

NORTH DAKOTA LEGISLATIVE COUNCIL

Minutes of the

BUDGET COMMITTEE ON HEALTH CARE

Wednesday and Thursday, January 4-5, 2006
University of North Dakota School of Medicine and Health Sciences
North Dakota Vision Services - School for the Blind
Mill and Elevator
Grand Forks, North Dakota
School for the Deaf
Devils Lake, North Dakota

Senator Aaron Krauter, Chairman, called the meeting to order at 8:30 a.m. on Wednesday, January 4, 2006, at the University of North Dakota School of Medicine and Health Sciences.

Members present: Senators Aaron Krauter, John M. Andrist, Richard L. Brown, Ralph L. Kilzer, Judy Lee, Tim Mathern, Carolyn Nelson; Representatives Gary Kreidt, Todd Porter, Louise Potter, Clara Sue Price, Robin Weisz, Alon C. Wieland

Members absent: Senator Russell T. Thane; Representatives William R. Devlin, Lee Kaldor, Shirley Meyer, Vonnie Pietsch

Others present: Ken Svedjan, State Representative, Grand Forks

Lois Delmore, State Representative, Grand Forks

John M. Warner, State Senator, Ryder

John D. Olsrud, Legislative Council, Bismarck

See attached appendix for additional persons present.

It was moved by Senator Mathern, seconded by Senator Brown, and carried on a voice vote that the minutes of the July 27, 2005, meeting be approved as distributed.

FUTURE COMPREHENSIVE STUDY OF NORTH DAKOTA HEALTH CARE NEEDS

Chairman Krauter called on Dr. Charles E. Kupchella, President, University of North Dakota, who welcomed the committee to the University of North Dakota School of Medicine and Health Sciences. Dr. Kupchella said health care is vital to economic development in North Dakota.

Chairman Krauter called on Dr. Mary Wakefield, Director, University of North Dakota School of Medicine and Health Sciences Center for Rural Health, who presented information regarding health care issues in North Dakota. A copy of the information presented is on file in the Legislative Council office. Dr. Wakefield said North Dakota is one of 13 states that do not participate in the healthcare cost and utilization project (HCUP), which is a federal data base for patient-level health care data relating to

a broad range of health policy issues, including cost and quality of health services, medical practice patterns, and access to health care programs. She said the Center for Rural Health uses the HCUP national data to determine key rural health trends across other states; however, the data does not reflect findings associated with North Dakota. She said participation would require North Dakota to obtain data from third-party payers, including purchasing Medicare data.

In response to a question from Senator Mathern, Dr. Wakefield said it costs approximately \$50,000 per year to update the Medicare data set. She said all states have a federally designated center for rural health responsible for health data collection.

Dr. Wakefield said based on research conducted by the Center for Rural Health, 58 percent of North Dakotans travel 5 miles or less to receive health care; 9 percent travel 21 to 50 miles; and 20 percent travel more than 50 miles to access health care services. She said studies have shown that greater distances people must travel to receive health care services result in underutilization of health care services.

Dr. Wakefield said 51,920 North Dakotans, or 8.2 percent, are uninsured. She said nearly 75 percent of uninsured North Dakotans reside in households with incomes below 200 percent of the federal poverty level, which is less than \$37,700 for a family of four.

Dr. Wakefield said access to electronic medical records for clinicians is currently available within some health care systems in North Dakota, but not all. She said there is no interoperability between different health systems if a patient is transferred from one system to another.

Historically, Dr. Wakefield said, North Dakota's elderly receive a high quality of care despite the fact that Medicare spends considerably less on care for North Dakota beneficiaries. She said Medicare in certain areas is implementing a new model of linking payment to quality of care delivered, referred to as "paying for performance." She said this model has resulted in substantial improvements in the quality of care provided.

In 2004, Dr. Wakefield said, 1,461 physicians were licensed in North Dakota. She said of the state's 328 practicing family medicine physicians, 68 percent graduated from the University of North Dakota with a medical degree, residency training, or both. She said family medicine physicians provide the majority of patient care in rural areas. Similar to the rest of the United States, she said, North Dakota is experiencing a decline in the number of medical student graduates choosing a residency in family medicine.

