

Testimony
Senate Bill 2287 – Department of Human Services
Senate Human Services Committee
Senator Judy Lee, Chairman
January 26, 2009

Chairman Lee, members of the Senate Human Services Committee, I am Erik Elkins, Assistant Director of the Medical Services Division, for the Department of Human Services. I am here today to provide information regarding Senate Bill No. 2287.

This bill would require the North Dakota Medicaid program to apply for a Medicaid Family Planning Waiver. According to information provided by the National Academy of State Health Policy (NASHP): "Twenty-six states have Medicaid §1115 family planning waivers to help promote reproductive health, help women avoid unintended pregnancies, and improve infant and maternal health outcomes. Family planning waivers – which allow states to provide services to individuals who are not otherwise eligible for coverage under Medicaid or the State Children's Health Insurance Program – have proven to be successful in reducing the social and economic costs associated with unintended pregnancies. States receive a 90 percent federal match for services provided under these programs."

A paper prepared by NASHP on the Medicaid Family Planning Waivers is attached for your reference.

The Department has not explored these waivers and we have very little knowledge of or expertise about this topic. If it is the desire of the Legislature to pursue this type of waiver, the Department would like to

recommend an approach that worked well with 2005 Senate Bill 2395 and subsequent 2007 Senate Bill 2326. In 2005 Senate Bill 2395, the Legislature directed the Department to write a Medicaid Waiver for Medically Fragile Children during the 2005-06 interim, which we did. Subsequently, 2007 Senate Bill 2326 included the funding to implement the waiver.

Currently, and through May 2010, the staff of the Medical Services Division will be heavily engaged in the design, testing and implementation of the new Medicaid Management Information System (MMIS). In addition, there are a number of other upcoming federal changes, as well as the program enhancements and expansions in the 2009-2011 Executive Budget. We would not expect to be able to implement the waiver during the upcoming interim.

Last Friday, the Department became aware of a provision in the Economic Stimulus Package that may impact the provisions of this bill. Section 5004 of the Economic Stimulus Package is titled, "State Eligibility Option For Family Planning Services". It is our understanding, based on a briefing provided by the American Public Human Services Association on Friday, January 23, 2009, that this section would allow states to file a Medicaid State Plan Amendment, rather than a waiver for the expansion of family planning services. Even though a State Plan Amendment should be easier to secure than a waiver, the Stimulus Package is not final and we do not have the details on what will be required should a State Plan amendment be allowed. Therefore, if it is the desire of the Legislature to pursue this change in Medicaid eligibility, the Department believes the approach discussed on the top of page two (2) would allow the public and health care providers to provide information and recommendations, the

vendor to prepare the cost estimates, and also time to prepare the necessary documents for submitting a Medicaid State Plan amendment or waiver, depending on the outcome of the Economic Stimulus Package.

The fiscal note prepared for this bill reflects \$150,000 in total funds, of which \$75,000 would be general funds for the purpose of hiring a vendor to lead the effort in writing the waiver (or state plan amendment) and preparing the cost-effectiveness documentation. Once the legislation passes, the Department would proceed with writing a Request for Proposal to secure the assistance of the vendor.

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