2011 SENATE HUMAN SERVICES

SB 2264

2011 SENATE STANDING COMMITTEE MINUTES

Senate Human Services Committee
Red River Room, State Capitol

SB 2264
1-25-2011
Job Number 13351

☐ Conference Committee

Committee Clerk Signature	mmonson

Explanation or reason for introduction of bill/resolution:

Relating to eligibility for the children's health insurance program.

Minutes: Attachments.

Senator Judy Lee opened the hearing on SB 2264. There is a fiscal note.

Senator Dick Dever introduced SB 2264 which would increase SCHIP to 200% of poverty. It is about providing a choice and increases access to health care.

Maggie Anderson, Dept. of Human Services, provided information on the fiscal note for SB 2264. Attachment #1

Senator Judy Lee asked if an amendment should be included that would address the federal allotment issue if this is moved forward.

Ms. Anderson replied yes and the dept. could provide language if the committee would like.

Senator Tim Mathern said this bill seems longer than SB 2135 but the only change seemed to be going to 200% instead of 250%. He wondered if that was correct.

Ms. Anderson replied this one is including the whole section of 50-29-04. SB 2135 just took the one line and does the 250%.

Senator Spencer Berry asked about the eligibility for CHIP which is a federal allotment. He asked her to make some comparisons with other states of the deductions that ND allows for.

Ms. Anderson said there wasn't an easy way to compare all fifty states. Each state sets its own rules through their eligibility policy. ND tends to have like rules for Medicaid and CHIP eligibility. Some states don't do that.

Senator Judy Lee responded that the good thing is each state can determine what is best for itself.

Paul Ronningen, State Coordinator for the Children's Defense Fund – ND, testified in support of SB 2264. Attachment #2

Discussion followed on the averages and how they compare to other states.
Chart B was discussed in comparison to other states.

Renee Stromme, ND Women's Network, testified in support. Attachment #3

Veronica Zietz, The Arc, testified in support. Attachment #4

Carlotta McCleary, ND Federation of Families for Children's Mental Health, testified in support. Attachment #5

Attachment #6 is testimony in favor from **Susan Rae Helgeland**, Mental Health America of ND.

There was no further testimony. The hearing was closed.

Attachment #7 – Additional testimony sent in.

2011 SENATE STANDING COMMITTEE MINUTES

Senate Human Services Committee
Red River Room, State Capitol

SB 2264
2-7-2011
Job Number 14106

☐ Conference Committee

Committee Clerk Signature M Monson

Explanation or reason for introduction of bill/resolution:

Minutes:

Senator Judy Lee opened SB 2264 for committee work.

Senator Dick Dever moved to **accept the same amendment that was amended onto SB 2135. (11.0655.01000)** Attachment # 8

Seconded by **Senator Spencer Berry**.

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

Senator Tim Mathern moved to amend line 14 by replacing "sixty" with "fifty".

There was no second. **Motion failed**.

Senator Spencer Berry moved a **Do Pass as Amended and rerefer to Appropriations**.

Seconded by **Senator Tim Mathern**.

Discussion followed on changing to 250 gross.

Senator Judy Lee told about the history of this and pointed out the reason for some of the net figures was because the intent had been to support working families.

Roll call vote 5-0-0. **Motion carried.**

Carrier is **Senator Spencer Berry**.

FISCAL NOTE

Requested by Legislative Council
01/19/2011

Bill/Resolution No.: SB 2264

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				$2,771,099		$4,911,919
Expenditures			$1,240,916	$2,771,099	$2,229,574	$4,911,919
Appropriations			$1,240,916	$2,771,099	$2,229,574	$4,911,919

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

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 increases the net income eligibility limit from 160% of the federal poverty level to a net income eligibility limit of 200% of the federal poverty level. It is estimated that this change will make an additional 937 kids eligible for CHIP benefits.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The eligibility increase contained in Section 1 of the Bill would make an additional 937 kids eligible for CHIP benefits.

CHIP is subject to an annual federal allotment. Based on the FFY 2011 North Dakota CHIP allotment, the increase to 200% of the federal poverty level would cause ND CHIP expenditures to exceed the annual allotment. However, there are provisions in the Children's Health Insurance Reauthorization Act that allows states to apply for an increased allotment. If the income eligibility level for CHIP is increased, the Department will make application to the Centers for Medicare and Medicaid Services (CMS) for an increased allotment. Until the application is approved by CMS, the Department cannot certify that federal allotment would be available for the entire increased expenditure.

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 revenue increase in each biennium is the additional federal funds the state will receive if CMS approves a federal allotment increase due to the eligibility change.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

It is estimated an additional 937 children will receive services due to the change in the eligibility limits. The monthly premium is estimated at $274.03 per child for the 2011-13 biennium and is estimated at $312.53 per child for the 2013-15 biennium. This change would result in increased premium costs of $3,894,514 for the 2011-13 biennium and $7,028,202 for the 2013-15 biennium. The general fund need would be $1,204,573 for the 2011-13 biennium and

$2,194,205 for the 2013-15 biennium.

In addition, 1.0 FTE would be needed to handle the increased workload. The cost of the FTE would be $117,501 for the 2011-13 biennium and $113,291 for the 2013-15 biennium. The general fund portion of the FTE cost would be $36,343 and $35,369 for the 2011-13 and 2013-15 biennia respectively.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

The Department will need an appropriation increase of $4,012,015 of which $1,240,916 is general fund and $2,771,099 is federal funds for the 2011-13 biennium.

The Department will need an appropration increase of $7,141,493 of which $2,229,574 is general fund and $4,911,919 is federal funds for the 2013-15 biennium.

Name:	Debra A. McDermott	**Agency:**	Dept. of Human Services
Phone Number:	328-3695	**Date Prepared:**	01/21/2011

11.0655.01001
Title.02000

Adopted by the Human Services Committee

February 7, 2011

2-7-11

PROPOSED AMENDMENTS TO SENATE BILL NO. 2264

Page 1, line 2, after "program" insert "; and to provide an effective date"

Page 2, after line 3, insert:

"**SECTION 2. EFFECTIVE DATE.** The change to the net income eligibility limit for the children's health insurance program identified in section 1 of this Act becomes effective the first day of the month following the month the department of human services receives written notice from the centers for medicare and medicaid services of approval of an increase to the federal allotment to cover that increase to the net income eligibility limit of the children's health insurance program."

Renumber accordingly

Date: 2-7-2011

Roll Call Vote # 1

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 2264

Senate **HUMAN SERVICES** Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number H.0655.01001

Action Taken: ☐ Do Pass ☐ Do Not Pass ☐ Amended ☒ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By **Sen.** Dever Seconded By **Sen.** Berry

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

Total (Yes) 5 No 0

Absent 0

Floor Assignment

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

Date: 2-7-2011

Roll Call Vote # 2

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 2264

Senate **HUMAN SERVICES** Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 11.0655.01001 Title.02000

Action Taken: ☒ Do Pass ☐ Do Not Pass ☒ Amended ☐ Adopt Amendment

☒ Rerefer to Appropriations ☐ Reconsider

Motion Made By **Sen.** Berry Seconded By **Sen.** Mathern

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

Total (Yes) 5 No 0

Absent 0

Floor Assignment Sen. Berry

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

REPORT OF STANDING COMMITTEE

SB 2264: Human Services Committee (Sen. J. Lee, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2264 was placed on the Sixth order on the calendar.

