

2011 SENATE HUMAN SERVICES

SB 2024

2011 SENATE STANDING COMMITTEE MINUTES

Senate Human Services Committee
Red River Room, State Capitol

SB 2024
1-10-2011
Job Number 12694

Conference Committee

Committee Clerk Signature

T. Dawson

Explanation or reason for introduction of bill/resolution:

Relating to adequate medical care and payment of medical costs of inmates.

Minutes:

Attachments included.

Senator Judy Lee opened the hearing on SB 2024. There is a fiscal note.

Tim Dawson, Legislative Council and staff person for the Advisory Commission on Intergovernmental Relations, described the bill. This bill ties medical costs that a correctional facility pays for inmates to Medicare rates. This is not the penitentiary; it is correctional facilities like jails. The correctional facility will pay an inmate's medical expenses if the inmate is unable to pay and the constitution of the United States requires payment for medical care for that certain disability or pain under the cruel and unusual punishment clause.

Senator Judy Lee asked what happens if someone comes to the jail with a broken leg. It didn't happen while incarcerated but obviously needs to be treated.

Mr. Dawson responded that an amendment should be coming that will deal with that language.

Senator Dick Dever asked if this kind of policy is consistent with what it would be at the penitentiary.

Mr. Dawson said the penitentiary has its own managed care system in which they have doctors, dentists, a pharmacy, etc. They don't generally go outside for medical services. People in jails are generally there for less than 30 days.

Senator Dick Dever asked if this policy would apply to an inmate in county jail whether they've been adjudicated or not.

Mr. Dawson said it appears so. Inmate means any person whether sentenced or unsentenced who is detained or confined in a correctional facility.

Care reimbursement was explained by Mr. Dawson. It was a compromise between the medical community and jails.

Terry Traynor, ND Association of Counties, testified in favor of SB 2024. Attachment #1 He pointed out that an inmate is a person who is actually incarcerated. If they are at home detention, electronic monitoring out in the community, it is not the jails responsibility for the medical care.

He offered an amendment pertaining to pg. 1, lines 17-18.

He felt another amendment was needed for page 3, line 23-24, removing the phrase "that develops while incarcerated".

Senator Tim Mathern wondered if the bill would prevent facilities from paying for someone's health care insurance. He asked if the intent was that they could not pay for ins. premiums.

Mr. Traynor replied it was not their intention. He felt they would still have the authority to do that. The problem is that most of the inmates are there for such a short period of time that it might be difficult to administratively manage it.

Senator Judy Lee asked how many of the inmates might actually have insurance.

Mr. Traynor replied that one of the larger facilities told him it was probably less than 5%.

Senator Spencer Berry asked if there was anything in the new national health care law that addresses this situation.

Mr. Traynor said it actually excludes inmates in the discussion of health care.

Pre existing conditions were discussed. The decision point is when a person walks in and the door closes behind them. Then it becomes the county responsibility.

Medicare and home detention also was discussed. Medicaid pays when on home detention. It was unclear whether Medicare does.

Senator Dick Dever asked, if inmates are provided health care at a cost to the county, do they have an obligation to repay the county when they are released.

Mr. Traynor replied that page 3 of the bill addresses that and the obligation remains there.

There was no opposing testimony.

Don Bender, a member of the community, was concerned with what happens after an inmate is released. He felt it was not right to charge them because they don't have any money.

Senator Spencer Berry asked how long after an individual is released do institutions have to recoup costs.

Mr. Traynor pointed out that the ability for the correctional facility to recover the money is in current law. There is no real good answer. They would probably have to do research to find the answer.

It's already there and it is just being moved into section 3.

The hearing on SB 2024 was closed.

Committee discussion on the amendments suggested that the ones by Mr. Traynor should be brought into one. Senator Judy Lee asked the intern to put everything into one.

If this isn't funded then the local providers get stuck with it. A reason for this bill is to have some sort of parameters for the counties so they can manage their costs. All providers aren't charging the same for medical costs. This is a way for the counties to say that the provider should get paid by the same rate. This would set the reimbursement rate for inmate costs.

The fiscal note would be an impact to the counties.

The committee was adjourned until the amendment would be ready to review.

Additional information: Attachment #3

2011 SENATE STANDING COMMITTEE MINUTES

Senate Human Services Committee
Red River Room, State Capitol

SB 2024
1-17-2011
Job Number 12982

Conference Committee

Committee Clerk Signature

M. Moulton

Explanation or reason for introduction of bill/resolution:

Relating to adequate medical care and payment of medical costs of inmates.

Minutes:

Attachments included.

Senator Judy Lee opened SB 2024 for committee work and referred to the amendment based on the information from the Association of Counties - .03001. Attachment #2
There is an appeal process for the inmate and also to make sure it is a condition that exists when the person is incarcerated.

Discussion took place on whether the jail has to pay medical costs for someone who has lots of money. There is an obligation to collect from the individual first. The inmates account would be any money they might have accrued while they are an inmate. This is not the penitentiary but really for any city or county jail. If the person goes to jail with a medical problem their treatment would be covered.

Senator Tim Mathern sees the bill as doing two main things. 1. Establishes the policy of medicare rate. 2. It separates those people who are in the facility itself from those who are on kind of a community corrections thing.

This fiscal impact is to counties but not to the state and should be less.

Section 1 clarifies that this does not include an individual who is not detained or confined in a correctional facility.

Senator Tim Mathern moved to adopt the amendment .03001.

Seconded by **Senator Dick Dever**.

Roll call vote 5-0-0. **Amendment adopted.**

Senator Dick Dever moved a **Do Pass as Amended**.

Seconded by **Senator Gerald Uglen**.

Roll call vote 5-0-0. **Motion Carried.** Carrier is **Senator Gerald Uglen**.

FISCAL NOTE
 Requested by Legislative Council
 04/07/2011

Amendment to: Engrossed
 SB 2024

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.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			\$49,446	\$40,716	\$65,928	\$6,072
Expenditures			\$185,256	\$36,162		
Appropriations						

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

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
			\$54,000			\$72,000		

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 provides for the Department to process claims for inmates in county jails. It also expands Medicaid coverage to inmates of the state penitentiary or a county jail who would be eligible for Medicaid if the inmate were not incarcerated and who is admitted to an inpatient hospital setting.

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.*

Part one of Section 5:

The Information Technology Department is estimating a cost of \$149,094 to make the necessary changes to the current Medicaid Management Information System (MMIS) in order for the Department to process the county jail claims. This IT project is estimated to take 5 months and it would need to be prioritized with the other MMIS work requests.

The \$149,094 is not an allowable Medicaid expenditure; therefore, the cost of the modification for fiscal note purposes is paid with 100% state general fund dollars.

Part two of Section 5:

The Information Technology Department is estimating a cost of \$72,324, of which \$36,162 is general fund to make the necessary changes to the Medicaid eligibility system in order to capture federal Medicaid reimbursement for Medicaid-eligible inmates for inpatient hospital services. This IT project is estimated to take 3 months and it would need to be prioritized with the other eligibility system work requests.

This \$72,324 is an allowable Medicaid expenditure (50/50 FFP).

The Medicaid expansion would only become effective with the rollout of the new MMIS. The eligibility system changes would be made to become effective with the rollout of the new MMIS.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The counties will be charged a fee, estimated to be \$2.53 for each county medical claim processed by the Department through MMIS. The Association of Counties estimated 100 claims per month would be submitted to the Department for processing. Therefore after consideration of the 5 months needed to complete the project it is estimated 1,800 claims will be submitted to the Department in 2011-2013, and 2,400 claims in 2013-2015. The counties will be responsible to pay up to \$30.00 per claim, of which \$2.53 would be retained by the Department to reimburse the Department for the cost of processing the claim. The remaining \$27.47 will be used to reimburse the State for the MMIS changes of \$149,094. The resulting revenue from the Counties is estimated to be \$54,000 for 2011-2013 and \$72,000 for 2013-2015.

There is also an Eligibility System Change required costing \$72,324 at a 50/50 FFP resulting in \$36,162 in Federal Revenue.

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 Department is estimating operating costs for the 2011-2013 biennium of \$149,094 in General Fund for the changes necessary to the current Medicaid Management Information System (MMIS) in order for the Department to process the county jail claims.

The Department is also estimating operating costs for the 2011-2013 biennium of \$72,324, of which \$36,162 is General Fund, to make the necessary changes to the Medicaid eligibility system in order to capture federal Medicaid reimbursement for Medicaid-eligible inmates for inpatient hospital services.

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.*

Section 6 of this Bill provides a general fund appropriation of \$149,094, for the 2011-2013 biennium for the purpose of modifying the Department's Medicaid claims system to process claims submitted by enrolled Medicaid providers on behalf of inmates of county jails.

