

Testimony
House Bill 1317 - Department of Human Services
House Human Services Committee
Representative Robin Weisz, Chairman

January 20, 2021

Chairman Weisz and members of the Human Services Committee, I am Cory Pedersen, Director of the Children and Family Services Division for the Department of Human Services (Department). I appear today to provide testimony on House Bill 1317.

House Bill 1317 directs the Department to develop a program to provide financial assistance to individuals for costs associated with a pregnancy that results in an adoption of a newborn.

Currently, the Department does not provide any fiscal compensation for individuals who are adopting newborns from private licensed child placement agencies. The Department does provide reimbursement of the non-recurring expenses of adoption for those families adopting a child with special needs through the public agency (human service zones and tribes) who qualify for the adoption assistance program. Therefore, we are assuming that this Bill would seek to assist adoptive families who are adopting infants placed with private agencies by their birth parents in a voluntary manner.

Birth parents privately placing their children for adoption often do have Medicaid to pay for the medical expenses of pregnancy care, labor, and delivery. In recent contact with licensed child placing agencies, they have indicated that 70 – 90% of birth parents placing infants do have Medicaid coverage.

The Department notes that the limitation in the bill regarding who can access the funding may open the State to litigation from single individuals, non-married couples, and same sex married couples, alleging discrimination.

The following is information related to the Department's fiscal note:

- In averaging the number of private agency infant adoptions over a 5-year period, the Department estimates that 36 adoptions occur per year (72/biennium). The average cost per adoption was estimated after contact with in-state licensed child placement agencies and consulting national data regarding costs as \$25,000/ adoption.
- Because the majority of birth parents have Medicaid coverage for labor and delivery, the Department anticipates approximately 22 birth parents/ biennium

that would need the medical coverage set forth in this Bill at an estimated cost of \$100,518.

- One FTE is requested to build this new program from the ground up. There is no model for such a program in other states that would provide guidance in this regard. Staff would be required to establish rule and policy, create forms for application to the program, collaborate with Medicaid staff, establish a method to make the payments (The Department does not have a platform currently that such payments could be run through), provide information to child placing agencies regarding this new program and provide technical assistance to agency and individual constituents.
- This program would be funded in its entirety by state funds as the Department is not aware of any federal programs that could be accessed for this service.

This concludes my testimony, and I am happy to answer any questions you may have.