

Testimony
Senate Bill 2326 – Department of Human Services
House Human Services Committee
Representative Clara Sue Price, Chairman
February 27, 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 today to provide information on the appropriation section of this bill.

The Deficit Reduction Act of 2005 enacted a new eligibility category that would allow families with incomes up to 300 percent of the federal poverty level to “buy in” to Medicaid for a child with a disability. This bill, as amended, proposes to add this eligibility category to the North Dakota Medicaid program. Eligibility would be at 200 percent of the federal poverty level.

As you may recall, 2005 Senate Bill 2395 directed the Department of Human Services to apply for a waiver to provide in-home services to children with extraordinary needs who would otherwise require hospitalization or nursing facility care. Over the interim, the Department convened a group of stakeholders for the purpose of gathering input for and writing this waiver. 2005 Senate Bill 2395 did not contain an appropriation, and the Department was unable to include the funding for this waiver in our 2007-2009 Budget request. 2007 Senate Bill 2326, as amended, contains an appropriation to fund the waiver.

As a reference, Attachment A is a document prepared for the Interim Budget Committee on Human Services, which provides information on the

Waiver, the Buy In for Children and on another option for coverage, the Katie Beckett Eligibility Option. Attachment B provides a summary of the remaining 2007 Legislative Bills that impact health care coverage for children. Attachment C provides a summary of the various income eligibility levels.

The estimate for the Buy-In for Children at 200 percent of the federal poverty level is based on an expected enrollment of 402 children. Based on an average monthly cost per child of \$157.43, the estimated cost is \$1,518,885, which is offset by premiums that would be collected of \$602,316. The premium is estimated to be \$117 per child per month. Families who have health insurance would **only** pay a premium if their current out of pocket expenses for their premiums are less than five percent of their gross income. Therefore, once all expenses and premiums are offset, the expected grant expenditures for the Buy In for Children would be \$916,569 of which \$330,148 are general funds.

The estimate for the Waiver for Children with Extraordinary Health Care Needs is based on an expected enrollment of 15 children. Based on an average annual cost of \$44,769 per child, the estimated biennial expenditures are \$1,343,070 of which \$492,720 are general funds.

Additionally, there would be expenses related to administration. Specifically, there would be expenditures for overtime for Department staff to process the premium payments. This is estimated to be \$63,840 for the biennium. Also, there would be enhancements to MMIS and the Vision system. The estimated cost for the modifications is \$306,826. The estimated grant, overtime, and system enhancement expenditures are included in the appropriation section of this bill. The Appropriation

Section also contains authority for the addition of a Full Time Equivalent (FTE) for the development, implementation, and operation of the Buy-In and the Waiver. Funding for the FTE for the 2007-2009 Biennium would be \$103,462 of which \$51,732 would be general funds.

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