

# 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		<del>1340</del> 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
<b>Revenues</b>				\$716,859		\$617,320
<b>Expenditures</b>			\$374,737	\$716,859	\$266,332	\$617,320
<b>Appropriations</b>			\$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.

<b>Name:</b>	Brenda M. Weisz	<b>Agency:</b>	Department of Human Services
<b>Phone Number:</b>	328-2398	<b>Date Prepared:</b>	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.<sup>1</sup> 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

