

NORTH DAKOTA LEGISLATIVE COUNCIL

Minutes of the

BUDGET COMMITTEE ON HEALTH CARE

Wednesday, July 27, 2005
Roughrider Room, State Capitol
Bismarck, North Dakota

Senator Aaron Krauter, Chairman, called the meeting to order at 9:00 a.m.

Members present: Senators Aaron Krauter, John M. Andrist, Richard L. Brown, Judy Lee, Tim Mathern, Carolyn Nelson, Russell T. Thane; Representatives William R. Devlin, Lee Kaldor, Gary Kreidt, Shirley Meyer, Vonnie Pietsch, Todd Porter, Louise Potter, Clara Sue Price, Robin Weisz

Members absent: Senator Ralph L. Kilzer; Representative Alon C. Wieland

Others present: See attached appendix

SUPPLEMENTARY RULES OF OPERATION AND PROCEDURE

At the request of Chairman Krauter, the legislative budget analyst and auditor reviewed the [Supplementary Rules of Operation and Procedure of the North Dakota Legislative Council](#).

COMMENTS BY THE COMMITTEE CHAIRMAN

Chairman Krauter said the committee has been assigned the responsibility to conduct budget tours of North Dakota Vision Services - School for the Blind, Mill and Elevator, School for the Deaf, State Fair, International Peace Garden, State Department of Health - East laboratory facilities, state morgue, crime lab facilities, and Fraine Barracks.

LICENSURE AND REGULATION OF VARIOUS STATE BOARDS AND PRACTICES STUDY

The Legislative Council staff presented a memorandum entitled [Studies of Licensure and Regulation of Various State Boards and Practices - Background Memorandum](#). The Legislative Council staff said the memorandum provides background information on three related studies:

- A study of the licensure and regulation of acupuncturists practicing in the state, as well as the possibility of multistate joint licensure and regulation programs, pursuant to Section 1 of 2005 Senate Bill No. 2171.
- A study of the fiscal impact and desirability of establishing an umbrella licensing organization for a group consisting of counselors,

psychologists, marriage and family therapists, and social workers, pursuant to Section 2 of 2005 Senate Bill No. 2269.

- A study of the feasibility and desirability of creating an allied health professions board to regulate the practice of members of allied health professions, including the consideration of the feasibility and desirability of a North Dakota allied health professions board entering joint professional licensure agreements with neighboring states, pursuant to Section 6 of 2005 House Bill No. 1280.

LICENSURE AND REGULATION OF ACUPUNCTURISTS STUDY

The Legislative Council staff said acupuncture practice is a comprehensive system of health care using Oriental medical theory and its unique methods of diagnosis and treatment. Its treatment techniques include the insertion of acupuncture needles through the skin and the use of other biophysical methods of acupuncture point stimulation. The Legislative Council staff said there currently is no state regulation or licensure of acupuncturists in North Dakota.

The Legislative Council staff said the National Certification Commission for Acupuncture and Oriental Medicine was established in 1982 to develop and administer a national certification process based on the nationally recognized standards of competence and education. The National Certification Commission for Acupuncture and Oriental Medicine is the only nationally recognized certification available to qualified practitioners of acupuncture and Oriental medicine. Certification is granted to those who meet the eligibility criteria and pass an examination of an individual's knowledge and skills necessary for safe and effective acupuncture practice.

Senator Mathern asked that the National Certification Commission for Acupuncture and Oriental Medicine and the Acupuncture and Oriental Medicine Alliance be requested to provide information to the committee regarding the acupuncture profession.

Senator Lee said the primary purpose for licensure requirements is to prevent an individual from representing themselves as a professional acupuncturist without obtaining minimum levels of education,

training, and skill. She said some chiropractors offer limited acupuncture services but it is a very small part of their practice.

Chairman Krauter called on Senator Ray Holmberg, Grand Forks, who said it is important for the protection of the residents of North Dakota that individuals practicing acupuncture in the state be licensed and regulated. He said the problem is that there are not enough acupuncturists in the state to financially support an independent board.

