2011 SENATE HUMAN SERVICES

SB 2334

2011 SENATE STANDING COMMITTEE MINUTES

Senate Human Services Committee
Red River Room, State Capitol

SB 2334
1-31-2011
Job Number 13741

☐ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

Relating to the medical assistance eligibility requirements for pregnant women.

Minutes: Attachments included

Senator Judy Lee opened the hearing on SB 2334.

Sen. Ryan Taylor, District 7 and prime sponsor, introduced SB 2334. He did not have written testimony at the time he introduced the bill but provided copies for the committee later. Attachment #1

Senator Dick Dever asked if 200% was where they were 2 years ago.

Sen. Taylor answered that is where it started and then was amended to 165% on the floor of the Senate and was passed off the floor.

The poverty guidelines go by the household size. The unborn child is counted in the household size.

Senator Judy Lee pointed out the fiscal note of 4.573 million dollars of general funds for this biennium and 6.032 million for the following biennium.

Senator Tim Mathern, Fargo, brought the testimony for the March of Dimes. Attachment #2

Rep. Kathy Hawken, District 46, testified in favor of SB 2334. She believes that the pre natal piece of this needs to be done. Health care is part of the infrastructure of ND and we need to institutionalize things such as pre natal care. It makes a difference long term and saves money. She urged a do pass.

Renee Stromme, ND Women's Network, testified in favor. Attachment #3

Paul Ronningen - ND Children's Defense Fund, NDESPA and ND Conference of Social Welfare - recommended passage of SB 2334. Attachment #4

Maggie Anderson, Dept. of Human Services, provided information on the fiscal note and offered an amendment. Attachment #5

Senator Tim Mathern asked her to explain the implementation date they are considering for the program if the amendments are adopted.

Ms. Anderson explained that the implementation date and the amendments are not contingent on one another. The amendments are to accomplish what they believe the bill was intended to accomplish.
Section two says it would become effective the date after the Dept. of Human Services can certify to Legislative Council that they have received the appropriate federal approvals for participation. They would have a five month system change they would have to accomplish. They believe that Jan. 1, 2012 is a realistic implementation date. The fiscal note was built on 18 mos.

Senator Dick Dever pointed out that the federal health care bill makes young people eligible for their parents insurance up to the age of 26. If there is insurance available, do they need to take that before they take Medicaid?

Ms. Anderson said they don't know anything in the health care law that would require them to do so.

Senator Tim Mathern asked if the fiscal note anticipates any of these women having insurance coverage through their parents and therefore not needing Medicaid assistance to this level.

Ms. Anderson replied that the fiscal note does not take into account necessarily the change that happened with health care reform where children can remain on their parents insurance up to age 26. It does take into account other third party payments that have been paid for existing clients.

There was no further testimony.

The hearing on SB 2334 was closed.

2011 SENATE STANDING COMMITTEE MINUTES

Senate Human Services Committee
Red River Room, State Capitol

SB 2334
2-7-2011
Job Number 14102

☐ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

Minutes:

Senator Judy Lee opened SB 2334 for committee work. She explained we are currently at 133% and this bill calls for moving that to 200%.

There is an amendment attached to the testimony from Maggie Anderson which was discussed. The amendment ensures that the proposed language achieves the intent of the bill's sponsors. So it is the technical portion of how the department would have to put this into effect.

Senator Tim Mathern moved to **adopt the amendment offered by the dept.**

Seconded by **Senator Dick Dever.**

Roll call vote 5-0-0. **Amendment adopted.**

The fiscal note was reviewed.

Senator Tim Mathern asked that they make the expenditure. The testimony was clear about the value of pre natal care not only in terms of the immediate care people receive but also in the health of the baby. He moved a **Do Pass as Amended and rerefer to Appropiations.**

There was no second. **Motion died**.

Senator Dick Dever showed concern about this bill surviving the legislative process. He wondered if there was a number that would be more likely to achieve support.

Senator Judy Lee felt there would be a hard time with the 200%.

Discussion: The changes in the IT system would be a small portion of the whole picture. Since the 200% failed, consideration of another kind of benchmark that is out there such as transitional Medicaid was suggested. That is at 185% of poverty and at a level with other programs that are already in place.

Maggie Anderson described the population that is on transitional Medicaid.

Senator Tim Mathern suggested this group was a similar population to pregnancy in that it wasn't permanent. If they were to make a comparison the transitional group would probably be the appropriate comparison.

Senator Gerald Uglem suggested they look more at the healthy steps level of 160% if they want any chance of getting it through.

The makeup of the family is never a family of 1 because the unborn child is always counted.

Medicaid is based on net income.

The number of women being covered at the 133 level: December 2010 - 1651 women were eligible. For comparison purposes: July 2010 – 1620 women were eligible.
These would be on for the pregnancy plus the 60 days post partum. It's not a new group each month.

The post partum coverage for the mom is 60 days plus the remainder of whatever month she is in. The child would be eligible for Medicaid at birth and would receive 12 month continuous eligibility.

Ms. Anderson said there wasn't anything in the health care reform that addressed increasing the level for pregnant women. Outside of the Medicaid expansions that were in the act there has been no discussion of additional Medicaid expansions.

Senator Gerald Uglem moved to amend to a level of 160%.

Seconded by **Senator Spencer Berry.**

Senator Gerald Uglem felt that it would be pushing the limits at 160% to get it through so anything higher than 160% would be futile. **Senator Judy Lee** agreed.

Roll call vote 5-0-0. **Amendment adopted**.

Senator Tim Mathern moved a **Do Pass as Amended and rerefer to Appropriations**.

Seconded by **Senator Dick Dever**.

Roll call vote 5-0-0. **Motion carried**.