Page 1, line 2, after "program" insert "; and to provide an effective date"

Page 2, after line 3, insert:

"**SECTION 2. EFFECTIVE DATE.** The change to the net income eligibility limit for the children's health insurance program identified in section 1 of this Act becomes effective the first day of the month following the month the department of human services receives written notice from the centers for medicare and medicaid services of approval of an increase to the federal allotment to cover that increase to the net income eligibility limit of the children's health insurance program."

Renumber accordingly

2011 SENATE APPROPRIATIONS

SB 2264

2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

SB 2264
02-10-2011
Job # 14304

☐ Conference Committee

Committee Clerk Signature	Alice Dekker

Explanation or reason for introduction of bill/resolution:

A BILL relating to eligibility for the children's health insurance program

Minutes: See attached testimony.

Chairman Holmberg called the committee to order on Thursday, February 10, 2011 at 9:30 am in reference to SB 2264. Lori Laschkewitsch, OMB and Roxanne Woeste, Legislative Council were present.

Judy Lee, District 13, Chair of the Human Services Committee and I am here representing Senator Dever, who is chairing the Government and Veteran Affairs Committee meeting and cannot be here today and would like to be and will be available later to answer any questions you may have. This is a bill that Human Services supported strongly. We think it's a really good idea.

Chairman Holmberg As the other bills we have this morning they all go to Human Service Subcommittee which is Senators Fischer, Kilzer, Erbele and Warner.

Maggie Anderson explained the fiscal note to the committee. See fiscal note dated 01-19-2011. (Meter 4.25) She informed the committee that this fiscal note is accurate.

V. Chair Bowman had questions concerning the net of 200% and what that equates to dollars.

Maggie Anderson: For a family of four that would be $44,100.00. That's annual. The monthly would be $3,675.00 at 200%.

Chairman Holmberg announced Maggie will be working with the subcommittee and closed the hearing on SB 2264 and we will send the bill to DHS subcommittee.

2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

SB 2264
02-17-2011
Job # 14672 (Meter 24.00)

☐ Conference Committee

Committee Clerk Signature	Alice Delzer

Explanation or reason for introduction of bill/resolution:

A SUBCOMMITTEE HEARING ON SB 2012 (SEVERAL BILLS WERE DISCUSSED AND ACTION WAS TAKEN BY THE SUBCOMMITTEE).

Minutes: You may make reference to "attached testimony."

Senator Fischer, Chairman opened the subcommittee hearing in reference to the Department of Human Services. Senator Kilzer, Senator Erbele, Senator Warner were also present. Lori Laschkewitsch, OMB and Roxanne Woeste, Legislative Council were also present.

Senator Kilzer states he would like to go through the nine "stand alone" bills.

The bills that this subcommittee is assigned are: 2029, 2043, 2163, 2212, 2240, 2264, 2298, 2334, 2357.

Senator Kilzer states that SB 2264 would change the eligibility for CHIPS. It is at 160 now I think. This has a price tag of $3 million. I think this belongs in SB 2012 and that is where we should address it and for that reason, I recommend a DO NOT PASS.

Senator Warner states that he would be more comfortable if we passed SB 2012 first.

Senator Warner makes the **motion for a DO NOT PASS on SB 2264.**

Senator Erbele seconds the motion.

Senator Kilzer states that we will have to remember in 2012, about this subject, as we also do in Health Dept. on the previous one.

Roll call vote taken Yea: 3; No: 1.

Motion carried

2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

SB 2264
February 18, 2011
Job # 14729

☐ Conference Committee

Committee Clerk Signature	Rose Laning

Explanation or reason for introduction of bill/resolution:

A committee vote on SB 2264 – the children's health insurance eligibility.

Minutes:

You may make reference to "attached testimony."

The Department of Human Services subcommittee approved raising eligibility from 168 to 175% of poverty level and it will be in the Human Services budget. (SB 2012), so SB 2264 is not needed.

Senator Fischer moved Do Not Pass on SB 2264.
Senator Kilzer seconded.

A Roll Call vote was taken. Yea: 10 Nay: 3 Absent: 0
Senator Fischer will carry the bill.

Date: 2-18-11
Roll Call Vote # 1

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2264

Senate Senate Appropriations 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 Fischer Seconded By Kilzer

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Warner		✓
Senator Bowman	✓		Senator O'Connell		✓
Senator Grindberg	✓		Senator Robinson		✓
Senator Christmann	✓				
Senator Wardner	✓				
Senator Kilzer	✓				
Senator Fischer	✓				
Senator Krebsbach	✓				
Senator Erbele	✓				
Senator Wanzek	✓				

Total (Yes) 10 No 3

Absent 0

Floor Assignment Fischer

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

REPORT OF STANDING COMMITTEE

SB 2264, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **DO NOT PASS** (10 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2264 was placed on the Eleventh order on the calendar.

2011 TESTIMONY

SB 2264

Testimony
Senate Bill 2264– Department of Human Services
Senate Human Services Committee
Senator Judy Lee, Chairman
January 25, 2011

Chairman Lee, members of the Senate Human Services Committee, I am Maggie Anderson, Director of the Medical Services Division for the Department of Human Services. I am here to provide information regarding Senate Bill 2264.

Senate Bill 2264 would increase the income eligibility level for the Children's Health Insurance Program (CHIP) to 200 percent (net) of the poverty level. During the current biennium (effective July 1, 2009), the income level for CHIP was increased to 160 percent (net). For the 2011-2013 Executive Budget, CHIP was built on an average monthly caseload of 4,256 children, with an estimated premium of $274.03 per child per month.

The federal poverty level (FPL) at 200 percent is $44,100 for a family of four; and eligibility is based on net income. Attachment A provides examples of various earning and deduction scenarios showing how this would be calculated.

Attachment B shows the number of children enrolled each month in CHIP since December 2008, and also provides the number of children enrolled in Medicaid for the same time period. We continue to experience an enrollment increase for both Medicaid and CHIP. During the current biennium, the Department contracted with Dakota Medical Foundation to conduct outreach for children's healthcare coverage. Since the contract work began in August 2009 through November 2010, an additional 2,888 children have been enrolled for Medicaid and CHIP coverage.