Senator Lee said because of the small number of professional acupuncturists in the state, the study plan provides for the committee to consider legal options and the interest from other neighboring states regarding establishing joint licensure agreements for acupuncturists.

It was moved by Senator Brown, seconded by Senator Lee, and carried on a voice vote that the committee approve the following study plan related to the licensure and regulation of acupuncturists:

1. **Receive testimony from acupuncturists and other interested individuals regarding licensure and regulation of acupuncturists practicing in the state.**
2. **Receive testimony from the State Department of Health, the Attorney General's office, and other interested individuals regarding the development of licensure requirements and regulations for acupuncturists practicing in North Dakota; the process for establishing multistate joint licensure and regulation programs; and, if applicable, from representatives of neighboring states regarding the interest of establishing joint licensure agreements for acupuncturists.**
3. **Receive testimony from representatives of the State Board of Medical Examiners regarding the possibility of the board licensure and regulating acupuncturists.**
4. **Receive information from Blue Cross Blue Shield of North Dakota and other third-party providers regarding possible certification or licensure requirements for reimbursement of acupuncture treatment.**
5. **Receive information from the National Certification Commission for Acupuncture and Oriental Medicine and the Acupuncture and Oriental Medicine Alliance regarding the acupuncture profession.**
6. **Develop committee recommendations and any related bill drafts relating to licensure and regulation of acupuncturists practicing in North Dakota.**
7. **Prepare a final report for submission to the Legislative Council.**

STUDY OF ESTABLISHING AN UMBRELLA LICENSING ORGANIZATION FOR COUNSELORS, PSYCHOLOGISTS, MARRIAGE AND FAMILY THERAPISTS, AND SOCIAL WORKERS

The Legislative Council staff said counselors, psychologists, marriage and family therapists, and social workers provide the following services:

- **Counseling** is an application of human development and mental health principles in a therapeutic process and professional relationship to assist individuals, couples, families, and groups in achieving more effective emotional, mental, marital, family, and social or educational development and adjustment.
- **Psychology** is the observation, description, evaluation, interpretation, or modification of human behavior by the application of psychological principles, methods, and procedures for the purpose of preventing or eliminating symptomatic, maladaptive, or undesired behavior and enhancing interpersonal relationships, work and life adjustment, personal effectiveness, behavioral health, and mental health.
- **Marriage and family therapy** is the diagnosis and treatment of mental and emotional disorders, whether cognitive, effective, or behavioral, within the context of marriage and family systems.
- **Social work practice** consists of the professional application of social work values, principles, and techniques in helping people obtain tangible services, counseling, psychotherapy, and providing social casework, social work education, social work research, or any combination of these.

The Legislative Council staff said the 2001-02 interim Legislative Council Commerce Committee studied the ability of occupational and professional boards with fewer than 100 licensees to process disciplinary complaints and carry out other statutory responsibilities. The committee identified four North Dakota occupational and professional boards with fewer than 100 licensees or registrants (Board of Hearing Aid Specialists, Board of Podiatric Medicine, North Dakota Board of Reflexology, and State Board of Registration for Professional Soil Classifiers). The Legislative Council staff said the committee made no recommendations with respect to its study of occupational and professional boards that license fewer than 100 licensees.

The Legislative Council staff said the 1995-96 interim Legislative Council Government Organization Committee studied all boards and commissions of state government and whether any of those entities have overlapping powers and duties, whether any of those entities should be eliminated or

consolidated, whether each entity performs the functions for which it was originally created, and whether the membership of each entity is responsible to the people of the state. The Legislative Council staff said the committee considered but did not recommend bill drafts that would have consolidated various occupational and professional boards into two boards--the Board of Health Services and the Board of Business Practices.

Senator Krauter asked that the study plan include that the boards and commissions present to the committee a copy of their most recent audit report, including an overview of their revenues and expenditures. Senator Nelson said she would like the presentations to include information on state funding received by each board or commission.

