

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1036

2001 HOUSE HUMAN SERVICES

HB 1036

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1036

House Human Services Committee

Conference Committee

Hearing Date January 15, 2001

Tape Number	Side A	Side B	Meter #
Tape 2	X		1340 to 4830 1420
Committee Clerk Signature <i>Cornie Jester</i>			

Minutes:

Chairman Price, Vice Chairman Devlin, Rep. Doseh, Rep. Galvin, Rep. Klein, Rep. Pollert, Rep. Porter, Rep. Tieman, Rep. Weiler, Rep. Weisz, Rep. Cleary, Rep. Metcalf, Rep. Niemeier, Rep. Sandvig.

Chairman Price: Opened hearing on HB 1036

Joe Morriseth: Interim Health Care Committee, Legislative Council. The committee considered a bill draft prior to recommending this bill that would change the income eligibility review period only for pregnant women and children from monthly to annually. The department received testimony that the cost of that proposed change would be approximately \$5.3 million. The total cost of the bill will be approximately \$1.1 million dollars of which \$374,000 will be from the general fund and \$716,000 will be federal funds.

Rep. Klein: Is the county going to be doing the calculations?

Joe Morriseth: The county would be doing the interim review period. I believe that would be training costs, and I've left it open or not as to whether or not there would be additional administrative costs.

Rep. Deylin: When we looked at this during the interim, we assumed that if somebody had to do reviews only four times a year instead of 12 times a year it should cost less money to review.

Joe Morriseth: The department would have to explain those numbers.

Jenny Witham: Director of the Community HealthCare Association. I am submitting testimony in support of HB 1036 which would allow for quarterly review of income eligibility for minors and pregnant women who are receiving medical assistance benefits. The testimony will address the benefits of providing continuous eligibility, the impact the specific bill language will potentially have on reducing the administrative costs of eligibility determination, and options that the committee may wish to consider. The difficulty with the language being specific about minors and pregnant women, it does not take into consideration all the categories under children and families, and in most household there is going to be a mix in the household. Some that will fall under one category and some another, but they will still all fall under the umbrella. We would like the committee to consider amending the bill language to read "children and families" therefore allowing a higher level of flexibility to more families and also allowing in decreased administrative costs which may not otherwise be realized.

Rep. Niemeler: Your saying this rather high fiscal note is the result of just pinpointing minors and pregnant women, whereas if we went to including children and families, which includes those two categories plus these 20 others, that that would decrease the amount to the counties and to the state in terms of training.

Jenny Witham: I have to admit I am somewhat at a disadvantage because this bill came up this morning. I did talk to Curt Volesky and I know he will be testifying. He could better answer your question. I know that the computer would have to be modified in order to take in these changes. I would hope there would be other changes that would also be incorporated. I am also understanding that the VISION system in which they are incorporating Medicaid eligibility into what's now called TEEM should be happening at this point, and even though they may be farther down the road in making those modifications to incorporate Medicaid into TEEM maybe there are some efficiencies to make these changes now rather than later.

Curtis Volesky: Director of Medicaid Eligibility for the Department of Transportation. (See written testimony). This bill resulted from previous meetings with the budget committee on human services regarding the possibility of extending the one month eligibility period as a method of simplifying eligibility for pregnant women and minor children. The fiscal note on this bill is \$1,072,536 for this biennium, with \$372,549 being general funds and \$699,987 being federal funds. Of the total costs, \$823,536 are in increased services because some recipients would stay eligible longer, without adjustments to income, than they would under the current one month budgeting period. Eligibility for recipients is determined in the department's eligibility computer system. In order to correctly establish eligibility for children affected by this bill, system changes would need to be made using the remaining \$249,000. It would be more desirable to spend those dollars on services to recipients than on systems. For these reasons, and because the funding for this bill has not been included in the Governor's budget, the department recommends a DO NOT PASS.

Rep. Weisz: According to the fiscal note, there is revenue of \$716,859. Is that the additional required by the feds?

Curtis Volesky: The other funds basically would be for increased services. Individuals who might only be on for a short period of time might be on one to two months longer.

