

Testimony
Human Services Committee – Department of Human Services
Representative Alon Wieland, Chairman
August 2, 2011

Chairman Wieland and members of the Interim Human Services Committee, I am Carol K. Olson, Executive Director of the Department of Human Services. I appear before you to provide information on the committee's study of causes of the increases in the Department of Human Services' caseloads and program utilization.

The Department of Human Services administers several economic assistance programs intended to serve vulnerable individuals and those unable to access services by other means. The economic assistance programs administered by the Department include:

- Supplemental Nutrition Assistance (SNAP)
- Temporary Assistance for Needy Families (TANF)
- Child Care Assistance (CCA)
- Medicaid
- Children's Health Insurance (CHIP)

Currently, the caseloads are fairly stable for the TANF and Child Care Assistance Programs. The SNAP caseload has grown over the past year; however, the caseload growth rate in North Dakota is lower than other states.

The Medicaid and CHIP caseloads have both grown over the past year; however, the growth in Medicaid for the past 12 months (July 2010- June 2011) is lower than the growth for the previous 12 months (July 2009 – June 2010). CHIP enrollment increased in both 12 month periods which corresponds to the outreach funding and efforts as well as the CHIP

eligibility level being raised from 140% to 150% (net) in October 2008 and from 150% to 160% (net) in July 2009.

The Department produces a Quarterly Budget Insight report that includes caseload and expenditure data for selected programs within the Department of Human Services at a point in time. The reports are sent electronically to all legislators each quarter, and I have attached the most recent report for your review. The reports are available on the Department's web site at:
<http://www.nd.gov/dhs/info/pubs/about.html>.

One of the roles of the Department is to *provide services that help vulnerable North Dakotans of all ages maintain or enhance their quality of life, which may be threatened by emotional crisis, disabling conditions, a lack of financial resources or an inability to protect themselves*. The economic assistance programs noted earlier are essential in meeting that purpose. The Department looks forward to providing information for and participating in this committee's study of causes of the increases in the Department of Human Services' caseloads and program utilization.

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

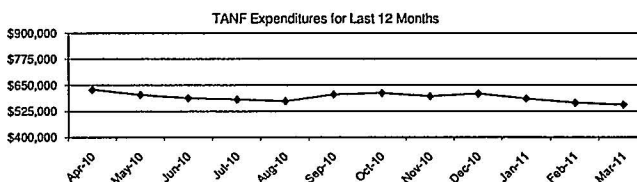
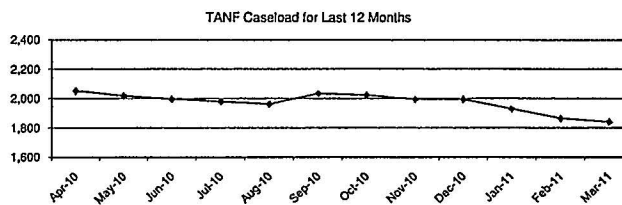
NORTH DAKOTA DEPARTMENT OF HUMAN SERVICES
QUARTERLY BUDGET INSIGHT
 BIENNium TO DATE INFORMATION ON SELECTED DEPARTMENT PROGRAMS
 JULY 2009 - MARCH 2011

Section 1: TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF)
APPROPRIATION 2009-2011 BIENNium \$23,987,922

BUDGET (7/09-03/11)		ACTUAL (7/09-03/11)			
Monthly Avg Cases	Monthly Avg Cost per Case	Monthly Avg Cases	Monthly Avg Cost per Case	Spent to Date	Percent of Appropriation Used*
2,829	\$ 343	2,066	\$ 301	\$ 13,039,958	54.4%

PROGRAM NOTES:

Average monthly TANF recipients:	5,076
Average number of children receiving TANF benefits:	3,901
Average number of child only cases:	900
Average number of individuals participating in work activities:	1,185
Amount of Child Support Collections used to pay TANF grants (see section 6):	2,728,270

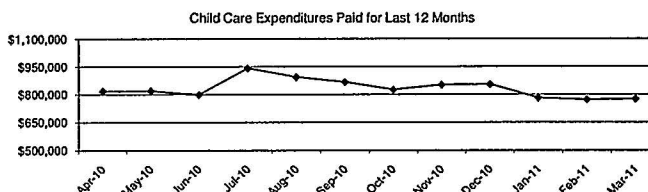
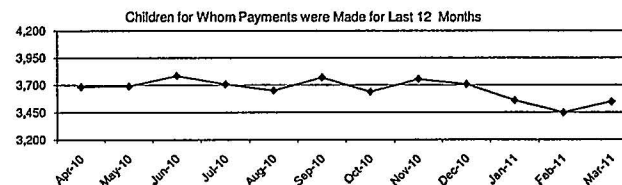


