

2009 SENATE HUMAN SERVICES

SB 2362

## 2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2362

Senate Human Services Committee

Check here for Conference Committee

Hearing Date: 1-27-09

Recorder Job Number: 7841

Committee Clerk Signature

*Mary K. Mouson*

Minutes:

**Senator J. Lee** opened the public hearing on SB 2362 relating to a children's health insurance buy in program to be established by the Dept. of Human Services and the creation of a children's health insurance program advisory committee.

**Sen. Tim Mathern** (District 11) introduced SB 2362 as a sponsor. Attachment #1.

**Senator J. Lee** asked him to refresh the committee's memory on the federal participation and the cost of this.

**Sen Mathern** said the federal participation is about 75 cents on a dollar – 25 cents put in by the state. Going from 150% to 200% of poverty is about \$1.4 million general funds.

Moving from 200% to 350% is more complicated to figure out. As we move up in the income scale there would be less people needing it. His guess would be covering about another 2000 children moving up to that level.

**Senator J. Lee** asked if he was looking at 350% net.

**Sen Mathern** responded that as congress reauthorizes this program, they will be making some requirements in that regard. He thinks we should try to stay consistent in terms in how these eligibility guidelines are put in place in ND and stay with what we call net. We should give

some flexibility on the part of the Dept. of Human Services in negotiating with the federal government in terms of coming to a product that is possible.

**Senator Dever** had concern for the responsibility parents have for their children. Would we be better off expanding the program that was started with SB 2326.

**Sen. Mathern** responded that this is moving forward. That one created the concept of the buy in product. This is another way of making sure an entire family has coverage.

**Rep. Kaldor** (District 20) testified in support of SB 2362. He agreed with Sen. Mathern completely that we love children and want to make sure ND children are provided quality health care and affordable health care. From the perspective of a small business owner businesses are finding it more and more difficult to provide insurance coverage for their employees. They have to cut back. The pressures are to increase the deductibles, to reduce benefits, or to pull back from family plans to single plans. It's happening all across the country. The children shouldn't be punished because of this.

From the perspective of a hospital emergency room it is becoming more and more difficult to staff the ER's with doctors. Physicians are charging more to be on call. It's getting more and more expensive running an emergency room service.

One of the problems with the working uninsured or underinsured is that they use the emergency room as their primary care.

**Maggie Anderson** (Dept. of Human Services) said she didn't have prepared testimony but would answer any questions the committee might have.

**Senator Dever** was interested in what items are involved in calculating net from gross.

**Ms. Anderson** said she would provide the committee with an income disregards sheet prepared by the Dept. of Human Services. See attachment #6.

**Caitlin McDonald** (ND Catholic Conference) testified in support of SB 2362. Attachment #2.

**Carlotta McCleary** (NDFFCMH) testified in support of SB 2362. Attachment #3.

**Paul Ronningen** (NASW and CDF) testified in support of SB 2362. Attachment #4.

**Senator Heckaman** (District 23) spoke in support of SB 2362 as a sponsor. As a teacher she said children's health care is a very important issue and children's wellness is a very important issue in education. It affects their learning and interaction with other children. This is an important bill not only for the health of the child but also the education of the child.

**Opposing testimony.**

**Rod St. Aubyn** (BC/BS of ND) said they object to some of the language in the bill which could be problematic. (page 2 lines 21-23 the retroactive coverage) He pointed it out and explained what problems could arise in case some of it could be corrected.

He also pointed out that they operate the Caring Foundation – a program that provides services for children. It's to try to meet that gap. Healthy Steps is 140%. Caring Program would provide health services for the child from 140 up to 200%. He said they are wondering what would happen to the Caring Foundation with this bill – going from 150 – 200. They assume they would raise the Caring Program up. If this bill passes is there a need for the Caring Program?

He said the most problematic issue is how to bid a product like this.

**Senator J. Lee** asked Maggie Anderson if she had the chart with her that talks about what the percentage of poverty is.

**Ms. Anderson** said that currently at 150% for a family of 4 it is \$31,800.

A family of 4 at 200 it's \$42,400. For a family of 4 at 350 it's \$74,208.

**Senator Heckaman** asked Ms. Anderson to address page 2, part f, line 21.

**Ms. Anderson** said starting on line 18 on page 2 and going through 23 it's the two provisions that are added that are not currently part of the product that they purchase through BC/BS.

She explained that (e) goes back to the beginning of the month and (f) goes back retroactive 3 months. Medicaid currently does both of these.

**Senator J. Lee** pointed out there are so many variables that present challenges in figuring out what to do here.

**Ms. Anderson** said there are a variety of components and the dept. is uncertain what is going to happen at the federal level. That is why they are struggling with the fiscal note.

**Senator J. Lee** closed the hearing on SB 2362.

## 2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2362

Senate Human Services Committee

Check here for Conference Committee

Hearing Date: 1-28-09

Recorder Job Number: 8052

Committee Clerk Signature

*Mary K Monson*

Minutes:

**Senator J. Lee** opened SB 2362 for committee work. She reported that the House side had the human services budget and they are looking at the bill which calls for the 200% of poverty cutoff for children's health insurance that came out of the governor's budget. She felt it would be messy to have a CHIPS bill on both sides and that it would make more sense to work with one. She recommended using the bill on the House side for discussions on Children's Health Insurance for two reasons: (1) It would be good to have one bill that's talking about CHIPS (2) There is a benefit to having it on the House side because of them having the human services budget first.