Carrier is **Senator Tim Mathern**.

FISCAL NOTE

Requested by Legislative Council
02/09/2011

Amendment to: SB 2334

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.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				$2,092,942		$2,693,603
Expenditures			$1,702,935	$2,092,942	$2,168,496	$2,693,603
Appropriations			$1,702,935	$2,092,942	$2,168,496	$2,693,603

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

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This Bill would expand Medicaid coverage for pregnant women from 133% of the federal poverty level to 160% of the federal poverty level.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 1 of the Bill expands Medicaid coverage for pregnant women from 133% of the federal poverty level to 160% of the federal poverty level. It is estimated that 468 additional pregnant women would qualify for coverage annually. This change will require IT system changes. The IT costs along with the cost to cover the additional women is estimated to be $3,795,877 in the 11-13 biennium of which 1,702,935 is general fund.

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.*

The revenue increase in each biennium is the additional federal funds the state will receive for the increased cost if the eligibility limit is raised to 160% of federal poverty.

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.*

It is estimated 468 additional women would qualify for Medicaid annually. This would result in additional grant costs $3,611,170 for 18 months of the 11-13 biennium, of which $1,610,582 is general fund. Also IT system changes are estimated to be $184,707 of which $92,353 is general fund.

The estimated cost for 24 months of the 13-15 biennium would be $4,862,099 of which 2,168,496 would be general fund.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a*

continuing appropriation.

The Department will need an appropriation increase of $3,795,877 in the 11-13 biennium, of which $1,702,935 would be general fund and 2,092,942 would be federal funds.

The Department will need an appropriation increase of $4,862,099 in the 13-15 biennium, of which $2,168,496 would be general fund and 2,693,603 would be federal funds.

Name:	Debra A McDermott	**Agency:**	Dept of Human Services
Phone Number:	328-3695	**Date Prepared:**	02/09/2011

FISCAL NOTE

Requested by Legislative Council
01/26/2011

Bill/Resolution No.: SB 2334

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.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				$5,658,093		$7,493,741
Expenditures			$4,573,074	$5,658,093	$6,032,867	$7,493,741
Appropriations			$4,573,074	$5,658,093	$6,032,867	$7,493,741

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

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This Bill would expand Medicaid coverage for pregnant women from 133% of the federal poverty level to 200% of the federal poverty level.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 1 of the Bill expands Medicaid coverage for pregnant women from 133% of the federal poverty level to 200% of the federal poverty level. It is estimated that 1,302 additional pregnant women would qualify for coverage annually. This change will require IT system changes. The IT costs along with the cost to cover the additional women is estimated to be $10,231,167 in the 11-13 biennium of which 4,573,074 is general fund.

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.*

The revenue increase in each biennium is the additional federal funds the state will receive for the increased cost if the eligibility limit is raised to 200% of federal poverty.

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.*

It is estimated 1,302 additional women would qualify for Medicaid annually. This would result in additional grant costs $10,046,460 for 18 months of the 11-13 biennium, of which $4,480,721 is general fund. Also IT system changes are estimated to be $184,707 of which $92,253 is general fund.

The estimated cost for 24 months of the 13-15 biennium would be $13,526,608 of which 6,032,867 would be general fund.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and*

appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.

The Department will need an appropriation increase of $10,231,167 in the 11-13 biennium, of which $4,573,074 would be general fund and 5,658,093 would be federal funds.

The Department will need an appropriation increase of $13,526,608 in the 13-15 biennium, of which $6,032,867 would be general fund and 7,493,741 would be federal funds.

Name:	Debra A. McDermott	**Agency:**	Dept. of Human Services
Phone Number:	328-3695	**Date Prepared:**	01/28/2011

PROPOSED AMENDMENTS TO SENATE BILL NO. 2334

Page 1, line 11, remove "or 4" and overstrike "and"

Page 1, line 13, after "3" insert: "; and

c. Pregnant women who have countable income that does not exceed an amount determined under subsection 4"

Page 1, line 16, remove the overstrike over "~~subsection~~", remove "subsections", and remove "and 4"

Page 1, line 21, remove ", no less than required by federal law,"

Renumber accordingly

Date: 2-7-2011

Roll Call Vote # 1

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 2334

Senate **HUMAN SERVICES** Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number Maggie Anderson testimony

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By **Sen.** Mathern Seconded By **Sen.** Dever

Senators	Yes	No	Senators	Yes	No
Sen. Judy Lee, Chairman	✓		**Sen. Tim Mathern**	✓	
Sen. Dick Dever	✓				
Sen. Gerald Uglem, V. Chair	✓				
Sen. Spencer Berry	✓				

Total (Yes) 5 No 0

Absent 0

Floor Assignment

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

Date: 2-7-2011

Roll Call Vote # 2

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 2334

Senate **HUMAN SERVICES** Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☒ Do Pass ☐ Do Not Pass ☒ Amended ☐ Adopt Amendment

☒ Rerefer to Appropriations ☐ Reconsider

Motion Made By **Sen.** Mathern Seconded By **Sen.** _____

Senators	Yes	No	Senators	Yes	No
Sen. Judy Lee, Chairman			**Sen. Tim Mathern**		
Sen. Dick Dever					
Sen. Gerald Uglem, V. Chair					
Sen. Spencer Berry					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

No second - motion failed

Date: 2-7-2011

Roll Call Vote # 3

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 2334

Senate **HUMAN SERVICES** Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number amend to 1609?