SB 2264 #1

The estimated growth in CHIP as a result of increasing the income level to 200 percent (net) is 937 children. The fiscal note for Senate Bill 2264 contains $4,012,015 of which $1,240,916 are general funds. The costs are detailed in the following table:

	Total	General	Federal
Premium Cost From 160% (Net) to 200% (Net) of FPL :	3,894,514	1,204,573	2,689,941
1 FTE to Increase to 200% of FPL:	117,501	36,343	81,158
Total Cost From 160% (Net) to 200% (Net) of FPL:	4,012,015	1,240,916	2,771,099

Unlike Medicaid, CHIP is not an entitlement. Rather, each state receives an annual allotment of federal funds. In section B of the fiscal note, the Department states, "CHIP is subject to an annual federal allotment. Based on the FFY 2011 North Dakota CHIP allotment, the increase to 200% of the federal poverty level would cause ND CHIP expenditures to exceed the annual allotment. However, there are provisions in the Children's Health Insurance Reauthorization Act that allow states to apply for an increased allotment. If the income eligibility level for CHIP is increased, the Department will make application to the Centers for Medicare and Medicaid Services (CMS) for an increased allotment. Until the application is approved by CMS, the Department cannot certify that federal allotment would be available for the entire increased expenditure."

The fiscal note contains $117,501 of which $36,343 are general funds, for salary and other expenses of the additional 1 FTE expected to be needed if the CHIP income level is increased to 200 percent (net) of the federal poverty level. Currently, 34 percent of CHIP applications are processed

by the CHIP eligibility staff in the Medical Services Division. If the income level for CHIP is increased to 200 percent (net), we would expect a greater percentage of the applications to be processed in Medical Services. This is because, as the income threshold is increased, a lower number of applicants will also qualify for other economic assistance programs.

In addition to the approval needed for the increased allotment, any increase in the CHIP income level will require federal (Centers for Medicare and Medicaid) approval of a CHIP State Plan Amendment.

I would be happy to respond to any questions you may have.

North Dakota Department of Human Services
Children's Health Insurance Program
Income Examples at 200% PL (net)
January 2011

Example 1: Family of 3 (Mother and 2 children)

Mother works and earns: $3,600 per month (gross income is at 236% of PL)

Deductions:

- Mother receives $30 work/training allowance
- Mother has withholding for taxes of $540

Total Deductions $570

Net Income: $3,030 per month – passes net income test at 200% ($3,052)

Example 2: Family of 4 (Father, Mother and 2 children)

Father works and earns	$2,900 per month (gross income)	
Mother works and earns	$2,000 per month (gross income)	
	$4,900 total	(gross income is at 268% of PL)

Deductions:

- Mother and father each receive $30 work/training allowance per month (total $60)
- Father's withholding for taxes is $435 and Mother's withholding for taxes is $300 (total $735)
- Child care expenses of $500 per month

Total Deductions $1,295

Net Income $3,605 per month – passes net income test at 200% ($3,675)

Example 3: Family of 4 (Father, Mother and 2 children)

Father works and earns	$3,000 per month (gross income)	
Mother works and earns	$3,200 per month (gross income)	
	$6,200 total	(gross income is at 337% of PL)

Deductions:

- Mother and father each receive $30 work/training allowance (total $60)
- Father 's withholding for taxes is $450 and Mother's withholding for taxes is $480 (total $930)
- Father pays $400 child support
- Child care expenses of $800
- Mother and Father each pay $180 per month for a 'single' health insurance plan through their employer (total $360)

Total Deductions $2,550

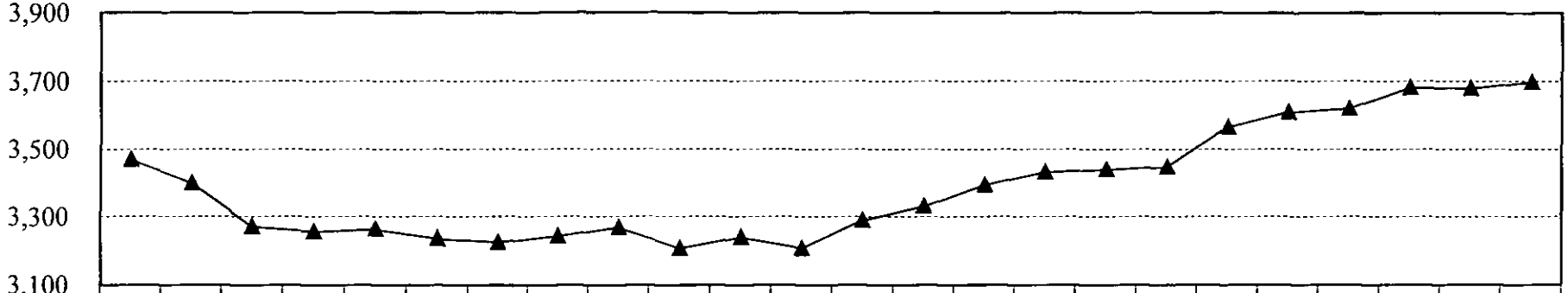
Net Income $3,650 per month – passes net income test at 200% ($3,675)

North Dakota Department of Human Services

Attachment B

Healthy Steps Premiums Paid by Month

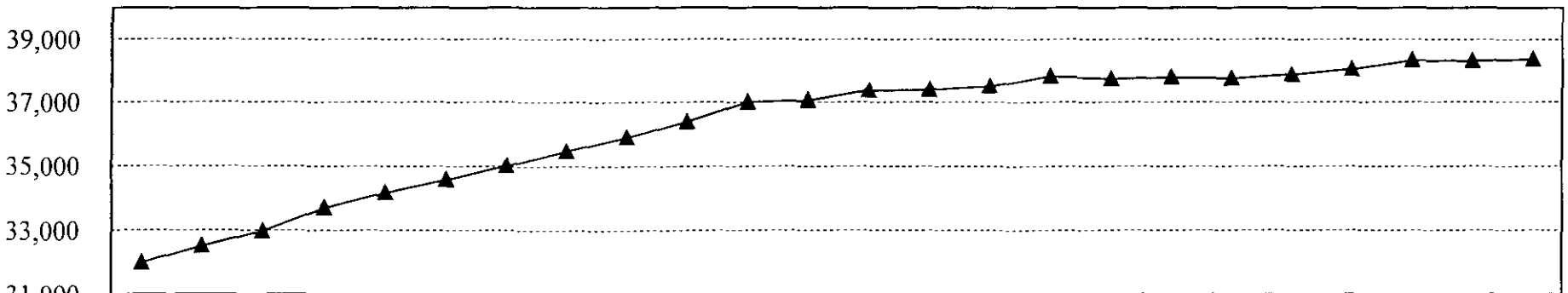
December 2008 - November 2010



Dec '08	Jan '09	Feb '09	Mar '09	Apr '09	May '09	Jun '09	Jul '09	Aug '09	Sep '09	Oct '09	Nov '09	Dec '09	Jan '10	Feb '10	Mar '10	Apr '10	May '10	Jun '10	Jul '10	Aug '10	Sep '10	Oct '10	Nov '10
3,468	3,399	3,270	3,255	3,262	3,235	3,224	3,242	3,267	3,207	3,239	3,207	3,288	3,330	3,393	3,431	3,439	3,446	3,565	3,609	3,620	3,680	3,678	3,696

