

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1404

2007 HOUSE HUMAN SERVICES

HB 1404

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1404

House Human Services Committee

Check here for Conference Committee

Hearing Date: January 22, 2007

Recorder Job Number: 1497

Committee Clerk Signature

Marc Leare

Minutes:

Chairman Price: Opened the hearing on HB 1404.

Rep Svedgan, Dist 17, Grand Forks: Introduced HB 1404. In the last several years I've had the opportunity to participate in the Medicaid Reform Task Force of the National Conference of State Legislatures. In that process I got a very good feel for the need to reform Medicaid in the states. Medicaid has been growing in many states by double digit figures & continues to consume more & more of state budgets. I also got a chance to see what some of the states were considering in terms of reforming the system. We believe the work of that task force had quite an impact on Congress in your passage of the *(can't understand)* & Deduction Act. Several states who have annual sessions are already proceeding with reforming their Medicaid system. One thread that seems to be running true with a lot of them is that they're moving in the direction of amended care or a provider service network type of arrangement ... probably more like an HMO model. HB 1404 is a means by which we can give some heightened priority to this issue.

Section 1 sets up that there will be a Legislative Council Committee that would operate very much like a typical Interim Committee. Subsection of Section 1 talks about how the committee will be comprised & you'll see that 3 members each, from the House & the Senate,

& in both cases 2 from the majority party & 1 from the minority party & then up to 9 members who are not legislature members. Nine members can represent medical assistance providers & the Department of Human Services. We're looking at the need to involve legislators as well as people from the industry and the Department. I want the committee to understand that as we talk about reform, I believe the first priority in reform is that we need to improve the care that is provided to Medicaid recipients. Secondly, our hope is that through reforms we can help stabilize the funding for the state of North Dakota. Number three, depending on how well we can do this & to the extent that we can become more efficient in the delivery of Medicaid services in ND, if there are savings to be had, maybe those savings can be put back into the Medicaid program in the form of increased reimbursements. We're not limiting this to any particular element of providers, this talks about ALL Medicaid providers. With regard to elements A through F, we've gotten input on these from an organization that was heavily involved in reforming Kentucky's Medicaid program. The architect of the changes that occurred in Kentucky are basically reflected in A through F & they highly recommend that that's the procedure we should proceed with the study. If this bill is passed it would be effective through December 31, 2008. I think the time is right for us to seriously look at this to see if there are smarter, better, more cost effective ways to deliver care to Medicaid recipients in such a way that we can improve the care as well as access to the care.

Rep Conrad: This looks like an excellent idea & I agree that we'll want to get right on this. Would you have any objections to including some consumers on this because they might be able to figure out where we might be able to improve the service in a way that we might not otherwise be able to think of.

Rep Svedgan: I don't have any specific objections to that. When we get to the part where they will be a lot of data collection & data analysis, I'm not sure if the consumer would feel

comfortable with that. There would be a point that if you're talking about any changes to the benefit structure, for example, or changes in terms of how the product is delivered, it would be good to hear from consumers.

Rep Conrad: I was thinking about AARP, the Mental Health Association & the Arc because they have a special need in a particular area.

Rep Svedgan: This Committee will function like an Interim Committee, so there will be plenty of opportunities to take testimony from interested parties.

Rep Potter: With the accepting of gifts, grants & donations ... if you would talk a little more about that & how it goes into the appropriations.

Rep Svedgan: Sections 2 & 3 of the bill basically outline the scheme of the amount of money that would be appropriated from the general fund or what you could accept from other sources so this language would appropriate those moneys if you're successful in obtaining them. We could accept anything up to \$150,000 in Sect 2 & \$100,000 in Sect 3. At this point we don't know whether or not there are sources out there, I'm not aware of any federal funds that are available for this, nor am I aware that any will become available. We wanted to put language in here just in case something does become available. There may be a reason why some of the organizations, some of the providers that are affected by this may want to put some money into it just to make sure we have enough available to do a good job. I don't know if that will happen.