Senator Krauter asked the Legislative Council staff to prepare a spreadsheet or "matrix" providing information on each of the state's medical-related boards and commissions, including educational requirements, fees charged, individuals or groups responsible for licensing, and the number of individuals on the board. Senator Lee asked that the "matrix" also include information on continuing education requirements. Representative Porter asked that the "matrix" be arranged in a manner that provides similarities and differences among the boards and commissions.

Representative Devlin asked that the boards and commissions provide information regarding whether any licensing or regulatory fees paid to a board or commission are used to support a related association.

Senator Andrist said Governor Ed Schafer appointed a task force in 1994 to study whether there is a need for all the individual boards and commissions. He said nearly all the state boards and commissions were opposed to consolidation. He said the committee may want to study the process undertaken by other states to consolidate various boards and commissions. Chairman Krauter asked the Legislative Council staff to contact the National Conference of State Legislatures or other sources for information regarding other states' efforts to consolidate boards and commissions. Representative Devlin said Nebraska has recently created an umbrella licensing board.

Senator Mathern said the committee may want to request the Governor's office to comment on consolidation of boards and commissions and the responsibility associated with making appointments to the various boards and commissions.

It was moved by Representative Porter, seconded by Senator Andrist, and carried on a voice vote that the committee approve the following study plan related to the study of establishing an umbrella licensing organization for counselors, psychologists, marriage and family therapists, and social workers:

1. **Receive testimony from representatives of the Board of Counselor Examiners, State Board of Psychologist Examiners, North Dakota Marriage and Family Therapy Licensure Board, and North Dakota Board of Social Work Examiners regarding licensure and regulation requirements; the number of individuals licensed; revenues and expenditures; whether any licensing or regulatory fees paid to the board or commission are used to support related associations; similarities and differences between each of the boards; an overview of the most recent audit report; and the feasibility of establishing an umbrella licensing organization for some or all of these organizations.**
2. **Receive testimony from other interested boards, commissions, and individuals regarding creating an umbrella licensing organization for certain boards and commissions.**
3. **Receive comments from a representative of the Governor's office regarding consolidation and the responsibility associated with making appointments to the various boards and commissions.**
4. **Receive information from the National Conference of State Legislatures or other sources regarding the process undertaken by other states to consolidate various boards and commissions.**
5. **Develop committee recommendations and any related bill drafts.**
6. **Prepare a final report for submission to the Legislative Council.**

ALLIED HEALTH PROFESSIONS BOARD STUDY

The Legislative Council staff said allied health professions are boards and commissions involved with delivery of health care or related services pertaining to identification, evaluation, and prevention of diseases and disorders; dietary and nutrition services; and rehabilitation and health systems management. The Legislative Council staff said allied health professions may include professions such as dental hygienists, dietitians, medical technologists, occupational therapists, physical therapists, polysomnographic technologists, respiratory therapists, speech-language pathologists, and radiologic technologists.

The Legislative Council staff said pursuant to North Dakota Century Code (NDCC) Section 43-51-07, a board may establish, by administrative rule, conditions and procedures for foreign practitioners to practice in this state pursuant to written compacts or agreements between the board and one

or more other states or jurisdictions or pursuant to any other method of license recognition that ensures the health, safety, and welfare of the public. The Legislative Council staff said an example of a multistate licensure agreement is the Nurse Licensure Compact, which allows a nurse to have one license (in the nurse's state of residence) and to practice in other states as long as that nurse acknowledges that he or she is subject to each state's practice laws and discipline.

