

Testimony
Senate Bill 2109 – Department of Human Services
Senate Human Services Committee
Senator Judy Lee, Chairman
January 14, 2013

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 to provide support of Senate Bill 2109, which was introduced at the request of the Department.

The Affordable Care Act (ACA) requires that eligibility determinations for the Children’s Health Insurance Program (CHIP) follow specific modified adjusted gross income (MAGI) methodologies beginning January 1, 2014. These methodologies follow the definition of MAGI in the Internal Revenue Code, with a few exceptions. This bill seeks to modify state statute to be in conformance with federal law with regard to the determination of income and the income limit.

Determination of Income:

Current N.D.C.C., subsection 1 of section 50-29-02, provides specific requirements for determining the amount of self-employment income considered in determining CHIP eligibility. SB 2109 seeks to modify that language to state that the determination of eligibility must be based on MAGI methodologies as required in 42 U.S.C. 1396(e)(14).

Income Limit:

Current N.D.C.C., subsection 6 of section 50-29-04, provides for a net income eligibility limit of 160 percent of the federal poverty level. The ACA requires that MAGI methodologies no longer allow for disregards or

deductions from income. Instead, the MAGI methodologies require an income limit that, at a minimum, is a gross income equivalent to the net income limit. The determination of the limit is based on a conversion template being developed by the Centers for Medicare and Medicaid Services (CMS). CMS continues development of the conversion template; therefore, the minimum gross equivalent for North Dakota has not yet been established. SB 2109 seeks to modify subdivision "a" of subsection 6 to provide for a gross income eligibility limit that is based on the net income eligibility equivalent of the current limit of 160 percent of the poverty level.

This concludes my testimony. I'll be happy to respond to any questions you may have.