**Senator Dever** said he was inclined to agree.

**Senator Heckaman** didn't want to move ahead quite yet.

**Senator J. Lee** said they would discuss more later.

## 2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2362

Senate Human Services Committee

Check here for Conference Committee

Hearing Date: 2-02-09

Recorder Job Number: 8394

Committee Clerk Signature

*Mary K Monson*

Minutes:

**Senator J. Lee** reopened SB 2362 for committee work. She asked Sen. Mathern for information on his amendment.

**Sen. Tim Mathern** provided amendments (90465.0302) for the committee to look at. They would create three tiers of the Children's Health Insurance Program.

1. Raises eligibility from 150% net to 200% net.
2. Those people between 200% and 300% of net poverty would pay a premium if they want their child in the program. The premium would be equal to whatever the general fund allocation would have been for this program.
3. Anybody over 300% would be able to buy into the program.

He sees this as still having a vehicle for every family to cover their children but the outlay of money from the general fund would only be for the group between 150 and 200% of poverty.

There was discussion on the fiscal note. A current one was not yet available taking these amendments into account.

**Sen. Mathern** said another major difference in these amendments from the bill is that it eliminates the look back period. He went on to explain the participation of the federal

government.

**Senator Dever** asked for clarification on what happens in the 300 and up category.

Sen. Mathern replied that 300 and up the family pays the full bill.

**Senator Dever** – the benefit then is it's a group plan?

**Sen. Mathern** said that is kind of unique and the other benefit is that it is a specialized package designed for children's care. It says to North Dakotans that everyone in the state has some options to cover their kids for health care.

**Senator Dever** – as part of the group insurability wouldn't be a problem.

**Sen. Mathern** – right, it's part of a state product.

**Senator Dever** asked what happens if the only people taking advantage of it were those with extraordinarily high medical expenses.

**Sen. Mathern** said the options are bid out and whoever takes on the bid would have to negotiate it based on that.

**Senator Heckaman** moved to adopt the Mathern amendments.

Seconded by **Senator Marcellais**.

**Roll call vote 6-0-0. Amendment adopted.**



## 2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2362

Senate Human Services Committee

Check here for Conference Committee

Hearing Date: 2-03-09

Recorder Job Number: 8532, 8533

Committee Clerk Signature

*Mary K Monson*

Minutes:

**Senator J. Lee** opened SB 2362 for committee work.

There was brief discussion on a fiscal note.

**Senator Heckaman** moved a **Do Pass on SB 2362 as amended and rerefer to appropriations.**

Seconded by **Senator Pomeroy**.

**Senator Dever** said he would be opposing the bill. There is a bill on the House side that takes it to 200%. He felt uncomfortable going higher even on a sliding scale.

**Senator Heckaman** liked the bill as it is because it takes it to 250% and the rest is federal waived. She said it is our opportunity to get this going and they didn't know if the one in the House would pass.

**Senator Erbele** responded he thought it would be more seamless over there because they are dealing with the Human Services budget too.

**Senator J. Lee** said it is a policy bill that was pulled out of the governor's budget. She was concerned with the sustainability.

**Senator Heckaman** liked the option for parents to buy in if they really need it because she didn't think it was available in other health care avenues. She liked the beginning and the end – not necessarily the middle part.

Discussion took place on federal funding and universal health care.

**Roll call vote 2-3-1. Motion failed.**

**Senator Dever** moved a **Do Not Pass as amended**.

Seconded by **Senator Erbele**.

**Roll call vote 3-2-1. Motion carried.**

Carrier is **Senator Dever**.

**Job #8533 (Meter 03:25)**

**Senator J. Lee** recognized Maggie Anderson from the Dept. of Human Services for information on the fiscal impact.

**Maggie Anderson** provided the committee with estimated fiscal information for SB 2362 with the proposed amendments. Attachment #7. She walked the committee through the 2009-2011 estimates.

Section 1 creates a buy in for children over 300% of poverty – 100 % client funded.

They estimated 2 FTE's for that. They estimate 1,337 children in ND in this category.

Even though this is 100% client funded the department needs authority to spend the money.

They bring it into the department and need authorization to pay it out to BC/BS.

There are no costs in section 2 because that's already in the department's executive budget for 2009 to 2011.

Section 3 is the waiver portion where the family pays a premium equal to the state share of the premium. They estimate 1,280 children in this category. There are 3 FTE's indicated in this area – one would be in their Medicaid policy area.

Section 4 is the Advisory Committee which is based on the seven members that were indicated in the bill. They figured three meetings a year.

She also pointed out the footnotes.

**Senator Dever** said he was confused where the increase in 150 to 200 was.

**Ms. Anderson** said it's not reflected on her handout because it's already in the department's executive budget.

**Senator Dever** said this bill would be the vehicle for it or the one in the House would be the vehicle for it and asked what if they both fail.

**Ms. Anderson** said that is one of the unknowns.

She talked about the increase in numbers of children and grant and staff costs to go from 150 to 200.

