

# NORTH DAKOTA LEGISLATIVE COUNCIL

## Minutes of the

### INSURANCE AND HEALTH CARE COMMITTEE

Wednesday, July 1, 1998  
Roughrider Room, State Capitol  
Bismarck, North Dakota

Representative Clara Sue Price, Vice Chairman, called the meeting to order at 1:00 p.m.

**Members present:** Representatives Clara Sue Price, Thomas T. Brusegaard, Mike Callahan, Ron Carlisle, David Drovdal, Wanda Rose, John M. Warner; Senators Judy L. DeMers, Jerry Klein

**Members absent:** Representatives Michael Brandenburg, Al Carlson, Pam Gulleon, Kenneth Kroeplin, Alice Olson; Senator Karen K. Krebsbach

**Others present:** See attached appendix

**It was moved by Representative Drovdal, seconded by Senator Klein, and carried on a voice vote that the minutes of the April 23, 1998, meeting be approved as distributed.**

#### HAIL SUPPRESSION STUDY

Vice Chairman Price called on committee counsel to present three bill drafts relating to alternative hail suppression pilot projects. Committee counsel said the bill drafts are identical to the bill drafts Representative Drovdal presented to the committee at the last meeting except these bill drafts were redrafted as committee bill drafts. She said one bill draft provides for a pilot project that covers the western region of the state, one provides for a pilot project that covers the western and central regions of the state, and one provides for a pilot project that covers the entire state. The pilot project, she said, provides hail suppression services to urban and rural areas. She said the six-year pilot project includes a one-year planning phase, and the bill drafts do not prevent counties that are participating in hail suppression programs from participating in additional weather modification.

In response to a question from Representative Carlisle, Representative Drovdal said the five-year hail suppression cost for the western portion of the state is \$7.4 million, for the western and central regions of the state \$10.3 million, and for the entire state \$14.5 million. He said each program also includes first-year setup costs.

Vice Chairman Price called on Mr. Bruce Boe, Director, Atmospheric Resource Board, for comments regarding the cost of performing additional hail suppression research and the hail suppression pilot project bill drafts. Mr. Boe said he made inquiries into the possibility of doing another analysis of insurance crop-loss data to include years since 1988. He said

the cost estimate for expanding the existing 13-year study to a 21-year study is \$35,000. Although the work could be completed sometime this fall, he said, the cost of the analysis exceeds available resources of the Atmospheric Resource Board. He said preliminary statistics indicate in the project period 1976-96, wheat yields in hail suppression counties increased 9.4 percent more than adjacent nontarget counties.

In response to a question from Senator DeMers, Mr. Boe said for the statewide pilot project, the costs are projected to be \$428,000 the first year and \$2.7 million for operations the following year for a biennium total of \$3.1 million; for the plan covering the western and central regions of the state the costs are projected to be \$400,000 the first year and \$2 million for operations the following year for a biennium total of \$2.4 million; and for the plan covering the western third of the state the costs are projected to be \$357,000 the first year and \$1.4 million for operations the following year for a biennium total of \$1.7 million.

Mr. Boe said the Atmospheric Resource Board recently sent a survey to each of the 856 voluntary observers in the statewide precipitation reporting network. Within project counties, he said, 70 percent of respondents believe cloud seeding is a viable, proven technology, while only 48 percent of respondents residing outside target areas believe this. He provided written testimony, a copy of which is on file in the Legislative Council office.

In response to a question from Senator Klein, Mr. Boe said three studies have been performed in North Dakota regarding the effect of hail suppression on increased rainfall. He said one study indicates a seven percent increase, and the two more recent studies indicate a 14 percent increase in rainfall.

In response to a question from Representative Drovdal, Mr. Boe said the hail loss statistics provided by NoDak Mutual Insurance are based on crop losses, and it is possible that personal property loss savings would differ from crop-loss savings.

In response to a question from Senator DeMers, Mr. Boe said when comparing county crop production data, there are intervening variables from county to county. He said variables include irrigation, soil quality, and fertilization; and for that reason crop production data studies exclude irrigated acres. Although

farm practices are very similar across the state, he said, there may be some variable not yet considered.

Vice Chairman Price called on Mr. Patrick Sweeney, President, Weather Modification, Inc., Fargo, for comments on the three bill drafts. Mr. Sweeney said hail suppression is very active outside the state.