Section 7 of this Bill provides an appropriation of \$72,324, of which \$36,162, is general fund for the purpose of modifying the Department's Eligibility systems to process inpatient hospital claims for inmates of the state penitentiary and county jails.

Name:	Debra A. McDermott	Agency:	Human Services
Phone Number:	328-3695	Date Prepared:	04/07/2011

FISCAL NOTE
 Requested by Legislative Council
 03/29/2011

Amendment to: Engrossed
 SB 2024

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.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			\$68,454	\$36,162	\$91,272	
Expenditures			\$185,256	\$36,162		
Appropriations						

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

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
			\$68,454			\$91,272		

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 provides for the Department to process claims for inmates in county jails. It also expands Medicaid coverage to inmates of the state penitentiary or a county jail who would be eligible for Medicaid if the inmate were not incarcerated and who is admitted to an inpatient hospital setting.

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.*

Part one of Section 5:

The Information Technology Department is estimating a cost of \$149,094 to make the necessary changes to the current Medicaid Management Information System (MMIS) in order for the Department to process the county jail claims. This IT project is estimated to take 5 months and it would need to be prioritized with the other MMIS work requests.

The \$149,094 is not an allowable Medicaid expenditure; therefore, the cost of the modification for fiscal note purposes is paid with 100% state general fund dollars.

Part two of Section 5:

The Information Technology Department is estimating a cost of \$72,324, of which \$36,162 is general fund to make the necessary changes to the Medicaid eligibility system in order to capture federal Medicaid reimbursement for Medicaid-eligible inmates for inpatient hospital services. This IT project is estimated to take 3 months and it would need to be prioritized with the other eligibility system work requests.

This \$72,324 is an allowable Medicaid expenditure (50/50 FFP).

The Medicaid expansion would only become effective with the rollout of the new MMIS. The eligibility system changes would be made to become effective with the rollout of the new MMIS.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The counties will be charged a fee, estimated to be \$2.53 for each county medical claim processed by the Department through MMIS. The Association of Counties estimated 100 claims per month would be submitted to the Department for processing. Therefore after consideration of the 5 months needed to complete the project it is estimated 1,800 claims will be submitted to the Department in 2011-2013, and 2,400 claims in 2013-2015. Therefore the counties will also be responsible to pay an additional \$35.50 per claim, through June 30, 2015 to reimburse the State for the MMIS changes of \$149,094. The resulting revenue from the Counties is estimated to be \$68,454 for 2011-2013 and \$91,272 for 2013-2015.

There is also an Eligibility System Change required costing \$72,324 at a 50/50 FFP resulting in \$36,162 in Federal Revenue.

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 Department is estimating operating costs for the 2011-2013 biennium of \$149,094 in General Fund for the changes necessary to the current Medicaid Management Information System (MMIS) in order for the Department to process the county jail claims.

The Department is also estimating operating costs for the 2011-2013 biennium of \$72,324, of which \$36,162 is General Fund, to make the necessary changes to the Medicaid eligibility system in order to capture federal Medicaid reimbursement for Medicaid-eligible inmates for inpatient hospital services.

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.*

Section 6 of this Bill provides a general fund appropriation of \$149,094, for the 2011-2013 biennium for the purpose of modifying the Department's Medicaid claims system to process claims submitted by enrolled Medicaid providers on behalf of inmates of county jails.

Section 7 of this Bill provides an appropriation of \$72,324, of which \$36,162, is general fund for the purpose of modifying the Department's Eligibility systems to process inpatient hospital claims for inmates of the state penitentiary and county jails.

Name:	Debra A. McDermott	Agency:	Human Services
Phone Number:	328-3695	Date Prepared:	03/30/2011

FISCAL NOTE STATEMENT

Senate Bill or Resolution No. 2024

This bill or resolution appears to affect revenues, expenditures, or fiscal liability of counties, cities, or school districts. However, no state agency has primary responsibility for compiling and maintaining the information necessary for the proper preparation of a fiscal note regarding this bill or resolution. Pursuant to Joint Rule 502, this statement meets the fiscal note requirement.

Becky Keller
Senior Fiscal Analyst

JB
1-18-11

PROPOSED AMENDMENTS TO SENATE BILL NO. 2024

Page 1, line 23, after "facility" insert "and establish an administrative procedure for an inmate to appeal the withdrawal of the funds"

Page 3, line 23, remove "that develops while incarcerated"

Page 3, line 24, remove "and"

Renumber accordingly

Date: 1-17-2011

Roll Call Vote # 1

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 2024

Senate HUMAN SERVICES Committee

Check here for Conference Committee

Legislative Council Amendment Number 03001

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

Motion Made By Sen. Mathern Seconded By Sen. Dever

Senators	Yes	No	Senators	Yes	No
Sen. Judy Lee, Chairman	✓		Sen. Tim Mathern	✓	
Sen. Gerald Uglem, V. Chair	✓				
Sen. Dick Dever	✓				
Sen. Spencer Berry	✓				

Total (Yes) 5 No 0

Absent 0

Floor Assignment _____

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

Date: 1-17-2011

Roll Call Vote # 2

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 2024

Senate HUMAN SERVICES Committee

Check here for Conference Committee

Legislative Council Amendment Number 11.0275.03001 Title .04000

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

Motion Made By Sen. Dever Seconded By Sen. Uglem

Senators	Yes	No	Senators	Yes	No
Sen. Judy Lee, Chairman	✓		Sen. Tim Mathern	✓	
Sen. Gerald Uglem, V. Chair	✓				
Sen. Dick Dever	✓				
Sen. Spencer Berry	✓				

Total (Yes) 5 No 0

Absent 0

Floor Assignment Senator Uglem

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

REPORT OF STANDING COMMITTEE

SB 2024: Human Services Committee (Sen. J. Lee, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2024 was placed on the Sixth order on the calendar.

Page 1, line 23, after "facility" insert "and establish an administrative procedure for an inmate to appeal the withdrawal of the funds"

Page 3, line 23, remove "that develops while incarcerated"

Page 3, line 24, remove "and"

Renumber accordingly

2011 HOUSE HUMAN SERVICES

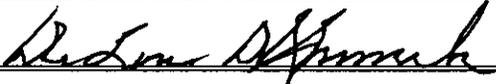
SB 2024

2011 HOUSE STANDING COMMITTEE MINUTES

House Human Services Committee
Fort Union Room, State Capitol

SB 2024
February 15, 2011
Job # 14553

Conference Committee

Committee Clerk Signature 

Explanation or reason for introduction of bill/resolution:

Relating to inmate medical care costs; and to adequate medical care and payment of medical costs of inmates.

Minutes:

Testimony #1

Chairman Weisz: Opened the hearing on SB 2024.

Terry Traynor, Ass't Director, ND Association of Counties: (See testimony #1). On the Senate side the council introduced this bill because this was an interim committee bill. One mistake in my testimony is much of it was taken from the earlier testimony in the Senate and I did manage to change the chairman's name and put in that it was an engrossed bill, but I forgot to change the committee name. Inmate jail medical costs are an increasing concern not only because of the rising costs overall but because of some of the catastrophic costs that have become alarming. Inmate medical costs are guaranteed by the constitution, at least as interrupted by the US Supreme Court. It says that inmates are entitled to be free from cruel and unusual punishment and that is considered to be the right to excess medical care, but it isn't unlimited. However, the denial or medical care is a constitutional violation if a prisoner jail official is deliberately indifferent to the substantial risk of serious harm. They go on to explain that. Basically it is sufficiently serious if it causes degeneration or extreme pain. We are trying to clearly define in state law what those are and what those jail's responsibility are when it comes to those costs. In the bill Section 1 it amends the definition section of the chapter and our idea there is to make it clear what an inmate is. This is the way most jail facilities operate that if you are in the facility you are an inmate. Your medical care if you don't have insurance will be covered for those required services, but if you are out on work release and not in the jail yet then you are responsible for your own care. That is how most jails operate, but sometimes we get into disagreements with medical providers over that. Section 2 of the bill is the existing statue allowing for inmate accounts and the deduction of certain costs including medical costs from those accounts. It was pointed out in the Senate that since the language was removed in this section regarding the opportunity for administrative appeal with the DOCR's recommendation an amendment was drafted and added on the Senate side to make that clear that they have to have policies on how that administrative appeal goes forward. We are in full agreement with the change made in the Senate. This section also deletes the description of the facilities responsibility regarding inmate medical costs. That was taken

out of there because it was kind of buried in that inmate account thing and it was felt by the interim committee it made more sense to recreate it as a separate section of the bill. That is the proposed new section which would accomplish several things. It would first recreate the jails responsibility for insuring that medical care is provided; however it would clearly limited to the incarcerated inmates based on the definition and the language is used to mirror the federal courts requirements. The new section continues on to state that if an inmate has insurance the medical provider must seek payment from that source and in the absence of insurance the jails liability would be limited to the cost of Medicare program rates. This was floated in the interim with the medical association as well as hospital administrators group and they did provide us some language to make that a little more understandable and clarified for their purposes. Section 4 of the bill actually defines adequate medical care within the statutory section regarding inmate rights. Together counties feel this bill will not be significant change, but provides much greater clarity of their responsibility of both the facility and the inmate regarding medical care. We urge a do pass on the bill.

