

Testimony
Department of Human Services
Health Care Reform Review Committee
Representative George Keiser, Chairman
April 11, 2012

Chairman Keiser, members of the Health Care Reform Review Committee, I am Maggie Anderson, Director of the Medical Services Division for the Department of Human Services. I appear before you to provide information regarding the feasibility of implementing a buy-in program for the state's medical assistance program (Medicaid).

Background

If a state chooses to participate in the Medicaid program, federal law mandates that certain populations be covered. There is also flexibility to cover "optional" groups. If a state wants to expand coverage beyond the mandatory and optional groups, they must submit a waiver to the Centers for Medicare and Medicaid Services.

The following table provides information on the current mandatory and optional coverage groups covered by North Dakota Medicaid and [Attachment A](#) shows the current income eligibility levels for each group.

MANDATORY COVERAGE GROUPS	OPTIONAL COVERAGE GROUPS
Children	Breast and Cervical Cancer Treatment (Women's Way)
Pregnant Women	Worker's With Disabilities
Parents/Caretaker Adults	Children with Disabilities
Aged & Disabled receiving SSI	Medically Needy
Low Income Medicare Beneficiaries	

Starting January 1, 2014, the Affordable Care Act expands Medicaid eligibility to ALL individuals under the age of 65 with incomes up to 138 percent of the Federal Poverty Level. Individuals in households with incomes above 138 percent and up to 400 percent of the Federal Poverty Level would receive premium subsidies to purchase insurance through the Health Benefit Exchange.

Uninsured Information – 3 Year Average

North Dakota Health Insurance Coverage 2008 to 2010	
Total Population	631,196
Insured	557,586
Uninsured	73,610

Data Source: U.S. Census Bureau: Current Population Survey, Annual Social and Economic Supplement, 2009 through 2011 (3-year average - Data Collected in 2009 to 2011)

As a point of reference, the North Dakota Medicaid enrollment for February 2012 was 66,337. Therefore, implementing a program that would allow the uninsured to buy-in to Medicaid could double the size of the Department's effort to manage the enrollment, benefit plan, and claims processing for this program area.

Medicaid Buy-In

If the Legislature decided to offer a program allowing uninsured individuals to buy-in to Medicaid, there are questions to be answered and items to consider:

Would the state be seeking federal match for individuals who buy in? The amount of premium may be limited by CMS and the maximum poverty level eligible for federal match may also be limited by CMS.

If North Dakota were to establish a Medicaid buy-in for the uninsured, would it be a per month premium paid by the members with the state being at risk for catastrophic claims? Currently, the Medicaid program is primarily a fee for service structure, where the Medicaid program pays for all medically necessary services for enrolled recipients.

If the approach would be a per month premium, would there be any requirements that all uninsured individuals participate? This would be important to know for establishing a risk-based premium.

Would the buy-in be for acute services or all Medicaid covered services? See [Attachment B](#) for a list of current Medicaid covered services.

Would the buy-in program recipients have the same requirements for prior authorization of services, selecting a primary care provider, and following the Medicaid program rules?

Would the buy-in group have the same service limits and cost sharing as the traditional Medicaid population, or would this group have different requirements? See [Attachment C](#) for a list of the current service limits and cost sharing.

Would the Department have the authority to remove individuals from buy-in coverage for failure to pay premiums or for waste/abuse of program services?

Would the provider community support additional individuals being covered by the Medicaid program? Providers often express concern that the Medicaid fee schedule does not cover their costs.

If the Department would implement a Medicaid buy-in program for the state's uninsured population, additional staff would be needed in the Fiscal Administration Division (to process the buy-in invoices and payments received), the Medical Services Division (to oversee the buy-in program, to conduct utilization review, and to answer provider and recipient telephone calls), and the Information Technology Division (to process the additional claims).

In addition, programming changes would need to be made to the Department's eligibility and claims processing systems. The extent of the changes would be dependent on the answers to many of the questions above.

In summary, the Affordable Care Act contains a significant expansion of Medicaid eligibility, with the federal government covering 100 percent of the expansion cost for the first three years (2014-2016). Individuals not eligible for Medicaid will be able to purchase insurance through the Health Benefit Exchange. If the United States Supreme Court determines either the Medicaid expansion or the entire Affordable Care Act to be unconstitutional, a Medicaid buy-in could be considered. However, depending on the intent of an initiative to cover the uninsured, the Medicaid program may or may not be the most appropriate vehicle to use.