**Senator J. Lee** thanked Ms. Anderson for bringing the information to the committee and then adjourned the committee.

**FISCAL NOTE**  
**Requested by Legislative Council**  
02/06/2009

Amendment to: SB 2362

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.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>				\$7,826,852		\$18,249,688
<b>Expenditures</b>			\$204,413	\$7,826,852	\$402,775	\$18,249,688
<b>Appropriations</b>			\$204,413	\$7,826,852	\$402,775	\$18,249,688

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

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

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

This bill would create and enact two new sections to Chapter 50-29 of NDCC relating to a children's health insurance buy-in program, and to create a children's health insurance program advisory committee, and changes the eligibility requirements for the children's health insurance program

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.*

The fiscal impact for 2009-2011 is based upon a July 1, 2010 start date. It further assumes that CMS would approve a waiver to cover kids up to 300% of poverty. If CMS does not approve the waiver federal funds would not be available.

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.*

Additional federal revenues of \$2,943,562 is the Medicaid funding the Department would be able to access if the waiver is approved and \$4,883,290 in revenues would be collected from recipients for their share of the premium.

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.*

The expenditures include \$7,660,378 in additional grant costs and \$370,887 in administration costs, which include 5 new FTES to implement this bill.

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 is also included in the executive budget or relates to a continuing appropriation.*

The 2009-2011 Executive Budget does not include funding to implement this bill.

<b>Name:</b>	Debra A. McDermott	<b>Agency:</b>	Human Services
<b>Phone Number:</b>	328-3695	<b>Date Prepared:</b>	02/09/2009

**FISCAL NOTE**  
**Requested by Legislative Council**  
01/22/2009

Bill/Resolution No.: SB 2362

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.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

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

This bill would create and enact two new sections to Chapter 50-29 of NDCC relating to a children's health insurance buy-in program and the creation of a children's health insurance program advisory committee.

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.*

No fiscal impact was calculated on this version of the bill because of the complexity of the current version and the knowledge of amendments being brought forward which would change the process of gathering the fiscal information.

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 is also included in the executive budget or relates to a continuing appropriation.*

<b>Name:</b>	Debra A. McDermott	<b>Agency:</b>	Human Services
<b>Phone Number:</b>	328-3695	<b>Date Prepared:</b>	01/30/2009

February 2, 2009

*JB*  
2-4-9

PROPOSED AMENDMENTS TO SENATE BILL NO. 2362

Page 1, line 1, replace "two" with "three"

Page 1, line 2, remove "a" and replace "program" with "and premium-assistance programs"

Page 1, line 11, remove ", on a sliding income"

Page 1, line 12, remove "scale."

Page 2, line 18, remove the overstrike over "~~following the date~~"

Page 2, line 19, remove the overstrike over "of", remove "in which the", remove the overstrike over "~~and~~", remove "or the", and remove "is made."

Page 2, line 20, remove "whichever date is earlier"

Page 2, remove lines 21 through 23

Page 2, line 24, after "the" insert "net"

Page 2, line 25, remove "fifty"

Page 2, after line 27, insert:

**"SECTION 3.** A new section to chapter 50-29 of the North Dakota Century Code is created and enacted as follows:

**Premium for coverage.** Upon approval of the waiver requested under subsection 7 of section 50-29-04, the department shall charge a monthly premium for coverage for an eligible applicant whose net income exceeds two hundred percent of the poverty line but does not exceed three hundred percent of the poverty line. The monthly premium must be equivalent to the amount expended monthly in state funds for an eligible applicant whose net income is two hundred percent of the poverty line or less.

Renumber accordingly

Date: 2-2-09

Roll Call Vote #: 1

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. SB 2362

Senate Human Services Committee

Check here for Conference Committee

Legislative Council Amendment Number 90465.0302 Sen. Mathern

Action Taken  Do Pass  Do Not Pass  Amended

Motion Made By Sen. Heckaman Seconded By Sen. Marcellais

Senators	Yes	No	Senators	Yes	No
Senator Judy Lee, Chairman	✓		Senator Joan Heckaman	✓	
Senator Robert Erbele, V.Chair	✓		Senator Richard Marcellais	✓	
Senator Dick Dever	✓		Senator Jim Pomeroy	✓	

Total (Yes) 6 No 0

Absent 0

Floor Assignment \_\_\_\_\_

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

Date: 2-3-09

Roll Call Vote #: 1

**2009 SENATE STANDING COMMITTEE ROLL CALL VOTES**

**BILL/RESOLUTION NO. SB 1362**

Senate Human Services Committee

Check here for Conference Committee

Legislative Council Amendment Number 90465.0302 Title .0400

Action Taken  Do Pass  Do Not Pass  Amended  Rerefer to Appropriations  
 Adopt Amendment  Reconsider

Motion Made By Sen. Heckaman Seconded By Sen. Pomeroy

Senators	Yes	No	Senators	Yes	No
Senator Judy Lee, Chairman		✓	Senator Joan Heckaman	✓	
Senator Robert Erbele, V.Chair		✓	Senator Richard Marcellais		
Senator Dick Dever		✓	Senator Jim Pomeroy	✓	