Chairman Weisz: If the inmate is not incarcerated do they qualify for example VA?

Terry Traynor: Under our Medicaid plan the state does cover people in custody on electronic monitoring or something like that. VA it wouldn't cover.

Chairman Weisz: So once you are arrested the VA benefit comes into play.

Rep. Porter: On the part of the testimony where you talked about insurance policy catastrophic health costs at \$215,000 in relationship to the \$1.5 million. I am not real clear on why that wouldn't be addressed for the counties to do.

Terry Traynor: If all the inmates were in one facility I think it would be something that they probably jump at, but we have so many facilities it was difficult to come up with a way to allocate the costs and the expectation of the insurance provider was that everybody would have to be in. They wouldn't even talk to any of the smaller facilities, but if all the jails could get in and figure out amongst themselves who to allocate those costs we could probably get it at that rate. It gets to be difficult when some of the smaller facilities make up one or two people a year and it was difficult to try negotiate then. We aren't done with that issue. With this bill and with the limitation to Medicare rates it may get more attractive and a little more affordable to go ahead with that as well. It is something that is still on the table. There really is only one provider out there and we have to play their game if we want to get insurance right now.

Rep. Porter: So when you are looking at the insurance policy that would cover all the expenses.

Terry Traynor: No, the \$250,000 premium was based on a catastrophic plan. A particular inmate that exceeds \$10,000 in one year; then it would go back to zero and we would have to start over.

Rep. Porter: On the actual inmate medical care costs Medicare formula is fairly complex with their DRG system and how they pick and chose what category the payments are going

to be made on a particular patient at any time so you can have like eight different levels of a heart attack based upon the DRG that is billed and agreed to. Whose going to when you tie this payment system from a county government back to a healthcare facility who is going to make sure that the right DRG is being used and what they are using is even understood by the county and how it is going to be reimbursed?

Terry Traynor: I recognize that is a problem. I don't totally understand that but they are getting the bills now and the county has to make a decision; is this right or is this not right and make the payment. They don't really have the ability to make those calls with the retail rates they are paying now either. One of the services that the insurance company that we talked to would provide is that sort of billing analysis and negotiation as well. So if we can go in that direction we would have some. The prison uses the state Medicaid office to basically handle their billing issues. That would be nice as well but that isn't something we could support yet. I recognize the problem.

Rep. Porter: The federal system is such a cumbersome system of reimbursements. It is not simply getting a bill and paying the bill. It is a very complex cumbersome system. On top of that there is an 80-20 split inside of that system that the Medicare rate would only reflect 80% then who is going to pay the 20% co pay that exists inside of that federal system?

Terry Traynor: You are getting beyond me. I guess we probably have a ways to go with that.

Rep. Porter: In the whole grand scheme of things has there been a conversation with the Department of Human Services about doing for a contracted fee the same thing that we are doing with the state system and having them administer those claims and have the health care facilities bill thorough the Department of Human Services on behalf of that particular county and just bill back to that county the amount plus maybe the handling fee of the claim in order to get our arms around this thing?

Terry Traynor: We have had numerous discussions with the Department in developing the legislation during interim, but we did not explore that piece of it. I wasn't aware that the penitentiary was using that option until the bill hit the Senate but that is something we can explore.

Rep. Hofstad: Under Section 4 of the bill we are adding new language and it seems to me that it expands the responsibility of the system. We are talking about adequate medical care and then we go on to define that. For example if somebody was incarcerated; brought from a hospital to a jail that needed to have a medical detox; I am wondering what this bill tells that system that they have to do. Do they have to provide medical care for that detox if someone comes in with a medical bracelet on are we going to have to provide adequate medical care to deal with that particular illness. Are we expanding their responsibility? Can you speak to that at all?

Terry Traynor: I can't speak to a specific situation but I can say that language is taken right out of the Supreme Court cases and basically adequate medical care means the necessary treatment for medical or health condition for which serious pain or hardship

would occur if care is not given. That is the standard the Supreme Court has set. We duplicated the language from the Supreme Court and I think that is the standard we have to live with.

Rep. Hofstad: How will the institutions handle that? If somebody comes in with a before medical detox will they have to have a nurse on staff. As I understand most of the facilities do not have medical staff on hand. Will this now require them to do so and will they have to change their procedures?

Terry Traynor: Our intention is not to expand. To really bracket what we have. We are dealing with that every day as I am sure the law enforcement in the room can attest to. Most facilities have contract nursing if not a nurse available. Often times the nurse has to make a call; is this a medical need that requires treatment? Is it going to cause hardship; is there severe pain involved and they have to make the call. Current law doesn't really match what the Supreme Court says very well and we are trying to make sure we are not going beyond what the Supreme Court would require of us.

Rep. Holman: Your chart on page 3 of your testimony. Are those actual county costs, non reimbursed costs?

Terry Traynor: those are non reimbursed costs with the exception of the two with footnote; those were estimated. The rest were actual costs.

Rep. Holman: It appears that six counties are bearing the bulk of the of the costs and of course those happen to be the larger communities. The inmates probably come from every county the state so has there ever been any discussion about balancing those costs based on residency?

Terry Traynor: I don't believe the regional jails take inmates for free and if the daily rate doesn't cover that I believe the medical costs are billed back to the sending county in most of the agreements.

Rep. Porter: Inside the medical expenses medication expense also becomes a component of the county. The way this is written there still wouldn't be a formulary or a discounted program or a set fee schedule for the counties to purchase the medication required for that inmate because the Medicare program doesn't have that. Was that looked at all during the interim or talked about among the counties?

Terry Traynor: There is a program through the National Association of Counties that many of the county jails excess which is a buying group for prescription drugs and that is available to jail inmates.

Opposition: None

Hearing closed.

Discussion:

Rep. Kilichowski: You said Rep. Porter that through corrections that have some kind of Human Services with providers or how does that work?

Rep. Porter: The current I have had discussions with our local county sheriff and Ms. Anderson from the Department have not had a chance to set down although their budget is up and I didn't think we needed to do it quite yet, but we have been in discussions. The language in the Medicaid provision of law of when someone is deemed incarcerated is up for discussion as far as how the feds and the state interrupt it. Currently if somebody is picked up over the weekend for a DUI and is unable to post bond and if they are detained for let's say a week currently under the way the department views it they would be dropped off the Medicaid system even though they aren't able to make bond. It isn't necessarily that that is the way it is written or the intentions of the feds are when they wrote that provision in the law. Her and I are working on that to see what the actual definition should be. I do believe that needs to be addressed inside of here of when a person is deemed incarcerated that they would be ineligible for the state's Medicaid system. That is one area of my concern. The Department of Corrections a long time ago said out of the blue that we are contracting with the Department of Human Services and they are going to administer all of our medical billing through the department and you as a provider are going to get paid Medicaid rates. Too bad if you don't like it. So they implemented that program one day and so what happens is that when an inmate out of the state system they contracted with the Department of Human Services that you send the bill to the department of Human Services and they process the claim like it would be a normal Medicaid claim, except on the backside of the claim the state Medicaid claim bills the corrections Department for that dollar amount. There are no federal funds that are used to match like a regular Medicaid patient. That rate is paid and so my point in my discussions with Mr. Traynor is number one linking this to the federal Medicare program will never work because that program is so huge with the DRG system and what can be billed and how it can be billed and when it can be billed that it is so complicated that they are never going to be able to track it. Even though they may save a little bit of money because they are tied to a fee schedule it will always be the most complicated DRG coming back from the healthcare facilities, I guarantee you. There is a co pay system involved in that where there is an allowed amount and then there is a Medicare paid amount and then there is a 20% amount that is owed by the patient which typically is what their co insurance pays or if they don't have co insurance because it is a federal program you are obligated to collect that. You can't just write that off because the Medicare system says that would be enticing patients to use your services. So if I advertised that I will always write off the 20% co pay then it sets up an unfair competitive advantage to me as a provider to another provider. So the federal rules are very clear on how you charge that out and what you can and cannot write off. You can only write amounts off if you prove that the person has a hardship to pay. The counties like it because they are tied to a fee schedule, but they don't realize is they are tied to a monster. I don't know how it would ever work. The other side is the medication side. In talking to my sheriff in Morton County he uses a local pharmacy and I don't know if he is unaware of what Mr. Traynor was talking about with apparently some PVM available to jail systems or not, but he doesn't use it. He just goes over to the local pharmacy for the jail; the physician writes out the prescription and once this individual is in the prison, if they have high blood pressure, diabetes then it becomes the responsibility of the county to provide those medications because of the way that it was determined in the Supreme Court case so they have to go over and buy that person's blood pressure medication at the local

pharmacy. If you tie it to a Medicare program there isn't a drug formulary tied to that program. If you tie it to the Medicaid program there is a drug formulary tied to that program. My thoughts on this whole thing is if you tie it to the Medicaid program and tell the Department of Human Services that they can bill for these inmates and run it the same way they do the pen system and allow them to bill the county like \$20 a claim to cover their costs of doing the claims so that for each claim it doesn't matter how complicated the claim is it is just a flat fee of \$20. That way you could have a true system that is monitored and implemented through a reimbursing system and then also include the drug formulary that would really tie back to what the counties are looking for is set payment system and then you would have a monitoring system that went with it.