Increasingly across North Dakota, Dr. Wakefield said providers are developing collaborative arrangements and networks that focus on sharing organizational infrastructure and/or service delivery. She said collaborative arrangements can enhance efficiency through greater economies of scale in terms of joint purchasing and sharing administrative and education functions and in the process, improving access to and quality of services.

Chairman Krauter called on Dr. H. David Wilson, Dean, University of North Dakota School of Medicine and Health Sciences, who presented information regarding the medical school and the physician loan repayment program. A copy of the information is on file in the Legislative Council office. Dr. Wilson presented the following information for the period 1990 to 2000 regarding University of North Dakota School of Medicine and Health Sciences graduates who continue to reside in North Dakota:

	Number of Graduates Remaining in North Dakota/Total Graduates	Percentage of Graduates Remaining in North Dakota
Medical school graduates	182/497	37%
Residency training graduates	161/409	39%
Combined medical school and residency training graduates	343/906	38%

In comparison, Dr. Wilson said approximately 25 percent of all University of North Dakota graduates (all majors) continue to reside in the state after graduation. Dr. Wilson said representatives of other regional medical schools have indicated that their percentage of medical school graduates who remain in state after graduation is comparable to North Dakota.

Dr. Wilson said the physician loan repayment program provides funding for educational loan repayments incurred while the recipient was attending an accredited four-year medical program in exchange for a commitment to serve a community. He said each recipient is limited to a \$45,000 maximum loan repayment from the state, paid over a two-year period. He said additional funding for the loan repayment is to be provided by the selected community in an amount that equals or exceeds the amount of loan repayment

provided by the state. He said 2005 Senate Bill No. 2266 increased the maximum amount of state match from \$40,000 to \$45,000 and provided that the loan be repaid over two years rather than four years.

Dr. Wilson said all available 2005-07 biennium physician loan repayment funding has been committed. Currently, he said, four medical doctors and two physician assistants are participating in the program.

In response to a question from Representative Price, Dr. Wilson said the four medical doctors currently participating in the physician loan repayment program are primarily family medicine physicians located in rural areas.

In response to a question from Senator Krauter, Ms. Mary Amundson, Assistant Professor, University of North Dakota Center for Rural Health, said in order to receive funding from the physician loan repayment program, physicians must commit to practice in the sponsoring community for a two-year period. Historically, she said, approximately 80 percent of the physicians have remained in the community after completing their commitment. She said there is a need for additional funding for the program and related administration costs.

In response to a question from Representative Porter, Ms. Amundson said there are two or three individuals considering applying for the physician loan repayment program. She said individuals are not "turned down" for the program but go on a "waiting list" until additional funding is available.

In response to a question from Senator Lee regarding the decline in the number of doctors entering family practice, Dr. Wilson said the salaries of specialty practice physicians tend to be substantially higher than family practice physicians. In addition, he said, specialty practice physicians have fewer "on-call" hours.

In response to a question from Senator Krauter, Dr. Wilson said he would provide the committee with a historical comparison of federal, state, tuition, and other funding sources received by the University of North Dakota School of Medicine and Health Sciences and an overview of the utilization of the state funding. Dr. Wilson said the state funding is primarily used for educational purposes and research is supported with federal and private grants.

In response to a question from Representative Price, Dr. Wilson said the University of North Dakota School of Medicine and Health Sciences curriculum emphasizes the importance of nutrition and disease management.

In response to a question from Representative Weisz, Dr. Wilson said the decision to close the Family Practice Center in Fargo was based on the decreasing number of medical students entering family medicine. He said the University of North Dakota School of Medicine and Health Sciences could not provide enough qualified residents to support four family practice centers.

In response to a question from Senator Lee, Dr. Wilson said the University of North Dakota School of Medicine and Health Sciences wants "outstanding" candidates to fill the family medicine residency program positions. He said the most qualified candidates are sometimes international graduates. He said language issues can be a concern and it is important for the patient to be able to clearly understand the physician.