Children Enrolled in Medicaid by Month

December 2008 - November 2010



Dec '08	Jan '09	Feb '09	Mar '09	Apr '09	May '09	Jun '09	Jul '09	Aug '09	Sep '09	Oct '09	Nov '09	Dec '09	Jan '10	Feb '10	Mar '10	Apr '10	May '10	Jun '10	Jul '10	Aug '10	Sep '10	Oct '10	Nov '10
31,986	32,504	32,964	33,694	34,168	34,577	35,012	35,480	35,916	36,399	37,002	37,058	37,358	37,385	37,499	37,824	37,739	37,797	37,761	37,876	38,056	38,337	38,313	38,375

1/7/11-cj-1113legis\hs enroll & elig

SB 2264
Senate Human Services Committee
January 25, 2011

Chairman Lee and members of the Senate Human Services Committee, I am Paul Ronningen, State Coordinator for the Children's Defense Fund – North Dakota. I am also representing the North Dakota Economic Security and *Prosperity Alliance (NDESPA) and the North Dakota Conference of Social* Welfare.

These organizations, are concerned about health care coverage for children from low-income ***working*** families through the Children's Health Insurance Program. **North Dakota is now recognized as having the lowest coverage for children from low income working families in the United States at 160% of the federal poverty level.**

I would like to offer an amendment to SB 2264. On line 14 of this bill, I would propose that the bill offer Children's Health Care Coverage up to 250% of the poverty level as opposed to the 200% of poverty as SB 2264 proposes.

North Dakota is in an era of unprecedented fiscal health. We believe our current situation is an opportunity to expand healthcare coverage to children of **working families** equal to that of Montana. In Montana, the coverage was extended to 250% after a successful initiative measure was filed. The general population of *Montanan passed this measure by approximately 69% of the state-wide vote.*

SB 2264 #2

Thus, we urge this Legislative Assembly to increase the level of CHIP eligibility to 250%.

The range in coverage is North Dakota (lowest) at 160% of poverty while New York covers children from low-income families up to 400% of the federal poverty level. CHIP eligibility in surrounding states include:

- Iowa 300% of poverty
- Minnesota 275% of poverty
- Montana 250 % of poverty
- South Dakota 200% of poverty
- Wyoming 200% of poverty

11 states cover families at 300 % of poverty or higher. **The average level of eligibility is 245% of the federal poverty level**.

I have also attached a study by NDSU, Making Ends Meet in North Dakota, May 2010 (Attachment A), which indicates that a single **working mother** of two children, ages 4 and 6, must earn $20.95/hour to stay off of public assistance and pay her bills. To pay her taxes her hourly income needs to be $25.75/hour...or an annual salary of $53,570. However, single mothers in North Dakota have a median income of $21,524. In fact, all North Dakota women who work full-time, year round, earn a median $28,789. Both are well below the amount NDSU researchers found to be needed.

This bill, however, would support this **working mother** by providing health insurance for her children up to an annual salary of $47,775 (250% of poverty level for a family of three). Support of this family with a CHIP Bill at 250% of poverty thus reduces the likelihood that this mother will slip into the Medicaid program, costing the tax payers of North Dakota additional money while providing her children health care and many additional supports beyond what a CHIP Program at 250% is requiring.

You may hear some Legislators talk about North Dakota's disregards as an explanation for keeping our income eligibility so low. But, many states have disregards. However, our level of disregards in no way compensates for North Dakota's extremely low eligibility level. The fact is, that at 160%, North Dakota has the lowest eligibility in the nation.

Why expand health care coverage to more children?

Compared to their insured peers, uninsured children are:

- Almost ten times as likely to have an unmet medical need
- More than eight times as likely to have delayed medical care due to cost;
- More than five times as likely to have an unmet dental need
- More than four times as likely to have gone more that two years without seeing a doctor
- Twice as likely to have gone more than two years without a dental visit

- Children without insurance are 60% more likely to die than their insured counterparts when needing hospitalization.

Investing in children's health is an investment in the future:

- Studies show that increased life expectancy and improved health status results from covering children – in addition to productivity gains for future workers will yield cost-savings for society.
- Lack of health insurance has been shown to impact educational attainment, which in turn impacts income.

It costs less to cover children than any other group of people:

- A year's coverage for a **single working adult** cost about three times what it costs to cover a child for the same length of time.
- Prevention and early care are cost-effective.
- Primary care doctor visits cost less than emergency rooms.
- Studies show children enrolled in CHIP miss fewer classes and demonstrate better school performance than when they were uninsured.

The federal government matches our state investment in the Children's Health Insurance Program.

Under the new federal healthcare reform law, states are prohibited from falling below Medicaid and CHIP coverage levels that were in place when Federal Healthcare went into effect. However, that does NOT mean states are prohibited from *increasing* eligibility.

It is also important to point out that under healthcare reform, Medicaid is expanded from 100% to 133% for children between the ages of 6-19, effectively moving some children currently covered by CHIP to Medicaid.

In summary, providing health care coverage to children from low-income families does several things. First of all, health care coverage is a tool for **working families** to assist them in raising children who can become productive citizens of our state. It makes economic sense, it is cheaper to provide preventative care than incur the costs of unattended health issues.

North Dakota is in a period of economic prosperity where we can easily extend this coverage to our children. We understand the importance of being careful with the state's financial resources and no one wants to see North Dakota suffer the economic woes of other states. And we appreciate the care that is used in determining when increasing spending is justified.

However, we also understand that we have an opportunity before us. We can leverage federal dollars available to us and for a relatively nominal amount, cover

more children, thus, reaping the reward of healthier and better educated children and, ultimately, a stronger adult workforce.

Now let me introduce you to the Anderson family and their attempt to get Children's Health insurance in North Dakota and the surrounding states (Attachment B)

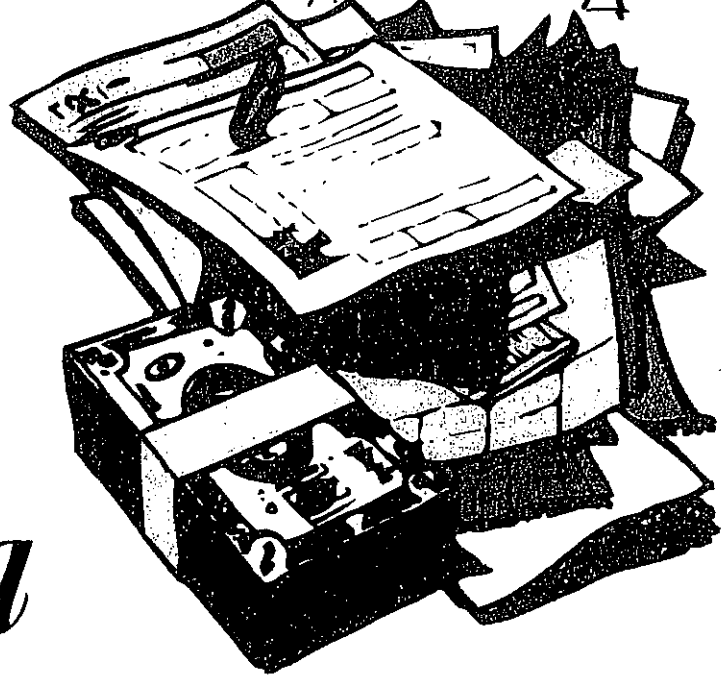
We need to make sure we take advantage of every opportunity presented by current fiscal situation so that we can maintain the strength and well being of **working** North Dakotans.