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By **Sen.** Uglem Seconded By **Sen.** Berry

Senators	Yes	No	Senators	Yes	No
Sen. Judy Lee, Chairman	✓		Sen. Tim Mathern	✓	
Sen. Dick Dever	✓				
Sen. Gerald Uglem, V. Chair	✓				
Sen. Spencer Berry	✓				

Total (Yes) 5 No 0

Absent 0

Floor Assignment

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

Adopted by the Human Services Committee

February 7, 2011

2-7-11

PROPOSED AMENDMENTS TO SENATE BILL NO. 2334

Page 1, line 11, remove "or 4"

Page 1, line 11, overstrike "and"

Page 1, line 13, after "3" insert "; and

c. Pregnant women who have countable income that does not exceed an amount determined under subsection 4"

Page 1, line 16, remove the overstrike over "~~subsection~~"

Page 1, line 16, remove "subsections"

Page 1, line 16, remove "and 4"

Page 1, line 21, remove ", no less than required by federal law,"

Page 1, line 21, replace "two hundred" with "one hundred sixty"

Renumber accordingly

Date: 2-7-2011

Roll Call Vote # 4

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 2334

Senate **HUMAN SERVICES** Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 11.0527.01001 Title 02000

Action Taken: ☒ Do Pass ☐ Do Not Pass ☒ Amended ☐ Adopt Amendment

☒ Rerefer to Appropriations ☐ Reconsider

Motion Made By **Sen.** Mathern Seconded By **Sen.** Dever

Senators	Yes	No	Senators	Yes	No
Sen. Judy Lee, Chairman	✓		Sen. Tim Mathern	✓	
Sen. Dick Dever	✓				
Sen. Gerald Uglem, V. Chair	✓				
Sen. Spencer Berry	✓				

Total (Yes) 5 No 0

Absent 0

Floor Assignment Sen. Mathern

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

REPORT OF STANDING COMMITTEE

SB 2334: Human Services Committee (Sen. J. Lee, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2334 was placed on the Sixth order on the calendar.

Page 1, line 11, remove "or 4"

Page 1, line 11, overstrike "and"

Page 1, line 13, after "3" insert "; and

c. Pregnant women who have countable income that does not exceed an amount determined under subsection 4"

Page 1, line 16, remove the overstrike over "~~subsection~~"

Page 1, line 16, remove "subsections"

Page 1, line 16, remove "and 4"

Page 1, line 21, remove ", no less than required by federal law,"

Page 1, line 21, replace "two hundred" with "one hundred sixty"

Renumber accordingly

2011 SENATE APPROPRIATIONS

SB 2334

2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

SB 2334
02-10-2011
Job # 14296

☐ Conference Committee

Committee Clerk Signature Alice Delzer

Explanation or reason for introduction of bill/resolution:

A BILL relating to the medical assistance eligibility requirements for pregnant women; and to provide an effective date.

Minutes: attached testimony. (none)

Chairman Holmberg called the committee to order on Thursday, February 10, 2011 at 8:30 am in reference to SB 2334.

Roll call was taken.

Roxanne Woeste, Legislative Council and Lori Laschkewitsch, OMB were present.

Chairman Holmberg states we will be "rehearing bills" and bills that are in the area of Human Services. We want to talk about the money they will be sent to our human service subcommittee. They will be making a report next week, as to what bills they recommend, what bills that they urge passage of and some that they may fold into the "big budget bill".

Senator Ryan Taylor, District 7. Introduced SB2334. This bill is to raise the rate for Medicaid for pregnant women and prenatal services. He states, the bill was amended on their floor yesterday. It was introduced, and taking us from the federal minimum of 133% of poverty, to 200%. The amendment we place on it, at the recommendation of Human Service Committee, does take it to 160%. You should have an updated fiscal note this morning. ND is one of 8 states, possibly 9, that is at the federal minimum of 133%. It is up to us, to take a stand in support of increased eligibility, for the new lives in ND. If you take a single mother, who is pregnant with a child, that does count as two. Currently, she would only be eligible for Medicaid, making $1615/month and now going to 160%, would take her to $1943. If you take $1615 and look at what health insurance costs you are spending, over half your income is on insurance, and make it work. I would like to see us take ND, off the bottom in our status, and tell people we care about these new lives, that are coming into our state. I would encourage a DO PASS.

Senator Kilzer states, "What we are doing here putting more "people in the wagon". What is the reimbursement rate on the DRG's to hospitals for a normal vaginal delivery and

reimbursement rate and for obstetrician, both for Medicaid patient and the regular insurance patient?

Senator Taylor states that Maggie would have the Medicaid cost for delivery. I looked at some data and the average cost for delivery, for someone without insurance is $9,000 to $17,000, and Medicaid is between $3000-4000 per delivery for a pregnancy. If you are a provider, these babies are going to come. If they come to the hospital and are eligible for Medicaid, the hospital is going to get that reimbursement. Any facility will tell you about uncompensated care and not getting paid at all.

Senator Kilzer states, "I know the obstetricians still has to look at his overhead including his high malpractice premium rates. My question isn't really answered, what the obstetrician's reimbursement is, for a normal vaginal delivery and DRG's, for the hospital is?"

Tim Mathern, District 11, Fargo, states, "I would suggest to you a follow up comment. I am just fine about putting these "kids on the wagon". I am glad to pull that wagon for any child hoping you can pass this bill".

Senator Kilzer asks, "I am interested in the numbers. How many deliveries can we expect out of the 8,000 or more, that we have in the state each year, and also the reimbursement rates?"