Rep Potter: Was the Kentucky group you were working with successful at getting outside money of theirs?

Rep Svedgan: There are others that will testify on that & I don't remember how that was funded.

Chairman Price: In thinking back to the meeting we had on this & the people sitting around the table, with 6 people, it would be hard to decide on who was going to be on the Committee or not if they all came from different perspectives. Any thought on expanding that part of the committee?

Rep Svedgan: In terms of the legislative representation, that's always a difficult thing. The way it's designed right now, we'd have a 15 person committee & that's not too big, but if your committee felt that it should be included for purposes of making the selection of the individuals that sit on this committee to make that process a little simpler. I wouldn't have any objections to that because not everyone can attend all of the time so maybe there is an argument for increasing that.

Caitlen McDonald, appeared on behalf of Arc of ND: In support of HB 1404. See attached testimony.

Arnold Thomas, President of the ND Healthcare Assoc (NDHA): appeared in support of HB 1404. See attached testimony.

Bruce Levi, ND Medical Assoc (NDMA): There's been considerable discussion over the last several years about insuring the long term sustainability in the ND Medicaid program. NDMA has been very involved along with other Medicaid providers as players in that discussion. Last session HB 1459 became a vehicle for several legislative initiatives that are currently ongoing consultation services to assist with that effort. I agree that HB 1404 would provide a vehicle for a logical next step for continued discussion during the interim of options for Medicaid benefits management & reimbursement reform. From our perspective, efforts to control costs from looking at those, you'll still need to maintain quality health care, but to do that you'll need the support & cooperation of providers to be effective. The structure this bill puts in place would include significant provider input & in our view would provide an

appropriate vehicle for continued discussion, not only between providers, but discussion with providers along with legislators of the department.

Carol K. Olson, Ex Director of the Dept Human Services Dept: appeared to ... see attached testimony & attachment.

Rep Conrad: Why don't you have any Democrats on the committee?

Carol Olson: I know that we've had both the minority & majority parties on committees before; I don't know the answer to that.

Chairman Price: I think there was an issue with timing for Rep Boucher.

Chairman Price: If no further neutral testimony, we'll close the hearing on HB 1404.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1404

House Human Services Committee

Check here for Conference Committee

Hearing Date: January 22, 2007

Recorder Job Number: 1583

Committee Clerk Signature

Judy Schock

Minutes:

Chairman Price: Take out HB 404 just for the purpose of discussion. We have 3 typos in there we need to fix. Talk about the intent more than any thing. HB 1459 from last session. We had brought in a private consultant and paid with private dollars. It was not funded type of legislature. It was an out of state firm, and they are supposed to be contracting with locals. A few of us were in on the discussion with a potential consultant. We did talk to the people from Kentucky by phone to explore. There is some of this, I just think absolutely doesn't work. There are so many people around the table we just have not gotten very far, and some of that had to do with maybe more of the delivery of services and naturally the structure type things. I would have some resistance in saying that 3 people from the department should be of those 9 members. How does everyone else feel about that?

Representative Porter: feels the purpose of the committee is to look at changes in the current structure. The department isn't really out anything by us appropriating money, and brings the group together and trying to come up with a fix that would be presented to the legislation in the 09 session, and so we should not be favorable in expanding.

Representative Conrad: I don't know why they would need their legal council. They are taking 3 of the 9 spots and that is a lot. (She is hard to understand)

Committee discusses that some people could testify but not be a part of the group. Possibly we could expand legislative members along with policy members. We could add 4 people, 5 from the house and put one more from each party and also the Senate and one more from each party. It is difficult to bring in consumers who don't understand the terms, and would not be helpful. The magic is who the nine are. The Committee agrees we should not worry about the departments amendments.