Chairman Weisz: We obviously don't have to kick this one out if you can have some amendments that might address these issues.

Rep. Porter: I would like to set down with Maggie first and go through it and just see why we can't have one uniform system for prisoners statewide. There are two large situations going on now; they have a guy over in Morton County jail that was arrested on a drug trafficking charge with a trunk load of meth that needs a heart transplant and then they have two people that were in the shootout in Stark County that the fight between the healthcare facility in Bismarck; the county isn't paying because they claim that they didn't arrest them until after they were discharged from the facility even though the police shot them and caused them to go to the facility. So there is a fine line on who is going to pay that bill from Stark County and that one has been in newspapers already. Sheriff Heurist, who was in the audience, I asked him do you have a contract with a healthcare facility and said no they won't contract with us because we aren't big enough. If you went to Burleigh County they spent \$292,000; Morton County spent \$4703. They end up on the private side of healthcare which is the highest cost plus on the reimbursement side in that ledger line.

Chairman Weisz: It is extremely hard to determine what their costs will be.

Rep. Porter: It takes one huge event with one prisoner that needs bypass surgery and you are looking at \$300,000. We have been involved in situations where they have had the judge on the phone releasing the person on their own recognizance because they didn't have enough money to post bond prior to use taking the individual with chest pain out of a jail. They did not want that responsibility.

Hearing closed.

2011 HOUSE STANDING COMMITTEE MINUTES

House Human Services Committee
Fort Union Room, State Capitol

SB 2024
March 21, 2011
Job #15743

Conference Committee

Committee Clerk Signature *Vicky Crabtree*

Minutes:

See Attachment #1

Chairman Weisz: Called the meeting to order. We will start out on SB 2024. You should have the amendments. (See Attachment #1)

Rep. Porter: It is a complicated issue and I have been working with the department and the Association of Counties to try to fix this bill. The way it was originally put in, it just says on page 3 that it won't exceed rates paid under the federal Medicare program. That to me was just a set up for failure. There is no way to audit. It is a DRG system. There is no way to know which DRG the healthcare facilities would pay you back at. It would be so complicated to know if they were paying for the service they were getting. I know as a provider when I have an ambulance call at the state penitentiary, I send my claim to the DHS. They process like any other claim from a provider. The difference with the that contracted service is for the penitentiary it is 100% state funds. If it is a true Medicaid patient, then the FMAP comes into the 60/40 reimbursement comes in. The state is already doing the identical thing for the penitentiary system. I asked them how much they could do this for. They could do it for the \$149,094 I computer changes for \$2.53 a client. That will save money to the counties for medical expenses. They get the inpatient-outpatient portion of Medicaid, they also get the fee schedule for the medications so they can go to their local pharmacy and can buy that inmates medication based on the fee schedule. They then submits it to the state and the state pays the provider and bills the county. In Section 5 is to process claims on behalf of inmates. Let's say Burleigh Co. is doing their own contract. There is nothing that says they have to do this program. The expansion of Medicaid coverage; when an inmate becomes an inpatient, they can ask for a waiver from the federal government. So, if the go in for a bypass surgery or hip replacement or something major, right now it is a 100% state funds. Other states have asked for a waiver from the federal government to put that patient on Medicare while they are an inpatient and get the FMAP reimbursement component. The rough estimate on the savings on that piece was about 60% of \$55,000. That is off the state end and doesn't reflect the county savings. They would qualify for that also. That also reflects the \$36,162 and an MMIS change which half of that would be paid for by the federal government because of the MMIS contract. That does not go into effect until MMIS is up and running. That is what the amendment does to the bill. The department is fine with it. Another piece on page 2, "that the department shall increase the claims processing fee under section 5 for the beginning to recover the cost of the Medicaid claims system changes". That is a moving target based on how many counties join the system; how much it would take. Then it would pay back the loan of \$149,000 to the MMIS changes. Our \$149,000 that would

come out of Appropriations is a general fund appropriation to the department to make the change. The counties over whatever period of time it would take, their fee would remain elevated until the volume or the number of claims catches it. It pays that \$149,000 and at that point it would drop back to \$2.53 per claim administrative fee.

Rep. Kilichowski: If the county is contracting with the state for some prisoners, are those prisoners become covered under the state plan now or would they revert to the county?

Rep. Porter: Whoever has the responsibility of the prisoner, pays the medical bills. All I can tell you about it Burleigh or Morton County when they get other county prisoners, the county they came from is responsible.

Rep. Kilichowski: We had someone get burned from a meth lab and ended up in the Langdon hospital for two weeks. Could our county go in and arrest him and he would be covered under this program instead of letting him set there for two weeks and arrest him after the medical bills have incurred?

Rep. Porter: I don't think this bill addresses that.

Chairman Weisz: The minute that jurisdiction arrests him, they are responsible for the costs.

Rep. Porter: No. Once arrested they are under the federal rules and thrown off the Medicaid program

Chairman Weisz: That is true.

Rep. Porter: I'll carry the bill. 100% local funds are for anyone inside the four walls of a jail. If that person ends up in hospital for an inpatient type procedure then the next piece kicks in where you would get the FMAP if they are Medicaid eligible.

Rep. Kilichowski: If these are for convicted people, they are covered under this too?

Chairman Weisz: They had to be eligible to start with for Medicaid. Single males are generally not eligible for Medicaid. That will change with PACA if that goes into effect.

Rep. Kilichowski: I move the amendment.

Rep. Anderson: Second.

Voice Vote: Motion Carried

Rep. Kilichowski: I move a Do Pass as amended and re-refer to Appropriations.

Rep. Damschen: Second.

Rep. Paur: Is this going to help any? If most of the single males which are probably the majority of who get arrested are not going to be eligible.

Chairman Weisz: There is two sections to this bill. The first section is probably more important than the second part. The DHS will file claims with the third party payer. You are more likely to have someone with private insurance where the county doesn't really have the (inaudible) to bill them. They will pay the department \$2.53 and they will process the claim and file it with the third party payer. Also, by running it through the department they can use the drug formulary and will save costs.

Rep. Paur: Is there going to be enough benefit to offset the appropriation?

Chairman Weisz: I can't imagine a county not signing up on this and paying the fees.

VOTE: 12 y 0 n 1 absent – Rep. Porter

Bill Carrier: Rep. Porter

2011 HOUSE STANDING COMMITTEE MINUTES

House Human Services Committee
Fort Union Room, State Capitol

SB 2024
March 22, 2011
Job #15793

Conference Committee

Committee Clerk Signature

Vicky Crabtree

Minutes:

You may make reference to "attached testimony."

Chairman Weisz: Asked Steven Podoll to get up and give information to the committee.

Steven Podoll: House Human Services Committee intern. SB 2024 dealing with the inmates and the payments with the inmates. When you see the amendment that I and L.C. worked on yesterday, it will be a bit different from what you saw. Basically we consolidated some parts and moved some things around. We took nothing out of it. There are no material changes to it at all. For example, they have the effective date before the appropriations and it suppose to come after appropriations. There were three paragraphs in the appropriations and the middle paragraph is actually legislative language so that was moved to a previous section because that is what it applied to. All the language is basically still the same, but will look a little bit different.

March 22, 2011

VR
3/22/11
108 2

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2024

Page 1, line 1, after "12-44.1" insert "and two new sections to chapter 50-24.1"

Page 1, line 2, after "costs" insert ", inmate medical claims processing, and to provide medicaid coverage to inmates in certain situations"

Page 1, line 2, remove the first "and"

Page 1, line 4, after "inmates" insert "; to provide an appropriation; and to provide an effective date"

Page 3, after line 30, insert:

"**SECTION 5.** Two new sections to chapter 50-24.1 of the North Dakota Century Code are created and enacted as follows:

Processing of claims submitted on behalf of inmates.