Total (Yes) 2 No 3

Absent 1

Floor Assignment \_\_\_\_\_

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



Date: 2-3-09

Roll Call Vote #: 2

**2009 SENATE STANDING COMMITTEE ROLL CALL VOTES**

**BILL/RESOLUTION NO.** SB 2362

Senate Human Services Committee

Check here for Conference Committee

Legislative Council Amendment Number 90465.0302 Title .0400

Action Taken  Do Pass  Do Not Pass  Amended  Rerefer to Appropriations  
 Adopt Amendment  Reconsider

Motion Made By Sen. Dever Seconded By Sen. Erbele

Senators	Yes	No	Senators	Yes	No
Senator Judy Lee, Chairman	✓		Senator Joan Heckaman		✓
Senator Robert Erbele, V.Chair	✓		Senator Richard Marcellais		
Senator Dick Dever	✓		Senator Jim Pomeroy		✓

Total (Yes) 3 No 2

Absent 1

Floor Assignment Senator Dever

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

**REPORT OF STANDING COMMITTEE**

**SB 2362: Human Services Committee (Sen. J. Lee, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO NOT PASS** (3 YEAS, 2 NAYS, 1 ABSENT AND NOT VOTING). SB 2362 was placed on the Sixth order on the calendar.

Page 1, line 1, replace "two" with "three"

Page 1, line 2, remove "a" and replace "program" with "and premium-assistance programs"

Page 1, line 11, remove ", on a sliding income"

Page 1, line 12, remove "scale."

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Page 2, line 19, remove the overstrike over "of", remove "in which the", remove the overstrike over "and", remove "or the", and remove "is made."

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Re-number accordingly

2009 TESTIMONY

SB 2362

Human Services Committee

January 27, 2009


Senator Tim Mathern

Madame Chairman Lee and Members of the Human Service Committee

My name is Senator Tim Mathern. I am a Senator from Fargo and I am here to introduce SB 2362. I love children, you love children. Passage of this bill will assure all children in North Dakota have access to an affordable and comprehensive health coverage plan. I have been in the legislature since 1986 and have seen the interest of legislators and citizens alike continue to work on creating a health care plan for all children. SB 2362 makes this possible without creating a new program. We assure coverage of seniors through Medicare, now let's assure coverage of children but do it with a North Dakota product.

**Section one** creates a "buy in program" where families can purchase the state's Healthy Steps insurance program. This is to be the same program we have in place for persons we now cover under 50-29-04. I realize there has been some difficulty in putting together a fiscal note especially in consideration of the wording on lines 11 and 12, "on a sliding income scale". You might want to be more definitive here on the premium expected to be paid to the point that the entire premium obtained by the state is paid by the family.


**Section two**, item 6 moves eligibility from 150% to 200% of poverty which is consistent with the governor recommendation but removed from the House Human Service appropriation bill; items e and f, make the eligibility times consistent with Medicaid. Item 7 on page two directs DHS to seek a waiver to increase income eligibility to 350% of poverty which is what is



already in place in New Jersey. As you may know the federal government pays about 75 cents for each dollar spent on the program.

**Section 3** establishes an advisory committee appointed by the governor to assist in development of the children's health insurance program. Other states programs have proven to increase the success of children being enrolled to the extent that community persons and agencies interested in children's issues are involved in the program.

Ladies and Gentleman of the Human Services Committee, SB 2362 presents an opportunity to cover as many children as possible as the Congress moves forward in authorizing S-CHIPS legislation this week. Let's make sure our children and our health care providers do not miss out on an opportunity offered to other states. Every dollar we do not use for our children will be going to families of higher income in other states which is not prudent on our part.



Thank you for your time and for the attention you will be giving to other presenters coming before you. I ask for the opportunity to see this bill in the Appropriations Committee by your Committee giving this bill a Do Pass recommendation and referring to the Appropriations Committee.

Thank you for your consideration.



**January 27, 2009**

**Senate Services Committee**

**SB 2362**

Madame Chair Lee and Members of the Committee:

Good morning, my name is Caitlin McDonald, and I am here on behalf of the North Dakota Catholic Conference. We support BS 2362 and urge a do pass.

This bill aims to increase the eligibility level for the State's Children Health Insurance Program, or Healthy Steps, from the current rate of 150% of the poverty level to 200% of the poverty level. The proposed increase, would allow the program to include 1,158 children that do not qualify for Medicaid and do not have other means of health insurance.

The North Dakota Catholic Conference believes that increasing the eligibility level of SCHIP is an action that furthers the common good and helps protect the inherent dignity of all persons. Affordable healthcare is a basic right that must not be denied to the young and vulnerable, and we feel improving coverage for children is a moral priority and an investment in the future.

Expanding the current SCHIP program is a good step forward for North Dakota. Please consider a Do Pass on SB 2362. I thank you for your time and consideration.

Testimony  
Senate Bill 2362  
Senate Human Services Committee  
Senator Judy Lee, Chairman  
January 27, 2009

Chairman Lee and members of the Committee: my name is Carlotta McCleary. I am the Executive Director of ND Federation of Families for Children's Mental Health (NDFFCMH). NDFFCMH is a parent run advocacy organization that focuses on the needs of children and youth with emotional, behavioral and mental disorders and their families, from birth through transition to adulthood.