Maggie Anderson, Dept. of Human Services, states she does not have the costs for the delivery and hospital charges but we will get those numbers and provide them. What we used for the FN, was the actual cost of an average pregnancy. We would pay the prenatal costs as well as the delivery cost. The average cost of the pregnancy is the $4600, that Senator Taylor mentioned, and then with the FN, what we did with that cost for calendar year 2009, we inflated that by the 6%. How many births we would see and you referred to the 8000 for 2009, we pulled the Dept. of Health's website, that there were 8,974 births. Of those, Medicaid paid 2742. That is about 31% of the births that we paid for. We do not have that data yet for 2010. The FN was prepared by taking the average cost; we believe that an additional 468 women, would be eligible per year, if the eligibility level would increase to the 160%. So for the first year of the biennium, we estimated we would need 6 months, after the start of the biennium, to do the appropriate computer system work and secure federal approval. So we are estimating, a Jan, 1, 2012, start date. So the first biennium is an 18 month estimate and the second biennium, 2013-2015, would be for 24 months. So our overall request in the FN, is $3,795,877, of which 1.7%, are general funds. Most of that is for the increase costs, and the only portion that is not for the increased costs, would be for services for the pregnant women, is $185,000 in IT changes. Of the $185,000, about $92,000, are general funds.

Senator Robinson asks Maggie, to tell us again, the $4600 for pregnancy costs, what is included in that cost?

Maggie Anderson states that $4600 is the entire duration of the pregnancy. Some pregnant women will apply and be covered under Medicaid, from the moment that they are aware that they are pregnant, until the birth and delivery. Others may not come on Medicaid, until the 5th or 6th month or anywhere in between. Then Medicaid covers, 60 days postpartum, plus the remainder of the month.

Senator Robinson asks if this was approved at 160%, with the rest of the states in the region, where are they at, in terms of reimbursement?

Maggie Anderson states, she does not know, but will get information from colleagues. Are you looking a CMS region or are you looking at surrounding states?

Senator Robinson states "the surrounding states".

Chairman Holmberg closes the hearing on SB 2324 and asks subcommittee of Senator Fischer, Senator Kilzer, Senator Erbele, and Senator Warner to look at this bill.

2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

SB 2334
02-17-2011
Job # 14672 (Meter 58.21)

☐ Conference Committee

Committee Clerk Signature Alicia Delzer

Explanation or reason for introduction of bill/resolution:

A SUBCOMMITTEE HEARING ON SB 2012 (SEVERAL BILLS WERE DISCUSSED AND ACTION WAS TAKEN BY THE SUBCOMMITTEE)

Minutes: You may make reference to "attached testimony."

Senator Fischer, Chairman opened the subcommittee hearing in reference to the Department of Human Services. Senator Kilzer, Senator Erbele, Senator Warner were also present. Lori Laschkewitsch, OMB and Roxanne Woeste, Legislative Council were also present. Brenda Weisz and Maggie Anderson from DHS were also present.

Senator Kilzer states he would like to go through the nine "stand alone" bills.

The bills that this subcommittee is assigned are: 2029, 2043, 2163, 2212, 2240, 2264,2298, 2334, 2357.

Senator Kilzer stated this bill would expand Medicaid coverage for pregnant women from 133% of the federal poverty level up to 160% of the federal poverty level. To further discuss this at the present time, I was told that 31% of the deliveries in ND, are Medicaid. If the threshold was raised up to 160%, I don't know how many more people that would put "in the wagon". It would be another 10% to 15% of the deliveries. We have a problem already with family physicians and smaller hospitals, not offering services because of increased equipment and on-call coverage that is needed for obstetrics. The malpractice premiums are much higher for a family doctor and for a hospital, who has that service as compared to providers that do not offer that service. I think if we did this, it is a disincentive, particularly reimbursement wise, to offer this service since there is such an increasing number of patients being on Medicaid. We would drive women to other providers and that is not a good thing. In the larger scheme of health care reform, the feds will probably tell us, how to do it anyway. For those reasons, **I recommend a DO NOT PASS.**

Senator Erbele seconds the motion.

Senator Warner asks if a fetus is considered a person, for the purpose of calculating poverty rate.

Maggie states, yes. The mother with no other children and unborn baby would count as two.

Senator Warner states that he would like to resist this on a couple of lines. One of these is that I very firmly believe that life begins at conception and that this is a human life. The instant that this child is born it is eligible for medical coverage. From the providers standpoint and the infants standpoint, that this is sound public policy. I think that this is a good idea.

Senator Fischer states that the lack of hospitals providing care is another issue. The concerns, in that realm, is that the alternative to be able to get to the hospital because they have no insurance. I have a problem with the large fiscal note.

Senator Erbele asks if we have an estimate of what the note could be.

Senator Warner states that it is $4.5 million in general funds and $5.5 in other funds.

Maggie states that for a mom and the unborn child at 133% of poverty is $1,615.00month and that is net income as well and at 160% of poverty, it would be $1,943.00 per month.

Senator Fischer: We have a motion for DO NOT PASS AND A SECOND.

A Roll call vote was taken on a DO NOT PASS: Yea: 3; Nay 1.

MOTION CARRIED FOR A DO NOT PASS.

2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

SB 2334
02-17-2011
Job # 14716 (Meter 59.23)

☐ Conference Committee

Committee Clerk Signature Alice Delzer

Explanation or reason for introduction of bill/resolution:

A Roll Call Vote on the BILL an appropriation for medical assistance for Pregnant women.

Minutes: You may make reference to "attached testimony."

Chairman Holmberg called the committee to order on Thursday, February 17, 2011. Lori Laschkewitsch, OMB and Roxanne Woeste, Legislative Council were also present.

There was discussion on several bills and when the committee will be taking action on the bills that are left to pass out of committee.

JOB # 14716 INCLUDES THE ROLL CALL VOTES ON THE FOLLOWING BILLS: SB 22345, 2159, 2029, 2299, 2212, 2334, 2357.