Section 2: CHILD CARE ASSISTANCE (CCA)
APPROPRIATION 2009-2011 BIENNium \$22,359,834

BUDGET (8/09-03/11)		ACTUAL (8/09-03/11)			
Monthly Avg Children for whom CCA paid	Monthly Avg Cost per Child	Monthly Avg Children for whom CCA paid	Monthly Avg Cost per Child	Spent to Date	Percent of Appropriation Used**
4,153	\$ 223	3,722	\$ 224	\$ 16,703,970	74.7%

PROGRAM NOTES:

number of Non-TANF children:	2,918
number of TANF children:	784
Average number of families receiving payments:	2,300
Average payment per family:	\$363

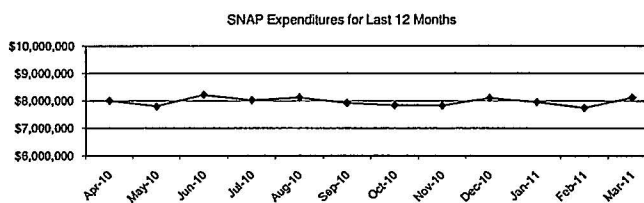
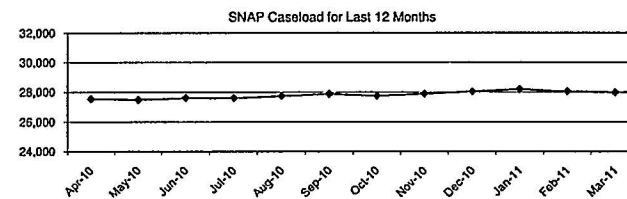


Section 3: SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP)
APPROPRIATION 2009-2011 BIENNium \$211,436,375

BUDGET (7/09-03/11)		ACTUAL (7/09-03/11)			
Monthly Avg Cases	Monthly Avg Cost per Case	Monthly Avg Cases	Monthly Avg Cost per Case	Spent to Date	Percent of Appropriation Used*
30,303	\$ 286	27,209	\$ 289	\$ 164,989,977	78.0%

PROGRAM NOTES:

Average number of individuals receiving SNAP:	59,725
Average number of children under 18 receiving SNAP:	26,552
Average number of cases with an elderly person (60 or older) :	4,522
Average number of cases with earned income:	11,291



Percent of Biennium Expired 87.5% - Payments for TANF, SNAP, and Adoption are made at the beginning of the month for the current month. Payments for Foster Care are made the last day of the month for the current month. Therefore 21 months of payments have been made or 87.5% (21/24) of the biennium has expired.

****Percent of Biennium Expired 83.3%** - Payments for Child Care, Developmental Disabilities, Long Term Care, Medical Assistance and Medicare Clawback are made when a billing for the previous month's services have been received. Therefore, approximately 20 months of payments have been made or 83.3% (20/24) of the biennium has expired.

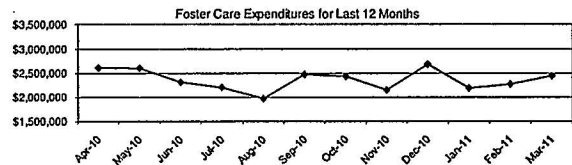
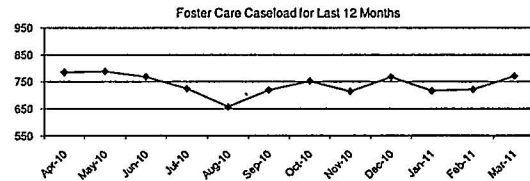
NORTH DAKOTA DEPARTMENT OF HUMAN SERVICES
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Section 4: FOSTER CARE (MAINTENANCE AND REHAB)
 APPROPRIATION 2009-2011 BIENNIUM \$58,089,459

BUDGET (7/09-03/11)		ACTUAL (7/09-03/11)			
Monthly Avg Cases	Monthly Avg Cost	Monthly Avg Cases	Monthly Avg Cost	Spent to Date	Percent of Appropriation Used *
776	Varied by placement	750	See program notes	\$ 48,835,306	84.1%

PROGRAM NOTES:

Average monthly cost foster care family homes (45% of caseload):	\$999
Average monthly cost therapeutic family foster care (26% of caseload):	\$3,662
Average monthly cost Residential Child Care Facilities/Group Homes (29% of caseload):	\$5,302
Amount of Child Support Collections used to pay Foster Care grants (see section 6):	\$2,885,882

