixth order on the calendar.

Page 1, line 1, replace "two" with "three"

Page 2, line 1, replace "Two" with "Three"

Page 2, line 5, remove "and"

Page 2, line 8, after "program" insert "; and"

Must limit coverage for unborn children to prenatal services that would be available to an eligible pregnant woman"

Renumber accordingly

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3003 HOUSE HUMAN SERVICES

SB 2364

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2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2364

House Human Services Committee

☐ Conference Committee

Hearing Date March 10, 2003

| Tape Number | Side A | Side B | Meter # |
|---|--------|--------|-------------|
| 1 | | x | 37.4 - 16.6 |
| | | | |
| | | | |
| Committee Clerk Signature <i>Sharon Kenfraw</i> | | | |

Minutes:

Sen. Erberle appeared as prime sponsor stating he was attracted to this bill because North Dakota has a history of respecting the unborn and being very pro life and this I felt was adding a dimension to the statement that we are recognizing the unborn as a person. We tried to develop this bill in the Senate so that it would be clearly limited to prenatal services. This deals with a child who with the minute they are born would follow or come into the CHIPS program anyway, this just extends it back to provide some prenatal coverage for that.

Rep. Price: This covers prenatal only, not delivery? Yes And then you are doing an automatic enrollment on the CHIPS then if the mother was, Answer: if the child upon birth would be eligible anyway.

Rep. Niemeier: These unborn babies are with a mother who is already under the CHIP program?

Answer: no, she is not. If she's a teenager, potentially she could be, this would be a low income situation.

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10/22/03

Date

Page 2

House Human Services Committee

Bill/Resolution Number SB 2364

Hearing Date March 10, 2003

Rep. Price: Was there anything discussed in the Senate about adverse selection as far as persons with maybe a health insurance plan but choice not to take the maternity coverage because there are plans out there without maternity coverage obviously. There's rules under CHIPS right now that you can't have CHIPS if you qualify for other things, how is this handled for this mother?

Answer: Doesn't believe there was discussion like that.

Rep. Price: What about asset tests? Answer: No, doesn't think so.

Christopher Dodson, ND Catholic Conference appeared in support with written testimony and handed out written testimony from Dr. Twogood.

Rep. Price: So what you are saying is that if you have a plan that does not have maternity coverage, it still doesn't cover?

Answer: It would be the same type of thing to avoid that selection from suppose the rules are _____ but nothing really different.

No opposition.

Dave Zentner, Director of Medical Services for Dept. of Human Services appeared neutral with written testimony.

Rep. Price: You came up with your number of 46 unborn children based on applications of newborns or the number of children born to people that fall into this income category?

Answer: We looked at the number of children who were born who came into the process during the year, whose families were already eligibility for the Health Steps Program. If they had creditable coverage, they don't qualify for this.

Rep. Price: Right now the pregnant women are covered at 133% of poverty in the Medicaid program? Yes

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10/22/03
Date

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House Human Services Committee
Bill/Resolution Number SB 2364
Hearing Date March 10, 2003

Rep. Price: Mr. Dodson stated that children are basically covered from birth, the code is that they are covered from the first effective date following enrollment and we were very specific when we did that for a reason that they wouldn't be a retro for these million dollar babies. How are you enrolling them?

Answer: If the family is already on the program, there is no application. The family is already eligible so we add them at the time that the child becomes an entity.

Dan Ulmer of ND BC/BS appeared stating there was a swag saying its about \$1,000 a child, we didn't calculate in any complications.

Rep. Niemeier: This would apply only to adult women, why not teenage mothers?

Answer: the Healthy Steps Program by Federal Regulation is limited to individuals under 19 yrs of age. So it only goes up to age 18.

Rep. Amerman: Guidance here, your looking for, isn't that to put in the State plan that you would have to submit to the Sec. of Health in Human Services, is that the type of stuff that we need to have a plan that you submit and what would happen if the plan wasn't approved?

Answer: I'm looking for some guidance as to what that plan should look like and what should be included as far as the services are concerned. I don't want to do something that is not what the Legislature really intended.

Rep. Sandvig: Why do you need approval from Secretary of Health in Human Services?

Answer: If you are going to deviate from the bench mark program, you'd need approval from the Secretary's office to do that. If we were to cover the unborn child with the full coverage, we wouldn't need any Secretarial approval because the bench mark coverage would apply to the child.