In response to a question from Representative Drovdal, Mr. Sweeney said approximately 10 percent to 15 percent of North Dakota receives weather modification services, in Texas approximately 35 million to 40 million acres receive weather modification services, and in Oklahoma the entire state is covered by hail modification services. He said the Oklahoma project is 100 percent state-funded, and the Texas program is trying to go statewide.

In response to a question from Senator DeMers, Mr. Sweeney said portions of a state which would not benefit from increased rainfall can be accommodated with hail suppression programs. He said eastern North Dakota could benefit from hail suppression after spring rains have subsided, and prioritization can be based on grassroot decisions through a chain of command, such as through weather modification boards.

In response to a question from Senator Klein, Mr. Sweeney said the Oklahoma weather modification program costs \$1 million per year and is entirely state-funded. He said with \$1 million Oklahoma is not able to provide constant statewide coverage, but instead the state weekly prioritizes available resources for use in particular regions.

In response to a question from Representative Brusegaard, Mr. Sweeney said typically other states performing weather modification services have been able to deal with border states.

## **EMERGENCY MEDICAL SERVICES STUDY**

Vice Chairman Price called on Mr. Derek Hanson, President, North Dakota Emergency Medical Services Association, for comments regarding the emergency medical services study and ambulance unit billing needs. Mr. Hanson said the funding problems experienced by ambulance units in the state result from a variety of factors, including decreases in public donations, decreases in volunteers, and problems with receiving reimbursement for services.

Mr. Hanson said the 141 ambulance units in the state are gathered at the Capitol today to show support and dedication and to express the need for additional state funding. Representatives from each ambulance unit gave the committee keyrings that listed the needs of the units.

Representative Carlisle said the North Dakota Emergency Medical Services Association may want to consider reviving the bill from the 1997 legislative session which would have provided funding through cellular telephone fees. He said the association

should also visit with the State Department of Health to come up with available sources for funding. Mr. Hanson said the association believes it is the responsibility of legislators to help find available funding sources.

In response to a question from Representative Drovdal, Mr. Mark Haugen, Past President, Emergency Medical Services Association, said seven or eight ambulance units are using the maximum five-mill method of funding. Mr. Haugen provided written testimony regarding the financial resource concerns of ambulance units in the state, a copy of which is on file in the Legislative Council office.

Vice Chairman Price called on Ms. Linda Hinrichs, Lidgerwood Ambulance Service, for comments regarding the needs of her ambulance unit. Ms. Hinrichs said her unit has experienced volunteer shortages that resulted in the unit hiring two full-time paid emergency medical technicians. She said an ambulance unit in a community north of Lidgerwood recently closed its doors forcing her unit to expand coverage to include this area.

Vice Chairman Price called on Mr. Dale Torgerson, Kindred Ambulance Services, for comments regarding the needs of his ambulance unit. Mr. Torgerson said fortunately his unit is not in desperate financial trouble right now; however, a few years ago the unit experienced severe problems because of a volunteer shortage, and the community rallied together to save the unit. He said recently the ambulance unit in Page, North Dakota, was in trouble, and the community and surrounding ambulance units rallied together to train volunteers to keep the Page unit going. He said he feels safe in his area of the state knowing if he ever needs emergency medical services they will be available, but there are areas in the state which do not have the tax base and the run volume to support ambulance units.

In response to a question from Senator Klein, Mr. Torgerson said the Kindred ambulance unit is in Cass County and is funded by approximately three-quarters of a mill. He said most ambulance services have certain fixed costs regardless of the number of runs made; therefore, in order to provide equitable funding, instead of basing funding on run volume, funding should be based on fixed costs of the unit.

Vice Chairman Price called on Mr. Todd Porter, Metro Area Ambulance, for comments regarding the emergency medical services study. Mr. Porter said ambulance services offered to Medicare clients are 100 percent reviewable before they are reimbursed. He said ambulance units need to be taught how to properly document services provided, and the Medicaid system should offer a formal appeals process for reimbursement denials. He said the state needs a "prudent layperson bill" for ambulance reimbursement which considers the knowledge a person has at the time a call for ambulance services is made.