NDFFCMH supports SB 2362 which establishes a children's health insurance buy-in program and creates a children's health insurance program advisory committee. SB 2362 allows more children to access mental health care. For many children, mental health care is a key component of the array of services needed for healthy childhood development.

Mental disorders affect about one in five American children and one in ten experience serious emotional disturbances that severely impair their functioning, according to the Surgeon General's comprehensive report on mental health. **Moreover, low-income children enrolled in Medicaid and SCHIP have the highest rates of mental health problems.**

Sadly, over two-thirds of children struggling with mental health disorders do not receive mental health care. The President's New Freedom Commission on Mental Health found that without early and effective identification and interventions, childhood mental disorders can lead to a downward spiral of school failure, poor employment opportunities, and poverty in adulthood. Untreated mental illness may also increase a child's risk of coming into contact with the juvenile justice system, and children with mental disorders are at a much higher risk for suicide.

NDFFCMH believes parents should have a voice in the policies that impact their children. The inclusion of a parent as a member of a children's health insurance program advisory committee allows parents that voice.

Please support children's access to mental health care. Thank you for your time.

Carlotta McCleary, Executive Director  
ND Federation of Families for Children's Mental Health  
PO Box 3061  
Bismarck, ND 58502

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**SB 2362**

**Senate Human Services Committee**

**January 27, 2009**

Chairman Lee and members of the Senate Human Services Committee, I am Paul Ronningen, Executive Director of the National Association of Social Workers (NASW) North Dakota Chapter and also the State Coordinator for the Children's Defense Fund (CDF). Thank you for the opportunity to provide testimony **in support of SB 2362** for both NASW and the Children's Defense Fund.


First of all, NASW and CDF want to commend the Governor and the Department of Human Services for this step forward in addressing the health insurance needs of North Dakota's children. Moving to 200% of the poverty level for the state children's health insurance program is **good public policy!**

The Department estimates that **an additional 1,158 children** will be provided health insurance coverage by moving the eligibility to 200% of the poverty level. While more children are benefiting from SCHIP this biennium, about 9% of all children (14,305 children ages 0-18) remain uninsured in North Dakota.\* Thus, there will still be over 13,000 uninsured children in North Dakota once the eligibility is raised to 200% of poverty.

SB 2362 will provide families the opportunity to purchase the same SCHIPS insurance ~~as~~ available to qualifying families. In addition, it directs the Department to seek a waiver for federal participation for families up to the 350% of poverty level. These efforts will reduce the numbers of families that struggle with health care for their children and will lessen the dependence of families on the emergency room care.

\*North Dakota Kids Count





In order to increase access to this program and others, the Children's Defense Fund will be launching a web-based screening tool, **Bridges to Benefits** this spring. It will quickly help low income working families determine if they are eligible for assistance and will direct them to resources where they can access help. Bridges to Benefits will look at eligibility guidelines for programs such as Child Care Assistance, Medicaid, Healthy Steps, School Meal Programs, Energy Assistance and Earned Income Tax Credit. In addition, training will be provided to other non-profit agencies in North Dakota to help screen eligible families and refer them to county social services or to the provider of the service. It is critically important for struggling families to be aware of and have access to these programs.

In conclusion, health insurance is vital to all of us and a necessity in raising healthy productive citizens. Therefore, the Children's Defense Fund and NASW fully support implementation of SB 2362. Thank you.



Paul Ronningen

pronningen@hotmail.com

701-400-1827 (cell phone)



# Hb2362

Testimony on Senate Bill 2362  
2009 Legislative Session  
January 27, 2009  
Senator Judy Lee, HS Committee Chairperson

Dear Madam Chairperson and Committee Members,

My name is Donene Feist and the state director for Family Voices of North Dakota. Thank you for the opportunity to testify on behalf of Senate Bill 2362 in support of a buy in plan to the SCHIP program.

The Federal Maternal and Child Health Bureau conducted a survey in 2005-2006. This survey identified through the Data Resource Center for North Dakota, <http://www.cshcndata.org/Content/StatePrevalence2005.aspx?geo=North%20Dakota> has identified that there are 16, 541 children in North Dakota with special health care needs. Of those children 9.6% were identified as being uninsured in the same time period. Approximately 1587 children are a family of a child with special health care needs and disabilities.

The data for children in the *general* population <http://www.nschdata.org/DataQuery/DataQueryResults.aspx> estimated that 7.3% or nearly 11,000 children across the state were uninsured. While we do have a bill in the House, HB1478 which would authorize SCHIP to 200% of the FPL, I do believe that it does not go far enough. A family of four at 200% for 2009 is estimated at \$44, 100.

Speaking on behalf of families of a child with special health care needs and the financial strain we ourselves have experienced, know and understand all too well the financial burden this places on families. Our experience was with health insurance. I cannot imagine the strain families are under without health insurance. Considering an office visit is anywhere between \$75 and more just to get into the door, how many of the 1587 with special health care needs are being deprived an essential need, a need as high as food, clothing and shelter. Our children in North Dakota deserve better.

Ongoing dialogue needs to continue to discuss our most vulnerable in this state which is our children.