Thank you.

FE-577 (Revised)

Attachment A

Making Ends Meet in North Dakota



Debra Pankow, family economics specialist • **Marina Serdiouk**, graduate student

What would an employed mother with two children need to earn to meet her monthly bills in North Dakota without relying on government assistance?

Welfare reform has mandated the dual challenges of moving recipients off public assistance into employment and limiting access to public assistance for a lifetime total of only 60 months. However, these changes in the social safety net assume not only that enough jobs will be available, but they will pay sufficiently to end any further need for assistance.

So two questions need to be answered: What is the amount of monthly income necessary to support a family without having to fall back onto public assistance? And, is North Dakota's economy producing the kinds of full-time employment opportunities that will eliminate the need for assistance?

NDSU Extension Service
North Dakota State University
Fargo, North Dakota 58108

May 2010

Calculating a Cost-of-living Budget

Since the beginning of this century, researchers have made efforts to determine the minimum costs of meeting a family's monthly needs. Typically, these efforts were based on actual household spending (frequently urban households) as reported in surveys or diaries.

Today, the discussion of a living wage arises in part from the inability of the current minimum wage to provide an income adequate for a family to live above the poverty line. These debates are about whether businesses applying for government grants or subsidies should be paying a wage sufficient to keep their workers above the poverty line, eliminating the need for their employees to seek further government assistance.

A living wage is the amount of earnings necessary for a family to meet minimum monthly costs. Typically included in this are the costs for housing and utilities, food, child care, transportation, and basic household and personal care items. Not typically included are costs for items such as entertainment, birthday or other gifts, toys, tobacco products or alcohol.

Existing models figure these costs to calculate what a family must earn to meet a minimum monthly budget.

Typically, advocacy groups calculate these for urban areas, especially those with upcoming or pending living-wage legislation. However, because costs are not the same in rural and urban areas, the results cannot be generalized across the geographic spectrum.

Differences in the local cost of living vary not only by region but also by rural and urban residence. In urban areas, public transportation is available not only for getting to and from work, but also for grocery shopping, visiting a doctor or many other purposes. But in rural areas, public transportation is rare. The only way for an individual to get around in most rural communities is by personal transportation, whether that's owning one's own vehicle or sharing a ride with someone who does.

Further evidence of this disparity can be found in the 2008 Consumer Expenditure Survey. Transportation costs were 16.7 percent of urban but 21.2 percent of rural monthly household expenditures. Utilities are 7.1 percent of urban but 8.6 percent of rural household costs. Health-care costs consume just more than 5.7 percent of the average urban household's expenditures, nearly 8 percent of rural households' expenditures.

What, then, would an employed mother (age 24) with two children (age 4 and 6) need to earn to meet her monthly bills in North Dakota without relying on government assistance?

The information designated * are costs associated with essential living items that were collected through research in the Fargo-Moorhead area. In instances where local data were not available, reasonable estimates were derived from the 2006 Consumer Expenditure Survey for the Midwest region. Food costs were taken from the Official USDA Food Plans: Cost of Food at Home at Four Levels, U.S. Average, Thrifty Food Plan, August 2008, for a female age 19 to 50 and two children, age 4 and 6.

The estimated cost of living for an employed single mother with two children in North Dakota is $838 a week, $3,633 a month or $43,596 a year. To meet her monthly cost of living, a single mother must earn a take-home wage of $20.95 an hour.

Adding OASDI (Old Age, Survivors and Disability Insurance) and Medicare taxes (6.2 percent and 1.45 percent), as well as income taxes (15 percent),

Item	Monthly Cost
* Housing (rent, insurance, utilities)	830
* Phone	35
Food	401
* Child care	993
Household, personal care items and clothing	328
Transportation (car payments, gas, repairs, insurance, etc.)	811
Health care (insurance, prescriptions, etc.)	235
Total per month	3,633
Total per year	43,596

* Based on local information

the necessary minimum monthly income needed to generate the net income to make ends meet would rise to approximately $4,464, or $53,570 per year. This would require an hourly wage of $25.75 per hour for full-time work for a year to both meet a minimum monthly budget and pay these taxes.

Opportunities in North Dakota's Economy

In the last decade, North Dakota's economic news has been mixed. Unemployment rates have dropped from 4.3 percent in 1989 to 3.6 percent in August 2008, placing North Dakota's unemployment rate considerably below the 6.1 percent national rate. The state has had an increase in the availability of jobs, yet the per-capita income for North Dakotans in 2007 was $34,846, compared with the national per-capita income of $ 38,611. Given this, what are the prospects of low-income North Dakotans enrolled in Temporary Assistance to Needy Families (TANF) achieving economic self-sufficiency, the stated goal of the program?

According to the U.S. Bureau of Labor Statistics, the median weekly income for females employed full time in 2007 was $614, or $15.35 per hour. The median weekly income is the point where half of all weekly incomes are more and half less than the median figure. Median income for men was $766 a week, or $19.15 per hour.

Relying on an average wage masks the earning differences for men and women by educational level and employment sector. In 1990, the median hourly wage of all North Dakota women employed full time

was $8.70 an hour, compared with $12.13 for men. These figures rose to $10.15 for women and $13.45 for men in 1995. In 2000, the median wage for a woman in North Dakota was $10 an hour, while for men it was $13.90. In 2004, median weekly earnings for men in North Dakota rose to $622, or $15.55 an hour, while median weekly earnings for women were $467, or $11.67 an hour. In 2007, median weekly earnings for men in North Dakota rose to $ 589.2, or $ 14.73 an hour, while median weekly earnings for women in North Dakota rose to 373.3, or $9.3 an hour.

The 2007 American Community Survey shows the four largest types of employers in North Dakota are services, retail trade, agricultural and manufacturing. Women are more likely than men to be employed in services and retail trade than in agriculture and manufacturing. In 2006, the national median weekly earnings for the accommodation and food service industries was $371:$355 for females ($ 8.88 per hour) and $389 for males ($ 9.73 per hour). It was $538 ($13.45 per hour) for females and $ 696 for males ($17.40 per hour) employed in sales (Highlights of Women's Earnings in 2006, U.S. Bureau of Labor Statistics September 2007).