The department of human services shall process claims submitted by enrolled medical providers on behalf of inmates at county jails. Each county shall pay the department a processing fee for each claim submission. The department shall establish the processing fee and shall update the fee annually on July first. The processing fee must be based on the annual costs to the department of the claims processing operations divided by the annual volume of claims submitted. The department shall invoice each county for payment of the processing fee. Beginning July 1, 2011, the department of human services shall increase the claims processing fee to recover the cost of the medicaid claims system changes. The department shall deposit the portion of the fee associated with recovering the costs of the medicaid claims system changes in the general fund.

Department to expand medicaid coverage.

After implementation of the medicaid management information system, the department of human services shall expand medicaid coverage to include medicaid-covered services provided to an inmate of the state penitentiary or a county jail who would be eligible for medicaid if the inmate were not incarcerated and who is admitted to an inpatient hospital setting.

SECTION 6. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$149,094, or so much of the sum as may be necessary, to the department of human services for the purpose of modifying the department's medicaid claims system to process claims submitted by enrolled medicaid providers on behalf of inmates of county jails under section 5 of this Act, for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 7. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$36,162, or so much of the sum as may be necessary, and from special funds derived from federal funds and other income, the sum of \$36,162, to the department of human services for the purpose of modifying the department's eligibility systems to process inpatient

hospital claims for inmates of the state penitentiary and county jails under section 5 of this Act, for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 8. EFFECTIVE DATE. Section 5 of this Act becomes effective upon the completion of the necessary changes to the department of human services' medicaid claims processing and eligibility systems."

Renumber accordingly

Date: 3-21-11
Roll Call Vote # 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2024

House HUMAN SERVICES Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

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

Motion Made By Rep. Kilichowski Seconded By Rep. Anderson

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN WEISZ			REP. CONKLIN		
VICE-CHAIR PIETSCH			REP. HOLMAN		
REP. ANDERSON			REP. KILICHOWSKI		
REP. DAMSCHEN					
REP. DEVLIN					
REP. HOFSTAD					
REP. LOUSER					
REP. PAUR					
REP. PORTER					
REP. SCHMIDT					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Motion Carried

Date: 3-21-11
Roll Call Vote # 2

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2024

House HUMAN SERVICES Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment

Rerefer to Appropriations Reconsider

Motion Made By Rep. Kilichowski Seconded By Rep. Damschen

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN WEISZ	✓		REP. CONKLIN	✓	
VICE-CHAIR PIETSCH	✓		REP. HOLMAN	✓	
REP. ANDERSON	✓		REP. KILICHOWSKI	✓	
REP. DAMSCHEN	✓				
REP. DEVLIN	✓				
REP. HOFSTAD	✓				
REP. LOUSER	✓				
REP. PAUR	✓				
REP. PORTER	A				
REP. SCHMIDT	✓				

Total (Yes) 12 No 0

Absent 1

Floor Assignment Rep. Porter

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

REPORT OF STANDING COMMITTEE

SB 2024, as engrossed: Human Services Committee (Rep. Weisz, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the Appropriations Committee (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SB 2024 was placed on the Sixth order on the calendar.

Page 1, line 1, after "12-44.1" insert "and two new sections to chapter 50-24.1"

Page 1, line 2, after "costs" insert ", inmate medical claims processing, and to provide medicaid coverage to inmates in certain situations"

Page 1, line 2, remove the first "and"

Page 1, line 4, after "inmates" insert "; to provide an appropriation; and to provide an effective date"

Page 3, after line 30, insert:

"SECTION 5. Two new sections to chapter 50-24.1 of the North Dakota Century Code are created and enacted as follows:

Processing of claims submitted on behalf of inmates.

The department of human services shall process claims submitted by enrolled medical providers on behalf of inmates at county jails. Each county shall pay the department a processing fee for each claim submission. The department shall establish the processing fee and shall update the fee annually on July first. The processing fee must be based on the annual costs to the department of the claims processing operations divided by the annual volume of claims submitted. The department shall invoice each county for payment of the processing fee. Beginning July 1, 2011, the department of human services shall increase the claims processing fee to recover the cost of the medicaid claims system changes. The department shall deposit the portion of the fee associated with recovering the costs of the medicaid claims system changes in the general fund.

Department to expand medicaid coverage.

After implementation of the medicaid management information system, the department of human services shall expand medicaid coverage to include medicaid-covered services provided to an inmate of the state penitentiary or a county jail who would be eligible for medicaid if the inmate were not incarcerated and who is admitted to an inpatient hospital setting.

SECTION 6. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$149,094, or so much of the sum as may be necessary, to the department of human services for the purpose of modifying the department's medicaid claims system to process claims submitted by enrolled medicaid providers on behalf of inmates of county jails under section 5 of this Act, for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 7. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$36,162, or so much of the sum as may be necessary, and from special funds derived from federal funds and other income, the sum of \$36,162, to the department of human services for the purpose of modifying the department's eligibility systems to process inpatient hospital claims for inmates of the state penitentiary and county jails under section 5 of this Act, for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 8. EFFECTIVE DATE. Section 5 of this Act becomes effective upon the completion of the necessary changes to the department of human services' medicaid claims processing and eligibility systems."

Renumber accordingly

2011 HOUSE APPROPRIATIONS

SB 2024

2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee
Roughrider Room, State Capitol

SB 2024
3/29/11
16111

Conference Committee

Committee Clerk Signature

Meredith Tracholt

Explanation or reason for introduction of bill/resolution:

A BILL for an Act relating to inmate medical care costs, inmate medical claims processing, and to provide medicaid coverage to inmates in certain situations; relating to adequate medical care and payment of medical costs of inmates; to provide an appropriation; and to provide an effective date.

Minutes:

You may make reference to "attached testimony."

Chairman Delzer: Called the committee back to order. Representative Weisz will explain some of the rereferred bills sent to us from Human Services. We'll start with SB 2024.

Representative Robin Weisz, District 14: The DHS (department of human services) does the billing for DOCR (department of corrections and rehabilitation). Counties have been having trouble doing billing and claims because they're not equipped to do so. This bill establishes that billing through DHS. The counties will now have them process their claims for them so if there is a third party payer or Medicaid they can collect. The cost is for the programming changes for that. The cost will be covered by the counties, they are more than willing to pay it. It won't cost anything to counties that don't have any claims. We in human services committee thought it made a lot of sense. The counties will be winners, the department won't be out any money. We thought this was a big improvement, and the amendments are basically from the department and they're comfortable with the changes. The counties are happy with it. I hope the appropriations committee also gives it a favorable recommendation.

Chairman Delzer: I don't see anything about the counties covering the costs. In sections 6 & 7 the appropriations are from the general fund.

Representative Skarphol: In the first subsection, last sentence of section 5, it shows that.

Chairman Delzer: That will put it back into the general fund to cover that cost?

Representative Weisz: That's correct.

Chairman Delzer: I thought I recalled that you can't claim Medicaid for prisoners, but if they go to a hospital and become inpatient, then you can. Is that correct?

Representative Weisz: I believe that's right. There won't be a lot of Medicaid claims, but there will be some.

Chairman Delzer: The other thing this does is make it so it's Medicaid cost, so that the state pays the Medicaid cost instead of the high cost would normally charge.

Representative Weisz: That is also correct. It also allows counties to purchase drugs, for example, on the Medicaid formula rate, which will also save them money, even if they're paying for it out of pocket.

Chairman Delzer: This is just billing through DHS, payment goes directly from the county to the hospitals?

Representative Weisz: The department will merely process these, payments will go directly to the hospitals. The counties will still be liable for costs that aren't insurable.

Chairman Delzer: And the Fiscal Note is the one by Becky Keller?

Roxanne Woeste, Legislative Council: That is correct. We're currently reviewing this with our staff that does Fiscal Notes to see if we can get any more information.

Representative Weisz: Because there's a direct appropriation in the bill, it had to come to this committee.

Chairman Delzer: Questions by the committee? That's the overview for 2024.

2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee
Roughrider Room, State Capitol

SB 2024
3/31/11
16253

Conference Committee

Committee Clerk Signature *Meredith Tracholt*

Explanation or reason for introduction of bill/resolution:

A BILL for an Act relating to inmate medical care costs, inmate medical claims processing, and to provide medicaid coverage to inmates in certain situations; relating to adequate medical care and payment of medical costs of inmates; to provide an appropriation; and to provide an effective date.

Minutes:

You may make reference to "attached testimony."

Chairman Delzer: We'll discuss 2024. Representative Wieland, did you have an update for us?

Representative Wieland: With the possible number of medical provider claims that there would be, they're estimating 600-1200, and at the rate to pay off the \$149,094, which they're using as a loan as opposed to just an appropriation, to pay that back, that would cost about \$80 per claim. They were afraid that would lower the number of participants. Because the actual fee is only \$2.53 per claim, they're suggesting if they made it \$20, it would take two or three bienniums, but the difference would be applied to the \$149,000 payback, and that would make it much more appealing to the counties to make the claims there instead of trying to fund it through themselves and really makes it work well. I had planned on getting an amendment to do that.

