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HB 1441

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1441

House Human Services Committee

Conference Committee

Hearing Date February 5, 2001

Tape Number	Side A	Side B	Meter #
Tape 1	X		0 to end
Tape 1		X	0 to 1990
Committee Clerk Signature <i>Cornie Easton</i>			

Minutes:

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

Chairman Price: Open hearing on HB 1441.

Rep. Niemeier: Presented HB 1441. (See written testimony.) To date, about 2200 children are enrolled in the Healthy Steps Program, and despite worthy outreach efforts, the utilization rate remains low. The barriers are real and formidable: unaware of the program; don't understand the eligibility criteria; inconvenient Dr./clinic hours; lack of transportation; confidentiality concerns; costs, deductibles and co-payments; application too difficult to complete by self; lack of needed verification records; etc. I ask a favorable recommendation from the committee and also refer you to the attached amendment.

Rep. Galvin: In paragraph three you list various reasons why people participate or do not participate in the program. Do you think that some of them could be related to the priorities that the families themselves place on their own children's insurance?

Rep. Niemeier: I'm afraid I will have to agree with you. There are going to be people in our state who have a lower priority on health care. Maybe even don't care.

Chairman Price: One of the barriers you talked about were the costs of the deductibles and co-pays. As that been brought up, because I thought ours were really pretty reasonable. It is \$2 and \$5.

Rep. Niemeier: For those people that don't have any money it can be difficult.

Chairman Price: For the class of people that are on the CHIP Program, some of them have a fairly healthy income. They're above the average for North Dakota, and most of the time the hospitals aren't collecting it anyway if they can't pay.

Rep. Boucher: Cosponsored HB 1441. (See written testimony.) I know you all have a good knowledge of what the CHIP Program is all about. I think we have a certain responsibility in regard to looking out for what I would call out most vulnerable citizens in the state. In particular I talk about the young and I talk about the elderly. I would like to remind you that out of that \$600 plus million dollars or more that its consumed by medical assistance. About 80% of it is consumed by our senior citizens who are in our nursing homes and by the developmentally disabled citizens who are in our care. We operate Medicaid on a federal match. It is about a 70-30 match. If we \$500-\$600 million dollars that we are going to spend for medical assistance in the state, we are going to make a general fund commitment of about \$150-\$180 million dollars of general fund money. Total spending for the CHIP Program is recommended to be at about \$8.1 million dollars and that is operating at about an 80-20 match. Our commitment to CHIPS

and to the kids would be about \$1.6 million dollars. The investment we make in health care services at an early age has the ability to save money further on in life. I think it is a preventative issue as much as an issue of providing services. One percent is a small commitment.

Rep. Kerzman: Co-sponsored Bill. I agree wholeheartedly to the two previous speakers and I give my full support of this bill. If we can provide preventive care, we can save money in the long run.

Vice Chairman Devlin: You said in your testimony with Appropriations based on what you can deduct for day care and taxes, and so on in North Dakota that we're really at 193% of poverty for a family of four with two children.

Rep. Kerzman: If they access day care it could be that high.

Bill Demery: Principal of Jeannette Myre School. For us working on a day to day basis with children and looking for help in the medical area, this was a ray of hope. Looking at Myre School, the children that are missing opportunities in CHIPs tend to be a single parent, head of household, with one child attending school. There is little to write off for that parent, so that person cannot meet the requirements for CHIPs. I would like to give you an example: One is a father and son, single head of household, only two people in the household and the dad has a full time job with no benefits - they qualify for what we call reduced meals which is at 185% level, but they do not qualify for the CHIPs Program. We've worked with the father to help him fill out the CHIP's Program and he missed it by a hair. For this father that has a child that takes medication that averages between \$65 and \$75 a month, to get on this program would be a tremendous benefit. So when times are tight the child misses medications and doctor's appointments. The program is missing the boat. We have done a commendable job in our school getting the information out to the parents. My main point is that I think we need to raise

that bar a little bit higher so that we can bring in more kids. As President Bush has stated, we don't want to leave any children behind.

Chairman Price: For the people who don't qualify do you then refer them to the Caring Program?

Bill Demery: Right. That's a Blue Cross/Blue Shield plan. In my years in the school system I've yet to get a child on the Caring Program.

Rep. Weisz: Do you have an estimate of how many children in your school that would be Medicaid eligible who aren't receiving benefits?

Bill Demery: I do have that number, because of our nurses program at school we're able to bill a Medicaid for nursing services at our school that helps fund our program, but I didn't bring that number. Because of our high poverty area we have a number of parents who are on it for a variety of reasons.

Rep. Weisz: Maybe I should clarify, I'm curious to how many Medicaid eligibles who aren't receiving Medicaid benefits. I believe the numbers we have from the department are roughly 50% are taking advantage even of Medicaid, so I was wondering if that was an issue?

Bill Demery: It is, because our Medicaid goes month by month. So you can be on it one month, and those months they are making more money they aren't receiving Medicaid. With the CHIPs Program it tends to be a lot more even.

Janelle Johnson: "Covering Kids" Coordinator for the Community HealthCare Association. (See written testimony.) I am here today to support HB 1441. This bill, which raises the eligibility income from 140% to 165% of the federal poverty level for the State Children's Health Insurance, "Healthy Steps." My testimony will cover three benefits to this bill: 1) an opportunity to support young families with children, 2) to increase the Healthy Steps risk pool,

and 3) to fully utilize available federal match dollars. The Community HealthCare Association and its members hope that you will seriously consider supporting this HB 1441. By supporting this bill you have the ability to support young working families with children, increase the stability of Healthy Steps premiums by increasing the risk pool, and fully utilize available federal funds.