The federal minimum wage is set at $6.55 an hour. If a single mother worked 2,080 hours a year at the current minimum wage, she would earn only $13,624 a year before taxes. If this single mother had two dependent children, these wages would not bring her and her children above $17,600 a year, the current poverty threshold for a family of three. This means that to meet the basic cost of living in North Dakota for a family of three, a single working mother would need to earn an additional $19.20 an hour ($3,328 a month or $39,936 a year) on top of minimum wage. At the current minimum wage, our single mother does not have enough extra hours to work every week just to meet the most basic monthly cost-of-living budget without further assistance.

If the employer offered health insurance or other benefits, the monthly cost of living for this family would decrease significantly – more than $200 a month if health insurance were provided. And arrangements may be available for child care that cost much less than the average of $993 a month for two children. Food stamps are another resource that can extend the earnings of limited-resource individuals and families. In addition, housing costs may be much lower in rural areas, but food and transportation may be higher. For this analysis, we have chosen to highlight the Fargo-Moorhead area because it is the largest community in the state where jobs are available.

Conclusions

How much does an employed single mother with two dependent children living in North Dakota need to earn to meet her family's monthly needs? And how likely is this mother to find employment that meets this monthly budget without also needing government assistance? This analysis demonstrates that even presuming employment opportunities in North Dakota, a significant gap is likely between earnings and the actual cost of meeting a monthly household budget for the typical family receiving public assistance (for example, a single mother with two dependent children not receiving child support).

North Dakota's labor market is heavily weighted toward the services sector, which has a high proportion of minimum- to low-wage jobs. These are jobs unlikely to provide wages at the $25.75 an hour before taxes necessary for a single mother with two dependent children to live without additional assistance. Yet the opportunity for welfare recipients to move into jobs with adequate pay is the key assumption upon which the success of welfare reform depends.

North Dakota adults receiving public assistance who are required to move into the labor force as quickly as possible face a labor market where jobs, when they can be found, likely will be at or just above minimum wage. Yet, because the majority of TANF cases are single-parent families – typically single mothers – they will need to find employment that pays enough wages to meet their monthly costs of living.

This analysis indicates that with welfare reform, North Dakota's employed single mothers living in rural areas are facing even greater challenges in meeting their families' minimum needs. The analysis also highlights an unanswered question: If individuals are employed full time but still do not earn enough to meet their families' monthly costs of living, how do they close the gap between earnings and monthly costs, especially after exhausting their 60-month lifetime limit of assistance?

2008 HHS Poverty Guidelines

People in Family or Household	48 Contiguous States and D.C.	Alaska	Hawaii
1	$10,400	$13,000	$11,960
2	14,000	17,500	16,100
3	17,600	22,000	20,240
4	21,200	26,500	24,380
5	24,800	31,000	28,520
6	28,400	35,500	32,660
7	32,000	40,000	36,800
8	35,600	44,500	40,940
For each additional person, add	3,600	4,500	4,140

SOURCE: Federal Register, Vol. 73, No. 15, Jan. 23, 2008, pp. 3971–3972

Sampling of programs in which eligibility is partially based on federal poverty guidelines:

- Head Start ..... 100 percent of poverty or below
- Food stamps ..... Gross income less than 130 percent of poverty
- Free school breakfast and/or lunch ..... 130 percent of poverty or below
- Reduced-price school breakfast and/or lunch ..... 130 to 185 percent of poverty
- Medical Assistance ..... 133 percent of poverty or below*
- WIC (Women, Infants and Children) ..... 185 percent of poverty or below
- Healthy Steps (children's health insurance program) ..... 140 percent of poverty or below*

References

1) Regional and State Employment and Unemployment Summary: August 2008. Bureau of Labor and Statistics. Link: *www.bls.gov/news.release/laus.nr0.htm*

2) Household Data Annual Averages Link: *ftp://ftp.bls.gov/pub/special.requests/lf/aat39.txt*

3) Employment situation summary. Bureau of Labor and Statistics. Link: *www.bls.gov/news.release/empsit.nr0.htm*

4) Regional and State Employment and Unemployment Summary. Link: *www.bls.gov/news.release/laus.nr0.htm*

5) Highlights of Women's Earnings in 2006. U.S. Department of Labor Sept 2007 Link: *www.bls.gov/cps/cpswom2006.pdf*

6) Per Capita Personal Income by State. Link: *www.unm.edu/~bber/econ/us-pci.htm*

7) Official USDA Food Plans: Cost of Food at Home at Four Levels, U.S. Average, August 2008. U.S. Department of Agriculture. Link: *www.cnpp.usda.gov./USDAFoodCost-Home.htm*

8) Consumer Expenditure Survey 2006

9) Median earnings in the past 12 months by sex. 2007 Community Survey. Link: *http://factfinder.census.gov/*

10) Population and Housing Narrative Profile: 2007. American Community Survey 1-year Estimates. Link: *http://factfinder.census.gov/*

For more information on this and other topics, see: www.ag.ndsu.edu

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3M-3-02; Web-10-06; 2M-5-10

Attachment B

January 2011

Putting North Dakota's Children's Health Insurance Program (CHIP) in Perspective

A report from North Dakota KIDS COUNT

North Dakota's Children's Health Insurance Program is called "Healthy Steps."

Three programs help children obtain health care in our state.

Health insurance program name	What is this program?	What are the income requirements for eligibility?
Medicaid	A health insurance program for North Dakotans with incomes usually below the poverty level. It is mainly a free program, although there may be some small costs (co-pays).	Children ages 6-19 in families with net incomes at or below the poverty level and children ages 0-5 in families with net incomes at or below 133% of the poverty level are eligible for Medicaid.
Healthy Steps (CHIP)	Healthy Steps is North Dakota's CHIP - our Children's Health Insurance Program. Since 1997, all states have created health insurance programs to cover children who do not have health insurance, are 18 years of age or younger, do not qualify or are not fully covered by Medicaid, and live in lower-income families.	Children ages 0-18 in families with net incomes at or below 160% of the poverty level are eligible.
Caring for Children	Caring for Children is funded by the North Dakota Caring Foundation, a not-for-profit organization that was begun by Blue Cross Blue Shield of North Dakota in 1989. It is for children who do not have health insurance coverage and do not qualify for Medicaid or Healthy Steps.	Children ages 0-18 in families with net incomes from 161% to 200% of the poverty level are eligible. A limit of 750 children can be covered by this program.

2010-11 Poverty Guidelines

Eligibility for CHIP is based on children's age and their families' income with respect to the poverty level. The poverty level is influenced by family size.

Size of Family	100% of Poverty	160% of Poverty	200% of poverty	300% of poverty
2	$14,570	$23,312	$29,140	$43,710
3	$18,310	$29,296	$36,620	$54,930
4	$22,050	$35,280	$44,100	$66,150
5	$25,790	$41,264	$51,580	$77,370
6	$29,530	$47,248	$59,060	$88,590

Putting North Dakota's Children's Health Insurance Program (CHIP) in Perspective...

How does North Dakota compare?

