

Department of Human Services  
Tribal and State Relations Committee  
Representative Dennis Johnson, Chairman  
February 5, 2014

Chairman Johnson, members of the Tribal and State Relations Committee, I am Julie Schwab, Director of Medical Services for the Department of Human Services (Department). I appear before you to provide an update on the Medicaid provisions in the Affordable Care Act (ACA), including the implementation of Medicaid Expansion.

**Medicaid Expansion**

**Enrollment**

For the months of January approximately 1594 individuals were enrolled and February, approximately 3109 individuals were enrolled for coverage in the North Dakota Medicaid expansion. While we will finalize and trend the age, gender, and location cohorts over the next three months, the early data shows that most enrollees are childless adults (there are some adults with dependent children), slightly over half of the expansion enrollees are female, a little more than half are ages 19-44 (remainder ages 45-64), and most are rural (urban covering only Burleigh and Cass counties).

While the enrollment number is less than the 20,500 the Department estimated as being potentially eligible, the Department did not have any expectations about enrollment for January 1 coverage, and anticipated enrollment would grow over time. As we have indicated before, eventual enrollment will be dependent upon the choice of individuals surrounding coverage and motivation about the individual mandate and penalties.

During testimony throughout the 2013 legislative session, the Department also projected an increase to the "traditional" Medicaid enrollment. This population is often referred to as the "woodwork" group. These are individuals who were previously eligible, but had not applied, for Medicaid coverage. The increase was expected as a result of outreach and people going to the marketplace and finding out they were eligible for Medicaid (non-expansion). While we continue to determine the increase in enrollment as a result of the woodwork group, we are seeing an increase and should be able to quantify a trend by early spring. (Medicaid enrollment for the month of November 2013 was 66,050.)

### **Contract with Private Insurer (Health Plan)**

As we have previously reported, a Request for Proposal (RFP) for the coverage for the Medicaid Expansion was issued August 5, 2013. Proposals were received from Sanford Health Plan and Blue Cross/Blue Shield of North Dakota (BCBSND). On November 13, 2013, the Department issued a notice of intent to award coverage contracts to both Sanford Health Plan and BCBSND.

In mid-December, once BCBSND withdrew their proposal, and the department quickly adjusted our approach to ensure coverage was in place by January 1. The Sanford Health Plan meets all of the access requirements set forth in the RFP and is addressing any providers that need to be part of the network (eg. federally qualified health centers and Human Service Centers). To date, there have been no access or member services concerns expressed to the Department.

### **Coverage**

In the RFP, the Department indicated that the Sanford Health Plan (the commercial Health Maintenance Organization with the largest insured

commercial, non-Medicaid enrollment in the state) is the benchmark selected for the Medicaid Expansion population. The coverage for the Medicaid Expansion population (known as the Alternative Benefit Plan) would be the Sanford Health Plan, plus the Essential Health Benefits, and any required Medicaid services (such as non-emergency medical transportation). The Alternative Benefit Plan also complies with the Mental Health Parity and Addiction Equity Act.

According to final rules issued by CMS on July 15, 2013, individuals who are determined to be medically frail cannot be required to enroll in an Alternative Benefit Plan that does not contain all of the services available under the State's Medicaid Program. The Department continues to finalize the process to identify and approve individuals as medically frail and ensure their coverage meets all requirements.

### **Eligibility Process**

In November, the Department, along with the Information Technology Department, recognized that we needed to implement a contingency solution because the eligibility and enrollment system under development was not going to be completed in time to accept applications and make eligibility determinations. At that time, the Department issued an RFP for a vendor to operate a call center and perform eligibility application processing. The Department awarded the contract to Automated Health Systems (AHS) who began operating the call center in late November and started processing applications in December. AHS takes phone calls from prospective applicants, takes applications over the telephone, assists applicants who have submitted incomplete applications, provides status information from applicants who are uncertain about their coverage, and makes eligibility determinations.

As I think everyone is aware, there have been issues with the federal marketplace, called HealthCare.gov. These issues have impacted the

interactions with Medicaid, and our ability to make determinations on the applications filed through HealthCare.gov. After it became evident that the account transfer provisions would not be operational by January 1, the Department reached out to all individuals who had applied through HealthCare.gov and who had been assessed as eligible for Medicaid. We encouraged people to apply directly with us, so we could make determinations. Some individuals did so, and some did not. In December, CMS offered a waiver to states to use the information from the federal file to enroll individuals for coverage, for up to 90 days, until the full eligibility determination is made. In order to ensure that people who were assessed as being eligible for Medicaid by the marketplace had coverage on January 1, the Department requested this waiver and enrolled individuals from the federal file. After we receive a complete account transfer file (from the marketplace), each individual that was enrolled will have a full determination completed. The full determination may change an individual's eligibility status; applicants have been informed of this possibility and will be notified of the final determination in writing.

The Department has trained county staff on using the contingency eligibility determination solution. Counties have begun to make determinations and the Department intends to continue the contract with AHS until the counties are able to support the eligibility effort.

### **Continued Outreach**

In November, the Department conducted stakeholder meetings across North Dakota, for the purpose of informing grass roots organizations and advocacy organizations about the Medicaid Expansion and how they can assist individuals with learning about coverage and applying for coverage. The Department has also produced brochures, flyers, and public service announcements and these items are available on the Department's website

at <http://www.nd.gov/dhs/>. The Department continues to collaborate with the Indian Affairs Commission to ensure eligible American Indians are aware of the expanded coverage.

This concludes my testimony and I would address any questions that you may have.