Rep. Weisz: What do the other states currently offer for benefits compared to North Dakota?

Janelle Johnson: They do vary from state to state. Our plan does include vision and dental which some states have chosen not to include as a plan. So plans do differ. We do have a good plan in our state and the benefits are truly what they should be. They do pay providers at a rate they will accept.

Sister Margaret Rose Pfeifer: Health Care Advocate for the N.D. Catholic Conference. (See written testimony.) We believe the state has and should accept responsibility to care for the most vulnerable of our citizens - the sick, the children and the elderly. CHIP is a step in that direction. It would be good to raise the poverty level to 165%. This is not an extraordinary request as many states have done this or better. We would also wish that this insurance would provide well-care, eye and dental care to the children up to and including 18 years old. We urge the committee to give HB 1441 a DO PASS.

Linda Isakson: Executive Director of N.D. Children's Caucus. (See written testimony.) Please support this increase in Healthy Steps. It is an important step toward insuring our state's children are healthy and productive individuals.

Carlotta McCleary: Regional Parent Coordinator for the Federation of Families for Children's Mental Health. I am here today to testify in support of HB 1441. We are still seeing families that are moving back and forth between eligibility categories. Families that have children with

mental health needs have a difficult Caring Program in paying for the medication that will help them stabilize their disorders. We would like to ask you to increase the poverty rate. It will go a long way in helping children receive the medical help that they need.

Richard Schlosser: Member of N.D. Farmers Union. We urge your support for HB 1441. Most of you may ask why a farm organization may be in support of this bill. There are several reasons. The chief reason being members deemed it important enough to put into our policy two years ago following the 1999 Session when several of our members saw fit to forward a resolution onto our state organization and this resolution was inserted into our policy. Another more important reason is that in today's agricultural climate the issue could be summed up into one word and that is "uncertainty". The uncertainty of the markets, the weather, and what we have been accustomed to in the last three years of these ad hoc disaster aid payments.

Fluctuating income and recent disaster that we have seen from the north central part of the state where most of those producers had an excellent crop but mother nature and two weeks of rain turned their crops into a dollar a bushel. Other concerns are crop cash flow. There are uncertain times out there for us producers, especially by those young producers with children that will be mostly impacted by this. With that I would urge your support for HB 1441.

Chairman Price: One of the frustrations that we've had is getting the rural to sign up on the CHIP's Program. I'm assuming you would work toward getting the word out.

Richard Schlosser: Yes. We do have a publication and we print approximately 40,000 copies with the bulk going to our members and to Legislators also.

Chairman Price: The other problem that we've been told about is that most farmers carry some sort of catastrophic coverage to protect their assets, and obviously that would mean they wouldn't qualify for CHIPs. Any thoughts on that?

Richard Schlosser: I guess I'm not familiar with that and I don't know what the percentage is, but if you would want that information I could work with our organization to try to ascertain what percentage of our producers carry that catastrophic program.

Jack McDonald: ARC of North Dakota. We would just like to add our support to this bill. The main objective of our organization is to improve the quality of life for children and adults. We would urge your support of this Bill 1441.

David Peske: N.D. Medical Association. Our association is in support of this bill. Relating to the Chairman's last question, we've been working with the N.D. Academy of Family Physicians and the department staff to try and identify physicians in the clinics out there, the primary care clinics, who could be kind of the head physician to try and enroll as many of the eligible children out in their area as possible.

David Zentner: Director of Medical Services for the Department of Human Services. (See written testimony.) I do want to point out a few things. Coverage is available for children and families where the adjusted income not to exceed 140%. The Medicaid program covers children 0 to 5 at 133%, kids 6 through 18 up to 100%. So the group we are reaching are the 6 through 18 year old groups is people between 100-140% of poverty - for the infants it's between 133% up to age 5 up to 140% of poverty. The attachment does give you a comparison of where we would be at if we went up to 165% of the poverty level. For example, for household of four we're at \$1990 we would go to \$2345. Deductions from gross income include mandatory payroll taxes, child care expenses and child support payments. (See testimony for other information regarding this bill.) The Executive budget does not include funds to increase the current income limit for the Health Steps Program, therefore, the department cannot support this bill.

Rep. Porter: On No. 9 you give us the numbers "as of January 1, 2001, a total of 2,175 children were eligible for the program, and we are estimating to cover about 2,885 children per month in the new biennium" - what is that a percentage of the number that fit into the 140% category?

David Zentner: Our estimate back two years ago was about 3,800-3,900 children, so we're at about 55-60%. Somewhere around 70-75% of the estimate.

Rep. Weisz: How many Medicaid eligible do you have now that aren't on Medicaid?

David Zentner: I believe somewhere between 2,000-3,000 kids that actually could be eligible for the Medicaid program. We don't know how many of them would have assets that would exceed our limits.

Rep. Weisz: You don't have any recent estimates?

David Zentner: We've referred over a 1,000 kids to the Medicaid Program.

Rep. Galvin: Your figures on last page of testimony, are the income levels net or gross?

David Zentner: What this is, is the poverty level. When we determine eligibility, we base it on what the families adjusted gross income is.

Vice Chairman Devlin: The \$30,000,000 you were short the other day to balance your budget does this add on to that?

David Zentner: As I stated, this money is not in the Executive budget so in order for us to fund the additions we would have to have additional dollars in the budget.

Vice Chairman Devlin: Farm families with catastrophic insurance, is that kicking families out?

David Zentner: What we have said is that if the disaster county issue deals with dropping insurance, so if a family decides to drop coverage and they are a family and are in a disaster county, we don't look at the six months. If they decide to retain that insurance, then they are not eligible. If it is creditable coverage, we are prevented of putting them on. That is a tough