Vice Chairman Price called on Mr. Tim Weidrich, Director, Division of Emergency Health Services, State Department of Health, for comments regarding ambulance billing. Mr. Weidrich said ambulance units are not capturing all the third-party payments the units are eligible to receive. He said the department was able to collect reimbursement data from Medicare, and last year medical services billed Medicare--a third-party payer--\$4.7 million, of which Medicare allowed payment of \$2.5 million and denied payment of \$2.2 million. While large portions of the amount billed to Medicare are not recoverable because the payments do not qualify under the Medicare program, he said, approximately \$650,000 per year could be recovered through improved billing practices.

Mr. Weidrich said the Department of Health has been working with the North Dakota Healthcare Association and the North Dakota Emergency Medical Services Association to explore alternative improvements to the billing system. He said the department has identified the following billing system enhancement alternatives:

1. Contracting with a billing service;
2. Using hospital billing departments throughout the state; and
3. Creating an ambulance billing department within the Department of Health.

Mr. Weidrich said the department favors contracting with a billing service, although all options are still under consideration. He provided written testimony, a copy of which is on file in the Legislative Council office.

In response to a question from Representative Warner, Mr. Weidrich said there is not a public service announcement program in the state which is designed to educate the public about emergency versus nonemergency health problems. He said some other states do provide public service announcements, but he is not sure how effective these programs are.

In response to a question from Senator DeMers, Mr. Weidrich said reimbursement problems result when claims are not submitted or are submitted to the wrong agency. He said he is not certain whether third-party denied services are ever billed directly to consumers.

In response to a question from Representative Price, Mr. Weidrich said he is not certain of the amount of transportation services provided which a unit knows ahead of time will not be reimbursed.

In response to a question from Representative Drovdal regarding whether emergency medical services can be streamlined to decrease costs, Mr. Weidrich said it is difficult to streamline because of the number of federally mandated requirements.

In response to a question from Representative Price, Mr. Weidrich said there are a variety of structures possible under which a private billing service could be hired to collect fees, and the department does not have any recommendations as to the

structure at this time. In evaluating whether billing should be run through a hospital versus a billing service, he said, it might be easier and less repetitive to centralize the billing versus having 35 hospitals perform billing services.

In response to a question from Senator DeMers, Mr. Weidrich said it is true that billing assistance would be of more benefit to higher volume ambulance services. He said billing assistance does not address the problem of fixed costs.

Vice Chairman Price called on Mr. Murray Sagsveen, State Health Officer, Department of Health, for comments regarding the emergency medical services study. Mr. Sagsveen said the department is finalizing the department budget that will be submitted to the executive budget office. He said the submitted budget amount will not be less than the 1997-99 budget. Although increased funding for emergency medical services will not be part of the budget, he said, increased funding will be part of the prioritized items submitted along with the budget.

Vice Chairman Price called on Representative Rose to present a bill draft relating to the tax levy limitation for county and rural ambulance services. Representative Rose said the bill draft is based on a 1997 bill that did not pass. She said the bill draft would increase the tax a county may levy for county ambulance services from 5 mills to 10 mills and would allow rural ambulance service districts to levy a tax in excess of the current five-mill limit upon a resolution adopted by the board of directors after receipt of a petition by the qualified voters.

Representative Callahan said hospital districts may levy a tax to fund emergency medical services, and this may make it possible for emergency medical service ambulance units to double the amount of available resources. Mr. Brad Gibbens, Associate Director, University of North Dakota Center for Rural Health, University of North Dakota School of Medicine and Health Sciences, said the Towner County Medical Center uses the hospital district mill levy.

In response to a question from Senator DeMers, Mr. Weidrich said it is not common practice for fire districts to fund emergency medical services.

In response to a question from Representative Price, Mr. Weidrich said he is not aware of any legislation that would be needed for the department to investigate billing services.

Representative Rose requested that the Legislative Council staff be requested to prepare a bill draft for an appropriation of \$3.8 million for the next biennium to cover fixed costs of ambulance services.

Senator DeMers requested that the Legislative Council staff be requested to prepare a bill draft relating to prudent layperson ambulance service reimbursement.

