

**Testimony**  
**Senate Bill 2334 – Department of Human Services**  
**Senate Human Services Committee**  
**Senator Judy Lee, Chairman**  
**January 31, 2011**

Chairman Lee, members of the Senate Human Services Committee, I am Maggie Anderson, Director of the Medical Services Division, for the Department of Human Services. I am here today to provide information on the fiscal note for Senate Bill 2334 and to offer an amendment.

This bill would require the North Dakota Medicaid program to expand Medicaid coverage for pregnant women to 200 percent of the federal poverty level. North Dakota Medicaid currently provides coverage to pregnant women with net family income up to 133 percent of the federal poverty level. For budgeting purposes, the family size is increased for each unborn child. Attachment A provides information on the federal poverty level.

Pregnant women with income above 133 percent of the poverty level may also be covered as medically needy pregnant women; however, they must pay towards the cost of their care. Their share is equal to the amount of income above the medically needy income level.

When a pregnant woman, whose pregnancy has been medically confirmed, becomes eligible for Medicaid, she remains continuously eligible without regard to any increase in income. (*Pregnancy is medically confirmed if the woman confirms that she has been determined to be pregnant by medical personnel, a public health agency, or a home pregnancy test.*) Decreases in income, however, will be considered to further reduce any share a medically needy pregnant woman has to pay.

Pregnant women, who apply for Medicaid during pregnancy, continue to be eligible for Medicaid for 60 days after the pregnancy ends, and for the remaining days of the month in which the 60th day falls.

Legal or illegal aliens, who are not otherwise eligible for Medicaid, may be eligible for coverage of birth costs through emergency services; however, they are not eligible for the extra 60 day provision after the pregnancy ends.

Pregnant women who become eligible for Medicaid are eligible for all services covered by Medicaid. They are not limited to a subset of pregnancy related services.

Even though this bill is about pregnancy coverage under Medicaid, as way of background, the Children's Health Insurance Program (CHIP) covers prenatal services for young pregnant women who are eligible for CHIP, but it does not cover delivery costs. These pregnant women have the option to transfer to Medicaid coverage if they want coverage for the delivery costs. If the pregnant woman remains on CHIP, her baby will also become eligible for CHIP and the CHIP program will cover the baby's expenses. If the pregnant woman transfers to Medicaid, the baby will also be covered through Medicaid.

The average Medicaid cost per pregnancy for Calendar Year 2009 was \$4,619.21; this cost was inflated by 6 percent to account for the inflation granted to all providers in 2010; and then by 3 percent and 3 percent to account for the inflation in the Governor's Budget. With an eligibility

expansion to 200 percent, the Department estimates an additional 1,302 pregnant women per year would receive coverage through Medicaid.

The total fiscal impact for 18 months is \$10,231,167, of which \$4,573,074 are general funds. This change will require changes to the Department's eligibility system (Vision). The estimated cost of the system changes is \$184,707 of which \$92,353 are general funds; and the estimated Vision system project length is 5 months. In addition, the change will require approval from the Centers for Medicare and Medicaid Services (CMS). The Department believes that a January 1, 2012 is a realistic implementation date.

The Department is offering an amendment which will ensure the proposed language achieves the intent of the bill sponsors to increase the eligibility level to 200 percent for pregnant women. The amendment offered (1) removes the proposed changes on lines 11 and 16 of page 1, as the changes would not be necessary; (2) inserts item c after line 13 on page 1, as this will establish the group of individuals to which item 4 on line 20 applies; and (3) removes the words, "no less than required by federal law" from line 20 on page 1, as this statement would not be necessary. The changes in the proposed amendment do not impact the fiscal note prepared by the Department.

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