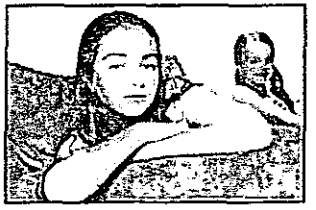
North Dakota uses "net income" to determine CHIP eligibility. Net income results when you subtract allowable deductions from a family's gross (or total) income.

Most states say they use gross (or total) income to determine eligibility, yet many of these states also allow deductions.

State	Family Income Eligibility Level for CHIP	Common Monthly Deductions (amounts families can subtract from their gross income when calculating their CHIP income eligibility level)				
		Earnings ($$ per worker, per month)	Child Care Expenses	Child Support Received	Child Support Paid	Medical Premiums and Medical Expenses for Other Family Members
Iowa	300% of poverty	0	0	$50	0	0
Minnesota	275% of poverty	0	0	0	0	0
Montana	250% of poverty	$120	up to $200	0	0	0
South Dakota	200% of poverty	0	up to $500	$50	full amount	0
Wyoming	200% of poverty	0	0	0	0	0
North Dakota	**160% of poverty**	**$90***	**full amount**	**$50**	**full amount**	**full amount**

*Or the sum of state income tax, federal income tax, FICA, and any union dues, whichever is greater. In addition to these common deductions, see a complete list of deductions at www.state.nd.us/humanservices/policymanuals/healthysteps-508/healthy_steps.htm.

Meet the Anderson Family...



The Andersons have two children (ages 12 and 14). Their combined annual employment income is $44,100. Neither parent has health care coverage at work. They do not have child care costs. Would the Anderson children be eligible for children's health insurance coverage in North Dakota or in nearby states?

While North Dakota allows many deductions, the Andersons do not have enough deductions to enable their children to benefit from CHIP.

State	Anderson Family annual income (two workers)	Amount of annual deductions allowed the Anderson Family by CHIP	Anderson Family annual income after deductions	CHIP Family Income Eligibility Level in 2010 (for family of four)	Are the Anderson children eligible for CHIP?
Iowa	$44,100	0	$44,100	$66,150	Yes
Minnesota	$44,100	0	$44,100	$60,638	Yes
Montana	$44,100	$2,880	$41,220	$55,125	Yes
South Dakota	$44,100	0	$44,100	$44,100	Yes
Wyoming	$44,100	0	$44,100	$44,100	Yes
North Dakota	**$44,100**	**$4,887***	**$39,213**	**$35,280**	**No**

*Deductions for state taxes, federal taxes, and FICA assuming the Andersons take 4 exemptions on their W-4.

Senate Human Services Committee
SB 2264
January 25, 2011

Chairman Lee and members of the Senate Human Services Committee, I am Renee Stromme with the North Dakota Women's Network (NDWN). NDWN is a statewide women's advocacy organization working to improve the lives of women in North Dakota. NDWN strongly supports Senate Bill 2264 to increase Children's Health Insurance Program eligibility levels as amended to 250% of poverty.

Together, Medicaid and Children's Health Insurance Program (CHIP) successfully provide health coverage to many children living in our nation's most vulnerable families. At its core, CHIP was designed to provide health care for children living in families stuck between the proverbial rock and a hard place: earning too much for Medicaid, but too little to afford health coverage. During tough economic times, too many children and families still lack health care coverage, creating tremendous financial burdens for families. Increasing CHIP eligibility will ensure that more children will have access to critical health coverage.

NDWN urges a do pass recommendation of SB 2264 at an amended 250% eligibility, Thank you for your time and I will stand for any questions.

SB 2264 #3

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Testimony of Support Senate Bill 2264
Human Services Committee
January 25, 2011

Good morning Madam Chair and members of Human Services Committee. My name is Veronica Zietz (#99); I am the Executive Director at The Arc of Bismarck and I'm here today representing both The Arc of Bismarck and The Arc of Cass County. The Arc is an organization that provides education and advocacy to people with disabilities to foster empowerment and full inclusion in the community.

The Arc strongly supports Senate Bill 2264, which would increase the net income eligibility limit for the Children's Health Insurance Program (CHIP). It is necessary to increase this limit, in order to extend insurance to the children that fall between the gaps in coverage offered by public programs and that is available through private means. All children, especially those with a disability can benefit from the increased access to health care that is associated with insurance coverage. An increase in CHIP would allow children in ND to access the health care they need more easily. This would allow for regular check-ups and preventative care that could prevent bigger problems that cost more money in the long term.

Additionally, CHIP would be very valuable for children with disabilities that frequently utilize more variety and volume of health care services. Parents of children with disabilities also have limited affordability for the specialty services often required. An enhancement of the net income eligibility limit could help kids with disabilities amongst others get the services they need.

It is time for North Dakota to extend CHIP to more low income families. This gap in services is a disincentive to hardworking parents whose children would be eligible for CHIP in surrounding states. I urge the committee to support Senate Bill 2264. Thank you for your time and consideration.

SB 2264 #4

Testimony
Senate Bill 2264
Senate Human Services Committee
Senator Judy Lee, Chairman
January 25, 2011

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

NDFFCMH supports increasing the net income eligibility for the state children's health insurance program. Expanding the net income eligibility allows more children to access mental health care. For many children, mental health care is a key component of the array of services needed for healthy childhood development.

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

Sadly, over two-thirds of children struggling with mental health disorders do not receive mental health care. The President's New Freedom Commission on Mental Health found that without early and effective identification and intervention, childhood mental disorders can lead to a downward spiral of school failure, poor employment opportunities, and poverty in adulthood.

SB 2264 #5

Untreated mental illness may also increase a child's risk of coming into contact with the juvenile justice system, and children with mental disorders are at a much higher risk for suicide.

NDFFCMH supports increasing the net income eligibility for the state children's health insurance program however; NDFFCMH would like to see net income eligibility increase from 160% to 250% of the poverty line. This would allow more children access to needed mental health care.

Thank you for your time.

Carlotta McCleary, Executive Director
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TESTIMONY
SB 2264
Red River Room - Senate Human Services Committee
Senator Judy Lee - Chairman
January 25, 2011

Chairman Lee and members of the Senate Human Services Committee, my name is Susan Rae Helgeland, Executive Director of Mental Health America of North Dakota. The mission of our organization is to promote mental health through education, advocacy, understanding and access to quality care for all individuals.

Mental Health America of North Dakota supports **SB 2264 as amended** to increase the eligibility for Children's Health Insurance Program (CHIP) from 160% to 250% of poverty. As our mission states, we advocate for increased access to mental health care and we feel, at 250% of poverty, more North Dakota families will have access to mental health care for their children.

In this time of economic challenge and the high cost of health insurance, it is more and more difficult for families to have sufficient health care coverage. Investing in the health of North Dakota's children is not only the right thing to do; it is a sound investment in the future of our state.

SB 2264 #6

Attachment #7

From: Becky Sevart [mailto:bsevart@bis.midco.net]
Sent: Thursday, February 03, 2011 1:00 PM
To: Lee, Judy E.; Uglem, Gerald P.; Berry, Spencer D.; Dever, Dick D.; Mathern, Tim
Subject: Testimony for SB2264

Senator Lee-Chair of Senate Human Services:

Chairman Lee and members of the Committee: I am sending you the attached testimony for SB2264 in regards to the state children's health insurance program.