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

INCOME LEVELS EFFECTIVE * **April 1, 2012**

Attachment A

Family Size	Family Coverage (1931)	Medically Needy	SSI	Children Age 6 to 19 and QMB	SLMB	Pregnant Women & Child to Age 6	QI-1	Healthy Steps	Transitional Medicaid	Caring for Children & Children with Disabilities & Women's Way	Workers with Disabilities
		83% of Poverty	(Effective 01/01/12)	100% of Poverty	120% of Poverty	133% of Poverty	135% of Poverty	160% of Poverty	185% of Poverty	200% of Poverty	225% of Poverty
1	\$311	\$ 773	\$698	\$ 931	\$ 1,117	\$1,238	\$1,257	\$1,490	\$1,723	\$1,862	\$2,095
2	417	1,047	1,048	1,261	1,513	1,677	1,703	2,018	2,333	2,522	2,837
3	523	1,321		1,591	1,909	2,116	2,148	2,546	2,944	3,182	3,580
4	629	1,595		1,921	2,305	2,555	2,594	3,074	3,554	3,842	4,322
5	735	1,869		2,251	2,701	2,994	3,039	3,602	4,165	4,502	5,065
6	841	2,143		2,581	3,097	3,433	3,485	4,130	4,775	5,162	5,807
7	947	2,416		2,911	3,493	3,871	3,930	4,658	5,386	5,822	6,550
8	1,053	2,690		3,241	3,889	4,311	4,376	5,186	5,996	6,482	7,292
9	1,159	2,964		3,571	4,285	4,750	4,821	5,714	6,607	7,142	8,035
10	1,265	3,238		3,901	4,681	5,189	5,267	6,242	7,217	7,802	8,777
+1*	107	274		330	396	439	446	528	611	660	743

Spousal Impoverishment Levels			
Community Spouse Minimum Asset Allowance (Effective 01/01/12)	Community Spouse Maximum Asset Allowance (Effective 01/01/12)	Community Spouse Income Level (Effective 01/01/03)	Income Level for each Additional Individual (Effective 04/01/12)
\$22,728	\$113,640	\$2,267	\$630

Average Cost of Nursing Care	
Average Monthly Cost of Care (Effective 01/01/12)	Average Daily Cost of Care (Effective 01/01/12)
\$6,504	\$213.82

Note: LTC income level increased from \$40 to \$50 effective with the benefit month of 01/01/02 ICF/MR income level increased from \$50 to \$85 effective 1/1/2010.

*Caring for Children eligibility guidelines changed from 151-200% FPL to 161-200% FPL as of 07/01/09.

(Due to Healthy Steps eligibility guidelines change to 160% as of 07/01/09) There has been no change in income levels since 04-01-11.

North Dakota Department of Human Services
Medical Services Division

MEDICAID MANDATORY AND OPTIONAL SERVICES

MANDATORY	OPTIONAL	OPTIONAL
Inpatient Hospital	Chiropractic Services	Mental Health Rehab / Stabilization
Outpatient Hospital	Podiatrist Services	Inpatient Hospital / Nursing Facility / ICF Services 65 and older in IMD
Laboratory X-ray	Optometrists / Eyeglasses	Intermediate Care Facility Services for MR
Nursing Facility Services for beneficiaries age 21 and older	Psychologists	Inpatient Psychiatric Services Under Age 21
EPSDT for under age 21	Nurse Anesthetist	Personal Care Services
Family Planning Services & Supplies	Private Duty Nursing	Targeted Case Management
Physician Services	Clinic Services	Primary Care Case Management
Nurse Mid-wife Services	Home Health Therapy	Hospice Care
Pregnancy Related Services and services for other conditions that might complicate pregnancy	Dental & Dentures	Non-Emergency Transportation Services
60 Days Post Partum Pregnancy-Related Services	Physical Therapy & Occupational Therapy	Nursing Facility Services Under Age 21
Home Health Services (Nursing), including Durable Medical Equipment and Supplies	Speech, Hearing, Language Therapy	Emergency Hospital Services in Non-Medicare Participating
Medical and Surgical Services of a Dentist	Prescribed Drugs	Prosthetic Devices
Emergency Medical Transportation	Diagnostic/Screening/Preventative Services	
Federal Qualified Health Center (FQHC) / Rural Health Center (RHC)		

Note: ALL Optional services are available to children under the age of 21, if medically necessary (Required through EPSDT)

**North Dakota Department of Human Services
Medical Services Division**

CURRENT MEDICAID SERVICE LIMITS AND COPAYMENTS

SERVICE LIMITS	COPAYMENTS
Chiropractic Manipulations 12/year	\$2 Occupational Therapy
Chiropractic X-rays 2/year	\$2 Optometry Service
Physical / Occupational / Speech Therapy Evaluation 1/year	\$2 Psychological Service
Occupational Therapy 20 visits/year	\$1 Speech Therapy
Psychological Testing 4 hours/year	\$2 Physical Therapy
Psychological Therapy 40 visits/year	\$3 Podiatry Service
Speech Therapy 30 visits/year	\$2 Hearing Test
Physical Therapy 15 visits/year	\$3 Hearing Aid
Eyeglasses for Individuals 21 & Older once every 2 years	\$75 Inpatient Hospital
Eye exams for Individuals 21 & Older once every 2 years	\$3 non-emergent use of Emergency Room
Ambulatory Behavioral Health – limited based on level of care	\$2 Physician Visit
Inpatient Psychiatric – 21 days per admission, not to exceed 45 days per year	\$3 Federally Qualified Health Center / Rural Health Center Visit
Inpatient Rehabilitation Services – 30 days per admission	\$3 Brand Prescriptions
Nursing facilities – 15 days hospital leave; 24 therapeutic leave days per year	\$1 Chiropractic Services
Wheelchairs – limited to once every 5 years	\$2 Dental Services
Nebulizers limited to once every 5 years	
Dentures – limited to once every 5 years	
Dietitian – 4 visits per year	
Biofeedback – 6 visits per year	