Chairman Price: Mr. Volesky, it is listed under other funds. That must be the federal share of the Medicaid funds.

Curtis Volesky: What it looks like is that the amount must have been adjusted. That would be the federal funds.

Rep. Weisz: They also showed the expenditures for the general fund is \$74,000. The fiscal note indicates an increase by \$832,596 of which \$ 245,237 is general funds? Is that just in program costs then?

Curtis Volesky: That would be our 30% share of the services, plus 50% share of administration.

Chairman Price: Rep. Weisz, if you add that \$245,237 to the \$129,500 for the computer enhancement, you come up with the \$374,737. I'm not sure where the rest of the \$259,000 is going to come in. The rest of the operating cost, does that go to federal funds or does it come from some place else?

Curtis Volesky: The \$259,000 that is to enhance the computer system and provide training to the county staff. We get a 50% match on those funds. 50% of the \$129,500 is state funds, and the rest would be federal funds.

Rep. Weisz: And the \$129,500 is already figured in to the \$715,859.

Curtis Volesky: Yes, it is.

Rep. Niemeier: If this bill was amended to include the whole children and family category, would that make it more palatable?

Curtis Volesky: That would certainly help, because we would not have different family members on a different budget.

Page 5
House Human Services Committee
Bill/Resolution Number HB 1036
Hearing Date January 15, 2001

Rep. Price: We will close hearing on HB 1036.

REP. WEISZ: Motion for a DO NOT PASS.

REP. POLLERT: Second.

14 YES 0 NO 0 ABSENT CARRIED BY REP. TIEMAN

FISCAL NOTE
 Requested by Legislative Council
 12/14/2000

Bill/Resolution No.: HB 1036

Amendment to:

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$716,859		\$617,320
Expenditures			\$374,737	\$716,859	\$266,332	\$617,320
Appropriations			\$374,737	\$716,859	\$266,332	\$617,320

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
			\$11,000			\$5,400		

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

This bill would allow pregnant women and minors to remain on Medicaid for up to two months longer than is currently allowed, as eligibility would be determined on a quarterly basis, instead of monthly. There will be additional costs associated with the development of policies, rules, training of county staff and the computer system enhancements needed to track this specific group of recipients.

Workload of county staff would be increased as some families would contain members reviewed on a monthly basis and other members reviewed on a quarterly basis. It is unknown what additional cost, if any would be realized by the counties due to the increased workload. The counties would also incur training costs estimated to be \$11,000 in the 2001-2003 biennium.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The cost of enhancing this service if federally allowable and therefore federal revenue would be available in the amounts reflected above.

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

It is estimated the change in eligibility determination will effect 5,503 recipients and grant costs will

increase by \$832,596 in the 2001-2003 biennium, of which \$245,237 is general funds.

The operating costs associated with training county staff and computer enhancements are estimated to cost \$259,000 in the 2001-2003 biennium, of which \$129,500 is general funds. Computer enhancements and continued training costs are estimated to be \$14,000 in the 2003-2005 biennium.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

The Department of Human Services Executive Budget **does not** include the appropriation authority to implement the provisions of this bill.

Name:	Brenda M. Weisz	Agency:	Department of Human Services
Phone Number:	328-2398	Date Prepared:	12/21/2000

Date: 1-15
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1036

House Human Services Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Not Pass

Motion Made By Rep. Weisz Seconded By Rep. Pollert

Representatives	Yes	No	Representatives	Yes	No
Rep. Clara Sue Price, Chairman	✓		Rep. Audrey Cleary	✓	
Rep. William Devlin, V, Chairman	✓		Rep. Ralph Metcalf	✓	
Rep. Mark Dosch	✓		Rep. Carol Niemeier	✓	
Rep. Pat Galvin	✓		Rep. Sally Sandvig	✓	
Rep. Frank Klein	✓				
Rep. Chet Pollert	✓				
Rep. Todd Porter	✓				
Rep. Wayne Tieman	✓				
Rep. Dave Weiler	✓				
Rep. Robin Weisz	✓				

Total (Yes) 14 No _____

Absent _____

Floor Assignment Rep. Tieman

If the vote is on an amendment, briefly indicate intent:

2001 TESTIMONY

HB 1036

Testimony
before the
House Human Services Committee
by
Jenny Witham
Community HealthCare Association
January 15, 2001

Chairman Price, members of the committee, my name is Jenny Witham and I am the Director of the Community HealthCare Association. I am submitting this testimony in support of HB 1036 which would allow for quarterly review of income eligibility for minors and pregnant women who are receiving medical assistance benefits.