Chairman Price: adjourns the committee.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1404

House Human Services Committee

Check here for Conference Committee

Hearing Date: January 23, 2007

Recorder Job Number: 1726

Committee Clerk Signature

Judy Schock

Minutes:

Chairman Price: Take out HB 1404. I have talked with Representative Svedjan to add to the committee

Representative Porter moves the amendments to fix the typos. All are in favor.

The committee discusses who, and how many to have around the discussion table.

Representative Porter moves the amendments, **Representative Hatlestad** seconds the motion. All were in favor with one absent. **Representative Porter** moves a do pass as amended with RR/Appropriations. **Representative Hofstad** to second the motion. The vote was 10n yeas, 1 nay, and 1 absent.

Date: 1/23
 Roll Call Vote #: 1

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. "Click here to type Bill/Resolution No."

House HUMAN SERVICES HB 1404 Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Move Amendment to fix typos

Motion Made By Rep Porter Seconded By Rep

Representatives		Yes	No	Representatives		Yes	No
Clara Sue Price - Chairman				Kari L Conrad			
Vonnie Pietsch - Vice Chairman				Lee Kaldor			
Chuck Damschen				Louise Potter			
Patrick R. Hatlestad				Jasper Schneider			
Curt Hofstad							
Todd Porter							
Gerry Uglem							
Robin Weisz							

Total (Yes) 11 "Click here to type Yes Vote" No 0 "Click here to type No Vote"

Absent 1

Floor Assignment _____

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

Date: 4/23
Roll Call Vote #: 2

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. "Click here to type Bill/Resolution No."

House HUMAN SERVICES HB 1404 Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Move Amendments

Motion Made By Rep Porter Seconded By Rep Hatlestad

Representatives	Yes	No	Representatives	Yes	No
Clara Sue Price – Chairman			Kari L Conrad		
Vonnie Pietsch – Vice Chairman			Lee Kaldor		
Chuck Damschen			Louise Potter		
Patrick R. Hatlestad			Jasper Schneider		
Curt Hofstad					
Todd Porter					
Gerry Uglem					
Robin Weisz					

Total (Yes) 11 "Click here to type Yes Vote" No 0 "Click here to type No Vote"

Absent /

Floor Assignment _____

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

Date: 4/23
Roll Call Vote #: 3

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. "Click here to type Bill/Resolution No."

House HUMAN SERVICES HB 1404 Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Move do pass as Amended RE/Aggr.

Motion Made By Rep Porter Seconded By Rep Hofstad

Representatives	Yes	No	Representatives	Yes	No
Clara Sue Price - Chairman	<input checked="" type="checkbox"/>		Kari L Conrad		
Vonnie Pietsch - Vice Chairman	<input checked="" type="checkbox"/>		Lee Kaldor	<input checked="" type="checkbox"/>	
Chuck Damschen	<input checked="" type="checkbox"/>		Louise Potter	<input checked="" type="checkbox"/>	
Patrick R. Hatlestad	<input checked="" type="checkbox"/>		Jasper Schneider		<input checked="" type="checkbox"/>
Curt Hofstad	<input checked="" type="checkbox"/>				
Todd Porter	<input checked="" type="checkbox"/>				
Gerry Uglem	<input checked="" type="checkbox"/>				
Robin Weisz	<input checked="" type="checkbox"/>				

Total (Yes) 10 "Click here to type Yes Vote" No 0 "Click here to type No Vote"

Absent 1

Floor Assignment Rep. Porter

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

[Handwritten scribbles]

REPORT OF STANDING COMMITTEE

HB 1404: Human Services Committee (Rep. Price, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS and BE REREFERRED to the Appropriations Committee (10 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). HB 1404 was placed on the Sixth order on the calendar.

