

**Testimony**  
**House Bill 1047 – Department of Human Services**  
**House Human Services Committee**  
**Representative Clara Sue Price, Chairman**  
**January 10, 2007**

Chairman Price, members of the House Human Services Committee, I am Maggie Anderson, Director of Medical Services for the Department of Human Services. I appear before you to provide information regarding the fiscal note on this bill.

This bill would increase the income eligibility standard for the Healthy Steps Program from 140 percent of the federal poverty level (net income) to 200 percent of the federal poverty level (net income).

The Department's estimate is based on the number of children who were denied Healthy Steps Coverage for the period of August 2005 through July 2006. The number of children estimated is 3,330, which is the number whose family income was between 140 percent and 200 percent. What we are unable to estimate is the number of additional, potential applicants that may seek coverage.

Based on information from the 2000 Census, there are 24,505 children in North Dakota who reside in households whose income is between 140 percent and 200 percent of poverty. It is unknown; however, how many of these children already have coverage, or how many families would apply. For this reason, we cannot determine a fiscal impact for this group of children.

We estimate in the first two months of implementation about 400 children would enroll in Healthy Steps, if the income level was increased to 200 percent of poverty. We further estimate that an additional 115 children would enroll each of the remaining 22 months. By the end of the biennium, we estimate the additional enrollees to be approximately 3,330.

Based on an average monthly premium of \$207.31 per month, the additional cost to increase the Healthy Steps income level to 200 percent of the federal poverty level would be approximately \$9.9 million of which 100 percent would be general funds. States receive annual federal allotments for the operation of the State Children's Health Insurance Program. If an annual allotment is not fully used, it can be carried over to be used in subsequent years. During this current biennium, the Healthy Steps program in North Dakota has seen tremendous growth (Attachment A). In preparing the 2007-2009 Budget request, the Department prepared the Healthy Steps projection, based on an average of 3,958 children per month. We expect to essentially fully expend all carryover, and current year allotments to sustain the program at the current eligibility limit.

The fiscal note also includes the funding for an additional Full Time Equivalent (FTE) in the Medical Services Division and additional funding at the county level. Of the current Healthy Steps case load, approximately one-third of the cases are at the State office, the remainder at the county. Based on this same allocation, if this bill passed, an additional FTE would be needed to assist with the cases processed at the State Office. The estimated cost for this additional FTE for the 2007-2009 Biennium is \$102,395. This estimate includes salary, fringe, equipment and office space. Again, based on the current case load allocation, the

remaining two-thirds of the cases would be processed at the county-level. The estimate of additional funds needed for county-level expenses is \$198,442, which would support the cost of two additional FTE.

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