

Testimony
Engrossed House Bill 1407 – Department of Human Services
Senate Human Services Committee
Senator Judy Lee, Chairman
March 8, 2021

Chairman Lee, members of the Senate Human Services Committee, I am LeeAnn Thiel, Assistant Director of the Medical Services Division, for the Department of Human Services (Department). I am here today to testify on Engrossed House Bill 1407, which makes changes to section 50-24.1-40 of North Dakota Century Code as it relates to Tribal Care Coordination agreements.

As you are aware, last session section 50-24.1-40 was added to the North Dakota Century Code. That section allows for a tribal health care organization to enter into a signed care coordination agreement with a provider enrolled in Medicaid. If an agreement is signed between a provider and a tribal health care organization, the State will be able to claim 100% FMAP funding on covered services received through IHS/Tribal 638 facilities that have care coordination agreements with non-IHS/Tribal providers. These covered services, and their subsequent bills, must be processed through the Department's normal payment system often referred to as the MMIS. MMIS will capture the billing and this information will be used in federal reporting to claim the 100% as opposed to regular FMAP.

Section 1 of the bill notes that any savings captured from the 100% versus regular FMAP will be captured and placed in a tribal health care coordination fund. Subsequently, 70% of that savings will be distributed to the tribal entity and 30% will remain with the State.

The Department is neutral on this part of the bill but offers the following information.

The original bill struck through language that would require the tribes to submit audit reports to the State every two years. This was restored by the House. The Department supports the restoration of this language.

Medicaid routinely audits payments, and this is in alignment with other program integrity activities. We also reached out to South Dakota Medicaid and they confirmed that they as well audit these tribal care coordination payments. There are two types of audit that Medicaid would want to conduct: audit that the care coordination activities are valid and audit that the correct FMAP was used. Tribal health care organizations would be audited, and the Department already has a tribal liaison staff to conduct these audits.

Page 3, lines 11 through 15, of the engrossed bill requires the Department to compile a report on how the dollars in the fund (due to the 30 percent savings) are distributed. However, the Department requests clarity on how the legislature expects these funds to be spent. The bill does describe that funds should be spent on essential services of public health or enhancement of community health representative programs or services. The Department requests clarity in those functions and if the dollars spent should be targeted toward a specific population or sub-population.

This concludes my testimony. I would be happy to answer any questions.