Page 1, line 10, replace "Three" with "Five" and replace "two" with "three"

Page 1, line 11, replace "fraction" with "faction"

Page 1, line 12, replace "one" with "two"

Page 1, line 14, replace "Three" with "Five" and replace "two" with "three"

Page 1, line 15, replace "one" with "two"

Page 1, line 21, replace "designated" with "designate"

Page 2, line 5, replace "substainability" with "sustainability"

Renumber accordingly

2007 HOUSE APPROPRIATIONS

HB 1404

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB1404

House Appropriations Committee

Check here for Conference Committee

Hearing Date: February 1, 2007

Recorder Job Number: 2659

Committee Clerk Signature

Shirley Branning

Minutes:

Chm. Svedjen called the meeting to order to take up Engrossed HB 1404, relating to creating a legislative council medical assistance committee, by calling on **Rep. Clara Sue Price**, District 40.

Rep. Price: The bill was described and challenges in Medicaid funding were enumerated. Reimbursements are an issue and it is time to get creative. This would put together a committee to work on that. There is money to pay legislators who are participating in this and to hire a consultant.

Chm. Svedjen: Some legislators met this summer to come up with creative ideas to the Medicaid issue. The two parts of this bill would be to retain consulting services and to do an analysis of changes to Medicaid in the last session.

Rep. Kerzman: I have concern with the bill, I see up to 9 members of the medical assistance providers, non voting and 6 legislators and the chairman who do all the.....

Chm. Svedjen: This should be a legislatively driven committee to function like a regular interim committee where the voting authority is given to legislators only.

Rep. Price: It is now 10 members of the legislature, 5 and 5 for each house based on the amendments passed in the committee.

There was discussion in committee on the voting, on the membership and the department asked for three spots of those nine, naming who they wanted. Advocacy groups wanted to be designated as a spot on those 9 but we didn't do that because anyone can come and testify. This committee will choose experienced individuals to serve, who has a wide band of concern and experience.

Rep. Wald: On line 3, where you say non-legislative members would not be compensated, might we be omitting some people with expertise who are private citizens? They would probably be reluctant to serve because they wouldn't get paid.

Rep. Price: We will have someone who is very involved in their job in this, and don't think it will be a problem.

Chm. Svedjen: The intent is for any state agency personnel who is involved in this, they would receive the same kind of expense reimbursement as they would as part of their job. A lot of the representation would be from provider groups. Where they could cover their own expense.

Rep Bellew moved a Do Pass to HB 1404. Rep. Kreidt seconded the motion.

The Do Pass motion carried by a roll call vote of 22 yea, 1 nay and 1 absent and not voting.

Rep. Porter will be the carrier of the bill.

Date: 2/1/07
 Roll Call Vote #: 1

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. 1404

House Appropriations Full Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Bellew Seconded By Kreidt

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan	✓				
Vice Chairman Kempenich	✓				
Representative Wald	✓		Representative Aarsvold	✓	
Representative Monson	✓		Representative Gulleon	✓	
Representative Hawken	✓				
Representative Klein	✓				
Representative Martinson	✓				
Representative Carlson	✓		Representative Glassheim	✓	
Representative Carlisle	✓		Representative Kroeber	✓	
Representative Skarphol	✓		Representative Williams	✓	
Representative Thoreson	✓				
Representative Pollert	✓		Representative Ekstrom	✓	
Representative Bellew	✓		Representative Kerzman		✓
Representative Kreidt	✓		Representative Metcalf		
Representative Nelson	✓				
Representative Wieland	✓				

Total (Yes) 22 No 1

Absent 1

Floor Assignment Rep. Porter

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

REPORT OF STANDING COMMITTEE (410)
February 1, 2007 6:28 p.m.

Module No: HR-19-1872
Carrier: Porter
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1404, as engrossed: Appropriations Committee (Rep. Svedjan, Chairman)
recommends **DO PASS** (22 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING).
Engrossed HB 1404 was placed on the Eleventh order on the calendar.

2007 SENATE HUMAN SERVICES

HB 1404

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1404

Senate Human Services Committee

Check here for Conference Committee

Hearing Date: 3-06-07

Recorder Job Number: 4450, 4496

Committee Clerk Signature

Mary K. Monson

Minutes:

Chairman Senator J. Lee opened the hearing on HB 1404 relating to creating a legislative council medical assistance committee.