Chairman Delzer: We'll wait to have an amendment and discuss it at that time. Tomorrow some division work needs to be done, so we won't do full committee. Our deadline is Wednesday. As soon as the bills are out, we'll get started on conference committees with the Senate. With that, we'll stand adjourned at the call of the chair.

2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee
Roughrider Room, State Capitol

SB 2024
4/4/11
16300

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to create and enact a new section to chapter 12-44.1 and two new sections to chapter 50-24.1 of the North Dakota Century Code, relating to inmate medical care costs, inmate medical claims processing, and to provide Medicaid coverage to inmates in certain situations; to amend and reenact subsection 4 of section 12-44.1-01 and sections 12-44.1-12.1 and 12-44.1-14 of the North Dakota Century Code, relating to adequate medical care and payment of medical costs of inmates; to provide an appropriation; and to provide an effective date

Minutes:

Chairman Delzer: SB 2024 came to us from Human Services and deals with allowing local corrections facilities to bill through the (Department of Human Services) DHS for Medicaid, so instead of going directly to the hospital, it gives them the Medicaid rate on bills.

Representative Wieland: this is a methodology that provides some relief to the county jails in regards to their costs and processing for the medical bills for prisoners. The bill shows that the fee would be established at \$20. The cost is actually \$2.53, but there's \$149,000 in here that has to be used for the IT before the new MMIS system comes into place. This appropriation would be paid back through the difference between the \$20 and \$2.53. It would take approximately 3 years to do that which goes beyond the time that hopefully they'll be able to get MMIS in place and work it. I would propose amendment .04003 which would make the fee \$30 instead of the \$20 (section 5 – not exceed \$20 which I would propose to replace with \$30). The reason for that is I'd like to see it paid back sooner than the 2 biennia that it would take at \$20. I did get some indication from the sheriff in my county after he re-evaluated and he thought that \$30 was still a very acceptable dollar amount and it certainly lowers their costs so that it would be much better than the system they are using now which is to pay the full bill. I move amendment .04003 with the \$20 changed to \$30.

Chairman Delzer: the bill as we had it, seemed to me, was actually an \$80 charge?

Representative Wieland: That is correct. That would have paid it back in 1 year.

Representative Pollert: Second

Representative Monson: It says it shall update the fee annually on July 1st; will there be a limit what they can update it to?

Chairman Delzer: After this is paid off, they update it annually so it covers their costs.

Representative Wieland: I believe that's correct. Once the \$149,000 is paid off, unless there are additional costs to continue later that we don't know about, the fee would go back to the current Medicaid cost which is \$2.53.

Chairman Delzer: There may be sometimes when this does help corrections to some degree. They already do it.

Representative Wieland: I don't know that. I don't believe it helps them very much.

Chairman Delzer: This came from a discussion with Rep. Porter, I believe, who was one of the proponents of this. He if they go out of the system into an inpatient hospital and they're eligible for Medicaid, there are times that could happen. This bill was put in for the counties.

Representative Wieland: That's correct.

Voice vote carries motion to adopt amendment .04003

Representative Wieland: I move Do Pass as Amended on SB 2024.

Representative Kreidt: Second.

Chairman Delzer: Discussion?

Representative Bellew: Do you know how much this will save the counties, overall, if this were to pass?

Representative Wieland: I don't have an exact amount, but the sheriff I talked to said it will be substantial savings. That particular facility does have a nurse, but it will still save them a significant amount. The dollar amount was not provided to me.

Representative Bellew: If it's substantial, perhaps there should be some property tax relief in this also?

Chairman Delzer: This does shift the cost from corrections to the hospitals to some degree.

Roll call vote taken on a **Do Pass as Amended on SB 2024**, resulting in 21 yes, 0 no, 0 absent, thus **motion carried**. **Representative Kreidt** assigned as carrier of the bill. Hearing closed.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2024

In lieu of the amendments adopted by the House as printed on pages 1108 and 1109 of the House Journal, Engrossed Senate Bill No. 2024 is amended as follows:

Page 1, line 1, after "12-44.1" insert "and two new sections to chapter 50-24.1"

Page 1, line 2, after "costs" insert ", inmate medical claims processing, and medicaid coverage to inmates in certain situations"

Page 1, line 2, remove the first "and"

Page 1, line 4, after "inmates" insert "; to provide an appropriation; and to provide an effective date"

Page 3, after line 30, insert:

"SECTION 5. Two new sections to chapter 50-24.1 of the North Dakota Century Code are created and enacted as follows:

Processing of claims submitted on behalf of inmates.

The department of human services shall process claims submitted by enrolled medical providers on behalf of inmates at county jails. Each county shall pay the department a processing fee for each claim submission. The department shall establish a processing fee that may not exceed twenty dollars and shall update the fee annually on July first. The processing fee must be based on the annual costs to the department of the claims processing operations divided by the annual volume of claims submitted. The department shall invoice each county for payment of the processing fee. Beginning July 1, 2011, the department of human services shall increase the claims processing fee to recover the cost of the medicaid claims system changes. The department shall deposit the portion of the fee associated with recovering the costs of the medicaid claims system changes in the general fund.

Department to expand medicaid coverage.

After implementation of the medicaid management information system, the department of human services shall expand medicaid coverage to include medicaid-covered services provided to an inmate of the state penitentiary or a county jail who would be eligible for medicaid if the inmate were not incarcerated and who is admitted to an inpatient hospital setting.

SECTION 6. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$149,094, or so much of the sum as may be necessary, to the department of human services for the purpose of modifying the department's medicaid claims system to process claims submitted by enrolled medicaid providers on behalf of inmates of county jails under section 5 of this Act, for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 7. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$36,162, or so much of the sum as may be necessary, and from special funds derived from federal funds and other income, the sum of \$36,162, to the department of human services for the purpose of modifying the department's eligibility systems to process inpatient hospital claims for inmates of the state penitentiary and county jails under section 5 of this Act, for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 8. EFFECTIVE DATE. Section 5 of this Act becomes effective upon the completion of the necessary changes to the department of human services' medicaid claims processing and eligibility systems."

Renumber accordingly

Date: 4/4
 Roll Call Vote #: 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. 2024

House Appropriations Committee

Legislative Council Amendment Number 04003

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

Motion Made By Rep Wieland Seconded By Rep Pollert

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Representative Nelson		
Vice Chairman Kempenich			Representative Wieland		
Representative Pollert					
Representative Skarphol					
Representative Thoreson			Representative Glassheim		
Representative Bellew			Representative Kaldor		
Representative Brandenburg			Representative Kroeber		
Representative Dahl			Representative Metcalf		
Representative Dosch			Representative Williams		
Representative Hawken					
Representative Klein					
Representative Kreidt					
Representative Martinson					
Representative Monson					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

.04003 + in Section 5 change twenty dollars to thirty dollars

voice vote carries

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2024

In lieu of the amendments adopted by the House as printed on pages 1108 and 1109 of the House Journal, Engrossed Senate Bill No. 2024 is amended as follows:

Page 1, line 1, after "12-44.1" insert "and two new sections to chapter 50-24.1"

Page 1, line 2, after "costs" insert ", inmate medical claims processing, and medicaid coverage to inmates in certain situations"

Page 1, line 2, remove the first "and"

Page 1, line 4, after "inmates" insert "; to provide an appropriation; and to provide an effective date"

Page 3, after line 30, insert:

"**SECTION 5.** Two new sections to chapter 50-24.1 of the North Dakota Century Code are created and enacted as follows:

Processing of claims submitted on behalf of inmates.

The department of human services shall process claims submitted by enrolled medical providers on behalf of inmates at county jails. Each county shall pay the department a processing fee for each claim submission. The department shall establish a processing fee that may not exceed thirty dollars and shall update the fee annually on July first. The processing fee must be based on the annual costs to the department of the claims processing operations divided by the annual volume of claims submitted. The department shall invoice each county for payment of the processing fee. Beginning July 1, 2011, the department of human services shall increase the claims processing fee to recover the cost of the medicaid claims system changes. The department shall deposit the portion of the fee associated with recovering the costs of the medicaid claims system changes in the general fund.

Department to expand medicaid coverage.

After implementation of the medicaid management information system, the department of human services shall expand medicaid coverage to include medicaid-covered services provided to an inmate of the state penitentiary or a county jail who would be eligible for medicaid if the inmate were not incarcerated and who is admitted to an inpatient hospital setting.

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SECTION 8. EFFECTIVE DATE. Section 5 of this Act becomes effective upon the completion of the necessary changes to the department of human services' medicaid claims processing and eligibility systems."