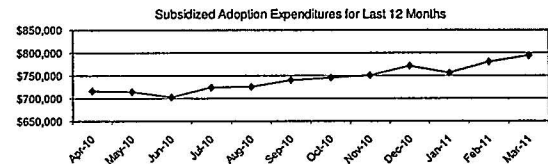
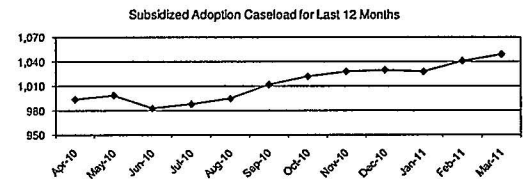


Section 5: SUBSIDIZED ADOPTION FOR SPECIAL NEEDS CHILDREN
 APPROPRIATION 2009-2011 BIENNIUM \$17,847,086

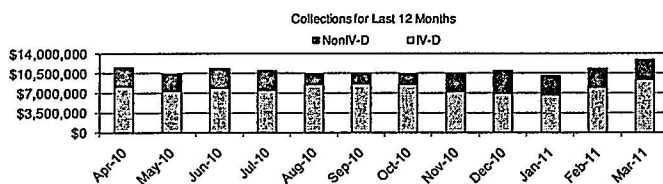
BUDGET (7/09-03/11)		ACTUAL (7/09-03/11)			
Monthly Avg Cases	Monthly Avg Cost	Monthly Avg Cases	Monthly Avg Cost	Spent to Date	Percent of Appropriation Used *
986	\$ 746	998	\$ 719	\$ 15,063,655	84.4%

PROGRAM NOTES:

A special needs child is a child legally available for adoptive placement and who is seven years of age or older; under eighteen years of age with a physical, emotional, or mental disability or has been diagnosed to be a high risk for such a disability; a member of a minority; or a member of a sibling group.



Section 6 - CHILD SUPPORT ENFORCEMENT



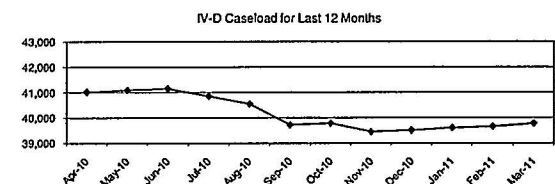
Total Collections for Last 12 Months \$131,682,751

% of Collections Received from

-IV-D cases	72.4%
-NonIV-D cases	27.6%
	100.0%

Collections Distributed to

-TANF Grant Program (see section 1)	1.2%
-Foster Care Program (see section 4)	1.3%
-Federal government reimbursement	2.3%
-IV-D Families	59.0%
-NonIV-D Families	27.6%
-Other States	5.0%
-Other	3.6%
	100.00%



PROGRAM NOTES:

A **IV-D case** is a case in which a parent has assigned the rights to receive support payments to the State as a condition of receiving public assistance or has filed as application for services provided by the Child Support Enforcement Agency.

A **NonIV-D case** is a case in which a parent has neither assigned the right to receive support to the State nor has filed an application for services provided by the Child Support Enforcement Agency or once had a IV-D case that was subsequently closed.

The decrease in IV-D case is due to a change in the interpretation of federal policy. The change relates to the ability to discontinue referring Medical Services related cases where the only eligible individuals are children or cases in which the caretakers are not required to cooperate with Child Support. Historically these cases have had no activity related to them.

Percent of Biennium Expired 87.5% - Payments for TANF, SNAP, and Adoption are made at the beginning of the month for the current month. Payments for Foster Care are made the last day of the month for the current month. Therefore 21 months of payments have been made or 87.5% (21/24) of the biennium has expired.

NORTH DAKOTA DEPARTMENT OF HUMAN SERVICES
QUARTERLY BUDGET INSIGHT
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JULY 2009 - MARCH 2011 (continued)

Section 7 - MEDICAID ELIGIBLES
2009 - 2011 BIENNIUM

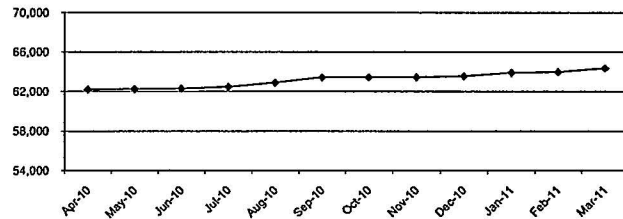
Comparison of Eligible's	Apr-10	Mar-11	Difference
Under age 21	35,557	36,802	1,245
Over age 65 (Aged)	6,075	6,272	197
Disabled	8,822	9,296	474
Adults	11,755	12,003	248
Total	62,209	64,373	2,164

PROGRAM NOTES:

Eligible's include all Medical Assistance and Long Term Care Continuum Medicaid eligible's with the exception of SPED, Expanded SPED and Basic Care.