Representative Ken Svedjan (District #17) introduced HB 1404. It is an outgrowth of a couple of things. The Deficit Reduction Act has given states considerable flexibility to conduct the Medicaid programs in ways that couldn't be done before. During the last interim he convened a group of stakeholders to begin looking at the possibility of reforming Medicaid with the hopes of having something for this session to consider. Due to time limitations they didn't get to that point. Consequently, it has led to the introduction of HB 1404. (Meter 2:40)

(Meter 3:54) He addressed the provisions. He pointed out that his intention in crafting this bill is that the Department of Human Services definitely needs to be a part of this process.

He distributed information pertaining to section 4, sub points a-f. (Attachment 1) The attached information embellishes those points.

He had no preconceived idea on how Medicaid should be reformed, but he believes there is real potential to do things differently in such a way that would help yield more efficiency in the system. What is being seen and projected in other states is that there is a prospect for savings money. The savings that are being projected or realizing are being used in different ways –

mostly plowing the savings back into the system either to broaden access or to tie Medicaid in a more direct way with the private insurance market or to do things that would positively impact levels of reimbursement to Medicaid providers.

He addressed the two appropriations (meter 8:10)

The bill also has language that would allow for this group to accept other funds.

Senator J. Lee asked if NCSL is continuing its study.

Rep. Svedjan replied that the task force has concluded its work. They will continue to monitor what goes on as states engage this process.

Senator J. Lee asked how he sees this tying into the MMIS implementation.

Rep. Svedjan said he has asked that question of the Department and the answer he has received is that the new MMIS system would be able to accommodate such changes.

Senator Heckaman referred to section 1, subsection 4 part e. She asked for an explanation of the part e.

Rep. Svedjan referred the committee to the second page of attachment #1.

Senator Erbele asked about the cost savings and the efficiencies this committee might find and if he had any ideas of where there might be areas with cost savings to offset the man hours and dollars that will be spent to find those.

Rep. Svedjan – There is real opportunity to move in the direction of a capitated type system where a per member per month payment to the provider is made. That provider then is responsible for the care and treatment of that recipient. (Meter 17:40)

Senator Warner – Do you anticipate the cost of the extra committee itself would be taken out of this appropriation or out of the normal appropriation to the legislative council for interim committees.

Rep. Svedjan – The appropriation in this bill is really for consulting services. The last page of the bill addresses the members' expenses.

Senator Warner asked if there is an intent to send out an RFP after this committee is formed.

Rep. Svedjan replied that an RFP would be in order.

Senator Warner asked if it would be useful to have an emergency clause so the process could be started earlier.

Rep. Svedjan said that would be helpful.

Senator J. Lee said there is a potentially a lot this committee could do. She asked if he thought this group would do something as specific as reimbursement for providers.

Rep. Svedjan said his approach would not be to get into that area in detail right away. What he would rather see this committee do is see how to reshape the system. Then do the analyses to see if there is a prospect for savings. In the further analyses identify areas in which the savings could be used differently.

Senator Dever asked if the two appropriations are separate and distinct.

Rep. Svedjan explained why it was written that way and why the appropriation was separated (meter 24:10).

Senator Heckaman asked what changes were made in the House.

Rep. Svedjan said the amendment made in the House dealt only with the membership on the committee.

Arnold Thomas (President, ND Health Care Association) testified in support of HB 1404. See attachment #2. He said they would support an emergency clause.

Bruce Levi (ND Medical Association) testified in support of HB 1404. (Attachment #3)

Senator Erbele referred to HB 1459 that both he and Mr. Thomas had talked about as being a vehicle for several legislative initiatives and asked him to name a couple of them.

Mr. Levi referred to the second page of the bill. Section 5 describes 1459 and the initiatives that came from that process.

Senator Dever commented that if this committee is as successful as other committees such as the Commission on Alternatives for Incarceration it is a good thing.