Renumber accordingly

Date: 4/4
 Roll Call Vote #: 2

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. 2024

House Appropriations Committee

Legislative Council Amendment Number _____

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

Motion Made By Rep. Wieland Seconded By Rep. Kreidt

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer	X		Representative Nelson	X	
Vice Chairman Kempenich	X		Representative Wieland	X	
Representative Pollert	X				
Representative Skarphol	X				
Representative Thoreson	X		Representative Glassheim	X	
Representative Bellew	X		Representative Kaldor	X	
Representative Brandenburg	X		Representative Kroeber	X	
Representative Dahl	X		Representative Metcalf	X	
Representative Dosch	X		Representative Williams	X	
Representative Hawken	X				
Representative Klein	X				
Representative Kreidt	X				
Representative Martinson	X				
Representative Monson	X				

Total (Yes) 21 No 0

Absent _____

Floor Assignment Rep. Kreidt

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

REPORT OF STANDING COMMITTEE

SB 2024, as engrossed and amended: Appropriations Committee (Rep. Delzer, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (21 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2024, as amended, was placed on the Sixth order on the calendar.

In lieu of the amendments adopted by the House as printed on pages 1108 and 1109 of the House Journal, Engrossed Senate Bill No. 2024 is amended as follows:

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Renumber accordingly

12
4/4/11
182

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2024

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SECTION 8. EFFECTIVE DATE. Section 5 of this Act becomes effective upon the completion of the necessary changes to the department of human services' medicaid claims processing and eligibility systems."

Renumber accordingly

2011 TESTIMONY

SB 2024

#1

**Testimony To The
 SENATE HUMAN SERVICES COMMITTEE
 Prepared January 10, 2010, by
 Terry Traynor, Assistant Director
 North Dakota Association of Counties**

REGARDING SENATE BILL No. 2024

Chairman Lee and members of the Senate Human Services Committee, the Association of Counties requested consideration of this issue by the Advisory Commission on Intergovernmental Relations and supports the passage of this legislation resulting from their study.

As you may be aware from news reports over the last several months, the issue of jail inmate medical costs is one of increasing concern among jail administrators, sheriffs, and county commissioners. The growing total costs, as well as the extraordinary costs of some individual inmates, have become somewhat alarming.

In order to put this issue in perspective, it may be wise to provide a brief background. As characterized in the Internet news magazine Stateline.org, *"jail and prison inmates are the only Americans with a constitutional right to health care, and the cost to deliver it is on the rise"*.

The Eighth Amendment of the U.S. Constitution guarantees individuals the right to be free from cruel and unusual punishment, which the Supreme Court has determined to include the right of prisoners to have access to medical care. This access is not unlimited, but the denial of medical care is a Constitutional violation if prison or jail officials are "deliberately indifferent" to a "substantial risk of serious harm." The court has gone on to find that inmates have a claim against the correctional authority when poor treatment resulted in "sufficiently serious" harm.

Generally, for an injury to be considered "sufficiently serious," the harm must significantly change the prisoner's quality of life. For example, harm would be considered "sufficiently serious" if it "causes degeneration or extreme pain."

With all of the court cases and definitions, it still often comes down to what inmates report as their symptoms – which often forces correctional administrators to err on the side of caution and authorize medical, as well as dental care, in situations involving pain or where health could deteriorate during the expected length of incarceration, (i.e. unable to eat due to severe tooth pain).

North Dakota's 53 counties maintain 26 jails, of which 16 are classified as "Grade 1" or can hold a prisoner up to one year. Seven are Grade 2 (up to 30 days) and three are Grade 3 (96 hours). As you can imagine, there are numerous joint powers agreements and contracts among the 53 counties to provide access to the appropriate facility for particular inmates.

The 26 jails have an absolute capacity of 1570, but because of classification and segregation requirements (accused, convicted, work release, male, female, etc.) the realistic capacity is somewhat less. In 2008 a periodic survey was updated, suggesting that the average daily population (ADP) statewide was 1063.

While a minority of jail inmates arrive with some form of medical insurance, most have none. Those with Medicaid, Medicare, or Veterans' Administration benefits prior to incarceration, by federal law or regulation, lose those benefits once they are "on the inside". Those with private insurance often lose that coverage with any prolonged incarceration.

As you can imagine from the relatively small size of the jails in North Dakota, they cannot generally afford to maintain medical staff beyond the nursing staff necessary for intake screening and prescription management. The relatively low numbers also mean that most jails have little negotiating power with private medical facilities on rates. A few have convinced their medical facilities to charge "Medicare rates" for inmates, as a service to their community – but with the "regional" nature of most Grade 1 jails, many prisoners are actually coming from some distance making this argument more difficult.

While the day-to-day, run of the mill costs continue to increase – as they do for employers and individuals – the more random, catastrophic costs are what concern county officials the most. One occurrence, such as a heart attack requiring an open-heart surgery, could seriously compromise the finances of a small county. Every time a county places an inmate in jail, they are gambling against odds that ensure they will ultimately lose.

Counties have investigated private insurance for catastrophic health costs, but most have found it to be prohibitively expensive. A statewide health insurance contract for all jails was explored in 2009, but the costs remain extremely high – over \$215,000 annual premium – and properly allocating the premium costs would be difficult with the many small "occasional users" of the regional jails.

For the interim committee, a survey was sent to the administrators of the sixteen Grade 1 jails and the seven Grade 2 jails; requesting a total for inmate medical costs in CY2009 and any comments or specific recommendations they may have about this issue.

As you can see from the attached table of data, the CY2009 statewide total cost was in excess of \$1.5 million. It was noted by several of the more rural jails that the reduction in meth-lab problems has actually reduced their inmate medical costs quite significantly in recent years – this is certainly not the trend for the larger jails. The Grand Forks facility was able to provide a bit of financial history. As you can see, their 2-year increase in costs was substantial, (88%).

Grand Forks Corrections	<u>CY2008</u>	<u>CY2008</u>	<u>CY2009</u>
Inmate Medical Costs	\$ 151,467	\$ 167,952	\$ 284,397

Several of the smaller jails also noted that a one-year snapshot can be deceiving since one or two inmates can greatly skew costs in a given year. One would think therefore that the larger jails would be a better indicator; as they have enough inmates to somewhat mask the influence of peculiar cases – unfortunately, even in our largest jail, single cases can have catastrophic effects on costs.

The Cass County facility – our State’s largest jail – reported a CY2009 inmate that had an enormous impact, even on a medical budget of over a half a million dollars. This inmate was arrested on a state felony charge of terrorizing and had a pre-existing cancer condition, for which he was rather sporadically receiving treatments from the VA Hospital in Fargo. The VA will not accept or pay medical costs for any veteran that is in custody (something, as noted, that holds true for Medicare and Medicaid as well). It was therefore left to the jail to cover those costs.

By the time this inmate was released by the District Court, the county had paid a local hospital \$109, 217 – almost 20% of their entire medical budget for CY2009 – 50% of their “medical purchase” budget – a budget that was established for over 7,300 inmates. I have been informed that Cass County had an inmate in CY2010 whose medical costs will greatly overshadow this one.

It should be noted that State law allows a jail facility to seek reimbursement for these costs from the inmate; however this is seldom possible, as most inmates lack any significant financial resources.

Jail Medical Survey - CY2009 Costs	
Facility	CY2009
Grade 1 - Up to One Year	
Barnes County (Valley City)	17,399
Bottineau County (Bottineau)	2,551
Burleigh County (Bismarck)	292,056
Cass County (Fargo)	637,857
Grand Forks County	284,397
Lake Region C.C. (Devils Lake)	37,049
McKenzie County (Watford City)	7,270
McLean County (Washburn)	3,600
Mercer County (Stanton)	7,574
Morton County (Mandan)	47,317
North Central CRC (Rugby)	5,459
Richland County (Wahpeton)	26,500
Stutsman County (Jamestown)	107,166
SW Multi-County (Dickinson)	25,553
Ward County (Minot)	12,936
Williams County (Williston)	13,843
Grade 2 - Up to 30 days	
Adams County (Hettinger)	828
Cavalier County (Langdon)	48
Mountrail County (Stanley)	5,500 ²
Pembina County (Cavalier)	11,000
Rolette County (Rolla)	9,000 ²
Traill County (Hillsboro)	9,650
Walsh County (Grafton)	5,099
Grade 3 - Up to 96 Hours	
Emmons County (Linton)	No Data
Logan County (Napoleon)	No Data
McIntosh County (Ashley)	No Data
	1,569,654

Notes:

- 1 McLean Jail opened in May 2009 - Not a full year of costs
- 2 Estimates based on statewide average

During the interim, counties suggested several changes in state statute will, hopefully, have some impact on inmate medical costs. These changes were incorporated into SB2024.