It was moved by Representative Devlin, seconded by Representative Porter, and carried on a voice vote that the committee approve the following study plan related to the allied health professions board:

- 1. Receive testimony from representatives of the State Board of Medical Examiners and other state boards and commissions regarding licensure and regulation requirements, the number of individuals licensed, revenues and expenditures, similarities and differences between each of the boards, the feasibility of establishing an allied health professions board or consolidating various boards and commissions under one licensing and regulating entity, and the feasibility and desirability of a North Dakota allied health professions board entering joint professional licensure agreements with neighboring states.**
- 2. Receive testimony from other interested organizations and individuals regarding establishing an allied health professions board and the feasibility and desirability of a North Dakota allied health professions board entering joint professional licensure agreements with neighboring states.**
- 3. Develop committee recommendations and any related bill drafts.**
- 4. Prepare a final report for submission to the Legislative Council.**

POTENTIAL STUDY OF CURRENT AND FUTURE HEALTH CARE NEEDS IN NORTH DAKOTA

The Legislative Council staff presented a memorandum entitled [*Study of Current and Future Health Care Needs in North Dakota - Background Memorandum*](#). The Legislative Council staff said Section 11 of 2005 House Bill No. 1010 provides for a Legislative Council study of the desirability of proposing a comprehensive health care and health insurance study to be performed during the 2007-08 interim. The study is to include consideration of whether there is a need for a comprehensive, long-range study of the state's current and future health care needs in

order to address the aging population of the state, health care cost-shifting to the private sector, uncompensated health care services, shortages of health care professionals, duplication of technology and facilities, and other factors that might affect the health care system in the future.

The Legislative Council staff said the State Health Council established the North Dakota Health Task Force in 1990 to identify and address the major health issues facing the state and to develop appropriate recommendations for change. The final recommendations of the task force provided suggestions for improving health care services in North Dakota, including providing emergency medical services within 5 minutes to 90 percent of the population in urban areas and within 10 minutes to 90 percent of the population in rural areas, extend the 911 emergency number system statewide, access to primary care should be available within 30 minutes at least once per week to at least 90 percent of the population, and the State Health Council should develop a comprehensive statewide assessment of North Dakotans health status and health care services.

Senator Mathern asked that the Insurance Department, State Department of Health, and the Department of Human Services provide the committee with information regarding the cost of health insurance and the number of uninsured in North Dakota.

Senator Thane asked that the committee study other state and private programs that promote public wellness.

Senator Krauter asked that representatives of the health insurance industry provide information regarding the availability of health insurance plans. Senator Nelson said the Public Employees Retirement System (PERS) could provide information regarding health insurance in North Dakota. Senator Brown asked that the study plan provide for the committee to receive testimony from private and public health insurance providers, including PERS.

Chairman Krauter called on Dr. John Baird, Field Medical Officer, State Department of Health, who presented information regarding a potential comprehensive study of North Dakota health care needs. A copy of the information presented is on file in the Legislative Council office. Dr. Baird said that for the past two years, he has supervised the Health Resources and Services Administration federal grant program to study health insurance coverage in North Dakota and to look at potential options for expanding health insurance coverage. The Governor's Health Insurance Advisory Committee is the oversight committee for the study. He said a total of \$781,889 of grant funding was received during the first year of the program. He said total grant funding of \$162,196 is anticipated to be received during the current year and \$207,617 has been requested for a third year of the study.

Dr. Baird said based on a telephone survey conducted in spring 2004, approximately 8.2 percent of North Dakota's population does not have health insurance, as compared to the national rate of 15.2 percent. He said this represents about 52,000 residents of the state, including approximately 11,000 children under age 18. He said American Indians were far more likely to be uninsured (31.7 percent) compared to Caucasians (6.9 percent). He said a resident living in a household with an annual income of less than \$10,000 was twice as likely to be uninsured (16.6 percent), compared to the overall state rate of 8.2 percent.

In response to a question from Senator Thane, Dr. Baird said there are young healthy individuals who choose not to pay for health insurance; however, studies indicate that a majority of uninsured individuals simply cannot afford insurance coverage.

In response to a question from Senator Mathern, Dr. Baird said the parameters of the federal grant program relates to increasing the number of insured, which encompasses only a portion of the proposed comprehensive study of health care and health insurance.