In response to a question from Senator Lee, Dr. Wilson said the change to the mission statement of the University of North Dakota School of Medicine and Health Sciences was approved by the faculty and the Medical Center Advisory Council. Senator Lee expressed a concern that the mission statement was not approved by the State Board of Higher Education.

In response to a question from Senator Lee, Dr. Wilson said at least twice each year he presents a report on the status of the University of North Dakota School of Medicine and Health Sciences to the Health Care Advisory Council. He said Senators Mathern and Kilzer serve on the Health Care Advisory Council. Senator Mathern said Dr. Wilson and a number of other administrative personnel from the medical school participate in the meetings. Senator Kilzer said Dr. Wilson provides answers to all questions asked by the Health Care Advisory Council.

In response to a question from Representative Price, Dr. Wilson said the number of students in clinical laboratory science programs has increased in the last few years. He said he would provide the committee with historical information regarding the number of students entering clinical laboratory science programs, including the maximum number of students annually accepted and the related waiting list, if any, for students to enter each program. Senator Krauter asked Dr. Wilson to provide similar student information for allied health programs that are offered by the University of North Dakota School of Medicine and Health Sciences.

The committee recessed at 10:40 a.m. and toured the University of North Dakota School of Medicine and Health Sciences, including the federal research lab, classrooms, and study group sections. In response to a question from Senator Brown, Dr. Wilson said the medical school freshman class size is 62 students.

The committee reconvened at 11:20 a.m.

Chairman Krauter called on Mr. Michael B. Unhjem, President and Chief Executive Officer, Blue Cross Blue Shield of North Dakota, who presented information regarding the need for a comprehensive, long-range study of the state's current and future health care needs. A copy of the information presented is on file in the Legislative Council office. Mr. Unhjem said the percentage of North Dakota's population over age 65 will significantly increase in the next 15 years. He said this age group requires the most health care services. He said a comprehensive study of future health care needs in North Dakota should be conducted. He said the study should include a survey of the state's residents to determine

what they believe will be the primary health care needs in 15 years. He said Blue Cross Blue Shield of North Dakota is willing to provide funding to assist with the study.

In 2004, Mr. Unhjem said, approximately \$80 million of medical expenses incurred by North Dakota residents was paid by Blue Cross Blue Shield of North Dakota to out-of-state providers. In response to a question from Senator Nelson, Mr. Unhjem said Blue Cross Blue Shield of North Dakota does not have information regarding medical expenses incurred in North Dakota by residents of other states. In response to a question from Senator Brown, Mr. Unhjem said approximately 80 percent of the out-of-state medical expenses were paid to Minnesota facilities.

In response to a question from Senator Krauter, Mr. Unhjem said Blue Cross Blue Shield of North Dakota chose to decrease its payment rates to pharmacies for prescription drugs in order to be comparable to payment rates being provided in other states in our region. He said the new Medicare drug plans will have a more significant effect on the revenues of pharmacies than the change in reimbursement rates implemented by Blue Cross Blue Shield of North Dakota. He said there are 200 companies offering health insurance plans in North Dakota.

In response to a question from Representative Porter, Mr. Unhjem said Prime Therapeutics is a pharmacy benefits management company in which Blue Cross Blue Shield of North Dakota is a 6 percent owner. He said Prime Therapeutics is not a profit-making entity and does not sell information to pharmaceutical companies. He said Prime Therapeutics operates a pharmacy mail-order business--Prime Mail Pharmacy--located in Dallas, Texas. He said Blue Cross Blue Shield of North Dakota does not provide incentives to its members to encourage them to use Prime Mail Pharmacy, unless it is specifically requested by the company purchasing the insurance.

Chairman Krauter called on Mr. Shane Wendel, pharmacist, New Rockford, who commented on the pharmacy payment rate reduction implemented by Blue Cross Blue Shield of North Dakota. Mr. Wendel said he is in the process of purchasing two pharmacies located in New Rockford and Carrington. He said approximately 30 to 35 percent of the prescriptions filled at his pharmacies are for Blue Cross Blue Shield of North Dakota members. He said his business will lose \$20,000 to \$25,000 per year as a result of the payment rate reduction. He said if he would not have accepted the contract with Blue Cross Blue Shield of North Dakota, his customers would have been required to pay the difference between the old payment rate and the new rate. He said his customers either cannot afford or would not be willing to pay the difference.

