

**TESTIMONY BEFORE THE BUDGET COMMITTEE ON HUMAN SERVICES
REGARDING SERVICES FOR CHILDREN
WITH SPECIAL HEALTH CARE NEEDS**

JULY 28, 2005

Chairman Dever, members of the committee, I am David Zentner, Director of Medical Services for the Department of Human Services. I appear before you to provide information regarding children with special health care needs.

The Department has a keen interest in the results of this study. Many of these children receive services from our agency including Children's Special Health Services, Medicaid and Healthy Steps programs. Many families face difficult decisions regarding the care of their children. The service delivery system can be difficult to understand and tends to be fragmented.

Some of the questions that could be explored include:

- Are the current programs effective in meeting the needs of children?**
- Are there gaps in service delivery and eligibility process in North Dakota for these children?**
- Are there serious unmet health care needs that require attention?**
- Who should be included in the definition of children with special health care needs?**
- What programs should be included in the study? And,**
- What effect would any changes to programs have on costs?**

We believe this study is a means of sorting out the issues, and making recommendations where necessary to improve the delivery of services to this group of citizens of our state.

The Department has convened a task force to assist us in gathering information, evaluating the needs of children and providing input to this committee during the study period. The task force consists of family members, advocates, providers and government agency personnel. We believe this group could be a valuable asset to this committee as they proceed with this study. The first meeting for the task force is tentatively scheduled on August 15, 2005.

You also requested an update concerning the application for a waiver for children with special health care needs. The Department is looking for guidance from this committee and the task force to provide recommendations about what the waiver should include. The process of developing and receiving approval for a waiver can be an arduous process. First we must decide what type of waiver to submit, who should be covered in the waiver, and the type of services to be covered. For example, should the waiver be limited to only certain diseases, or should it include all children that meet the definition of a child with a special health care need. In addition, the waiver must demonstrate that the waiver will be budget neutral for the federal government.

The Department can submit two types of Medicaid waivers. The first type is a 1915 c waiver that is used to provide alternative home and community based services. The Department already has three such waivers. These waivers provide alternative services for those recipients who would otherwise require institutional care. The second type of waiver is an 1115 waiver and is used to demonstrate a particular change in the program that would benefit additional individuals, or better deliver services to recipients.

For example, the Tennessee Medicaid program that you may have heard about is experiencing problems with a 1115 waiver.

In addition, some states have included the Katie Becket option in their Medicaid programs. This option allows children that would ordinarily be placed in an institutional medical facility to receive those services at home and retain their Medicaid eligibility. However, children who do not meet the criteria for admission to institutional care are not eligible for this option, nor would they be eligible for the 1915 c home and community based waiver.

The waiver process is complicated, and it is imperative that we have a clear understanding of what we wish to accomplish before a waiver can be submitted for approval to the federal government.

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