SB 2334 (Meter 59.23)

Chairman Holmberg That's the pregnant women from 133 to 160, the federal poverty level. Let the record show we are working after 5:00 pm. The fiscal note is 1.7 and was there a recommendation from your subcommittee on this one?

Senator Fischer: We voted a 3 to 1 DO NOT PASS in the subcommittee.

Chairman Holmberg: Are you making that as a motion?

Senator Fischer moved a DO NOT PASS ON SB 2334. SECONDED BY Senator Kilzer.

Senator Warner: I'd like to encourage the committee to resist the DO NOT PASS motion. My reasoning follows two different lines of thought. The first of these has to do, we heard this morning, was confirmed again, these are both considered individuals. Both the child and the mother considered individuals in determining poverty. The child is considered to be alive since conception. Instant it is born it is eligible for all the services we can provide at 200% of poverty and we could in some strange way want to punish the mother but we can't punish the mother for any behavioral issues without also damaging the child. I think we've seen in other budgets, we've seen our daily costs of developmental center in the $900.00 range, a daily cost at Ann Carlson would be, I think more than $600.00 a day; to deny prenatal care seems to be penny

wise and foolish. The other argument, I don't want to put words into the good senator's mouth but we heard an argument that this is just putting one more person on the wagon this morning and it would be public burden but I don't think that the distinction between moving someone of 130% of poverty to 160% of poverty is having them paid through the state or paid through private pay. The distinction is being paid by the state or not being paid at all. Somebody at 160% of poverty is not going to be able to afford the $9,000.00 hospital bill. They will be paying on that until that kid is through college at $25.00 a month, or whatever it is. I really think that the distinction, it's a benefit to the providers of maternity service. It guarantees that they are paid at the rate of 31% of all the other children that are born in the state are paid. It isn't a huge, number; the number of children we would be adding would be in the range of 400 or so. We estimated about 468 pregnant women, some of those might be multiple pregnancies but that would be my two arguments that this is a good thing. Just to point out this same bill easily passed the Senate last session.

Senator Kilzer: We've already had a lot of difficulty with providers providing this service. Many small hospitals do not provide this service anymore. The other thing is, many family practice doctors have quit providing the service. And there is two reasons that this is happening. There may be 3 reasons. The first reason is the small number, there just aren't as many babies being born, that's probably the least important. The second reason is the level of reimbursement. Hospitals have to cost shift and so do obstetricians because the reimbursement level is not adequate to cover their overhead. And speaking of overhead, that brings us to the 3rd; that's the malpractice premium rates. A family doctor who delivers babies probably has to pay 40 or 50,000 dollars annually, over and above his regular premium in order to provide this service and so if you take more mothers, more pregnant women out of the private sector and put them in the public sector, you are just adding to the problem of the availability of the service, and the reimbursement. I hate to drive people to lesser service but when the government starts putting in these eligibility things you're going to go from 31% of all births being on Medicaid, you're going to boost that up to, I don't know how high, probably close to 40% or so out of the 8,000 births that we have each year in ND and for those reasons I think we will hurt ourselves in the long run for the availability of this service and so I would for those reasons urge a do not pass on increasing this.

Senator Warner: The doctor would be guaranteed a little under $5,000 for the pregnancy under Medicaid. He would not be guaranteed anything under the woman of 160% of poverty to assume the burden of the pregnancy, the billing rate would probably be closer to $9,000.00. I think this is a good deal for the providers of that service.

Chairman Holmberg: would you call the roll on a DO NOT PASS ON SB 2334.

A ROLL CALL VOTE WAS TAKEN ON A DO NOT PASS. YEA: 9; NAY: 4; ABSENT: 0
Senator Kilzer will carry the bill. The hearing on SB 2334 was closed. (Meter 68.48)

Date: 2-17-11
Roll Call Vote # 1

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2334

Senate Senate Appropriation Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☐ Do Pass ☒ Do Not Pass ☐ Amended ☐ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Fischer Seconded By Kilzer

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Warner		✓
Senator Bowman	✓		Senator O'Connell		✓
Senator Grindberg	✓		Senator Robinson		✓
Senator Christmann	✓				
Senator Wardner	✓				
Senator Kilzer	✓				
Senator Fischer	✓				
Senator Krebsbach	✓				
Senator Erbele	✓				
Senator Wanzek	±	✓			

Total (Yes) 9 No 4

Absent 0

Floor Assignment Kilzer

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

REPORT OF STANDING COMMITTEE

SB 2334, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **DO NOT PASS** (9 YEAS, 4 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2334 was placed on the Eleventh order on the calendar.

2011 TESTIMONY

SB 2334

#1

Senate Bill 2334
Testimony by Sen. Ryan Taylor

Good morning, Chairman Lee and members of the Senate Human Services Committee. For the record, my name is Ryan Taylor, Senator for District 7 in north central North Dakota. Today, it is my pleasure to place before you SB 2334, a bill allowing our state an expanded role in ensuring the health of our next generation. The gist of the bill is to increase the Medicaid eligibility for pregnant women in our state from the federal minimum of 133 percent of federal poverty guidelines ($14,404.00 individual for 2010[1]) to 200 percent ($21,660.00 individual for 2010[2]). (Federal poverty guidelines for 2011 have yet to be released.) The fiscal note for this bill estimates an additional 1,302 pregnant women in North Dakota would qualify for coverage annually. With an average of 8,000 babies born in North Dakota each year[3], that is a significant impact on the health of the state's children.