In response to a question from Senator Lee, Mr. Wendel said the North Dakota Legislative

Assembly should provide for a minimum baseline payment rate that must be paid to pharmacies for the cost of filling prescriptions; otherwise, he anticipates many pharmacies in North Dakota will not be able to remain in business.

Chairman Krauter called on Ms. Dorothy Farrell, North Dakota Pharmacists Association, Larimore. Ms. Farrell said Blue Cross Blue Shield of North Dakota was unwilling to negotiate with pharmacies regarding the payment rates for filling prescriptions.

Chairman Krauter called on Dr. James Brosseau, Associate Professor, Chair, Community Medicine, University of North Dakota School of Medicine and Health Sciences, who presented information regarding the Healthy North Dakota worksite wellness program. A copy of the information presented is on file in the Legislative Council office. Dr. Brosseau said the focus of the Healthy North Dakota program is to delay or prevent disease through health promotion and to reduce the complications of established disease through proper management. He said elements of the worksite wellness program include assessing health risks of the workforce and developing a customized plan for each worksite which will prevent diseases, detect diseases early, and reduce the complications of established disease.

In response to a question from Representative Price, Dr. Brosseau said as part of the Healthy North Dakota program, businesses can request a personal wellness profile be completed for their employees. He said the businesses are charged on a per capita basis for the profiles.

Chairman Krauter called on Dr. John Baird, Field Medical Officer, State Department of Health, who provided information regarding possible expansion of the current state planning grant study to a comprehensive, long-range study of North Dakota's current and future health care needs. Dr. Baird said the state planning grant is a federal grant from the United States Health Resources and Services Administration. He said the purpose of this grant has been to study health insurance coverage in North Dakota and to consider alternatives for expanding health insurance coverage. He said the grant began in 2003 with oversight from the Governor's Health Insurance Advisory Committee and research conducted by the University of North Dakota School of Medicine and Health Sciences Center for Rural Health.

Dr. Baird said the state planning grant is in its final year. He said he does not foresee that the program will continue beyond August 31, 2006. He said in this final year of the grant, the study will focus on insurance coverage of American Indians and barriers that prevent their access to health care. In addition, he said, an employer health insurance survey will be completed.

Dr. Baird said the Centers for Medicare and Medicaid Services reports that national health expenditures in 2003 were \$1.7 trillion or \$5,670 per capita. He said health spending accounted for

15.3 percent of the gross domestic product. He said by 2014 total health spending is projected to constitute 18.7 percent of the gross domestic product. He said the Centers for Medicare and Medicaid Services estimates that total personal health care expenditures in North Dakota in 2000 were \$2.9 billion, or 16.2 percent of the gross state product, an increase from the 1990 total personal health care expenditures of \$1.7 billion, or 14.4 percent of the gross state product.

Dr. Baird said a comprehensive study of North Dakota's health care needs should examine health care financing as well as the health care delivery system in North Dakota. He said the study of health care delivery should include a review of the use of electronic health records.

Dr. Baird said "encounter data" could be collected directly from hospitals and providers which would provide information about the uninsured and access to care. He said computer claims systems have advanced since 1998 which should make collection of this data feasible. He said data analysis would require a statistician to conduct data acquisition, data cleaning and quality checks, and generation of reports. He said this could be done by the State Department of Health in conjunction with the University of North Dakota School of Medicine and Health Sciences. He said he is not aware of any outside funding sources for data collection.

In response to a question from Senator Mathern regarding recommendations that could be addressed by the 2007 Legislative Assembly, Dr. Baird said an epidemiological center would be useful to evaluate a number of sources of data and to monitor morbidity, mortality, and trends of health issues. He said further study of health care issues will be necessary; however, there may be some issues that may be addressed by the 2007 Legislative Assembly.