The ND Mental Health Planning Council was created with members appointed by the Governor of North Dakota and is made up of a 27 member board. The Council met recently and has directed me to submit to you, for your consideration, the attached testimony on behalf of the Council. The Council is in support of increasing the eligibility level for the CHIP to help ensure more families will have access to the needed mental health care for their children and encourages passage of this bill.

If you find you have further questions I can be reached at the information below. Thank you for your consideration.

Becky Sevart, Chair
ND Mental Health Planning Council
701-258-1628
bsevart@bis.midco.net

Jack Dalrymple Governor

Becky Sevart, Chair

TESTIMONY: SENATE BILL 2264
SENATE HUMAN SERVICES COMMITTEE
JUDY LEE, CHAIRMAN
FEBRUARY 2, 2011

Under the mandate outlined in Public Law 102-321 (42 U.S.C 300X-4), a twenty-seven member board -- the North Dakota Mental Health Planning Council -- was created with members appointed by the Governor of North Dakota. The Council's objective is to:

- Review community mental health block grant plans and make recommendations to the State administration.
- Monitor, review and evaluate all mental health services throughout the State or Territory.
- Serve as advocated for adults with serious mental illnesses, children with severe emotional disturbances, and others with mental health needs.

The North Dakota Mental Health Planning Council is in support of an increase to the eligibility level for the Children's Health Insurance Program (CHIP). According to the Surgeon General's Report on Mental Health, mental health disorders affect one in five children in the United States. Additionally, low income children enrolled in Medicaid and CHIP have the highest rates of mental health problems.

By increasing the eligibility level for the Children's Health Insurance Program (CHIP), North Dakota will help ensure that more families will have access the needed mental health care for their children.

Thank you for your time and we appreciate your work for the people of North Dakota.

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Senate Human Services Committee
January 25, 2011
SB 2264

Good morning, Chairman Lee and members of the Senate Human Services Committee.

My name is Nancy Miller and I am the Executive Director of the North Dakota Chapter of the National Association of Social Workers (NASW). NASW is the largest membership organization of professional social workers in the world, with 145,000 members. In our effort to advance sound social policies, I am here today to offer support of SB2264, helping to increase health care coverage to uninsured children - with an amendment to fund it at a level of 250%, rather than 200%.

Many of the great things occurring in North Dakota as of late have caught the attention of those outside our borders. Our reputation of being a great place to live, work, and play, coupled with our economic prosperity (despite national trends), continues to make headlines. We are very fortunate to have a strong, responsible government which has helped to foster such a great financial surplus. Families are leaving other states and venturing to ours, with the hopes of a brighter future. And, the most recent census estimate show that North Dakota has had near record population *growth*. These are indeed good times.

Yet, all is not bright. There are an estimated 13,000 uninsured children in North Dakota[1]. Over the years, efforts have been made to reduce that number, especially with programs such as the Children's Health Insurance Program (CHIP). However, there is still more that can be done. The just released *Tenth Annual Kaiser Commission on Medicaid and Uninsured State Survey of Medicaid and CHIP Eligibility Rules*, shows that only 4 states (AK - 175%, ID - 185%, ND - 160%, and OK - 185%) now have eligibility levels of less than 200 percent of the federal poverty level[2]. **And, not only is North Dakota in that mix, but our 160% level puts as the lowest in the nation.**

Across the nation, even despite tight budgets, nearly all states maintained or made targeted expansions or improvements in their Medicaid and CHIP eligibility and enrollment rules in 2010, preserving the programs' important role of providing coverage to millions of low-income Americans who otherwise lack affordable options. And, all for good reason: the need for strong CHIP programs is greater now than ever:

- Rising premiums are becoming increasingly out of reach for low and moderate income families.
- As an increasing number of families are unable to afford health care coverage, it's our children who are most vulnerable.
- Children without health care coverage are less likely to have a usual source of health care and access preventive and other needed health services.
- A child who does not have access to preventative care now will be more at-risk for health problems later in life.
- Children are constantly in contact with large groups of other children, whether in school settings, athletics or other extracurricular activities. Given recent concerns over communicable diseases such as H1N1, as a matter of public health it benefits North Dakota to ensure children who are sick have access to health care coverage.
- Without access to health care, children's education and their social and emotional development suffers.

We respect the care that must be taken when weighing requests for additional funding during this legislative session. However, through the testimony given today, as well as that provided for SB2135, you have heard many reasons why the action taken with SB2264 is justified. And, you have seen how North Dakota's existing level stacks up against our neighboring states. If you use the fiscal note numbers presented, this change will make it possible for an additional 937 North Dakota children eligible to receive insurance (7% of those in need). **Funding this bill at 250% will reach an additional 1320 children - representing 10% of those currently uninsured.**

Providing health insurance for children is a moral obligation. As a society, we should be working to ensure that all of our children have the health care they need to both grow and learn. This generation of children can be the smartest, healthiest, and strongest generation yet, but, to get there, we must invest in health care for all children. This is just one way in which we can do so.

Again, we support SB2264, but we ask for you to amend it, and fund it at a 250% level. Thank you.

NOTES

[1]U.S. Department of Commerce, Bureau of the Census, Current Population Survey, 2007, 2008, and 2009 Annual Social and Economic Supplement (ASEC); and U.S. Department of Commerce, Bureau of the Census, "State Single Year of Age and Sex Population Estimates: April 1, 2000 to July 1, 2008 - RESIDENT," which can be found at: http://www.census.gov/popest/states/asrh/files/SC-EST2008-AGESEX-RES.csv. Calculations by Children's Defense Fund, Oct. 2009.

[2]*Holding Steady, Looking Ahead: Annual Findings of a 50-State Survey of Eligibility Rules, Enrollment and Renewal Procedures, and Cost Sharing Practices in Medicaid and CHIP, 2010- 11*(Georgetown University Center for Children and Families, and Kaiser Commission on Medicaid and the Uninsured
The Henry J. Kaiser Family Foundation, Jan. 2011). Full report and additional information can be found at: http://www.kff.org/medicaid/Medicaid-CHIP-Coverage-Recession-Health-Reform.cfm

#8

PROPOSED AMENDMENTS TO SENATE BILL NO. 2264

Page 1, line 2, after "program" insert "; and to provide an effective date"

Page 2, after line 3, insert:

"SECTION 2. EFFECTIVE DATE. The change to the net income eligibility limit for the children's health insurance program identified in section 1 of this Act becomes effective the first day of the month following the month the department of human services receives written notice from the centers for medicare and medicaid services of approval of an increase to the federal allotment to cover that increase to the net income eligibility limit of the children's health insurance program."

Renumber accordingly

This amendment was prepared at the request of Senator Lee.

Amendments to 11.0655.01000