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10/22/03
Date

Page 4

House Human Services Committee

Bill/Resolution Number SB 2364

Hearing Date March 10, 2003

Mr. Dodson clarified the history. The bill _____ Medicaid and Medical Services is very slow in getting back to Mr. Zentner. The bill was amended before they came back with an answer, the intent was to cover only prenatal services. So if you look at the Federal Rules and Regulations, it has to be those benefits, connection between the benefit provider and the health of the unborn child. It was out position and the Senate Committee agreed that they need some guidance as to what that is. The idea was they have a definition now all processed now determining what is prenatal care.

Closed hearing.

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2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2364

House Human Services Committee

☐ Conference Committee

Hearing Date March 17, 2003

| Tape Number | Side A | Side B | Meter # |
|--|--------|--------|-------------|
| 2 | | x | 16.0 - 33.4 |
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| Committee Clerk Signature <i>Shawn Longrow</i> | | | |

Minutes: Committee work.

Rod St. Aubyn of BC/BS stating that what happened on the original fiscal note, since that time we asked for a better analysis of exactly what the cost would be. You'll see the explanation on there, but in short based on the new analysis, based on the 1.93 per member is the additional cost to Healthy Steps for the biennium would be approximately \$97,920. The important part is the next paragraph (see attached testimony from Dan Ulmer)

First of all, can you provide a very specific prenatal service. Right now we provide maternity services, which includes everything, prenatal or other services prior to the actual delivery including the delivery and also postnatal services. Its really going to be hard to package something that is just strictly prenatal. At what point are some of these services for the mother or the unborn child. Right now under maternity it doesn't matter. Toxemia as an example are the benefits for the child or for the mother or for both, is that a prenatal service or is that a maternity service. Amniocentesis is for older mothers, that procedure alone is close to a \$1,000. None of

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Dennis Hall
Operator's Signature

10/22/03

Date

Page 2

House Human Services Committee

Bill/Resolution Number SB 2364

Hearing Date March 17, 2003

that is really calculated because under the maternity benefit, that's already included, we have shown that in the overall picture. If your talking about prenatal, is that a prenatal service?

Although its really hard to define the differences. Another question by some committee members asked me in terms of whether or not we would be required to cover abortions under this particular benefit and one was either the emergency due to the health or life of the mother or elective abortions? Our deputy general counsel gave me some documentation, as far as abortion, Healthy Steps benefit plan language reads no benefits are available for abortion except for those necessary to prevent the death of the woman. Other BC/BS ND benefits carry this same language. More individual benefit plans that exclude maternity benefit., so these are the ones that exclude it, what I would tell you is my interpretation is that if a woman became pregnant under one of these plans and needed an abortion for pre venture of death, BC/BS of ND would be required to pay for these services under the current language.

We also asked a question about the elective abortion and its simple answer was that the answer to your last abortion related question in my opinion is there is no scenario where a woman chooses to have an elective abortion where BC/BS would be required to pay for it, that's elected but for the life of the mother.

Rep. Price: Is there any preexisting on CHIPS? Answer: Doesn't know

Rep. Price: Let's say that the couple either chooses either not to buy the maternity plan when they buy their health insurance, trying to get it cheaper or they just don't buy health insurance and maybe one is covered at work and the spouse chooses not to pay the dependent coverage. Could they or their insurance agent find a way to work the system to use CHIPS to pay for that service?

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Page 3
House Human Services Committee
Bill/Resolution Number SB 2364
Hearing Date March 17, 2003

Answer: That's the other problem that we see with coordination of benefits. How do you define which one is prime if there is another insurance coverage.

Christopher Dodson: I think we could argue both ways on whether this would cover abortions for the sake of the life of the mother. With the chance that it does, it _____ the entire purpose of the rule and the bill to provide benefits for the unborn child. We couldn't support.

Rep. Price: Nobody has passed this, right? Answer: No, we are the first state if it passes.

Rep. Price: asked the intern to do some research and she stated she could argue both sides on the issue of paying for abortions and can we do some definitions and what will that allow us to do. It doesn't appear that we can be as closed as the probably the bill sponsors were looking at some of those definitions.

Christopher Dodson: Would like to work with the department and the administration to get some of these questions answered because we still think the idea is important, we still have a gap between those two programs and we do think its important and would like to keep the idea alive.

Rep. Devlin made a motion for DO NOT PASS, second by Rep. Wieland.