Chairman Krauter called on Dr. Robert A. Thompson, North Dakota Medical Association, who presented information regarding health care technology and legal and marketing issues. A copy of the information presented is on file in the Legislative Council office. Dr. Thompson said new technology creates its own demand from direct marketing to the public and from providers' desire to be "cutting edge." He said new technology relates to procedures, machines, supplies, therapeutics, and processes.

Dr. Thompson said the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) is a private, nonprofit organization that evaluates medical facility compliance standards based on a set of requirements that are essential to the delivery of high-quality patient care. He said credentialing is the process of obtaining, verifying, and assessing qualifications of a health care practitioner to provide services in a health care organization. He said privileging is the process whereby a specific scope and content of services are authorized based on evaluation of the individuals' credentials and performance.

In response to a question from Senator Lee, Dr. Thompson said a national standards committee on electronic records met during the early 1990s; however, the committee was unable to establish a national standard for a common electronic patient health records system. He said there are concerns relating to patient confidentiality issues with an open system.

The committee recessed at 1:40 p.m. and traveled to North Dakota Vision Services - School for the Blind.

NORTH DAKOTA VISION SERVICES - SCHOOL FOR THE BLIND BUDGET TOUR

The committee reconvened at North Dakota Vision Services - School for the Blind at 2:10 p.m. Ms. Carmen Grove Suminski, Superintendent, North Dakota Vision Services - School for the Blind, welcomed the committee to the school. She provided information regarding the status of the 2005-07 budget, clients served, programs and services, and anticipated budget needs for the 2007-09 biennium. A copy of the information presented is on file in the Legislative Council office.

Ms. Tami Purcell, Business Manager, North Dakota Vision Services - School for the Blind, reviewed the status of the budget for the school. She said the 2005-07 biennium appropriation for the school is \$3,371,056, of which \$2,524,609 is from the general fund and \$846,447 from special funds. She said total expenditures of \$644,511 have been incurred through November 30, 2005, which represents 19 percent of the total 2005-07 biennium appropriation. She said the 2003-05 biennium appropriation for North Dakota Vision Services - School for the Blind was \$2,900,032, of which \$2,089,054 was from the general fund and \$810,978 from special funds.

Ms. Suminski presented the following schedule summarizing the number of clients served in recent years:

Biennium	Clients Served (Unduplicated)		
	Infants/Students	Adults	Total
1999-2001	260	82	342
2001-03	403	174	577
2003-05	328	189	517

In response to a question from Senator Krauter, Ms. Suminski said the number of children served by North Dakota Vision Services - School for the Blind is decreasing while the number of adults served is increasing. She said 2001 House Bill No. 1038 expanded the responsibility of the agency to provide for North Dakota Vision Services - School for the Blind to be a statewide service, resource, and referral center for all residents of the state who are blind or visually impaired, including adults.

Ms. Suminski presented the committee with a plan for a proposed addition and remodel of the North Dakota Vision Services - School for the Blind building. She said due to the increasing number of adult

referrals, there are additional staffing and programming needs in assessment and instruction for all areas of disability-specific core curricula.

Ms. Suminski presented the committee with information regarding the organizational status study completed by Roger Worner Associates, Inc., Sartell, Minnesota. She said the study was conducted to establish a status profile of the agency to be used as a basis for further strategic planning, organizational self-improvement, and longitudinal organizational evaluation. She said the study concluded that the agency is an effective, efficient, and cost-effective organization.

The committee toured North Dakota Vision Services - School for the Blind, including the vision resource center/library, daily living care center, technology center, music center, and vocational center. In addition, the committee members were introduced to staff and volunteers at North Dakota Vision Services - School for the Blind.

The committee recessed at 3:30 p.m. and traveled to the Mill and Elevator.