Senator Lee said the committee may want to consider receiving an additional, more detailed report from Dr. Baird at a future meeting.

In response to a question from Senator Andrist, Dr. Baird said the uninsured tend to "put off" receiving health care services.

Senator Brown said a future study of health care should examine the basis for the cost of health care services provided as a reason for the high cost of health insurance.

Chairman Krauter called on Mr. David Zentner, Director, Medical Services, Department of Human Services, who provided information regarding a potential comprehensive study of North Dakota health care needs. A copy of the information presented is on file in the Legislative Council office. Mr. Zentner said it is expected that the state's population over age 65 will increase from the current population of 97,800 to approximately 149,600 by 2020. He said the state's population over age 85 is expected to increase from the current population of 15,300 to approximately 24,300 by 2020. He said individuals over age 85 are most likely to require long-term care services.

Mr. Zentner said a future study of health care needs may consider addressing the impact of potential federal Medicaid reform on the state's Medicaid program. He said Medicaid reform may provide the state with options to significantly change the scope of services provided and eligibility requirements.

In response to a question from Senator Mathern, Mr. Zentner said the Department of Human Services is studying ways to continue meeting the demand for services considering the growth in the state's elderly population. He said the department emphasizes home and community care; however, there may be a

need to relocate and/or add skilled nursing home beds.

In response to a question from Senator Nelson, Mr. Zentner said there are currently more service options available for individuals with Alzheimer's and dementia than 10 years ago. He said future demand for services will greatly depend on the availability of new treatment options.

Senator Thane said there is a public impression that all elderly people are in need of medical care; however, many are healthy and very active.

Chairman Krauter and other members of the committee congratulated Mr. Zentner on his upcoming retirement and thanked him for his services.

Chairman Krauter called on Mr. Michael Fix, Director, Life and Health Division, Insurance Department, who presented information regarding a potential comprehensive study of North Dakota health care needs. Mr. Fix said methods for decreasing the number of uninsured may be better addressed by reclassifying the uninsured population into smaller demographic units.

In response to a question from Senator Krauter, Mr. Fix said the Life and Health Division of the Insurance Department performs policy form analysis, senior health insurance counseling, senior hotline services, the insurance complaint function, and operates the Prescription Connection for North Dakota program.

Senator Krauter asked that at a future meeting the Insurance Department provide information regarding the cost of health insurance and long-term care insurance in North Dakota and a brief overview of the senior health insurance counseling program, including Medicare Part D.

Chairman Krauter called on Mr. Dan Ulmer, Blue Cross Blue Shield of North Dakota, Mandan, who commented on a potential comprehensive study of North Dakota health care needs. Mr. Ulmer said Blue Cross Blue Shield of North Dakota wrote a letter to Governor John Hoeven requesting a study of what the health care system should look like in 2020. Mr. Ulmer said he served on the 1990-94 Health Task Force, along with three other individuals present at this meeting--Senator Mathern, Mr. Dave Peske, and Mr. Chip Thomas. He said it is important for the study to be conducted because there will not be enough funding available to address the anticipated demand for health care services.

Chairman Krauter called on Mr. Tom Tupa, North Dakota Chapter of the National Association of Social Workers, Bismarck, who commented on a potential comprehensive study of North Dakota health care needs. Mr. Tupa said there is a shortage of mental health addiction counselors in North Dakota.

Chairman Krauter called on Mr. Garth Kruger, Project Director, Center for Rural Health, University of North Dakota School of Medicine and Health Sciences, who presented information on North Dakota

suicide statistics. A copy of the information presented is on file in the Legislative Council office. Mr. Kruger said he has participated in a series of forums on North Dakota state and tribal health issues. He said the most recent forum addressed suicide prevention. Mr. Kruger said between 1994 and 2003 there were 789 identified suicides in North Dakota. He said suicide rates among American Indians on reservations is anywhere from 2 to 10 times higher than the rest of the state's population. He said the suicide rate data is conservative because many deaths may not be classified as a suicide. He said the highest rate of suicide in the state was in Billings and Sioux Counties.