VOTE: 11 - 1 - 1

Rep. Sandvig will carry the bill

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Date

Date: March 17 2003
Roll Call Vote #: 1

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2364

House _____ HUMAN SERVICES _____ Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do NOT Pass

Motion Made By Rep Devlin Seconded By Rep. Wieland

| Representatives | Yes | No | Representatives | Yes | No |
|------------------------------|-----|----|---------------------|-----|----|
| Rep. Clara Sue Price - Chair | ✓ | | Rep. Sally Sandvig | ✓ | |
| Rep. Bill Devlin, Vice-Chair | ✓ | | Rep. Bill Amerman | ✓ | |
| Rep. Robin Weisz | ✓ | | Rep. Carol Niemeier | ✓ | ✓ |
| Rep. Vonnie Pietsch | ✓ | | Rep. Louise Potter | ✓ | |
| Rep. Gerald Uglem | ✓ | | | | |
| Rep. Chet Pollert | ✓ | | | | |
| Rep. Todd Porter A | | | | | |
| Rep. Gary Kreidt | ✓ | | | | |
| Rep. Alon Wieland | ✓ | | | | |
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Total (Yes) 11 No 1

Absent 1

Floor Assignment Rep. Sandvig

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

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Deanna Wallis 10/22/03
Operator's Signature Date

REPORT OF STANDING COMMITTEE (410)
March 18, 2003 11:17 a.m.

Module No: HR-48-5016
Carrier: Sandvig
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE
SB 2364, as engrossed: Human Services Committee (Rep. Price, Chairman)
recommends **DO NOT PASS** (11 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING).
Engrossed SB 2364 was placed on the Fourteenth order on the calendar.

(2) DESK, (3) COMM

Page No. 1

HR-48-5016

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2003 TESTIMONY

SB 2364

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North Dakota Right to Life Association

Testimony before the SENATE HUMAN SERVICES COMMITTEE

Regarding SENATE BILL 2364

February 3, 2003 10:30 a.m.

Chairman Lee, members of the committee, I am Stacey Pflieger, Executive Director of the North Dakota Right to Life Association. I am here today in support of SB 2364 relating to definitions under the children's health insurance program.

The North Dakota Right to Life Association applauds the Bush administration and the Department of Health and Human Services for allowing states to define an unborn child as a person eligible for medical coverage under the Children's Health Insurance Program.

By allowing unborn children to be included in the program, it will help women who may otherwise opt for an abortion due to financial concerns, choose life for their babies.

Including unborn children in the program's coverage will provide the prenatal care necessary to allow a child a chance to enter this world healthy. It provides the necessary prenatal healthcare needed to produce a healthy pregnancy, a healthy mother, and a healthy child.

I urge this committee to give SB 2364 a **do pass** recommendation.

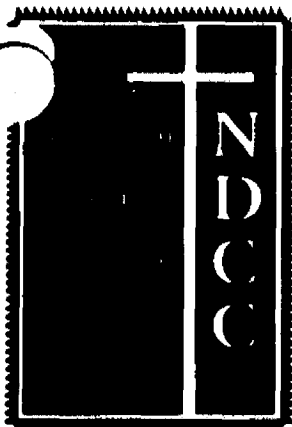
At this time I would be available for any questions you may have.

P.O. Box 551 • Bismarck, North Dakota 58502 • (701) 258-3811 • Fax (701) 224-1963 • 1-800-247-0343

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Stacey Pflieger
Operator's Signature

10/22/03
Date



*Representing the Diocese of Fargo
and the Diocese of Bismarck*

Christopher T. Dodson
Executive Director and
General Counsel

To: Senate Human Services Committee
From: Christopher Dodson, Executive Director
Subject: SB 2364 -- Including Unborn Children in the Children's Health Insurance Program
Date: February 3, 2003

The North Dakota Catholic Conference supports Senate Bill 2364, to include eligible unborn children in North Dakota's State Children's Health Insurance Program (SCHIP.)

On November 1, 2002, the Department of Health and Human Services implemented new regulations for SCHIP. The rule summarizes the changes as follows:

In order to provide prenatal care and other health services, this final rule revises the definition of "child" under the State Children's Health Insurance Program (SCHIP) to clarify that an unborn child may be considered a "targeted low-income child" by the State and therefore eligible for SCHIP if other applicable State eligibility requirements are met. Under this definition, the State may elect to extend eligibility to unborn children for health benefits coverage, including prenatal care and delivery, consistent with SCHIP requirements.