MILL AND ELEVATOR BUDGET TOUR

The committee reconvened at the Mill and Elevator at 3:45 p.m. Mr. Vance Taylor, General Manager, Mill and Elevator, welcomed the committee to the mill. He presented the mill's mission statement, strategic plan, and statistics. A copy of the information presented is on file in the Legislative Council office. He said the mill's strategic plan is to:

- Promote and support North Dakota agriculture, commerce, and industry.
- Increase the earnings potential of the mill.
- Focus on customers.
- Develop and grow employees.
- Improve technology.
- Expand internal and external communications.

Mr. Taylor said the mill can store 4.3 million bushels of grain. He said the mill uses 65,000 bushels of wheat per day to produce 29,000 hundredweight of flour per day. He said flour production will increase to 34,000 hundredweight per day when the C and K mill expansion projects are completed.

Mr. Ed Barchenger, Controller and Financial Manager, Mill and Elevator, reviewed the mill's recent profits:

Fiscal year 2001	\$330,085
Fiscal year 2002	\$1,924,595
Fiscal year 2003	\$2,003,461
Fiscal year 2004	\$5,636,472
Fiscal year 2005	\$5,806,157

Mr. Taylor said the total 2005-07 biennium appropriation for the Mill and Elevator is \$32.8 million from special funds, of which \$17.3 million is for salaries and wages and \$15.5 million is for other operating expenses.

Mr. Taylor said 2005 Senate Bill No. 2014 provides for a \$5 million transfer from the Mill and Elevator to the general fund during the 2005-07 biennium, which is the same as the 2003-05 biennium. He said between 1971 and 2005 the mill has transferred \$52.5 million, or approximately 56.9 percent of its profits to the general fund.

Mr. Taylor said the mill spent \$2,262,589 on capital projects during fiscal year ended June 30, 2005, including \$1.7 million for the whole wheat mill project. He said capital expenditures are estimated to be \$8.7 million during fiscal year ended June 30, 2006, including \$6.3 million for the C and K mill expansion projects and \$850,000 for a Buhler packaging system.

In response to a question from Senator Andrisc, Mr. Taylor said the mill realizes approximately 5 percent profit on total flour sales.

The committee conducted a tour of the Mill and Elevator.

Upon completion of the tour, the committee recessed at 5:30 p.m.

SCHOOL FOR THE DEAF BUDGET TOUR

The committee reconvened at 9:05 a.m. on Thursday, January 5, 2006, at the School for the Deaf, Devils Lake.

Mr. Roger Rieger, Interim Superintendent, School for the Deaf, welcomed the committee to the school and presented information on the status of the school's 2005-07 budget, current buildings and land utilization, its programs and services, number of students, and anticipated budget needs for the 2007-09 biennium. A copy of the information presented is on file in the Legislative Council office.

Mr. Eric Lysne, Business Manager, School for the Deaf, said the 2005-07 biennium appropriation for the school is \$6,692,362, of which \$5,365,097 is from the general fund and \$1,327,265 is from federal and special funds. He said approximately 75 percent of the appropriation is for salaries and wages. He said major operating costs are for the transportation program, utilities, food, data processing, and telecommunications.

Mr. Lysne said beginning with the 2004-05 school year, available space on the second floor of the Smith Building was converted to classrooms. He said the dorm facilities were consolidated in the Blackhurst Building. He said the former school building is currently being leased to Head Start and other additional space is leased to Protection and Advocacy and to a martial arts academy.

In response to a question from Senator Lee, Mr. Rieger said the weekend transportation program allows students to return home on the weekends. He said the school operates three ground transportation routes and two air routes. He said one airplane transports students to Bismarck and Dickinson and another to Minot and Williston.

Mr. Rieger said the School for the Deaf provides services to 29 students. He said a majority of the students have multiple handicaps. On average, he said, 25 students reside in the dorm.

Mr. Lysne said anticipated 2007-09 capital improvement needs for the School for the Deaf include reroofing the gymnasium, continued maintenance on campus roads and parking lots, and researching the cost feasibility of demolishing the old infirmary building.

Ms. Carol Lybeck, Outreach Coordinator, School for the Deaf, presented information on outreach services. She said the School for the Deaf outreach program provides assessments, consultation services, and specialized instruction throughout the state.