My sponsorship of this bill relates back to my reading of a National Conference of State Legislatures (NCSL) LegisBrief a few years ago where I learned that our state was one of just eight states yet to expand pregnancy related medical care beyond the federal minimum. According to a 2010-2011 national survey conducted by the Kaiser Commission on Medicaid and the Uninsured, North Dakota ranks among nine states with the lowest eligibility rates for Medicaid coverage for pregnant women[4]. We're down on bottom of the list with Alabama, which has some of the worst rates for the health of children and adults[5]. As a proud North Dakotan, I think we can do better. We ought not share company with Alabama on that list any longer.

The subject of prenatal care is dear to me since my wife and I have witnessed the miracle of birth three times in the last few biennia. I've experienced firsthand, well actually second hand, the importance of good prenatal care, regular doctor visits, and the advice and consideration required to bring a healthy, new life into this world.

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[1] Foundation for Health Coverage Education. "FHCE Federal Poverty Level Chart." Accessed January 31, 2011. *www.coverageforall.org*

[2] Foundation for Health Coverage Education. "FHCE Federal Poverty Level Chart." Accessed January 31, 2011. *www.coverageforall.org*

[3] North Dakota State Data Center. "North Dakota Pregnancy Risk Assessment Monitoring System (PRAMS)." Accessed January 31, 2011. *http://www.ndsu.nodak.edu/sdc/ndprams.htm*

[4] The Kaiser Commission on Medicaid and the Uninsured. "Income Eligibility Limits and Other Features of Health Coverage for Pregnant Women, January 2011." Accessed January 31, 2011. *http://www.kff.org/medicaid/upload/8130.pdf*

[5] United Health Foundation. "America's Health Rankings." Accessed January 31, 2011. *http://www.americashealthrankings.org/*

Some words and references directly from the Child Trends Databank[6] lend themselves to the medical importance of this discussion:

- Prenatal visits are important for the health of both the infant and the mother. Healthcare providers can educate mothers on important health issues such as diet and nutrition, exercise, immunizations, weight gain, and abstaining from drugs and alcohol.[7]

- Health professionals also have an opportunity to instruct expectant parents on nutrition for their newborn, the benefits of breastfeeding, and injury and illness prevention, diagnose health compromising conditions, and help them prepare for the new emotional challenges of caring for an infant.[8]

- Mothers who receive late or no prenatal care are more likely to have babies with health problems. Mothers who do not receive prenatal are three times more likely to give birth to a low weight baby and their baby is five times more likely to die.[9]

- Seemingly little things can make a big difference. Supplemental folic acid or iron, for example.[10]

Regular conversation with a doctor, ultrasounds, sonograms, and the simple joy of hearing the baby's heartbeat are all part of good prenatal care. The benefits to a child and the parents, both psychological and physical, are crucial to the development of family. According to The Kaiser Family Foundation, North Dakota ranks 38th in percentage of mothers in the state beginning prenatal care in the first trimester of pregnancy, when it is most crucial.[11] Every new parent should have access to quality prenatal care, and by expanding access and information about the importance of good prenatal care, more mothers will seek proper care for their unborn children.

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[6] Child Trends Databank. "Late or No Prenatal Care." Accessed January 31, 2011. *http://www.childtrendsdatabank.org/?q=node/214*

[7] National Institute of Child Health and Human Development. "Care Before and During Pregnancy - Prenatal Care." Accessed September 27, 2005. *http://156.40.88.3/about/womenhealth/prenatal_care.cfm*

[8] Bright Futures. (2002). "Bright Futures: Guidelines for Health Supervision of Infants, Children, and Adolescents." (2nd ed., rev.) Edited by Morris Green and Judith S. Palfrey. Arlington, VA: National Center for Education in Maternal and Child Health. Accessed January 31, 2011. *http://www.brightfutures.org/bf2/pdf/index.html*

[9] Maternal and Child Health Bureau, Health Resources and Services Administration, U.S. Department of Health and Human Services. "A Healthy Start: Begin Before Baby's Born." Accessed September 27, 2005. *http://www.mchb.hrsa.gov/programs/womeninfants/prenatal.htm*

[10] Centers for Disease Control and Prevention. "Folic Acid." Accessed January 31, 2011. *http://www.cdc.gov/ncbddd/folicacid/index.html*

[11] Kaiser Family Foundation State Health Facts. "Percentage of Mothers Beginning Prenatal Care in the First Trimester." Accessed January 31, 2011. *http://www.statehealthfacts.org/comparemaptable.jsp?ind=44&st=3*

Childbirth is a wonderful thing, but it's by no means an inexpensive process. Average costs for a delivery for someone without insurance range from $9,000 to $17,000[12] . It is not something that uninsured women have a savings account to cover and many uninsured mothers will go to an emergency room to give birth thus placing the financial burden on hospitals, communities, and taxpayers.[13]

Our current income level to qualify for Medicaid coverage is $14,404.00, but I would suggest that a single woman making $15,000 or even $18,000 a year, who does not currently qualify for Medicaid in North Dakota, is going to be unable to afford private health insurance costing several thousand dollars per year, and will be unable to afford thousands for a cash delivery expense. This would put an expectant mother in a very precarious financial position with tough decisions to make, that most of us would prefer they not even have to consider.

So the bill before you provides part of a solution to a moral question of our time. It's a "big tent" solution that can be supported by a number of sometimes disparate advocates for families, women, women's health, and the lives of the babies they carry. Strong children and strong families come at a price, and the appropriation is found in the fiscal note: $4,573,074 for the 2011-2013 Biennium in state funds leveraging $5,658,093 more in federal funds if we increase our eligibility level. That's the price, but it's a price that we ought to be willing to pay in a state that puts such stock in children and families.

If you've ever had the pleasure of holding a healthy newborn baby in your arms or handed that baby to a tired, but healthy mom for the first time for their first feeding, I'd agree that it's well worth the cost.