For the last twelve months approximately 57% of the above eligible's were under the age of 21, 10% were classified as aged, 14% were disabled, and 19% were adults.

Medicaid Eligible's for the Last 12 Months



Section 8 - MEDICAL ASSISTANCE
APPROPRIATION 2009 - 2011 BIENNIUM \$519,584,774

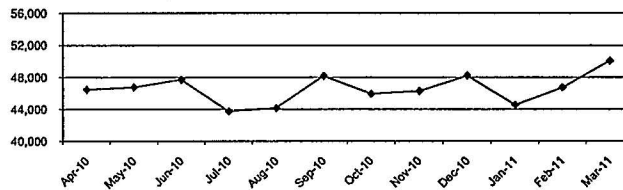
Service	Actual Paid (8/09-03/11)		Spent to Date	Percentage of Appropriation Used to Date**
	Monthly Average Number of People Receiving	Monthly Average Cost Per Person		
Inpatient Hospital	1,212	5,044	122,215,111	85.7%
Outpatient Hospital	8,939	306	54,749,276	86.4%
Physician	23,924	181	86,542,170	86.9%
Net Drugs (Includes Rebates)	18,951	87	33,152,460	65.1%
Dental	3,957	248	19,603,065	115.1%
Healthy Steps	3,495	229	16,000,750	74.0%
Other	--	--	107,631,981	85.5%
Total Medical Assistance			\$ 439,894,813	84.7%

PROGRAM NOTES:

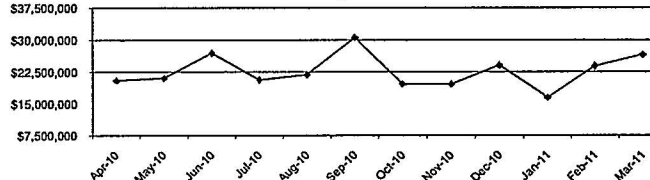
Effective July 1, 2009 eligibility for Healthy Steps was increased from 150% to 160% of the federal poverty level based on net income.

A portion of the increase in September 2010 was due to a \$6.3 million dollar correction to the payment methodology used to reimburse Indian Health Services Pharmacies.

Recipient Claims Paid for Medical Assistance for the Last 12 Months



Medical Assistance Expenditures for the Last 12 Months



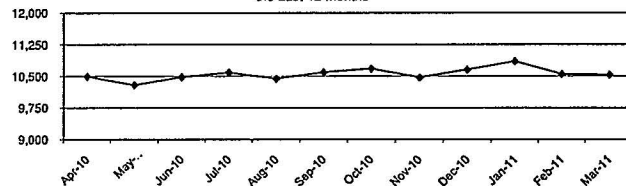
Section 9 - MEDICARE CLAWBACK
APPROPRIATION 2009 - 2011 BIENNIUM \$19,416,262

Budget (8/09-03/11)		Actual Paid (8/09-03/11)		Spent to Date	Percentage of Appropriation Used to Date**
Monthly Average Number of People Receiving	Monthly Average Cost Per Person	Monthly Average Number of People Receiving	Monthly Average Cost Per Person		
9,450	86	10,396	75	\$ 13,306,232	68.5%

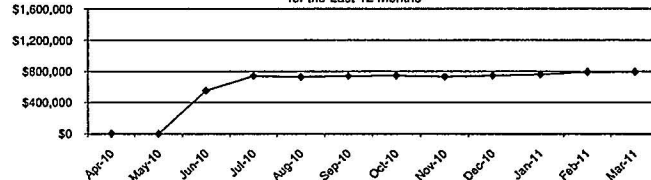
PROGRAM NOTES:

Payments made from October 2009-February 2010 were made using the FFY 2010 FMAP, however the Centers for Medicare and Medicaid reversed their decision and now allow the enhanced ARRA FMAP to be used in the Medicare Clawback calculation. This decision resulted in a \$2.4 million credit for payments made from October 2008 - January 2010 and was applied to payments made from March 2010 - June 2010. Payments made through June 2011 will be at the ARRA FMAP and the total impact for the 2009-2011 biennium is estimated to be \$5.3 million. However, the effect of ARRA is offset by the increased caseload.