This summary answers some of the basic questions about the new regulations. The changes to the federal regulations are quite simple and few. States now have the *option* of including children from conception to birth under the definition of "child" in the state's SCHIP program. Assuming the unborn child met the eligibility requirements for inclusion in the program, the child could receive health benefits coverage, such as coverage for prenatal care. Senate Bill 2364 directs the state to exercise that option.

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Date

Although the idea is simple, we realize it raises a number of questions. Before addressing some of those questions, it behooves us to look at the purpose of the bill and the revised federal regulations.

The purpose of the SCHIP program is to help the children of families that earn enough to not qualify for medicaid, but cannot afford health insurance. Unfortunately, until the federal revision, children at the earliest -- and often most developmentally crucial -- stages of life could not receive that help. Extending the coverage to those stages is consistent with state law and policy and makes sense from a health care and budgetary perspective.

The North Dakota legislature recognized the importance of care during these stages when it expressly required prenatal coverage for pregnant minors on SCHIP. (N.D.C.C. § 50-29-04.)¹ Indeed, it would seem inconsistent to say that the unborn child of the teenage mother on SCHIP is entitled to coverage, but the child of a working mother who cannot afford health insurance is not. When it comes to their need, there is little or no difference. Nor would it make much sense to not provide prenatal services to a child that will necessarily be enrolled in SCHIP after birth, especially if that prenatal care will increase the likelihood that the child will be healthy.

In short, the Department of Health and Human Services has given us a unique opportunity to provide health coverage in a manner consistent with good health care, state policy, and fairness.

¹ The Century Code contains numerous examples of respecting and helping the life of the unborn child. Chapter 12.1-17.1 provides criminal penalties for killing or injuring an unborn child; Section 14-02.2-01 prohibits experimentation on an unborn child; Chapter 14-02.6 prohibits killing a child in the process of being born; Chapter 50-08.1 and portions of Chapter 14-02.1 direct state agencies to help pregnant women; and Sections 14-02.1-01 and 14-02.3-01 declare state policy is to protect unborn children and give preference, encouragement, and support to childbirth.

Senate Bill 2364 provides the vehicle for taking advantage of that opportunity.

What makes this opportunity even more attractive is the ease at which it is exercised and its extremely low cost. To take advantage of the new eligibility option, the state only needs to amend the state plan. The other requirements are only modifications of existing eligibility and screening practices.

To understand the low financial cost of the proposal, it helps to keep in mind a few points:

- Changing the definition of "child" to include unborn children does not add new lives to the program, it only extends services to an earlier period of time for persons who otherwise would not be on the program until after birth.
- Although the child would not be eligible for medicaid, the mother might. If the mother is medicaid eligible, the unborn child would not be covered under SCHIP.
- The covered person is the unborn child, not the mother. The proposed change in SB 2364 does not place pregnant women under the definition of "child" so that they would be eligible for all covered services. The bill only places eligible unborn children within the definition of "child." Therefore, only services for which there is a connection between the "benefits provided and the health of the unborn child" would be covered. (Federal Register, Vol. 67, No. 191, p. 61968.)
- Since the child is unborn, the range of services potentially utilized before birth is limited. Essentially, the services amount to prenatal care.
- * • About 23 children a year would be eligible for the earlier coverage. (In 2002, 30 infants eligible for CHIPS were born that same year. Of those 30, seven had mothers who were on medicaid during the month of the birth.)
- The estimated cost of prenatal services is \$1,000.

Keeping these facts in mind, we can estimate the fiscal impact of the bill multiplying the cost of prenatal services by the number of expected eligible unborn children a biennium. The state's share of that additional cost is 22.1%. Therefore, the estimated state cost of adding services for unborn children is about \$10,000 for the entire biennium. (23 children x \$1000 x 2 years = \$43,000; \$43,000 x .221 = \$10,166.) Since the SCHIP appropriation request is already slightly over the estimated cost of the monthly premiums, the additional cost to the appropriation request is about \$6,000.²

Senate Bill 2364, therefore, seizes a rare opportunity. Through this bill, the state can provide essential health care coverage for persons who otherwise would not be covered, benefit both mother and child by promoting the continuity of important medical care, decrease likelihood of having unhealthy children on SCHIP, potentially decrease public expenditures over the child's lifetime, and reflect the state's policy of respecting and assisting unborn children -- all for what essentially fits into the "wobble room" already built into the state's budget request.

