

North Dakota Department of Human Services - Medical Services Division
Joint Committee Hearing – Budget Committee on Health Care / Budget Committee on Human Services
September 12, 2006

| | Waiver-Special Health Care Needs | Medicaid Buy-In for Children | Katie Beckett Eligibility Option |
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| Overview Description | A Home and Community Based Waiver is designed to reduce extended hospitalizations and prevent skilled nursing facility placements for children who are medically fragile by providing assistance for families who require long term supports and services to maintain their child in a family home setting while meeting their child's unique medical needs. | The Family Opportunity Act, authorized by Congress in 2006 as part of the Deficit Reduction Act (DRA), allows states to create Medicaid buy-in programs targeted at children who meet the Social Security standard for disability, but who come from families with incomes above standard Medicaid eligibility limits. States do not need a federal waiver to implement a buy-in program under this law. States would need legislative approval and appropriation, as well as CMS approval. | The Katie Beckett Eligibility Option is an optional eligibility category that allows children with long-term disabilities or complex medical needs, living at home, to access Medicaid services. |
| Group That Would Be Covered | Medically Fragile children ages 3 to 18. Medically Fragile children are at times medically stable but still may require skilled nursing care, specialized therapy, and specialized medical equipment and supplies to enhance or sustain their lives. To qualify for the waiver, children would need to meet nursing facility or hospital level of care criteria. For the waiver, the State would develop and use a tool to help evaluate the intensity of the care needed by medically fragile children. | Disabled Children 18 and under, whose family income does not exceed 300% of poverty (could be lower, at state option). In 2006, for a family of 4, this amount would be \$6668.00 per month (net income). Assets are not considered. Based on Federal implementation guidelines, eligibility for these buy-in programs will be phased in starting in October 2007 when children 6 and under will be eligible for the program. Children ages 7-13 will be added in October 2008, and children from 14-18 will be eligible beginning October 2009. | Children 18 and under who do not have income or assets in their name in excess of the current standards for a child living in an institution. Without the Katie Beckett Eligibility Option, the income of legally liable relatives is counted when the individual is cared for at home. |
| Medical Conditions of Group | Children must meet Institutional (hospital or nursing facility) Level of Care criteria in order to qualify for waiver services. If not for the waiver, a child would require services in a hospital or nursing facility. Initial enrollment will be based on the greatest need. | Children must be determined to be disabled under Social Security Act guidelines. | Children must be determined to be disabled under Social Security Act guidelines and require a level of care at home that is typically provided in an Institution. |
| Number of Children Covered | 15 | Estimated 778 (Includes about 31 that would switch from medically needy). | Estimate not available at this time. |
| Estimated Cost / Year | The estimated cost per year would be \$44,769 per Child (\$671,535 total for 15 children) This includes both Medicaid State Plan and Waiver Services | \$2,066,245 per biennium. This includes an offset of premiums estimated to be over \$800,000. | Estimate not available at this time. |

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| Services Offered | <p>All Medicaid Services. Proposed waiver services include:</p> <ul style="list-style-type: none"> ▶ In-home Support ▶ Respite ▶ Excess medically related expenses not covered by the State Plan ▶ Case Management <p>Medicaid waivers are required by federal law to be cost neutral. The overall cost of waiver services cannot cost more than institutionalization. (This figure does not include Medicaid State Plan costs.)</p> | All Medicaid Services. | All Medicaid Services. The cost to Medicaid cannot exceed the cost Medicaid would pay if the child were in an institution. |
| Cost to Family (RL / Premium) | The family will not incur a Medicaid Recipient Liability as the family income and assets will not be an eligibility consideration. | Premium equal to 5% of family's gross income. The law requires participating families to first take advantage of employer-sponsored health insurance options (if available and if the employer pays at least half of the monthly premium cost). These premiums would be offset by the family's private insurance premiums. Recipient Liability would not apply. | Premiums and/or Recipient Liability would not apply. |
| Program Caps / Limits | Waivers allow a cap on enrollment. States may also determine the individual cost limit at less than institutional costs or have no individual cost limit. The Department of Human Services is proposing a waiver that caps the number of individuals enrolled and the amount of waiver services each individual may obtain per year. | All who meet program requirements would be allowed to buy-in. Limits within the Medicaid program would apply. | All who meet eligibility requirements would access Medicaid. Limits within the Medicaid program would apply. |
| Other | | | ND Medicaid covers children to age 21 under the medically needy option, versus 18 under the Katie Beckett option. We can cover the individual under the child category instead of as a disabled child, which allows us to disregard family assets. Under medically needy we also do not have to monitor, or limit, costs to insure they are less than if the child were in an institution. Many of these children are likely receiving HCBS, so only the child's income is considered during full calendar months in which the child receives HCBS. |