The Community HealthCare Association is a non profit corporation in North Dakota and South Dakota, established "to provide a network for advocacy and support services to member organizations whose purpose to provide primary health care to the medically underserved residents of North and South Dakota. The Association is primarily funded by grants from the federal agencies and private foundations.

My testimony will address the following:

- The benefits of providing continuous eligibility.
- The impact the specific bill language will potentially have on reducing the administrative costs of eligibility determination.
- Options that the committee may wish to consider.

The benefits of continuous eligibility

In 1997, the federal government granted permission to states via the Balanced Budget Act of 1997 (BBA) to provide up to twelve months of "continuous eligibility" to children covered by Medicaid, even when their family income increases. Because many medical assistance recipients have monthly or seasonal changes in income, many enrollees slip in and out of eligibility frequently. Continuous eligibility saves the state administrative costs, relieves enrollees of the responsibility of frequent reporting requirements, and addresses the difficulty in finding care in months their coverage other would lapse.¹ This bill would provide for 3 month continuous eligibility which greatest benefit is to promote continuity of coverage and promote children's health.

Reducing administrative costs

I believe it was the intent of the Interim Budget Committee on Health Care to reduce the burden of monthly income verification for both families and county eligibility workers. Therefore, I also believe that the current bill language did not purposefully narrow the language to exclude certain categories of children and families. However, if the bill identifies only "minor's and pregnant women", it is my understanding that the benefit may not be as great as originally intended. Attached to my testimony are charts created by the North Dakota Department of Human Services (DHS) 1) listing of all categories

currently eligible for Medicaid benefits, and 2) an income level chart showing the various levels for Medicaid and Healthy Steps.

Based on recent conversations with the Department of Human Services, it has become clearer that most families have different individuals in different categories. When determining eligibility for a family, the flexibility afforded the "household" is controlled by the lowest common denominator. i.e. many households may still end up reporting income monthly due the exclusion created by the language "minor's and pregnant women."

We would like to recommend the committee consider amending the bill language to read, "children and families" therefore allowing a higher level of flexibility to more families and also allowing for decreased administrative costs which may not otherwise be realized.

Options the committee may wish to consider:

It is also my understanding that the "Medically Needy" are not categorically eligible for Medicaid, but allowed to cost-share in order to qualify for assistance. This group's benefit is limited in most cases to families that have catastrophic health needs due to the fact that the recipient liability (cost-share) is difficult for most families to afford. If the bill language was modified to included all children and families, under the current system, quarterly reporting (verses monthly) could be detrimental to this group. If this is the case, it may be important to allow a family the choice of reporting monthly if quarterly would prove to be a greater burden on the family.

Is the root of the complexity the many levels of income these programs have established?

The low earnings thresholds that operate to exclude many low-income working parents from Medicaid coverage result from the historic link between Medicaid and the now-repealed Aid to Families with Dependent children (AFDC) program. When the federal welfare law was enacted in August 1996 and the AFDC program was repealed, eligibility for Medicaid was "delinked" from eligibility for welfare. In place of the link between welfare and Medicaid eligibility, federal law established a new "family coverage" category. Under this category *at a minimum*, states must cover parents who meet the income and resource standards and conform to certain of the family composition rules that they used in their AFDC programs on July 16, 1996. States can, however, expand eligibility for families with children and the new category beyond these minimum standards.

Additionally, the Department of Health and Human Services published on January 8, 2001, new rules in the Federal Register to help enable more low-income Americans with high medical expenses gain health coverage under the Medicaid program. These rules affect the "Medically Needy" in that a state can disregard increased portions of a person's income, such as the income necessary to pay for food, clothing or housing before determining whether the individual is eligible for Medicaid.