Susan Doherty (Executive Administrator of Health Policy Consortium) testified in support of HB 1404. (Attachment #4) She encouraged the committee to strongly consider a do pass and to look at an emergency clause.

Bruce Murry (ND Protection and Advocacy Project) testified in support of HB 1404.

See attachment # 5 which included an amendment.

There was no opposing testimony.

Carol Olson (Department of Human Services) testified in neutral position. (Attachment #6)

She pointed out a difference in the committee that 1404 would set up and the alternatives for incarceration committee that Senator Dever had referred to. Representation on the 1404 committee does not have any voting representation except for the members of the legislature. On the committee of alternatives to incarcerations the membership has voting power along with representation.

She also pointed out that in the department's '05-'07 budget appropriation bill they did seek appropriation for disease management of 2007. Disease management was not a result of HB 1459.

In response to a question posed earlier she responded that the new MMIS system is flexible enough to work with the direction that this committee could go in regard to managed care etc.

She expressed a concern that this committee may seek department resources (meter 50:30).

Senator J. Lee asked if she was hearing that staffing this could be an issue.

Ms. Olson said the concern would be in the staff time devoted to retrieving any amount of data that would be possibly required from this committee.

She said they are also working on the results of the Deficit Reduction Act within the DHS Medical Services Division.

Senator Dever asked if she was suggesting that this medical advisory committee could do the work that is called for in 1404 and hire a consultant.

Ms. Olson didn't want to comment on hiring a consultant. She did say that they established the committee for the exact reasons they are talking about. They have extended invitations to the provider network and to the legislature to sit down with the DHS (meter 53:20).

Senator J. Lee noted that the department has been proactive, in her view, in trying to figure out what can be done in the parameters of both the state and the federal requirements that are placed upon the department (Meter 54:00).

(Attachment #7) Mike Schwab (Executive Director for The Arc of Bismarck) could not be present but sent his written testimony for the record.

With no further testimony, the hearing on HB 1404 was closed.

JOB #4496

Vice Chairman Senator Erbele opened HB 1404 for discussion.

Senator Warner suggested the committee might consider reducing the number of medical assistance providers to five on line 17, page 1. Then segregate out the DHS and create a new subsection D.

Senator Erbele asked the committee to talk about their opinion on the overall concept of the bill as it relates to the medical advisory board that already is.

Discussion followed concerning that board with questions on how often they meet, their agendas, how they came about, membership, etc. Membership and duplication of

membership of the committees was talked about along with the cost of developing a new committee and the use of consultants.

A suggested option was to eliminate references to this Medical Assistance Committee and call for a study by an interim committee and appropriate the money for the consultant.

Discussion on HB 1404 was suspended until a later time.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1404

Senate Human Services Committee

Check here for Conference Committee

Hearing Date: 3-12-07

Recorder Job Number: 4933

Committee Clerk Signature

Mary K. Moxson

Minutes:

Chairman Senator J. Lee opened HB 1404 for discussion. One of the things the committee wanted to know more about was the alternatives to incarceration committee. She recognized Carol Olson from the DHS for comments.

Carol Olson (Director of the Department of Human Services) explained that HB 1473 (attachment #8) was passed last session. It was the commission on alternatives to incarceration – approximately 16 members (meter 00:50)

She pointed out that HB 1473 has an effective date through June 30, 2009 so it did not sunset with the end of the biennium. She explained the expenditures which are addressed in #5 on page 2 of the bill. All the members of the commission have voting representation.

Senator Warner asked if there was any language that the chairman had to be a legislature or had to be in the legislative council.

Ms. Olson said yes and read from the bill in Section 1, subsection 2.

It was suggested a commission on alternatives brings all the key people together.

A point that was brought up is that everybody who takes the time and makes the commitment to be there should be allowed to vote on everything (meter 06:30). As many viewpoints should be represented as possible without getting the commission so large it becomes cumbersome.