As many of you know in the new Congress, SCHIP has passed in the House by a wide margin. It will be voted on in the Senate in the next few days and the plan to be signed by the President soon. As a state we need to do all that we can to assure our children are taken care of. Health care is a human right not a privilege. For our North Dakota children it is the right thing to do at the right time.

# Hb2362

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Other states have implemented a waiver beyond the 300% of FPL. We also must assure that it will not take away from the federal match for Medicaid, which will require further investigation. Under Chairman Baucus markup in the Senate of Congress, there was language that indicates this would be the case.

States who have implemented a buy in, has worked very well. In part because more and more employers are not providing family coverage, it is beyond the reach of many at 200%, and a buy in provided the opportunity for families to contribute to the insurance of their child.

A state advisory would be very much in order, as with the new president will also come new changes to the federal program. It is imperative that we stay on top of all issues for our children's health. A state advisory could review implementation of waivers and a buy in as other states have done.

Family Voices has always maintained that if you develop a service system that will assist the families who utilize the services the most, for our most complex children, you create a system that will benefit all individuals. A paradigm shift in thinking if you will. A state plan would certainly be a first step to bringing everyone to the table.

Thank you for your consideration.

Donene Feist  
Family Voices of North Dakota  
PO Box 163  
Edgeley, ND 58433

**North Dakota Department of Human Services**  
**Medicaid and SCHIP Income Disregards and Deductions**  
(As of December 2008)

**Disregarded Income - *disregards are not considered an income source***

The following types of income are disregarded in determining eligibility for Medicaid/SCHIP:

1. State or tribal money payments for foster care, subsidized guardianship, or the subsidized adoption program;
2. Temporary Assistance for Needy Families (TANF) benefit and support services payments;
3. Benefits received through the Low Income Home Energy Assistance Program;
4. Refugee cash assistance payments;
5. County general assistance payments;
6. Payments from the Child and Adult Food Program for meals and snacks to licensed families who provide day care in their home;
7. Family subsidy program payments;
8. Housing assistance payments;
9. Per capita judgment funds paid to members of any Indian tribe under Pub. L. 92-254, Pub. L. 93-134, or Pub. L. 97-403;
10. Income derived from submarginal lands, conveyed to Indian tribes and held in trust by the United States, as required by Pub. L. 94-114;
11. Income earned by a child who is a full-time student, or a part-time student who is not employed one hundred hours or more per month;
12. Supplemental Security Income (SSI) - *SCHIP disregards all SSI. Medicaid disregards lump sum SSI payments. Medicaid counts SSI if the client chooses to be eligible under the children and family category. If they choose to be eligible under the aged and disabled category, they get an income level equal to the level that established SSI eligibility.*
13. Compensation received by volunteers participating in certain federal volunteer programs;
14. Payments made to recipients under title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;

15. All income, allowances, and bonuses received as a result of participation in the Job Corps Program;
16. Occasional small gifts;
17. In-kind income except in-kind income received in lieu of wages;
18. Income tax refunds and earned income credits;
19. Homestead tax credits;
20. Educational loans, scholarships, grants, awards, Workforce Safety & Insurance vocational rehabilitation payments, and work-study received by a student.
21. Any fellowship or gift (or portion of a gift) used to pay the cost of tuition and fees at any educational institution;
22. Training funds received from Vocational Rehabilitation;
23. Training allowances of up to thirty dollars per week provided through a tribal native employment works program, or the Job Opportunities and Basic Skills Training program;
24. Needs-based payments, support services, and relocation expenses provided through programs established under the Workforce Investment Act (WIA), and through the Job Opportunities and Basic Skills program;
25. Training stipends provided to victims of domestic violence by private, charitable organizations, such as the Seeds of Hope Gift Shop, or the Abused Adult Resource Center, for attending their educational programs;
26. Tax-exempt portions of payments made as a result of the Alaska Native Claims Settlement Act;
27. Payments to certain United States citizens of Japanese ancestry, resident Japanese aliens, and eligible Aleuts made under the Wartime Relocation of Civilians Reparations Act;
28. Agent Orange payments;
29. Crime Victims Reparation payments;
30. German reparation payments made to survivors of the holocaust, and reparation payments made under sections 500 through 506 of the Austrian General Social Insurance Act;
31. Assistance received under the Disaster Relief and Emergency Assistance Act of 1974 or some other federal statute, because of a presidentially declared major disaster (but not disaster assistance unemployment compensation);
32. Allowances paid to children of Vietnam veterans who are born with spina bifida, or to children of women Vietnam veterans who are born with certain covered birth defects;

33. Netherlands Reparation payments based on Nazi, but not Japanese, persecution during World War II, Public Law 103-286;
34. Radiation Exposure Compensation, Public Law 101-426;
35. The first \$2,000 per year of lease payments deposited in IIM accounts;
36. Interest or dividend income earned on liquid assets;
37. Additional pay received by military personnel as a result of deployment to a combat zone;
38. Fifty dollars per month of current child support, received on behalf of children in the SCHIP unit;
39. All wages paid by the Census Bureau for temporary employment related to census activities.

