

**TESTIMONY BEFORE
HEALTH CARE REFORM REVIEW COMMITTEE
PATIENT PROTECTION AND AFFORDABLE CARE ACT
JUNE 14, 2011**

Chairman Keiser, members of the Health Care Reform Review Committee, I am Jenny Witham, Director of the Information Technology Services Division for the Department of Human Services. I appear before you to provide information on the required modifications to the Department's eligibility determination systems for Medicaid and the Children's Health Insurance Program (CHIP) in order to ensure compliance with the Patient Protection and Affordable Care Act of 2010.

If it is the interest of the Legislature to pursue the establishment of an American Health Benefit Exchange for the state that will meet the requirements as currently outlined in the Patient Protection and Affordable Care Act of 2010, it will be important for this committee to consider the implications of:

- Title I, Section 1311(d)(4)(F) requiring, at a minimum, for the Exchange to provide for eligibility determination and the enrollment of individuals in Medicaid and CHIP; and
- Title II Role of Public Programs, Section 2201 which outlines more specifically the requirements of enrollment simplification and Medicaid and CHIP coordination with the State Health Benefit Exchange.

The intent of these sections is to ensure that the American Health Benefit Exchange provides seamless eligibility and enrollment linkages between the exchange coverage options and public assistance programs. In order

to achieve this level of interoperability with the Exchange, the Medicaid and CHIP eligibility systems will require significant modification.

During the 62nd Legislative Assembly, Representative Keiser introduced an amendment to HB 1126, which would have included an appropriation to fund these necessary system changes. The amount included \$15,555,543 from the general fund and \$27,062,382 from federal funding sources. This incorporates a 90/10 funding ratio for the Medicaid portion of the system changes. The total cost is \$42,617,925.

In May 2011, the Centers for Medicare and Medicaid Services (CMS) issued Guidance for Exchange and Medicaid Technology Systems. This document outlines governance, cost allocation, and the business and technical architecture objectives for the Exchange and the intended interactions with the state's Medicaid and CHIP enrollment functions.

In addition, to assist in establishing Exchange IT systems, CMS has established an Exchange Architecture Guidance framework. To date, this framework includes a volume of documents that serve as a master architecture plan designed to ensure that systems communicate effectively and efficiently with each other. Finally, CMS provided for Early Innovator IT Cooperative Agreement awards that were issued to seven applicant states/state consortia on February 26, 2011.

As outlined in HB 1126, over the next few months the North Dakota Insurance Department and the Department of Human Services will collaborate in determining the best approach to meeting the systemic and

architectural requirements to support the business needs of the Exchange.

If you have any questions, I would be happy to address them at this time.