## **STATUS OF THE CHILDREN'S HEALTH INSURANCE PROGRAM STATE PLAN**

Vice Chairman Price called on Mr. David Zentner, Director, Medical Services, Department of Human Services, for comments on the status of the children's health insurance program state plan. Mr. Zentner said when Congress passed the children's health insurance program legislation in 1997, a state was required to have an approved plan by September 30, 1998, or else the state would lose the first year federal financial allotment. He said Congress recently changed the submission requirement to allow states an additional year to submit a plan while still preserving the entire allotment for 1998. Based on the recent changes in federal law, he said, the Governor recently announced his plan to implement the state plan in two phases. He said the first phase will involve expanding Medicaid to cover children 18 years of age residing in families with income at or below the current federal poverty level. He said the state match in the current biennium for this phase will come from savings realized in the regular Medicaid program. He said the plan to implement this phase will be submitted to the federal government by the middle of July, with approval expected by the end of September.

Mr. Zentner said the second phase of the state plan for the children's health insurance program will include a broader plan called Healthy Steps, which will be included in the 1999-2001 executive budget. He said the starting point for the second phase of the state plan will use the Public Employees Retirement System insurance coverage as a benchmark to serve children in families at or below 150 percent of the federal poverty level. He said the department will present a bill draft for the second phase of the state plan during the next legislative session. He provided written testimony, a copy of which is on file in the Legislative Council office.

In response to a question from Representative Callahan, Mr. Zentner said current Medicaid coverage is provided to children through age 5 at 133 percent of the federal poverty level and for children ages 6 through 17 at 100 percent of the federal poverty level.

In response to a question from Representative Drovdal, Mr. Zentner said the cost of adding 18-year-olds to Medicaid will be approximately \$800,000 for two years.

Vice Chairman Price called on Mr. Mike Gillen, Administrator, Anne Carlsen Center for Children, for comments regarding the children's health insurance program. Mr. Gillen said he supports the children's health insurance program legislation because it is good for preventive care. He said he is concerned with the lack of coordination between all the services designed to help children, and he strongly supports strong case management and patient education.

In response to a question from Representative Drovdal, Mr. Gillen said he would support increasing

Medicaid coverage to 150 percent of the federal poverty level, and any increase in coverage must be accompanied by public education programs and strong case management.

## **PUBLIC HEALTH STRATEGIC PLANNING STUDY**

Vice Chairman Price called on committee counsel to present a bill draft relating to consolidation of the public health law. Committee counsel said the bill draft is in response to a committee request for a bill draft to repeal the four North Dakota Century Code chapters that contain public health law and to consolidate this language into a new chapter. She said the bill draft amends four North Dakota Century Code sections that relate to cross-references to repealed sections. The bill draft contains four notes, she said, that clarify the consolidation or raise concerns to the committee.

Committee counsel said the note on page 3 of the bill draft states that the distinction between boards of health of council cities and boards of health of commission cities is retained in the bill draft, although the committee may want to consider whether the distinction is still relevant because modern council and city manager forms of city government also exist.

Committee counsel said the note on page 4 of the bill draft states that the newly created law gives boards of health discretion in holding meetings as long as meetings are held at least quarterly. She said the current law requires a county board to meet at the county seat at least quarterly; a city board is required to meet in January, April, July, and October; and a district board is required to meet at least quarterly in the courthouse of the largest county at least once.

Committee counsel said the note on pages 12 and 13 of the bill draft clarifies that reference in the repealed law which referred to supervisory control of the State Department of Health and the State Health Officer is revised in the newly created law to refer to State Department of Health. She said references to the State Health Officer are used to identify a responsible individual for making decisions, and references to the department are used to allow delegation of functions to appropriate employees.

Committee counsel said the note on page 16 of the bill draft provides that the newly created language does not include reference to the penalty for obstructing or opposing enforcement of the public health law because North Dakota Century Code Section 12.1-08-01 already contains language with the same effect.

Mr. Sagsveen said the department will perform a detailed review of the bill draft and will distribute the bill draft among the local public health units. He said the department will work with committee counsel to make any recommended changes in a revised bill draft for the next meeting.

Vice Chairman Price announced that the next meeting of the committee is tentatively scheduled for Monday, September 14, 1998. No further business appearing, Vice Chairman Price adjourned the meeting at 4:00 p.m.

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Jennifer S. N. Clark  
Committee Counsel

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