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[12] Costhelper: What People Are Paying. "Cost of Baby Delivery." Accessed January 31, 2011. *www.costhelper.com*

[13] Center for Urban Population Health. "Barriers to Prenatal Care." Accessed January 31, 2011. *http://www.cuph.org/projects/barriers-to-prenatal-care/*

#2

March of Dimes Foundation
North Dakota Chapter

1330 Page Dr., Suite 102
Fargo, ND 58103
Telephone (701) 235-5530
1(800) 393-4637
Fax (701) 235-8725
Email:
ND407@marchofdimes.com

Karin Roseland
State Director

January 28, 201

Dear Senators of the Human Services Committee,

The March of Dimes endorses SB 2334.

The mission of the March of Dimes is to improve the health of babies by preventing birth defects, premature birth, and infant mortality. As part of our work to support healthy full-term pregnancies and healthy babies, the March of Dimes recognizes that Medicaid provides an essential health care safety net for women and children.

Uninsured women receive fewer prenatal services and report greater difficulty in obtaining needed care than women with insurance, according to the Institute of Medicine. Women who receive maternity care are more likely to have access to screening and diagnostic tests that can help to identify problems early; services to manage developing and existing problems; and education, counseling, and referral to reduce risky behaviors like substance use and poor nutrition. Such care improves the health of both mothers and infants.

Women with no prenatal care are at least twice as likely to have an infant that has low birth weight or very low birth weight, or to have a preterm infant who requires admission to the neonatal intensive care unit (NICU). While we must acknowledge the impact on quality of life for the mother, newborn and family, we also note that these higher risk births are expensive. According to *Preterm Birth: Causes, Consequences and Prevention*, a 2006 report published by the Institute of Medicine, in 2005, average first year medical costs, including both inpatient and outpatient care were about 10 times greater for preterm ($32,325) than for full term infants ($3,325).

Therefore, to improve the health of babies, please support SB 2334 to expand eligibility for medical assistance for pregnant women to 200% of the Federal Poverty Level (FPL).

Sincerely,

Karin Roseland
State Director

#3

Senate Human Services Committee
SB2334
January 31, 2011

Good morning, Chairman Lee and members of the Senate Human Services Committee. My name is Renee Stromme, and I am the Executive Director of the North Dakota Women's Network. Thank you for the opportunity to testify in support of Senate Bill 2334.

The North Dakota Women's Network serves as a catalyst for improving the lives of women through communication, legislation and increased public activism. We are a statewide organization with members from every corner of the state.

NDWN believes strongly that women need access to medical care in order to have healthier lives for themselves and their children. I am here today to testify in favor of SB 2334, which would increase medical assistance eligibility to low-income pregnant women at a rate of 200% of Federal Poverty Level. A woman at the 200% of Federal Poverty Level makes less than $21,660 per year. The average cost of a low-risk pregnancy from prenatal care to delivery is $7,600 (Kaiser Family Foundation, 2004) – over a third the income of a woman at 200% of poverty. Complications and a cesarean-section can increase that cost to $15,000.

Prenatal care is vital for all pregnant women. Coverage is necessary for that care to occur. Women who see a health care provider regularly during pregnancy have healthier babies, are less likely to deliver prematurely, and are less likely to have other serious problems related to pregnancy. For the health of women and their children, increasing access to prenatal care is vital. According to research on the cost-benefit analysis of prenatal care, each dollar spent on prenatal care could save up to $3.33 more in neonatal care (Guttmacher).

Thank you for allowing me to speak to you this morning. The North Dakota Women's Network strongly urge you to pass SB 2334. I will answer any questions.

Renee Stromme
Executive Director
North Dakota Women's Network

#4

SB 2334
Senate Human Services Committee
January 31, 2011

Chairman Lee and members of the Senate Human Services Committee, I am Paul Ronningen, State Coordinator for the Children's Defense Fund – North Dakota. I am also representing the North Dakota Economic Security and *Prosperity Alliance (NDESPA) and the North Dakota Conference of Social* Welfare.

The Children's Defense Fund Leave No Child Behind® mission is to ensure every child a *Healthy Start*, a *Head Start*, a *Fair Start*, a *Safe Start* and a *Moral Start* in life and successful passage to adulthood with the help of caring families and communities.

Senate Bill 2334 supports the mission of the Children's Defense Fund and hopefully that of North Dakotan's of providing a Healthy Start for both the child and new mother. Prenatal visits are critically important for pregnant women by providing education, health monitoring and answering questions of parent(s) to be.

I wholeheartedly recommend the passage of SB 2334 as it reinforces the values of the Children's Defense Fund and North Dakotans. A Healthy Start is critical for moms and their children.

I would be happy to answer any questions that you might have at this time.

#5

Testimony
Senate Bill 2334 – Department of Human Services
Senate Human Services Committee
Senator Judy Lee, Chairman
January 31, 2011

Chairman Lee, members of the Senate Human Services Committee, I am Maggie Anderson, Director of the Medical Services Division, for the Department of Human Services. I am here today to provide information on the fiscal note for Senate Bill 2334 and to offer an amendment.

This bill would require the North Dakota Medicaid program to expand Medicaid coverage for pregnant women to 200 percent of the federal poverty level. North Dakota Medicaid currently provides coverage to pregnant women with net family income up to 133 percent of the federal poverty level. For budgeting purposes, the family size is increased for each unborn child. Attachment A provides information on the federal poverty level.

Pregnant women with income above 133 percent of the poverty level may also be covered as medically needy pregnant women; however, they must pay towards the cost of their care. Their share is equal to the amount of income above the medically needy income level.