Section 1 of the bill amends the definition section of the chapter and is proposed to simply make it crystal clear that when an inmate is not incarcerated within the jail facility, but supervised under electronic monitoring, home detention, or a similar program; that individual is not considered an "inmate", and therefore the jail is not obligated to fund "necessary medical care". This is consistent with federal requirements and present jail policies, but the lack of clarity of the current language can result in disagreements with some medical providers.

Section 2 of the bill is the existing statute allowing the jail to establish inmate accounts and deduct certain costs (including medical costs) from those accounts. It has been pointed out that since language was removed in this section regarding the opportunity for an administrative appeal, it would be appropriate to include a requirement that facility policy include such an appeal, and a possible amendment is included at the end of my testimony to incorporate that change.

This section also deletes the description of the facility's responsibilities regarding inmate medical costs, as this is recreated in a new section of law (Section 3 of the bill). The interim committee agreed this was preferable to keeping it buried in the "inmate accounts" section.

The proposed new section would accomplish several things. It would first recreate the jail's responsibility for ensuring that necessary medical care is provided, however it would be clearly limited to incarcerated inmates and the language used would mirror the federal court's requirements. The new section continues on to state that if the inmate has insurance, the medical provider must seek payment from that source first; and absent insurance, the jail's liability would be limited to costs at Medicare program rates.

Section 4 of the bill actually defines "adequate medical care" within the statutory section regarding inmate rights.

Together, counties believe this bill, while possibly not a significant change, provides much greater clarity of the responsibilities of both the jail facility and the inmate, regarding medical care. It is our hope that the Committee can support this bill and return a 'Do Pass' recommendation.

PROPOSED AMENDMENT TO SENATE BILL No. 2024

Page 1, line 18, after "inmate" insert ", and establish administrative procedures for an inmate to appeal the withdrawal of funds from this account"

Renumber Accordingly

#2

11.0275.03001
Title.

Prepared by the Legislative Council staff for
Senate Human Services Committee
January 10, 2011

PROPOSED AMENDMENTS TO SENATE BILL NO. 2024

Page 1, line 20, overstrike "and" and insert immediately thereafter an underscored comma

Page 1, line 22, after "pay" insert an underscored comma

Page 1, line 23, after "facility" insert ", and establish an administrative procedure for an inmate to appeal the withdrawal of the funds"

Page 3, line 23, remove "that develops while incarcerated"

Page 3, line 24, remove "and"

Renumber accordingly

Chairman Lee,

In seeking answers to the questions raised in the Human Services Committee discussion today regarding reimbursement of medical costs from inmates, I spoke with the Burleigh County and Cass County Sheriffs and the Stutsman County State's Attorney. They indicated that this is either never or almost never pursued. The cost of filing the court action and the State's Attorney time involved, argue strongly against the very small likelihood of ever recovering even a fraction of the costs.

As to the statute of limitations question, it appears that subsection 2 of NDCC 28-01-16 (below) would apply.

Please let me know if there are further questions. Thank you.

Terry Traynor
North Dakota Association of Counties
701-328-7321

28-01-16. Actions having six-year limitations. The following actions must be commenced within six years after the claim for relief has accrued:

1. An action upon a contract, obligation, or liability, express or implied, subject to the provisions of sections 28-01-15 and 41-02-104.
2. An action upon a liability created by statute, other than a penalty or forfeiture, when not otherwise expressly provided.
3. An action for trespass upon real property.
4. An action for taking, detaining, or injuring any goods or chattels, including actions for the specific recovery of personal property.
5. An action for criminal conversation or for any other injury to the person or rights of another not arising upon contract, when not otherwise expressly provided.
6. An action for relief on the ground of fraud in all cases both at law and in equity, the claim for relief in such case not to be deemed to have accrued until the discovery by the aggrieved party of the facts constituting the fraud.

#1

**Testimony To The
SENATE HUMAN SERVICES COMMITTEE
Prepared February 15, 2011, by
Terry Traynor, Assistant Director
North Dakota Association of Counties**

REGARDING ENGROSSED SENATE BILL No. 2024

Chairman Weisz and members of the Human Services Committee, the Association of Counties requested consideration of this issue by the Advisory Commission on Intergovernmental Relations and supports the passage of this legislation resulting from their study.

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Mountrail County (Stanley)	5,500
Pembina County (Cavalier)	11,000
Rolette County (Rolla)	9,000
Traill County (Hillsboro)	9,650
Walsh County (Grafton)	5,099
Grade 3 - Up to 96 Hours	
Emmons County (Linton)	No Data
Logan County (Napoleon)	No Data
McIntosh County (Ashley)	No Data
	1,569,654

Notes:

- 1 McLean Jail opened in May 2009 - Not a full year of costs
- 2 Estimates based on statewide average

During the interim, counties suggested several changes in state statute will, hopefully, have some impact on inmate medical costs. These changes were incorporated into SB2024. The Senate improved the bill by making sure that facilities had procedures protecting inmate rights.

Section 1 of the bill amends the definition section of the chapter and is proposed to simply make it crystal clear that when an inmate is not yet incarcerated within the jail facility, or has left the facility for supervision under electronic monitoring, home detention, or a similar program; that individual is not considered an "inmate", and therefore the jail is not obligated to fund "necessary medical care". This is consistent with federal requirements and present jail policies, but the lack of clarity of the current language can result in disagreements with medical providers.

Section 2 of the bill is the existing statute allowing the jail to establish inmate accounts and deduct certain costs (including medical costs) from those accounts. It was pointed out in the Senate that since language was removed in this section regarding the opportunity for an administrative appeal, an amendment would be advisable to ensure that jail facilities have procedures for this purpose. Counties support the changes made in the Senate.

This section also deletes the description of the facility's responsibilities regarding inmate medical costs, as this is recreated in a new section of law (Section 3 of the bill). The interim committee agreed this was preferable to keeping it buried in the "inmate accounts" section.

The proposed new section would accomplish several things. It would first recreate the jail's responsibility for ensuring that necessary medical care is provided, however it would be clearly limited to incarcerated inmates and the language used would mirror the federal court's requirements. The new section continues on to state that if the inmate has insurance, the medical provider must seek payment from that source first; and absent insurance, the jail's liability would be limited to costs at Medicare program rates.

Section 4 of the bill actually defines "adequate medical care" within the statutory section regarding inmate rights.

Together, counties believe this bill, while possibly not a significant change, provides much greater clarity of the responsibilities of both the jail facility and the inmate, regarding medical care. It is our hope that the Committee can support this bill and return a 'Do Pass' recommendation.

#1

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2024

Page 1, line 1, after "12-44.1" insert "and two new sections to chapter 50-24.1"

Page 1, line 2, after "costs" insert ", inmate medical claims processing, and to provide medicaid coverage to inmates in certain situations"

Page 1, line 4, after "inmates" insert "; and to provide an effective date"

Page 3, after line 30, insert:

"SECTION 5. Two new sections to chapter 50-24.1 of the North Dakota Century Code are created and enacted as follows:

Processing of claims submitted on behalf of inmates. The department of human services shall process claims submitted by enrolled medical providers on behalf of inmates at county jails. Each county will pay the department a processing fee for each claim submission. The department shall establish the processing fee and shall update it annually on July first. The processing fee will be based on the annual costs to the department of the claims processing operations divided by the annual volume of claims submitted. The department shall invoice each county for payment of the processing fee.

Department to expand medicaid coverage. After implementation of the medicaid management information system, the department of human services shall expand medicaid coverage to include medicaid-covered services provided to inmates of the state penitentiary and county jails who would be eligible for medicaid if they were not incarcerated and who are admitted to an inpatient hospital setting.

SECTION 6. EFFECTIVE DATE. Section 5 of this Act becomes effective upon the completion of the necessary changes to the Department's medicaid claims processing and eligibility systems.

SECTION 7. APPROPRIATION – There is appropriated out of any moneys in the general fund of the state treasury, not otherwise appropriated, the sum of \$149,094, or so much of the sum as may be necessary to the department of human services for the purpose of modifying the department's medicaid claims system to process claims submitted by enrolled medicaid providers on behalf of inmates of

county jails under section 5 of this Act, for the biennium beginning July 1, 2011, and ending June 30, 2013.

The department of human services shall increase the claims processing fee under section 5 for the biennium beginning July 1, 2011 to recover the cost of the medicaid claims system changes. As the costs of the medicaid claims system changes are recovered, the department will deposit the funds to the general fund.

There is appropriated out of moneys in the general fund of the state treasury, not otherwise appropriated, the sum of \$36,162, or so much of the sum as may be necessary, and from federal funds, the sum of \$36,162, or so much of the sum as may be necessary, to the department of human services for the purpose of modifying the department's eligibility systems to processes inpatient hospital claims for inmates of the state penitentiary and county jails under section 5 of this Act, for the biennium beginning July 1, 2011 and ending June 30, 2013."

Renumber accordingly

This amendment has been prepared at the request of Representative Porter.