Senator Lee said Mr. Kruger made a PowerPoint presentation at the Suicide Prevention Forum. She said committee members may be interested in receiving a copy of that presentation for reference.

Chairman Krauter called on Mr. Dave Peske, North Dakota Medical Association, who commented on a potential comprehensive study of North Dakota health care needs. Mr. Peske said the North Dakota Medical Association has prepared a report regarding health care technology, legal, and marketing issues that he would be pleased to present to the committee. Chairman Krauter said the presentation will be tentatively scheduled for the next meeting.

Representative Porter asked if the North Dakota Medical Association could include, as part of its presentation, national guidelines for duplication of technology and the number of procedures to be completed annually by a physician to be certified for that certain procedure, and to the extent possible, the rate at which North Dakota physicians meet those guidelines.

The committee recessed for lunch from 12:10 to 1:15 p.m.

Senator Mathern said the committee may want to consider the possibility of requesting permission from the chairman of the Legislative Council to proceed this interim with the study of future health care needs. Senator Mathern asked Dr. Baird to provide the committee with information regarding possible expansion of the current study of health insurance coverage in North Dakota to a comprehensive, long-range study of the state's current and future health care needs, including details on the study topic areas that would be added, the funding needed for the additional topic areas, and potential sources of funding for the study expansion. Chairman Krauter said a presentation from Dr. Baird or other representative of the Governor's Health Insurance Advisory Committee will be tentatively scheduled for the next meeting.

Representative Price asked that the University of North Dakota School of Medicine and Health Sciences provide the committee information regarding the percentage of medical school graduates who remain in North Dakota, the specialties of the

graduates, the physician loan program, and the focus of the School of Medicine and Health Sciences.

It was moved by Senator Brown, seconded by Senator Mathern, and carried on a voice vote that the committee approve the following study plan related to the current and future health care needs in North Dakota:

- 1. Receive testimony from representatives of the Insurance Department, the State Department of Health, and Department of Human Services regarding a general overview of present and future health care issues and concerns in North Dakota, including the aging population in the state, health care cost-shifting to the private sector, the trend of uncompensated health care services, the cost of health insurance and long-term care insurance in North Dakota, an overview of Medicare Part D and the senior health insurance counseling program, the number of uninsured in North Dakota, and programs offered in other states or by private organizations that promote public wellness.**
- 2. Receive testimony from the University of North Dakota School of Medicine and Health Sciences regarding information and statistics available on access, quality, and cost of health care within the state, including shortages of health care professionals in North Dakota; technological innovations affecting the delivery of health care in rural areas; the percentage of medical school graduates who remain in North Dakota; the specialties of the graduates; the physician loan program; and the focus of the School of Medicine and Health Sciences.**
- 3. Receive information from the North Dakota Healthcare Association and other interested individuals and organizations regarding uncompensated health care services provided in North Dakota and duplication of technologies and facilities.**
- 4. Receive information from individuals and organizations involved in the Health Task Force conducted from 1990-94 regarding methodology and results of the study.**
- 5. Receive a status report from a representative of the State Department of Health regarding the Healthy North Dakota program.**
- 6. Receive testimony from private and public health insurance providers, including PERS, regarding the availability of health insurance.**
- 7. Receive a presentation from a representative of the Governor's Health Insurance**

Advisory Committee regarding possible expansion of the current study of health insurance coverage in North Dakota to a comprehensive, long-range study of the state's current and future health care needs, including details on the study topic areas that would be added, the funding needed for the additional topic areas, and potential sources of funding for the study expansion.