Number of Dual Eligible's Medicare Clawback Paid for in the Last 12 Months



Medicare Clawback Expenditures for the Last 12 Months



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 JULY 2009 - MARCH 2011 (continued)

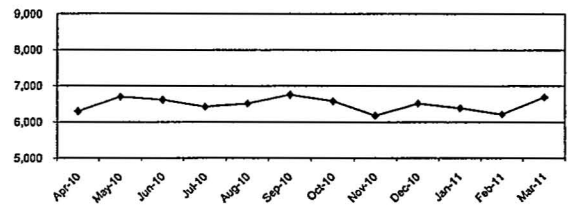
Section 10 - LONG TERM CARE CONTINUUM
APPROPRIATION 2009 - 2011 BIENNIUM \$514,995,382

Service	Budget (8/09-03/11)		Actual Paid (8/09-03/11)			Percentage of Appropriation Used to Date**
	Monthly Average Number of People Receiving	Monthly Average Cost Per Person	Monthly Average Number of People Receiving	Monthly Average Cost Per Person	Spent to Date	
Nursing Homes (& Hospice)	3,325	5,266	3,133	5,234	328,002,828	75.7%
Basic Care	454	1,646	500	1,824	18,226,579	100.6%
SPED	1,577	454	1,300	378	9,817,479	56.1%
Expanded SPED	127	234	116	240	2,564,927	77.8%
TBI - Waiver	27	3,314	28	3,382	1,907,582	88.3%
Aged & Disabled Waiver	302	1,888	265	1,931	4,934,249	75.4%
Targeted Case Management	458	177	472	123	1,165,444	59.5%
Personal Care Option	661	1,550	620	1,544	19,155,876	76.5%
Tech. Dep. Waiver	2	8,825	1	10,025	200,493	37.6%
Medically Fragile Waiver	10	4,271	2	1,064	40,438	3.5%
PACE	72	4,054	46	4,048	3,723,746	50.4%
Total Long-Term Care Continuum Expenditures to Date					\$ 387,739,641	75.3%

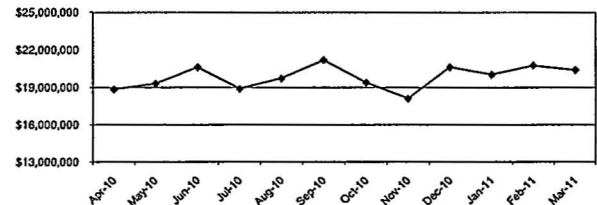
PROGRAM NOTES:

The nursing home expenditures are less than budgeted due to nursing home construction projects being completed at a later date than anticipated, and nursing home occupancy rates being less than budgeted.

Recipient Claims Paid for the Long Term Care Continuum for the Last 12 Months



Long Term Care Continuum Expenditures for the Last 12 Months



Section 11 - DEVELOPMENTAL DISABILITIES
APPROPRIATION 2009 - 2011 BIENNIUM \$346,197,746

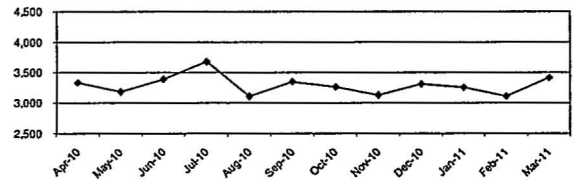
Service	Actual Paid (8/09-03/11)		Percentage of Appropriation Used to Date**
	Monthly Average Number of People Receiving	Monthly Average Cost Per Person Spent to Date	
ICF/MR	435	11,433	87.7%
ISLA	718	4,173	73.0%
MSLA	200	5,409	101.9%
Day Supports	1,053	2,139	86.8%
Other			82.1%
Total Developmental Disabilities Expenditures to Date		\$ 289,719,465	83.7%

PROGRAM NOTES:

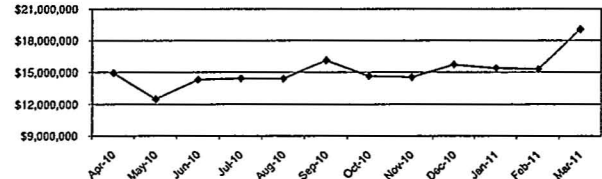
Fluctuations in expenses due to the timing of when payments are made.

In March 2011 a \$4.4 million rate adjustment was made to Anne Carlsen for their 2009 and 2010 rates. Payments previously made were at the last approved rate and an adjustment was made for differences in the rates.

Recipient Claims Paid for Developmental Disabilities for the Last 12 Months



Developmental Disabilities Expenditures for the Last 12 Months



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