2021 HB 1407

House Human Services Committee

Representative Robin Weisz, Chairman

January 27, 2021

Good afternoon Chairman Weisz and Members of the House Human Services Committee. I am Melissa Hauer, General Counsel of the North Dakota Hospital Association. I am here to testify regarding 2021 House Bill 1407 and ask that you give this bill a **Do Pass** recommendation.

We support this bill because it would enhance collaboration between hospitals and North Dakota tribes to improve access to health care, strengthen continuity of care, and address disparities in health outcomes for American Indians. This joint effort not only provides improved access to health care for American Indians, but it also provides the state with the opportunity to benefit from a Centers for Medicare & Medicaid Services (CMS) policy which provides 100 percent federal payments when an American Indian Medicaid beneficiary who is also eligible to receive care through Indian Health Services (IHS) receives care outside an IHS/Tribal facility, so long as the referring and receiving facilities have in place a care coordination agreement.

Currently, Medicaid payments at non-IHS/Tribal facilities for Medicaid-eligible American Indians are subject to states' regular Federal Medicaid Assistance Percentage (FMAP), costing states millions of dollars. North Dakota's current FMAP is 52.4 percent, meaning that for every dollar spent on medical services, the federal government contributes fifty-two cents. The new CMS policy provides 100 percent federal payment if the several requirements are met. One of those requirements is that the IHS/Tribal facility has in place a Care Coordination Agreement with the non-IHS/Tribal facility to which the patient is being referred. At a high level, the care coordination under these agreements requires the IHS/Tribal facility practitioner to request specific services (by electronic or other verifiable means) and provide relevant information about

the patient to the non-IHS/Tribal provider; the non-IHS/Tribal provider must send information about the care it provides to the patient, including results of screening, diagnostic or treatment procedures, back to the IHS/Tribal facility practitioner; the IHS/Tribal facility practitioner must continue to assume responsibility for the patient's care by assessing the information and taking appropriate action, including furnishing or requesting additional services; and the IHS/Tribal facility must incorporate the patient's information in the medical record.

In this way, the care of these patients is better coordinated between the IHS/Tribal facility practitioner and the outside health care provider who sees the patient for a particular treatment or procedure that could not be provided at the IHS/Tribal facility. It is not only better for the patient, but it also allows the state to receive 100 percent federal reimbursement, rather than the current 52 percent for the traditional Medicaid population.

As you might recall from our discussion last session of House Bill no. 1197, care coordination agreements were signed in February 2018 between the two large hospitals in Bismarck and the Great Plains Area Indian Health Services office. A great deal of work has been done since then by the two hospitals, the Standing Rock Sioux Tribe, and IHS to coordinate the care of American Indians in the region who need to be referred outside the IHS facility for specialized health care. These referrals were anticipated to be reported to the North Dakota Department of Human Services via the Medicaid billing process. And the Department would then submit them to the federal government for the enhanced payment of 100%, rather than the current 52 percent FMAP.

The "savings" returned to North Dakota from being able to claim the enhanced 100 percent FMAP was to be deposited in a tribal health care coordination fund in the state treasury. Unfortunately, further care coordination agreements have not been executed between any other tribes or hospitals. And the claims under the current care coordination agreements between the two Bismarck hospitals and Great Plains Area IHS have unfortunately not yet been able to be processed by the Department of Human Services due to the need for reprogramming of the Medicaid management information system (MMIS). It is estimated that this process could be providing millions in state general fund savings annually. The fiscal note on 2019 House Bill no. 1194, which created the law that this bill will amend, stated that, for the 2019-2021 biennium, the total savings were projected to be $7,386,113 and for the 2021-2023 biennium, the total savings were projected to be $8,532,324.

We stand ready to continue facilitating this project. We hope that other hospitals and the Tribes will agree to join in this project in order to better coordinate health care and take advantage of the enhanced FMAP payment. With everyone working together, we hope to be able to realize those additional federal funds. We support sharing the additional federal funding with participating Tribes in order to incentivize participation in the project and to recognize the additional work Tribes will need to do if they join the project.

In summary, we support sharing with participating Tribes of the additional funding that the care coordination will garner. We ask that you give this bill a **Do Pass** recommendation.

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

Respectfully Submitted,

Tim Blasl, President
North Dakota Hospital Association