

FISCAL NOTE
Requested by Legislative Council
12/19/2014

Bill/Resolution No.: HB 1037

- 1 A. **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.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

HB1037 provides for a study that will find options for implementing income-based cost-sharing provisions for the Medicaid and Medicaid Expansion programs.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

HB1037 has no fiscal impact. The information that would need to be gathered for this study would be assigned to current Department staff.

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.*
- 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.*
- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

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Agency: Human Services

Telephone: 328-4608

Date Prepared: 01/08/2015

2015 HOUSE HUMAN SERVICES

HB 1037

2015 HOUSE STANDING COMMITTEE MINUTES

Human Services Committee
Fort Union Room, State Capitol

HB 1037
1/12/2015
21848

- Subcommittee
 Conference Committee

Committee Clerk Signature

Licky Crabtree

Explanation or reason for introduction of bill/resolution:

A bill for a report by the Dept. of Human Services on Medicaid and Medicaid expansion program to the legislative management.

Minutes:

No Attachments

Chairman Weisz opened the hearing on HB 1037.

Jennifer Clark: From Legislative Council gave information on the bill. During the interim the committee received information on the cost sharing for the traditional Medicaid program. And we had discussion on Medicaid expansion. The State of Michigan had a detailed list of cost sharing so the individual on Medicaid expansion had out of pocket obligations. It was brought to the committee whether we should do that on our Medicaid expansion. DHS testified that under our traditional Medicaid program there is some out of pocket cost sharing going on, but it is relatively a small amount. It is not a sliding scale based on income. DHS testified that their IT system is not ready at this time to accommodate that detailed income based cost sharing. If we moved to that the Feds might reevaluate our program and say we can't do it. We need more information.

Jerry Jurena: President of the ND Hospital Association testified in support of the bill. We would like to see this study completed.

No Opposition

Chairman Weisz closed the hearing on HB 1037.

Chairman Weisz: We will take this one up.

Rep. Porter: I motion for a Do Pass.

Rep. Hofstad: Second.

ROLL CALL VOTE: 12 yes 0 no and 1 absent.

Motion carried.

Bill Carrier: Rep. Bert Anderson

Date: 1-12-15
Roll Call Vote #: 1

2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1037

House Human Services Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
Other Actions: Reconsider _____

Motion Made By Rep. Porter Seconded By Rep. Hofstad

Representatives	Yes	No	Representatives	Yes	No
Chairman Weisz	✓		Rep. Mooney	✓	
Vice-Chair Hofstad	✓		Rep. Muscha	✓	
Rep. Bert Anderson	✓		Rep. Oversen	✓	
Rep. Dick Anderson	✓				
Rep. Rich S. Becker	A				
Rep. Damschen	✓				
Rep. Fehr	✓				
Rep. Kiefert	✓				
Rep. Porter	✓				
Rep. Seibel	✓				

Total (Yes) 12 No 0

Absent 1

Floor Assignment Rep. Bert Anderson

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

REPORT OF STANDING COMMITTEE

HB 1037: Human Services Committee (Rep. Weisz, Chairman) recommends **DO PASS** (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1037 was placed on the Eleventh order on the calendar.

2015 SENATE HUMAN SERVICES

HB 1037

2015 SENATE STANDING COMMITTEE MINUTES

Human Services Committee Red River Room, State Capitol

HB 1037
2/18/2015
24047

- Subcommittee
 Conference Committee

Committee Clerk Signature

Donald Mueller

Explanation or reason for introduction of bill/resolution:

A bill for a report to the legislative management by the Department of Human Services on the Medicaid and Medicaid Expansion program

Minutes:

No attachments

Jennifer Clark, Legislative Council, introduced HB 1037 to the Senate Human Services Committee and indicated this bill comes from the Health Care Reform Interim Committee. This is going to the session law and good for the interim. It provides that the Department of Human Services during the interim will study options for implementing income based cost sharing provisions for traditional Medicaid and Medicaid expansion and report back by July 1, 2016. The background, there was a committee member who is specifically interested in something that the state of Michigan did with expansion program. They implemented some income based cost sharing provisions. Today the Department of Human Services has a cost sharing provision for traditional Medicaid, however it is not income based. Their computer system needs modifications if income based provisions are implemented. It also heightens the awareness at the federal level and CMS will evaluate whether it is appropriate.

Senator Warner asked if it was the MMIS software or eligibility system. **Jennifer Clark** stated the MMIS system, and Maggie Anderson (DHS) confirmed.

OPPOSITION TO HB 1037

No opposing testimony

NEUTRAL TO HB 1037

No neutral testimony

Senator Warner the word cost sharing, if we are talking about Medicaid expansion program and someone shares in the cost for the co-pay of a premium, isn't that eligibility piece versus MMIS.

Maggie Anderson (DHS) when this was discussed, it was both. When the department released the Request for Proposal (RFP) for the Health Plan, the department indicated that

they had to match the cost sharing in the Medicaid plan. This is considered nominal cost sharing. In Michigan, it was a deductible or co-insurance or helping pay part of the premium, so some may be on eligibility side, but the cost sharing for specific services is on the MMIS side. The cost sharing is detailed in the Medicaid state plan. To change this the state will need to come into compliance with the new cost sharing principles and rules which will look at individual's income, household income, 5% total their total income, and this gets managed in MMIS so you know when to apply the cost sharing. This would be a challenge.

Senator Warner cost sharing is synonymous with co-pay. **Maggie Anderson (DHS)** confirmed correct.

Senator Dever stated that the previous bill (HB 1036) had \$20,000 for the Department of Health - is the cost for this bill something you absorb in Department of Human Services?

Maggie Anderson (DHS) explained that it is her staff who are the experts and they would absorb the costs as part of their daily business. They would develop a report with options. We would also have to work with HHS-CMS to comply with federal requirements..

Closed Public Hearing.

Senator Warner moved the Senate Human Services Committee recommend a DO PASS for HB 1037. The motion was seconded by **Senator Axness**. No discussion

Roll Call Vote to DO PASS

5 Yes, 1 No, 0 Absent. Motion passes.

Senator Warner will carry HB 1037 to the floor.

**2015 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. AB 1037**

Senate Human Services Committee

Subcommittee

Amendment LC# or Description: _____

- Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By Warner Seconded By Axness

Senators	Yes	No	Senators	Yes	No
Senator Judy Lee (Chairman)	✓		Senator Tyler Axness	✓	
Senator Oley Larsen (V-Chair)		✓	Senator John M. Warner	✓	
Senator Howard C. Anderson, Jr.	✓				
Senator Dick Dever	✓				

Total (Yes) 5 No 1

Absent 0

Floor Assignment Warner

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

REPORT OF STANDING COMMITTEE

HB 1037: Human Services Committee (Sen. J. Lee, Chairman) recommends DO PASS
(5 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). HB 1037 was placed on the
Fourteenth order on the calendar.