I believe it would be wise for the committee to consider it's options in regard to the current income restrictions on certain household members which, if increased, would have the greatest impact on streamlining the eligibility process and allow for continuity of coverage for North Dakota low-income children and families.

Thank you for your consideration.

¹ National Conference of State Legislatures, forum for State Health Policy Leadership: *Keeping Kids Enrolled: Continuity of Coverage under SCHIP and Medicaid*. January 2000.

² Center on Budget and Policy Priorities, *Employed But Not Insured*. February 1999.

Children and Family

- Deprived children-Categorically Needy
- Deprived children-Optional Categorically Needy
- Deprived children- Medically Needy
- Deprived poverty level children under age 6
- Deprived poverty level children age 6 to 18
- Non-deprived children- Medically Needy
- Non-deprived poverty level children under age 6
- Non-deprived poverty level children age 6 to 18
- IV-E Foster Care children-In state
- IV-E Foster Care children-Out of state
- Non-IV-E Foster Care children
- IV-E Subsidized Adoption children-In state
- IV-E Subsidized Adoption children-Out of state
- Non-IV-E Subsidized Adoption children
- Parents under age 21
- Transitional Medicaid child
- Transitional Medicaid adult
- Caretaker of deprived child-Categorically Needy
- Caretaker of deprived child-Medically Needy
- Pregnant woman-Categorically Needy
- Pregnant woman-Medically Needy
- Poverty level pregnant woman

Aged, Blind and Disabled

- | | | |
|--------------------------|---------------------------|------------------------------|
| Aged-Categorically Needy | Blind-Categorically Needy | Disabled-Categorically Needy |
| Aged-Medically Needy | Blind-Medically Needy | Disabled-Medically Needy |

Medicare Savings Programs

- | | | | | |
|--------------|---------------|--------------|--------------|------|
| QMB-Aged | SLMB-Aged | Q11-Aged | Q12-Aged | QDWI |
| QMB-Blind | SLMB-Blind | Q11-Blind | Q12-Blind | |
| QMB-Disabled | SLMB-Disabled | Q11-Disabled | Q12-Disabled | |

Other

- State Hospital Aged-Categorically Needy
- State Hospital Aged-Medically Needy
- State Hospital Under 21-Categorically Needy
- State Hospital Under 21-Optional Categorically Needy
- State Hospital Under 21-Medically Needy
- Refugee-Categorically Needy
- Refugee-Medically Needy
- Unaccompanied Minor-Categorically Needy
- Unaccompanied Minor-Medically Needy
- Illegal Alien-Emergency Services

INCOME LEVELS FOR 2001

Family Size	Family Coverage (1931)	Med. Needy	SSI	Children Age 6 to 19 and QMB 100% of Poverty	SLMB 120% of Poverty	Preg. Women Child to Age 6 133% of Poverty	QI-1 135% of Poverty	Healthy Steps 140% of Poverty	QI-2 175% of Poverty	Transitional Medicaid 185% of Poverty
1	\$ 247	\$ 475	\$ 530	\$ 696	\$ 836	\$ 926	\$ 940	\$ 975	\$ 1218	\$ 1288
2	368	491	796	938	1126	1247	1266	1313	1641	1735
3	477	641		1180	1416	1569	1592	1651	2064	2182
4	572	766		1421	1706	1890	1919	1990	2487	2629
5	654	875		1663	1996	2212	2245	2328	2910	3076
6	722	966		1905	2286	2533	2571	2666	3333	3523
7	777	1041		2146	2576	2854	2897	3005	3756	3970
8	818	1091		2388	2866	3176	3224	3343	4179	4417
9	859	1150		2630	3156	3497	3550	3681	4602	4864
10	900	1200		2871	3446	3819	3876	4020	5024	5312

Chart B

States that have not adopted key simplification strategies in Medicaid for children

Not joint application for Medicaid and CHIP	Face-to-face interview required	Asset test required	Frequent redetermination (more than once a year)
Nevada North Dakota Texas Utah	Alabama Georgia Montana New Mexico New York Tennessee Texas Utah West Virginia Wisconsin Wyoming	Arkansas Colorado Idaho Montana Nevada North Dakota Oregon Texas Utah	Alaska Florida Georgia Maine Minnesota New Jersey North Dakota Oklahoma Oregon Tennessee Texas Vermont Wyoming

*States in bold print have adopted simpler enrollment procedures (no face-to-face interview, no asset test and 12 month redetermination periods) for their separate CHIP programs but not for their Medicaid program.