**Income Deductions - *deductions are subtracted after the income is calculated***

The following income deductions are allowed in determining Medicaid/SCHIP eligibility:

1. Mandatory payroll deductions and union dues withheld, or ninety dollars, whichever is greater;
2. Mandatory retirement plan deductions;
3. Expenses of a blind person reasonably attributed to earning income;
4. Reasonable child care expenses, not otherwise reimbursed, that the Medicaid/SCHIP Unit is responsible to pay, if necessary to engage in employment or training;
5. Non-voluntary child and spousal support payments if actually paid;
6. For individuals who are employed or in training, thirty dollars may be deducted as a work or training allowance (does not apply to children in school);
7. The cost of premiums for health insurance for members of the unit who are not eligible for Medicaid/SCHIP; and
8. Medical expenses for necessary medical or remedial care for members of the unit who are not eligible for Medicaid/SCHIP.

## **Additional Income Deductions allowed for Medicaid**

The following additional income deductions are allowed in determining Medicaid eligibility

1. Reasonable expenses, such as food and veterinarian expenses, necessary to maintain a dog that is trained to detect seizures for a member of the Medicaid unit.
2. Premiums for long term care insurance.
3. Transportation expenses necessary to secure medical care.
4. Reasonable adult dependent care expenses.
5. The cost to purchase or rent a car safety seat for a child through age ten is allowed as a deduction if a seat is not otherwise reasonably available.
6. A disregard of \$20 per month for aged, blind and disabled applicants or recipients.
7. Guardian or conservator fees, up to a maximum of five percent of countable gross monthly income.
8. For all aged, blind, or disabled applicants or recipients, sixty-five dollars plus one-half of the remaining monthly gross earned income.





effective through 3/31/09

2008 POVERTY LEVEL GUIDELINES										
ALL STATES (EXCEPT ALASKA AND HAWAII) AND D.C.										
Income Guidelines as Published in the Federal Register on January 23, 2008										
ANNUAL GUIDELINES										
FAMILY SIZE	PERCENT OF POVERTY			135%	150%	175%	185%	200%	250%	
	100%	120%	133%							
1	10,400.00	12,480.00	13,832.00	14,040.00	15,600.00	18,200.00	19,240.00	20,800.00	26,000.00	
2	14,000.00	16,800.00	18,620.00	18,900.00	21,000.00	24,500.00	25,900.00	28,000.00	35,000.00	
3	17,600.00	21,120.00	23,408.00	23,760.00	26,400.00	30,800.00	32,560.00	35,200.00	44,000.00	
4	21,200.00	25,440.00	28,196.00	28,620.00	31,800.00	37,100.00	39,220.00	42,400.00	53,000.00	
5	24,800.00	29,760.00	32,984.00	33,480.00	37,200.00	43,400.00	45,880.00	49,600.00	62,000.00	
6	28,400.00	34,080.00	37,772.00	38,340.00	42,600.00	49,700.00	52,540.00	56,800.00	71,000.00	
7	32,000.00	38,400.00	42,560.00	43,200.00	48,000.00	56,000.00	59,200.00	64,000.00	80,000.00	
8	35,600.00	42,720.00	47,348.00	48,060.00	53,400.00	62,300.00	65,860.00	71,200.00	89,000.00	
For family units of more than 8 members, add \$3,600 for each additional member.										
MONTHLY GUIDELINES										
FAMILY SIZE	PERCENT OF POVERTY			135%	150%	175%	185%	200%	250%	
	100%	120%	133%							
1	866.67	1,040.00	1,152.67	1,170.00	1,300.00	1,516.67	1,603.33	1,733.33	2,166.67	
2	1,166.67	1,400.00	1,551.67	1,575.00	1,750.00	2,041.67	2,158.33	2,333.33	2,916.67	
3	1,466.67	1,760.00	1,950.67	1,980.00	2,200.00	2,566.67	2,713.33	2,933.33	3,666.67	
4	1,766.67	2,120.00	2,349.67	2,385.00	2,650.00	3,091.67	3,268.33	3,533.33	4,416.67	
5	2,066.67	2,480.00	2,748.67	2,790.00	3,100.00	3,616.67	3,823.33	4,133.33	5,166.67	
6	2,366.67	2,840.00	3,147.67	3,195.00	3,550.00	4,141.67	4,378.33	4,733.33	5,916.67	
7	2,666.67	3,200.00	3,546.67	3,600.00	4,000.00	4,666.67	4,933.33	5,333.33	6,666.67	
8	2,966.67	3,560.00	3,945.67	4,005.00	4,450.00	5,191.67	5,488.33	5,933.33	7,416.67	

RE: SB 2362 - The income level @ 350% for a family of four is \$ 74,208.