When a pregnant woman, whose pregnancy has been medically confirmed, becomes eligible for Medicaid, she remains continuously eligible without regard to any increase in income. (*Pregnancy is medically confirmed if the woman confirms that she has been determined to be pregnant by medical personnel, a public health agency, or a home pregnancy test.*) Decreases in income, however, will be considered to further reduce any share a medically needy pregnant woman has to pay.

Pregnant women, who apply for Medicaid during pregnancy, continue to be eligible for Medicaid for 60 days after the pregnancy ends, and for the remaining days of the month in which the 60th day falls.

Legal or illegal aliens, who are not otherwise eligible for Medicaid, may be eligible for coverage of birth costs through emergency services; however, they are not eligible for the extra 60 day provision after the pregnancy ends.

Pregnant women who become eligible for Medicaid are eligible for all services covered by Medicaid. They are not limited to a subset of pregnancy related services.

Even though this bill is about pregnancy coverage under Medicaid, as way of background, the Children's Health Insurance Program (CHIP) covers prenatal services for young pregnant women who are eligible for CHIP, but it does not cover delivery costs. These pregnant women have the option to transfer to Medicaid coverage if they want coverage for the delivery costs. If the pregnant woman remains on CHIP, her baby will also become eligible for CHIP and the CHIP program will cover the baby's expenses. If the pregnant woman transfers to Medicaid, the baby will also be covered through Medicaid.

The average Medicaid cost per pregnancy for Calendar Year 2009 was $4,619.21; this cost was inflated by 6 percent to account for the inflation granted to all providers in 2010; and then by 3 percent and 3 percent to account for the inflation in the Governor's Budget. With an eligibility

expansion to 200 percent, the Department estimates an additional 1,302 pregnant women per year would receive coverage through Medicaid.

The total fiscal impact for 18 months is $10,231,167, of which $4,573,074 are general funds. This change will require changes to the Department's eligibility system (Vision). The estimated cost of the system changes is $184,707 of which $92,353 are general funds; and the estimated Vision system project length is 5 months. In addition, the change will require approval from the Centers for Medicare and Medicaid Services (CMS). The Department believes that a January 1, 2012 is a realistic implementation date.

The Department is offering an amendment which will ensure the proposed language achieves the intent of the bill sponsors to increase the eligibility level to 200 percent for pregnant women. The amendment offered (1) removes the proposed changes on lines 11 and 16 of page 1, as the changes would not be necessary; (2) inserts item c after line 13 on page 1, as this will establish the group of individuals to which item 4 on line 20 applies; and (3) removes the words, "no less than required by federal law" from line 20 on page 1, as this statement would not be necessary. The changes in the proposed amendment do not impact the fiscal note prepared by the Department.

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

INCOME LEVELS EFFECTIVE * JANUARY 1, 2011

Family Size	Family Coverage (1931)	Medically Needy 83% of Poverty	SSI (Effective 01/01/09)	Children Age 6 to 19 and QMB 100% of Poverty	SLMB 120% of Poverty	Pregnant Women & Child to Age 6 133% of Poverty	QI-1 135% of Poverty	Healthy Steps 160% of Poverty	Transitional Medicaid 185% of Poverty	Caring for Children & Children with Disabilities & Women's Way 200% of Poverty	Workers with Disabilities 225% of Poverty
1	$311	$ 750	$674	$ 903	$1,083	$1,201	$1,219	$1,444	$1,670	$1,805	$2,031
2	417	1008	1011	1,215	1,457	1,615	1,640	1,943	2,247	2,429	2,732
3	523	1267		1,526	1,831	2,030	2,060	2,442	2,823	3,052	3,434
4	629	1526		1,838	2,205	2,444	2,481	2,940	3,400	3,675	4,135
5	735	1784		2,150	2,579	2,859	2,902	3,439	3,976	4,299	4,836
6	841	2,043		2,461	2,953	3,273	3,323	3,938	4,553	4,922	5,537
7	947	2,302		2,773	3,327	3,688	3,743	4,436	5,130	5,545	6,239
8	1,053	2,560		3,085	3,701	4,102	4,164	4,935	5,706	6,169	6,940
9	1,159	2,819		3,396	4,075	4,517	4,585	5,435	6,283	6,792	7,641
10	1,265	3,078		3,708	4,449	4,931	5,006	5,935	6,859	7,415	8,342
+1*	107	259		312	374	415	421	500	577	624	702

Spousal Impoverishment Levels

Community Spouse Minimum Asset Allowance (Effective 01/01/09)	Community Spouse Maximum Asset Allowance (Effective 01/01/09)	Community Spouse Income Level (Effective 01/01/03)	Income Level for each Additional Individual (Effective 04/01/09)
$21,912	$109,560	$2,267	$607

Average Cost of Nursing Care

Average Monthly Cost of Care (Effective 01/01/11)	Average Daily Cost of Care (Effective 01/01/11)
$6,238	$205.07

Note: LTC income level increased from $40 to $50 effective with the benefit month of 01/01/02

*Caring for Children eligibility guidelines changed from 141-170% FPL to 151-200% FPL as of 11/01/08

(Due to Healthy Steps eligibility guidelines change to 160% as of 07/01/09) There has been no change in income levels since 07-01-09.

Rev 01/2011

PROPOSED AMENDMENTS TO SENATE BILL NO. 2334

Page 1, line 11, remove "or 4" and overstrike "and"

Page 1, line 13, after "3" insert: "; and

c. Pregnant women who have countable income that does not exceed an amount determined under subsection 4"

Page 1, line 16, remove the overstrike over "~~subsection~~", remove "subsections", and remove "and 4"

Page 1, line 21, remove ", no less than required by federal law,"

Renumber accordingly