Selected Simplification Criteria
Medicaid for Children (Poverty Level Groups) and CHIP-funded Separate State Programs (SSP)
 July 2000

	Joint Application	Eliminated Face-to-Face Interview	Eliminated Asset Test	Presumptive Eligibility	12-month Continuous Eligibility
Total Medicaid (51) *	N/A	40	42	8	14
Total SSP (32) *		31	31	"	22
Aligned Medicaid & SSP *	28	40	42	"	13
Alabama	Yes		X		X
Alabama SSP		X	X		X
Alaska	N/A	X	X		
Arizona	Yes	X	X		
Arizona SSP		X	X		X
Arkansas	N/A	X			
California	Yes	X	X		
California SSP		X	X		X
Colorado	Yes	X			
Colorado SSP		X	X		X
Connecticut	Yes	X	X	X	X
Connecticut SSP		X	X		X
Delaware	Yes	X	X		
Delaware SSP		X	X		X
District of Columbia	N/A	X	X		
Florida	Yes	X	X	X	X
Florida SSP		X	X		
Georgia	Yes		X		
Georgia SSP		X	X		
Hawaii	N/A	X	X		
Idaho	N/A	X			X
Illinois	Yes	X	X		X
Illinois SSP		X	X		X
Indiana	Yes	X	X		X
Indiana SSP		X	X		X
Iowa	Yes	X	X		
Iowa SSP		X	X		X
Kansas	Yes	X	X		X
Kansas SSP		X	X		X
Kentucky	Yes	X	X		
Kentucky SSP		X	X		
Louisiana	N/A	X	X		X
Maine	Yes	X	X		
Maine SSP		X	X		
Maryland	N/A	X	X		
Massachusetts	Yes	X	X	X	
Massachusetts SSP		X	X	X	
Michigan	Yes	X	X		
Michigan SSP		X	X	X	X
Minnesota	N/A	X	X		
Mississippi	Yes	X	X		X

Mississippi SSP		X	X		X
Missouri	N/A	X	X		
Montana	Yes				
Montana SSP		X	X		X
Nebraska	N/A	X	X	X	X
Nevada	No	X			
Nevada SSP		X	X		X
New Hampshire	Yes	X	X	X	
New Hampshire SSP		X	X		
New Jersey	Yes	X	X	X	
New Jersey SSP		X	X	X	
New Mexico	N/A		X	X	X
New York	Yes		X	X	X
New York SSP		X	X	X	
North Carolina	Yes	X	X		X
North Carolina SSP		X	X		X
North Dakota	No	X			
North Dakota SSP		X	X		X
Ohio	N/A	X	X		
Oklahoma	N/A	X	X		
Oregon	Yes	X			
Oregon SSP		X			
Pennsylvania	Yes	X	X		
Pennsylvania SSP		X	X		X
Rhode Island	N/A	X	X		
South Carolina	N/A	X	X		X
South Dakota	N/A	X	X		
Tennessee	N/A		X		
Texas	No				
Texas SSP		X	X		X
Utah	No				
Utah SSP			X		X
Vermont	N/A	X	X		
Virginia	Yes	X	X		
Virginia SSP		X	X		
Washington	Yes	X	X		X
Washington SSP		X	X		X
West Virginia	Yes		X		
West Virginia SSP		X	X		X
Wisconsin	N/A		X		
Wyoming	Yes		X		
Wyoming SSP		X	X		X

A check mark (X) indicates that a state has eliminated the face-to-face interview; dropped the asset test; adopted presumptive eligibility; or implemented the 12-month continuous eligibility option in its children's

* "Total Medicaid" indicates the number of states that have adopted a particular enrollment simplification strategy for their children's Medicaid program (for "poverty level" children). All 50 states and the District of Columbia operate such programs.