Mr. Rieger said the School for the Deaf provides comprehensive educational programming that covers a broad range of disciplines, including traditional academics, vocational education, special studies, physical education, and art. He said students are mainstreamed, when appropriate, with their hearing peers in classes offered at the Devils Lake Public Schools and Lake Area Career and Technology Center.

The committee viewed a student presentation and conducted a tour of the School for the Deaf, including the gymnasium, classrooms, swimming pool, and museum.

ALLIED HEALTH PROFESSIONS BOARD STUDY

The Legislative Council staff presented a memorandum entitled [*Summary of North Dakota Health Profession Boards and Commissions*](#). The Legislative Council staff said the memorandum provides information on 23 state health-related boards and commissions, including the number of individuals licensed, education and training requirements, examination requirements, continuing education requirements, licensure fees, number of board members, and responsibility for determining licensure requirements. The Legislative Council staff said each of these health boards and commissions are provided for in the North Dakota Century Code; however, licensure and regulation requirements for each board are not consistently provided in statute.

Senator Lee said the Legislative Assembly prefers not to regulate boards and commissions; however, sometimes it is necessary to create laws in order to make sure issues are addressed.

In response to a question from Senator Lee, Chairman Krauter said the committee would receive a presentation from a representative of the Board of Nursing at the next meeting regarding clinical practice requirements for licensure of registered nurses, licensed practical nurses, and advanced practice nurses.

In response to a question from Senator Nelson, Mr. John D. Olsrud, Director, Legislative Council, said the North Dakota Century Code provides for the

elected Governor to make appointments to various state positions. Senator Krauter said individuals are recommended by representatives of the regulated groups to the Governor for appointment to the various boards and commissions; however, the Governor is not obligated to appoint someone from the list.

Representative Porter asked the Legislative Council staff to prepare the following three bill drafts:

1. Consolidate the Board of Addiction Counseling Examiners, Board of Counselor Examiners, State Board of Psychologist Examiners, Board of Social Work Examiners, and the North Dakota Marriage and Family Therapy Licensure Board into one single board.
2. Create a State Board of Allied Health for any new allied health profession that would like to be established in the North Dakota Century Code. He said the State Board of Allied Health could provide licensure requirements for existing allied health professions that choose not to be a "stand-alone" board. Representative Price said allied health professions could petition to be members of the State Board of Allied Health. She said there should be flexibility with membership to provide for equal representation.
3. Require a study process to be conducted by an interim Legislative Council committee for any new allied health profession wishing to be established in the North Dakota Century Code.

Senator Andrist suggested the committee recommend a "sunset clause" provision for each North Dakota Century Code section providing for allied health boards and commissions to require the boards and commissions to justify why they should continue to be a stand-alone entity.

CONSOLIDATION OF STATE BOARDS AND COMMISSIONS STUDY

The Legislative Council staff presented a memorandum entitled [Boards and Commissions - Consolidation Efforts in Other States](#). The Legislative Council staff said centralization involves placing the regulatory or licensing function of autonomous boards under an umbrella or central agency. Often, centralization involves boards that are interdisciplinary in nature dealing with related occupations. In some states, boards have maintained all of their regulatory authority and the central agency merely performs "housekeeping" duties, such as payroll and printing. In other states, the board merely serves in an advisory capacity to the director of the umbrella agency.

The Legislative Council staff reviewed the various benefits of autonomous boards and central agencies as identified by the Council on Licensure, Enforcement and Regulation. The Legislative Council staff reviewed consolidation efforts in other states,

including California, Montana, Nebraska, Texas, and Minnesota.

Chairman Krauter called on Mr. Ken Tupa, APT, Inc., Bismarck, who commented on the committee's study of consolidation of state boards and commissions. He said his business provides administrative and management services for various state boards and commissions. He said many of his clients are smaller entities that want to remain autonomous but are in need of centralized administrative services.

The committee adjourned subject to the call of the chair at 12:05 p.m.

Donald J. Wolf
Senior Fiscal Analyst

Allen H. Knudson
Assistant Legislative Budget Analyst and Auditor

[ATTACH:1](#)