Maggie Anderson  
2-3-09

# 7

# 7

ND Department of Human Services  
Fiscal Impact  
SB 2362 (with Proposed Amendment)

	2009-2011			2011-2013			
	Total	General	Federal	Other	General	Federal	Other
<b>Section 1 - Children's Health Insurance Buy-In</b>							
FTEs	2.00						
Salary Costs	109,090	109,090			228,231		
Operating Costs	37,197	37,197			61,316		
Grant Costs	3,913,613			3,913,613			9,157,915
<b>Total Cost Section 1</b>	<b>4,059,900</b>	<b>146,287</b>	<b>-</b>	<b>3,913,613</b>	<b>289,547</b>	<b>-</b>	<b>9,157,915</b>
<b>Section 3 - Waiver Up to 300% *</b>							
FTEs	3.00						
Salary Costs	177,024	45,814	131,210		95,950	274,798	
Operating Costs	40,646	10,519	30,127		15,485	44,350	
Grant Costs	3,746,765	-	2,777,088	969,677	-	6,498,509	2,268,979
<b>Total Cost Section 2</b>	<b>3,964,435</b>	<b>56,333</b>	<b>2,938,425</b>	<b>969,677</b>	<b>111,435</b>	<b>6,817,657</b>	<b>2,268,979</b>
<b>Section 4 - Advisory Committee</b>							
Operating Costs	6,930	1,793	5,137		1,793	5,137	
<b>Total Cost Section 3</b>	<b>6,930</b>	<b>1,793</b>	<b>5,137</b>	<b>-</b>	<b>1,793</b>	<b>5,137</b>	<b>-</b>
<b>Total Cost Section 1 - 3</b>	<b>8,031,265</b>	<b>204,413</b>	<b>2,943,562</b>	<b>4,883,290</b>	<b>402,775</b>	<b>6,822,794</b>	<b>11,426,894</b>

\* Based upon an assumption that CMS would approve a waiver to cover kids up to 300% for the premium share portion of this estimate. If CMS does not approve the waiver federal funds would not be available for Section 3.

**Note:**  
It is unknown if adequate federal allotment dollars are available to fund the waiver between 200% and 300%.

# Children

without health coverage don't always get the medical care they need. Is your child and child, neighbor or still one of thousands of North Dakota's uninsured? If so, they may be eligible for a health care coverage program offered at no or low-cost.

## Medicaid

Medicaid provides comprehensive medical, dental and vision coverage for North Dakota children and adults, and it encourages members to have a primary care provider. Medicaid is administered by your local county social service agency.

You may be eligible if you qualify for other federal assistance programs.

### Comprehensive coverage includes:

- Routine and primary medical care
- Inpatient (hospital) care
- Immunizations
- Mental health and substance abuse
- Prescriptions
- Vision care
- Primary and preventive dental care



## Healthy Steps (SCHIP)

Healthy Steps is a benefit program for eligible North Dakota children up to 19 years old who do not qualify for Medicaid. The program offers comprehensive medical, dental and vision coverage, and it is administered by the state of North Dakota.

Children with Indian Health Services may participate in Healthy Steps.

### Comprehensive coverage includes:

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## Caring for Children

Caring for Children is a benefit program for eligible North Dakota children up to age 19 who do not qualify for Medicaid or Healthy Steps and have no other insurance. Benefits include primary and preventive medical and dental care. Caring for Children is a program of the North Dakota Caring Foundation, a non-profit 501(c)(3) foundation established by Blue Cross Blue Shield of North Dakota (BCBSND) in 1989. BCBSND provides Caring for Children administrative services as an in-kind donation.

### Primary and preventive care includes:

- Routine and primary medical care
- Limited inpatient (hospital) care
- Immunizations
- Mental health and substance abuse
- Primary and preventive dental care



Have questions?  
Want to apply?

Three programs  
One toll-free helpline

1-877-KIDS-NOW  
(1-877-543-7669)

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without health  
neighbor or st

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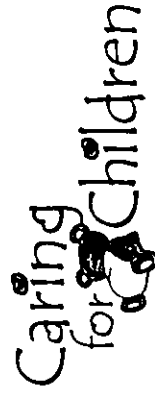


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(1-877-543-7669)

**Anderson, Maggie D.**

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**From:** Anderson, Maggie D.  
**Sent:** Friday, January 30, 2009 4:29 PM  
Weisz, Robin L.; Lee, Judy E.; Fischer, Tom L.; Pollert, Chet A.  
Olson, Carol K.  
**Subject:** SCHIP Information: RE HB 1012, HB 1478 and SB 2362

The Department has been asked to provide a list of income disregards and deductions for Medicaid/SCHIP; and to identify on the list which ones are mandatory vs. optional. We have been working with CMS since December on this request, as we need their assistance in analyzing and confirming all of the federal laws that impact the disregards and deductions. I have personally been communicating with CMS to ensure they understand the 2009 Legislative Assembly needs this information to make policy decisions regarding SCHIP. My most recent communication from CMS indicates they will have the information to us early next week.

However, I know you are needing to make decisions on HB 1478 and SB 2362. By Monday morning (February 2), you (and House Human Services and Senate Human Services) will have the following information:

- The current disregard and deduction information
- The 2008 poverty levels (effective through March 31, 2009)
- Healthy Steps brochure (with services listed)
- Premium History of the Healthy Steps Program

As soon as I have final, accurate information from CMS on the mandatory and optional disregards and deductions, I will provide you with an updated list, noting those that are mandatory vs. optional.

Please contact me if you have any additional questions or requests, after reviewing the documents.

Maggie Anderson, Director  
Division of Medical Services  
ND Department of Human Services  
600 E Boulevard Ave #325  
Bismarck, ND 58505-0250  
Telephone 701-328-1603  
Fax 701-328-1544  
[manderson@nd.gov](mailto:manderson@nd.gov)

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