* "Total SSP" indicates the number of states that have adopted a particular enrollment simplification for their

CHIP-funded separate state program. The following 32 states operate such programs: AL, AZ, CA, CO, CT, DE, FL, GA, IL, IN, IA, KS, KY, ME, MA, MI, MS, MT, NV, NH, NJ, NY, NC, ND, OR, PA, TX, UT, VA, WA, WV, and WY. (The remaining 18 states and DC use their CHIP funds to expand Medicaid, exclusively.)

* "Aligned Medicaid & SSP" indicates the number of states that have adopted a particular enrollment simplification strategy and have applied the procedure to both their children's Medicaid program (for "poverty level" children) and their CHIP-funded separate state programs. States that have used CHIP funds to expand Medicaid, exclusively, are considered "aligned" if the simplified procedure applies to children in the Medicaid "poverty level" groups and the CHIP-funded Medicaid expansion group.

** While several states have adopted a presumptive eligibility procedure for their CHIP-funded separate state programs, the rules under the Medicaid presumptive eligibility option do not necessarily apply. While states that have adopted presumptive eligibility procedures are noted in the table, an assessment of "alignment" between Medicaid for children and CHIP-funded separate programs has not been made.

TESTIMONY ON HB 1036
JANUARY 15, 2001

Chairman Price, members of the committee, I am Curtis Volesky, Director of Medicaid Eligibility for the Department of Human Services. In previous meetings the department had with the Budget Committee on Human Services there was discussion regarding the possibility of extending the one month eligibility period as a method of simplifying eligibility for pregnant women and minor children. This bill resulted from those discussions. I am here to provide additional information regarding the effects of HB 1036 on recipients of the Medicaid program.

- Based on recent caseload data we estimate that this change would positively affect approximately 5000 children as they are in cases that would only have to be worked once each quarter instead of each month.
- There are approximately 8500 children in cases that still would have to be worked each month to establish eligibility for other members of the family; namely caretakers and children age 19 to 21. This change would require two different budgeting periods for the different members of these families.
- There are about 1500 children that would need to be budgeted more often than they are today. These are children in foster care or subsidized adoption cases, and in cases where there is no parent. These children normally have no income, or fixed income, so their case is budgeted once and that budget can carry through for up to twelve months.
- About 1400 children, and pregnant women, would not be affected by this bill because they already are under different budgeting methods for longer time periods. Children eligible for transitional Medicaid benefits are eligible for six months, followed by two three-month periods. Pregnant women who become eligible are continuously eligible until 60 days after the pregnancy ends, and through the end of that month.
- Approximately 900 children under age 18 have a recipient liability and would be negatively affected by this bill. Federal regulations require the recipient liability for all three months to be incurred

before the individual becomes eligible for Medicaid. These children would have to meet three months of recipient liability even before they have the income to pay for those expenses. For example, a child with a \$200 recipient liability each month, would have to incur \$600 worth of medical expenses before becoming Medicaid eligible. If the child had a \$500 dental bill in month one, the child would be liable for the entire bill instead of being responsible for only \$200 under current budgeting. This change would likely discourage these individuals from getting the care they need.

In adding up the numbers, there are about 5000 children that may benefit from this change, but there are more than 12,000 children that either would not be affected, or could be negatively affected.

The fiscal note on this bill is \$1,072,536 for this biennium, with \$372,549 being general funds and \$699,987 being federal funds. Of the total costs, \$823,536 are in increased services because some recipients would stay eligible longer, without adjustments to income, than they would under the current one month budgeting period. Eligibility for recipients is determined in the department's eligibility computer system. In order to correctly establish eligibility for children affected by this bill, system changes would need to be made using the remaining \$249,000. It would be more desirable to spend those dollars on services to recipients than on systems.

For these reasons, and because the funding for this bill has not been included in the Governor's budget, the department respectfully recommends a DO NOT PASS. I will be glad to answer any questions regarding my testimony. Thank you.