

**Testimony before the Health and Human Services Committee
Representative Robin Weisz, Chairman
October 7, 2010**

Chairman Weisz, members of the Health and Human Services Committee, I am Maggie Anderson, Director of the Medical Services Division, for the Department of Human Services. In accordance with NDCC 50-29-02, I appear before you to provide an annual report on the enrollment statistics and costs associated with the Children's Health Insurance Program (CHIP).

Appropriation and Expenditures for 2009-2011

CHIP Appropriation	CHIP Expenditures Thru August 2010	% of Appropriation Used *
\$ 21,632,536	\$ 10,090,159	46.64%

*54.17% (13 months) of biennium has expired

Enrollment

As of August 2010, there were 3,620 premiums paid for children enrolled in CHIP; which is 353 more children than covered in August 2009. Please see Attachment A for more detailed information on the children in Medicaid and in CHIP.

The income eligibility level for CHIP is at 160% (net) of the Federal Poverty Level (FPL), which was effective July 1, 2009.

CHIP Reauthorization

The Children's Health Insurance Program (CHIP) was reauthorized in February 2009. There are many required changes that resulted from this legislation. The Department staff members are continuing to work with Blue Cross/Blue Shield (BC/BS) and others to ensure compliance with all of the provisions.

The CHIP changes include:

1. Adding orthodontia to the CHIP dental benefit. The Department received approval for a delayed implementation for the orthodontia benefit until July 1, 2011.
2. Changing the methodology used to pay Federally Qualified Health Centers and Rural Health Clinics. This change has been implemented and was effective October 1, 2009.
3. Adding quality measures and an External Quality Review component. The Department received approval for a delayed implementation of contracting with an External Quality Review Organization until July 1, 2011. However, we were expected to develop quality measures, which have been drafted and submitted to Blue Cross/Blue Shield of ND for review and approval.
4. Ensuring the CHIP benefit meets Mental Health Parity guidelines. The Department also received approval for a delayed implementation for these provisions until July 1, 2011.

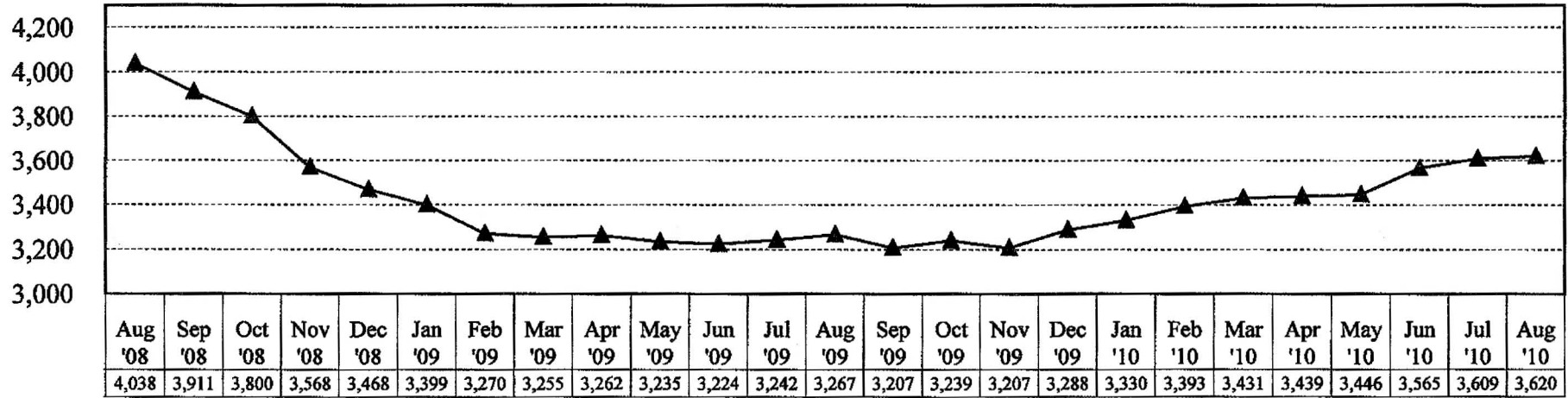
Each item where approval for delayed implementation was received has an impact on either the per member per month premium paid to BC/BS or on the administrative costs incurred by the Department. The estimated increases are being developed as we prepare the 2011-2013 Budget request.

I would be happy to address any questions that you may have.

North Dakota Department of Human Services

Healthy Steps Premiums Paid by Month

August 2008 - August 2010



Children Enrolled in Medicaid by Month

August 2008 - August 2010