We strongly urge a Do Pass recommendation on Senate Bill 2364.

² Since we are dealing with such small numbers, the numbers can differ depending on whether they are based on the estimated cost of the monthly premium or the total requested appropriation, and whether the additional cost is added to the cost of the premium rather than the appropriation. Under any method of calculation, the cost ranges from \$9,000 to \$12,000, which would be between \$6,000 and \$9,400 over the budget request.

**TESTIMONY BEFORE THE SENATE HUMAN SERVICES COMMITTEE
REGARDING SENATE BILL 2364
FEBRUARY 3, 2003**

Chairman Lee, members of the committee, I am David Zentner, Director of Medical Services for the Department of Human Services. I appear before you today to provide information regarding this bill.

The bill would require the Department to include unborn children as part of the group of children covered through the State Children's Health Insurance Program known as Healthy Steps in North Dakota. The change would require the submittal of a state plan amendment to the federal government and likely an amendment to our insurance carrier contract.

Currently, eligible children receive the same benefits that are available through the PERS insurance plan plus preventive dental and vision coverage.

The one exception to the coverage relates to deliveries. At the direction of the legislature the state plan for Healthy Steps does not include payment for the cost of deliveries.

The Department has contacted the Centers for Medicare and Medicaid Services (CMS) in an effort to determine what coverage would be required to be provided in behalf of the unborn child. We have been informed that the Director of CMS would need to be consulted in order for the federal government to provide a definitive answer to our question. They were hoping to have a response sometime this week. Until we receive information on what the mandatory coverage consists of and what flexibility is available for coverage options, it is not possible to complete a fiscal note.

We have been in contact with Blue Cross/Blue Shield (BCBS) of North Dakota regarding the cost of implementing this program. The Department contracts with BCBS to provide coverage for Healthy Steps eligible children. They have advised that the addition of this group would likely increase the cost of the Healthy Steps Program. However, it will not be possible to determine the cost increase until we receive the needed guidance from the federal government.

I would be happy to answer any questions you may have.



*Representing the Diocese of Fargo
and the Diocese of Bismarck*

Christopher T. Dodson
Executive Director and
General Counsel

To: House Human Services Committee
From: Christopher Dodson, Executive Director
Subject: SB 2364 -- Including Unborn Children in SCHIPS
Date: March 10, 2003

I am Christopher Dodson, the Executive Director of the North Dakota Catholic Conference and the conference enthusiastically supports Senate Bill 2364.

Senate Bill 2364 responds to a new initiative by the Bush Administration that allows states to easily and inexpensively provide health care coverage to a subset of persons who have fallen in the cracks between Medicaid and State Children's Health Insurance Program (SCHIP.) Medicaid, as you know, covers the most economically needy. SCHIP is intended to provide coverage to the children of families that have managed to earn enough so that they do not qualify for Medicaid, but do not earn enough to purchase private insurance. Thus, if a pregnant woman is Medicaid eligible, she and her unborn child can receive important prenatal services. However, if a working mother is not eligible for Medicaid, but cannot afford private insurance, she cannot get prenatal care coverage even though her child will be eligible for SCHIP coverage after birth. Somehow, in the creation of Medicaid and SCHIP, coverage for these mothers and their unborn children, during this medically crucial time, was missed. Until recently, the only way to capture these persons was to either expand Medicaid eligibility for pregnant women or obtain a waiver from the federal government.

The Department of Health and Human Services has now provided an easier, less costly, way to ensure that mothers will not have to wait until their child is born to get important this health care coverage. Under new rules promulgated last fall, states now have the option of including unborn children in SCHIP by merely amending their state plan.

Doing so makes good sense and is consistent with the state's existing policies. The North Dakota legislature recognized the importance of care during these stages when it expressly required prenatal coverage for pregnant minors on SCHIP.

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Date

(N.D.C.C. § 50-29-04.)¹ Indeed, it would seem inconsistent to say that the pregnant teenage mother on SCHIP is eligible for prenatal coverage, but the working mother who cannot afford health insurance for her or her unborn child is not. When it comes to their need, there is little or no difference. Nor would it make much sense to *not* provide prenatal coverage to a child that will necessarily be enrolled in SCHIP after birth, especially if that prenatal care will increase the likelihood that the child will be healthy.

