

Introduced by

Human Services Committee

(At the request of the Department of Human Services)

1 A BILL for an Act to amend and reenact sections 50-29-02 and 50-29-04 of the North Dakota
2 Century Code, relating to eligibility determinations for the children's health insurance program.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. AMENDMENT.** Section 50-29-02 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **50-29-02. Duties of the department.**

7 The department shall:

- 8 1. ~~Prepare~~The department shall prepare, submit, and implement the plan that includes
9 eligibility determinations for self-employed applicants, when adjusted gross income or
10 loss means the adjusted gross income or loss as computed for an individual for federal
11 income tax purposes under the Internal Revenue Code of eligibility, based on the lower
12 of either:
- 13 a. ~~The previous one year of adjusted gross income or loss from the business, or if~~
14 ~~the previous year's federal income tax return has not been filed, from the year~~
15 ~~prior to that year, less any earned or unearned income on the tax return, plus any~~
16 ~~current earned or unearned income; or~~
- 17 b. ~~The average of the previous three years of adjusted gross income or loss from~~
18 ~~the business, or if the previous year's federal income tax return has not been filed~~
19 ~~or the business has been in existence for fewer than three years, from the federal~~
20 ~~income tax returns from the previous three years that have been filed for the~~
21 ~~business, less the average of earned or unearned income for each of the years~~
22 ~~for which federal income tax returns have been filed, plus any current earned or~~
23 ~~unearned income.~~

1 ~~If the most recently available federal income tax return does not accurately predict~~
2 ~~income because the business has been recently established, has been terminated,~~
3 ~~has been subjected to a severe change such as an uninsured loss or a decrease or~~
4 ~~increase in the size of the operation, income statements or any other reliable~~
5 ~~information may be used to compute self-employment income~~modified adjusted gross
6 income methodologies as required in 42 U.S.C. 1396a(e)(14);

- 7 2. Supervise the administration of the children's health insurance program throughout
8 this state;
- 9 3. Take action, give directions, and adopt rules as may be necessary or desirable to carry
10 out the provisions of this chapter;
- 11 4. After federal approval of the plan, apply for a federal waiver allowing plan coverage for
12 a family through an employer-based insurance policy if an employer-based family
13 insurance policy is more cost-effective than the traditional plan coverage for the
14 children;
- 15 5. Report annually to the legislative council and describe enrollment statistics and costs
16 associated with the plan;
- 17 6. Reimburse counties for expenses incurred in the administration of the children's health
18 insurance program at rates based upon all counties' total administrative costs; and
- 19 7. Administer all funds appropriated or made available to the department for the purpose
20 of carrying out the provisions of this chapter.

21 **SECTION 2. AMENDMENT.** Section 50-29-04 of the North Dakota Century Code is
22 amended and reenacted as follows:

23 **50-29-04. Plan requirements.**

24 The plan:

- 25 1. Must be provided through private contracts with insurance carriers;
- 26 2. Must allow conversion to another health insurance policy;
- 27 3. Must be based on an actuarial equivalent of a benchmark plan;
- 28 4. Must incorporate every state-required waiver approved by the federal government;
- 29 5. Must include community-based eligibility outreach services; and
- 30 6. Must provide:

- 1 a. ~~A net~~gross income eligibility limit ~~of~~based on a net income eligibility equivalent of
2 one hundred sixty percent of the poverty line;
- 3 b. A copayment requirement for each pharmaceutical prescription and for each
4 emergency room visit;
- 5 c. A deductible for each inpatient hospital visit;
- 6 d. Coverage for:
 - 7 (1) Inpatient hospital, medical, and surgical services;
 - 8 (2) Outpatient hospital and medical services;
 - 9 (3) Psychiatric and substance abuse services;
 - 10 (4) Prescription medications;
 - 11 (5) Preventive screening services;
 - 12 (6) Preventive dental and vision services; and
 - 13 (7) Prenatal services; and
- 14 e. A coverage effective date that is the first day of the month, following the date of
15 application and determination of eligibility.

16 **SECTION 3. EFFECTIVE DATE.** This Act becomes effective upon the implementation of
17 the department of human services' new eligibility system or upon completion of system changes
18 required for compliance with the Patient Protection and Affordable Care Act. The department of
19 human services shall notify the legislative council of the occurrence of either of these events.