8. **Receive information from interested organizations, entities, and individuals regarding the desirability of and ideas for a potential comprehensive, long-range study of the state's current and future health care needs.**
9. **Develop committee recommendations and any related bill drafts if it is determined that there is a need for a comprehensive, long-range study of the state's current and future health care needs, including addressing the parameters of the proposed study and how the proposed study will be designed in order to allow for significant consumer input.**
10. **Prepare a final report for submission to the Legislative Council.**

OTHER DUTIES AND RESPONSIBILITIES

The Legislative Council staff presented a memorandum entitled [*Other Duties and Responsibilities of the Budget Committee on Health Care - Background Memorandum*](#). The Legislative Council staff said the Budget Committee on Health Care was assigned the following additional responsibilities:

1. Receive an annual report from the State Board of Nursing on its study, if conducted, of the nursing educational requirements in this state and the nursing shortage in this state and its implications for rural communities, pursuant to NDCC Section 43-12.1-08.2.
2. Receive an annual report from the Department of Human Services describing enrollment statistics and costs associated with the children's health insurance program state plan, pursuant to NDCC Section 50-29-02.
3. Recommend a private entity, after receiving one or more recommendations from the Insurance Commissioner, for the Legislative Council to contract with to provide cost-benefit analyses for legislative measures mandating health insurance coverage of services or payment for specified providers of services or an amendment that mandates such coverage or payment, pursuant to NDCC Section 54-03-28.
4. Receive a report from the State Department of Health regarding development of a pilot project to test an announced basic care

survey process, including a recommendation of whether the unannounced survey process should continue for all basic care facilities, pursuant to Section 26 of 2005 Senate Bill No. 2004.

Representative Price asked the State Board of Nursing to provide, as part of the report presented to the committee, detailed information relating to each two-year and four-year nursing education program offered in North Dakota, including the number of nursing student positions available, the number of applicants, the number of graduates, pass/fail rates, program costs, distance-learning options, availability as compared to demand of clinical student positions, loan and grant opportunities, and outreach career opportunities for students. Senator Lee asked that the report also include information on nursing programs and educational opportunities for North Dakota students in surrounding states, in particular, programs offered in close proximity to North Dakota.

Representative Meyer asked the State Board of Nursing to provide information, during a future meeting, regarding the practice of hospitals contracting with national out-of-state nursing organizations for services rather than hiring local nurses.

Representative Price asked that the report to the committee on the basic care announced survey pilot project include testimony from the State Department of Health and the Department of Human Services regarding the impact additional regulations implemented on health care facilities have on the Department of Human Services and the Medicare budget.

Chairman Krauter called on Ms. Constance B. Kalanek, Executive Director, State Board of Nursing, who provided information on the approval process of the two-year registered nurse and one-year certificate practical nurse programs and the nursing needs study. A copy of the information presented is on file in the Legislative Council office. Ms. Kalanek said the State Board of Nursing granted continued initial approval to the Dakota Nurse and State College of Science registered nurse programs through March 2006. She said the State Board of Nursing continued initial approval to the Dakota Nurse and Sitting Bull Community College practical nurse programs through July 2006 and November 2005, respectively. She said the Tri-College Baccalaureate Nursing Consortium has dissolved and the Moorhead State University baccalaureate nursing program will relinquish North Dakota approval. She said the North Dakota State University baccalaureate nursing program has received initial approval through May 2006 and the Concordia College baccalaureate nursing program received continued approval through November 2009.

Ms. Kalanek said the State Board of Nursing has approved \$54,850 of funding for the nursing needs study for fiscal year ended June 30, 2006. She said the board has also issued a request for proposal for a study of medication assistants. In response to a

question from Senator Krauter, Ms. Kalanek said the request for proposal for the medication assistants study is due by September 1, 2005, and the anticipated completion date of the study is June 30, 2006.

Chairman Krauter called on Ms. Shelly Peterson, President, North Dakota Long Term Care Association, who presented information on the announced basic care survey pilot project. A copy of the information presented is on file in the Legislative Council office. Ms. Peterson said the pilot project will begin August 1, 2005, and continue for one year. She said it is anticipated that 20 basic care facilities will be surveyed during the pilot project period--10 receiving an announced survey and 10 receiving an unannounced survey. She said the North Dakota Long Term Care Association plans to ask all facilities who are surveyed during this one-year test period to complete an evaluation form. She said this evaluation form will provide important information on the positive and negative aspects of the survey process. She said the evaluation forms will be used to report, from the facility perspective, the success/experience of the pilot project.