Multiple studies show that uninsured women receive fewer needed prenatal care services than their insured counterparts. (See, e.g., *Health Insurance is a Family Matter*, from the National Academy of Sciences at books.nap.edu/books/0309085187/html/127.html) Even if they are getting free care someplace, it is unlikely that they are receiving the proper amount of prenatal care. Moreover, since these are low income women not covered by Medicaid or SCHIP, the "free care" they might receive is borne by our state's health care providers at roughly \$1000 a person. By investing 22.1% of that cost, we can draw federal dollars to cover 77.9% of their costs and relieve our already financially burdened health care providers.

That inexpensive investment makes this proposal so appealing. To understand the low financial cost of the proposal, it helps to keep in mind a few points:

- Senate Bill 2364 does not add new lives to the program, it only extends services to an earlier period of time for lives who will be on SCHIP after birth.
- Although the child would not be eligible for Medicaid, the mother might. If the mother is Medicaid eligible, the unborn child would not be covered under SCHIP.
- The covered person is the unborn child, not the mother. SB 2364 does not place pregnant women under the definition of "child" so that they would be eligible for all covered services. The bill only places eligible unborn children within the definition of "child." Therefore, only services for which there is a connection between the "benefits provided and the health of the unborn child" would be covered. (Federal Register, Vol. 67, No. 191, p. 61968.) Moreover, the engrossed bill clearly limits covered services to

¹ The Century Code contains numerous examples of respecting and helping the life of the unborn child. Chapter 50-08.1 and portions of Chapter 14-02.1 direct state agencies to help pregnant women; and Sections 14-02.1-01 and 14-02.3-01 declare state policy is to protect unborn children and give preference, encouragement, and support to childbirth; Chapter 12.1-17.1 provides criminal penalties for killing or injuring an unborn child; Section 14-02.2-01 prohibits experimentation on an unborn child; and Chapter 14-02.6 prohibits killing a child in the process of being born.

prenatal care.²

- About 23 children a year would be eligible for the earlier coverage. (In 2002, 30 infants eligible for CHIPS were born that same year. Of those 30, seven had mothers who were on medicaid during the month of the birth.)
- The estimated cost of prenatal services is \$1,000. Of this addition to the premium, the state's share is only 22.1%.

When we put all this together, the total cost to the state to cover this care is a little over \$5,000 a year. Considering the importance of prenatal care and the potential savings to the state by better ensuring healthy children on its SCHIP, this is a great investment.

Senate Bill 2364, therefore, seizes a rare opportunity. Through this bill, the state can provide essential health care coverage for persons who otherwise would not be covered, benefit both mother and child by promoting the continuity of important medical care, decrease likelihood of having unhealthy children on SCHIP, potentially decrease public expenditures over the child's lifetime, and reflect the state's policy of respecting and assisting unborn children -- all for a few thousand dollars.

We strongly urge a Do Pass recommendation on Senate Bill 2364.

² Initial communications from the Center for Medicaid and Medicare Services indicated that the unborn child must be able to receive all the services in the benchmark plan. As a practical matter, however, actual utilization by an unborn child would be limited to prenatal care. Delivery is not covered in the state's current plan.

(Medicaid)

Mother

Child

Conception

Birth

(SCHIP or Medicaid)

< 133%

Mother

Child

134 - 140%

(SCHIP)

Mother (Private)

140% and above

(Private)

HHH
Coverage

2 A. J. J. - National

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10/22/03

Date

American Academy of Pediatrics



DEDICATED TO THE HEALTH OF ALL CHILDREN™

Testimony: Todd Twogood MD, FAAP

Support of : SB 2364

Representing: North Dakota Chapter of the American Academy of Pediatrics (NDAAP)

North Dakota Chapter

Chapter President
Bernard J. Hoggarth, MD, FAAP
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401 3rd St SE
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701/252-0120

Immediate Past President
Sondrol, MD FAAP
25th St
Forks, ND 58201-8231

If you look at what our state has done for children, we have a proud record of taking care of them. The legislation to support the Children's Health Insurance Plan (CHIP) has, likewise, come a long way since it's initiation to take care of our uninsured children. Now it's time to expand our intentions and insure a better outcome for those children and the children who will become the future of North Dakota.

This bill make very good sense, and is in line with the direction the American Academy of Pediatrics intends to take toward the forward progress to help insure every child in the United States. It not only makes good sense it is a good investment for our state. It is proven that prenatal care increases the chances of a favorable outcome for an unborn child. The better the outcome of the less dollars spent toward neonatal intensive care and follow up care. An unhealthy baby born can consume a tremendous amount of money at compared to a healthy newborn, not to mention the ongoing health care issues if a newborn goes on to have problems as a child. By taking a small step to improve our states CHIP program in this way, it will be a minimal investment that will prove to be a large savings in the future.

Sincerely,

Todd Twogood MD
Todd Twogood MD

Please contact me if you have any questions about this or any other pediatric issues:

Home Phone = 701-323-0748
Office Phone = 701-323-5437
Home email = ttwogood@bis.midco.net

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PROPOSED AMENDMENTS TO SENATE BILL NO. 2364

Page 1, line 1, replace "two" with "three"

Page 1, line 10, after "unborn" insert "and newborn"

Page 1, line 20, after "Unborn" insert "and newborn"

Page 1, line 20, after "to" insert "the first day of the month following the date of"

Page 2, line 1, replace "Two" with "Three"

Page 2, line 3, after "unborn" insert "and newborn"

Page 2, line 6, after "unborn" insert "and newborn"

Page 2, after line 8, insert:

Must limit coverage for unborn and newborn children to prenatal services that would be available to an eligible pregnant woman.

Renumber accordingly

TESTIMONY BEFORE THE HOUSE HUMAN SERVICES COMMITTEE

REGARDING SENATE BILL 2364

MARCH 10, 2003

Chairman Price, members of the committee, I am David Zentner, Director of Medical Services for the Department of Human Services. I appear before you today to provide information regarding this bill.

The bill would require the Department to include unborn children as part of the group of children covered through the State Children's Health Insurance Program known as Healthy Steps in North Dakota. The change would require the submittal of a state plan amendment to the federal government that will require approval by the Secretary of Health and Human Services (HHS) and likely an amendment to our insurance carrier contract.

Currently, eligible children receive the same benefits that are available through the PERS insurance plan plus preventive dental and vision coverage.

The one exception to the coverage relates to deliveries. At the direction of the legislature the state plan for Healthy Steps does not include payment for the cost of deliveries.

The Department has contacted the Centers for Medicare and Medicaid Services (CMS) in an effort to determine what coverage would be required to be provided in behalf of the unborn child. We have been informed that since this bill limits coverage for the unborn child to prenatal care only, the Department will need to seek approval from the Secretary of Health and Human Services because the limited coverage for this group differs from the benchmark coverage used for other children eligible for the Healthy Steps Program. The Department will need to prepare such a request for approval if this bill becomes law. It would then be

David Zentner
Operator's Signature

10/22/03

Date

up to the Secretary of HHS to approve or disapprove our request. CMS staff was unwilling to indicate what the chances were for approval of such a request.

The bill as amended limits the payment of services to prenatal care only. Information available from Blue Cross/Blue Shield of North Dakota, the contractor for Healthy Steps, indicates that the cost of providing prenatal care would average about \$1,000 per unborn child. We estimated that about 46 unborn children would be eligible during the next biennium. Based on this assumption, we estimated the additional cost at about \$46,000, of which about \$10,000 is general funds.

The amount shown in the current fiscal note is the minimum amount necessary to cover unborn children under the Healthy Steps Program.

The Department would appreciate clear guidance regarding what constitutes prenatal care so that we can prepare a request to the Secretary of HHS that will meet legislative intent. Is the intent of the legislature to limit prenatal care to physician visits and associated laboratory tests only? Is there any expectation that additional coverage would be afforded the unborn child if the physician noted a condition that could affect the outcome of the birth? Any guidance that you could provide would be appreciated.

I would be happy to answer any questions you may have.



North Dakota Right to Life Association

Testimony before the HOUSE HUMAN SERVICES COMMITTEE

Regarding SENATE BILL 2364

March 10, 2003 10:15 a.m.

Chairman Price, members of the committee, I am Stacey Pfliger, Executive Director of the North Dakota Right to Life Association. I am here today in support of SB 2364 relating to definitions under the children's health insurance program.

The North Dakota Right to Life Association applauds the Bush administration and the Department of Health and Human Services for allowing states to define an unborn child as a person eligible for medical coverage under the Children's Health Insurance Program.

By allowing unborn children to be included in the program, it will help women who may otherwise opt for an abortion due to financial concerns, choose life for their babies.