In response to a question from Senator Andrist, Ms. Peterson said federal regulations require that all skilled nursing facility surveys be unannounced.

Chairman Krauter called on Ms. Linda Wurtz, AARP, Bismarck, who commented on the announced basic care survey pilot project. She said AARP has concerns regarding announced basic care surveys. She said a federal General Accounting Office study of announced nursing home surveys conducted in 2003 indicated that announced surveys allowed nursing homes to conceal risk. She said another concern is that the announced surveys will not be conducted on the same facilities as the unannounced surveys. Chairman Krauter asked that Ms. Wurtz attend future meetings to provide a response to the findings from the pilot project.

In response to a question from Representative Meyer, Ms. Wurtz said the guidelines for the pilot project provide for facilities to be notified of the pending survey seven calendar days or five business days prior to the start of the announced survey.

In response to a question from Senator Nelson, Ms. Darlene Bartz, Chief, Health Resource Section, State Department of Health, said the department does not have sufficient staff or funding to conduct more than one survey for each basic care facility during a one-year period.

Chairman Krauter called on Mr. Bruce Murry, Protection and Advocacy Project staff attorney, who commented on the announced basic care survey pilot project. Mr. Murry said the State Department of Health took into consideration concerns of those in favor and opposed of announced surveys when establishing the rules for the pilot project.

Representative Price said announced basic care surveys will allow the basic care facility to make sure

key personnel are available during the survey process.

It was moved by Senator Mathern, seconded by Representative Meyer, and carried on a voice vote that the committee approve the following study plan:

1. **Receive an annual report from the State Board of Nursing on the progress of its study of nursing educational requirements and the nursing shortage in the state.**
2. **Receive information from the State Board of Nursing relating to each two-year and four-year nursing education program offered in North Dakota, including the number of nursing student positions available, the number of applicants, the number of graduates, pass/fail rates, program costs, distance-learning options available, availability as compared to demand of clinical student positions, loan and grant opportunities, outreach career opportunities for students, and nursing programs and educational opportunities for North Dakota students in surrounding states, in particular, programs offered in close proximity to North Dakota.**
3. **Receive information from the State Board of Nursing regarding the practice of hospitals contracting with national out-of-state nursing organizations for services rather than hire local nurses.**
4. **Receive information from interested organizations, entities, and individuals regarding the committee's duties to receive annual reports from the State Board of Nursing, pursuant to NDCC Section 43-12.1-08.2.**
5. **Receive an annual report from the Department of Human Services on enrollment statistics and costs associated with the children's health insurance program.**
6. **Receive recommendations from the Insurance Commissioner regarding a private entity to contract with to conduct cost-benefit analyses of measures mandating health insurance coverage during the 2007 Legislative Assembly and the related budget to be requested by the Insurance Commissioner for the 2007-09 biennium.**
7. **Make a recommendation to the Legislative Council regarding the entity to conduct the cost-benefit analyses.**
8. **Receive a report from the State Department of Health regarding the pilot project to test an announced basic care survey process and a recommendation of whether the unannounced survey process should continue for all basic care facilities.**

9. **Receive testimony from the State Department of Health and the Department of Human Services regarding the impact additional regulations implemented on health care facilities have on the Department of Human Services and the Medicare budget.**
10. **Receive information from interested organizations, entities, and individuals regarding the announced basic care survey pilot project.**
11. **Develop recommendations and related bill drafts.**
12. **Prepare the final report for submission to the Legislative Council.**

The committee adjourned subject to the call of the chair at 2:10 p.m.

Donald J. Wolf
Senior Fiscal Analyst

Jim W. Smith
Legislative Budget Analyst and Auditor

[ATTACH:1](#)