Including unborn children in the program's coverage will provide the prenatal care necessary to allow a child a chance to enter this world healthy. It provides the necessary prenatal healthcare needed to produce a healthy pregnancy, a healthy mother, and a healthy child.

I urge this committee to give SB 2364 a **do pass** recommendation.

P.O. Box 551 • Bismarck, North Dakota 58502 • (701) 258-3811 • Fax (701) 224-1963 • 1-800-247-0343

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Stacey Pfliger
Operator's Signature

10/22/03
Date

**TESTIMONY
SENATOR RALPH KILZER
SB 2364**

Good morning Madam Chairman Price and Members of the House Human Services Committee, I am Ralph Kilzer, State Senator from District 47, which is the Northwest part of Bismarck.

I'm sorry I am not able to testify in person because the Appropriations Committee and Leadership is visiting the facilities at the Jamestown State Hospital and the James River Correctional Center.

This bill would give coverage to preborn children under the Children's Health Insurance program from the earliest prenatal stage up until the age of 19 years. I highly support this idea. I know the fiscal note amounts to several thousand dollars but, if you would visit the Developmental Center at Grafton and see some of the patients who are there because of some prenatal problem that was not addressed in a timely fashion, it becomes evident that the fiscal note is rather minor when we realize that each one of the residents at the Developmental Center cost the state 125,000 dollars per year.

But over and above the financial liability to the state is the compassion that should be exhibited to preborn children. It is just simply good medical practice to do screening procedures and to treat the developing fetus as a patient in order to have the best outcome of pregnancy and quality of life for the individual child (sometimes twins) and the mother and father.

Medically it is clear that the child is an individual and, in the case of identical twins it certainly gives us evidence that two children can result from the very early division of a fertilized egg. The only thing that is necessary for the fertilized egg to progress is proper environment and nutrition. These are the things that are checked out in screening procedures during the nine months of uterine life. Children are children whether they have been delivered or not. The medical treatment should be optimum at the time the children are most vulnerable and this is during the pre birth period.

If there are any questions I'd be glad to try to answer them for you, I urge your support of SB 2364.

Dan Ulmer

From: Tom Paulson [Tom.Paulson@nordian.com]
Sent: Monday, March 17, 2003 11:33 AM
To: Dan Ulmer; Rod St. Aubyn; Janine Weideman
Co: Tami Roder; Linda Merck; Jane Nephew
Subject: RE: Prenatal for the Unborn - SB 2364

The email directly preceding this one is from Jane Nephew who has provided some very "quick" averages. Based on this "quick" review, we can assume the average total prenatal cost per case of:

$\$536 + \$569 + 385 + 422 = \$1,912$

Earlier it was discussed and decided that we could expect 23 cases per year for this service.

The February enrollment for Healthy Steps indicated 2,114 members.

The Health Retention would remain at 11.53% of claims.

With these parameters, the premium would have to be increased by the following:

PMPM Cost = $\$1,912 \times 23 \text{ cases} / 2,114 \text{ members} / 12 \text{ months}$

PMPM Cost = $\$1.73 \text{ PMPM} + (11.53\% \times \$1.73) = \$1.93 \text{ PMPM}$

Based on the \$1.93 PMPM, the additional cost to Healthy Steps for the Biennium would be approximately \$97,920.

It is very important to note, this cost estimate is exactly that, an "estimate". If an actual quote to add this coverage is required, a formal request must be submitted. Keep in mind, this estimate is based on limited information and only includes average costs. Other factors which will need to be considered to offer a formal PMPM cost will be high risk pregnancies, the costs of "fetal surgeries", a more defined benefit structure, plus eligibility and maintenance issues will need to be addressed.

Tom Paulson
Actuarial Services
phone: (701) 282-1461
e-mail: tom.paulson@nordian.com
Blue Cross Blue Shield of North Dakota

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-----Original Message-----

From: Jane Nephew [mailto:Jane.Nephew@nordian.com]
Sent: Monday, March 17, 2003 10:48 AM
To: Tom Paulson
Subject:

Here are the averages for office visits, lab, xray, and facility. I pulled 7 random records from the episodes (ETG's) that I previously gave the mean and median. I selected from the low end, mid and high end.

Office visits - average allowed amt. \$536

Lab work - average allowed amt. \$569

Xray- average allowed amt. \$385

Facility fee- average allowed amt. -\$422. (this category had the greatest range, One case had \$0 and one

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Deanna Wallis
Operator's Signature

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Date