

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
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ROLL NUMBER

DESCRIPTION

3058

2001 HOUSE HUMAN SERVICES

HCR 3058

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HCR 3058 / HCR 3053

House Human Services Committee

Conference Committee

Hearing Date February 21, 2001

Tape Number	Side A	Side B	Meter #
Tape 2	X		0 to 2840
Tape 3	X		160 to 400
Tape 3	X		450 to 900
Committee Clerk Signature			

Minutes:

Chairman Price, Vice Chairman Devlin, Rep. Dosch, Rep. Galvin, Rep. Klein, Rep. Pollert, Rep. Porter, Rep. Tieman, Rep. Weiler, Rep. Weisz, Rep. Cleary, Rep. Metcalf, Rep. Niemeier, Rep. Sandvig

Chairman Price: Open hearing on HCR 3058.

Rep. Boucher: Presented Resolution. (See written testimony.) **HCR 3058** is a part of a package of five resolutions calling for the study of the state's essential infrastructure. These areas of infrastructure that are being studied are: Water Resources, Delivery, Transportation, Technology, Education Services, and Health Care Services Infrastructures. As we try to assess the economic development potential of our state and work to make our plans and create the strategies that we feel are necessary to make an initiative work; health care services is a critical part of the local and the statewide infrastructure. This resolution calls for a current assessment of health care needs and resources and also a look into the future. The study would seek to

determine how the changing demographics and the viability of a local community affects our health care service needs. Keep in mind the viability of, and a community's growth is dependent upon the accessibility and availability of health care services. I ask that you give **HCR 3058** a favorable recommendation.

Chairman Price: Would you like to address the following **HCR 3053**, being you're on that, at the same?

Rep. Boucher: I can. Rep. Wald came to me and pointed out what I thought he was trying to accomplish. It does focus attention on a major provider of health insurance or third party payer services in the State of North Dakota. I believe that bill may have some controversy, yet I support the bill because when we do things like that it brings people to the table. It catches peoples attention. I think this particular bill is going to create a forum for discussion. The providers come to the forum and state their position, the insurance companies can do the same. I support the study.

Rep. Weisz: This is on **HCR 3058**. When you talk about your vision, and I don't disagree. We need to be proactive. When we get out 25-50 years, who is going to determine that vision from the standpoint of studying the demographics and the other issues that are going to come up. I am interested in how you will propose that will be established.

Rep. Boucher: Obviously when you start laying out visionary things you are getting into the area of the unknown. It gets risky. Who should make that vision? I think many people should be players. It is a North Dakota issue and it boils back to the citizens and of what their visions are. Obviously as elected representatives we have been given that responsibility. Some of the primary players will be the legislators, the private sector from business to agriculture, public utilities, the water areas.

Rep. Wald: The resolution before you is something that I think is needed in the State of North Dakota. I'm not here to beat up on Blue Cross. I think the margins for some health care providers are so thin that in my mind, and that is what I'm being told by many people, that they can't maintain the quality, the availability, and the professionalism of health services, particularly in my case in western North Dakota. Blue Cross must be doing something right, when you get about 80% plus share of the market you can't be all wrong. Are we getting dangerously close to a single provider system in North Dakota. I don't know what the answer is that is why the study request is before you. I think we're going to have lots of input about the position that these clinics and hospitals are in - in terms of their profit margin. I think they are at a serious disadvantage in the negotiating process when carrier has that dominant health care market. I've had a lot of phone calls. Jim Labrun from Dickinson, who is the manager of the Great Plains Clinic. Greg Hanson the CEO at the St. Joseph's Hospital in Dickinson, Dr. Dennis Wolf who has been president of the N.D. Medical Association, and others.

Pat Ward: Domestic Insurance Companies. I would just like to indicate support for **HCR 3053**.

Arnold Thomas: President of North Dakota Health Care Association. I am in support of **HCR 3058 and HCR 3053**. I would suggest on the grand vision on **HCR 3058**, however, on line 19 "changing dynamics of delivered and funding" - will the committee consider incorporating both resolutions into one resolution. It is difficult for me to envision 50 years - I'll be 109. I went back to 1952, 50 years ago, Medicare was still a limited concept. The biggest issue that was facing the country at that time in terms of health care was polio. Some of the procedures we have today was pretty scientific. We would love to have an opportunity as an organization to share with you what we see to be some of the major issues. We are going to be wrestling with not knowing what the results are going to be. I'd like to give you two: the whole genetics issue,

right now that issue is really focused in North Dakota in agriculture. The consequence of that discussion is going to be radical relative to human beings and our environment. Another issue is when human beings are cloned. Maybe this study in looking forward is a way to start to set the table on an array of issues that are going to be confronted by our succeeding generation. Maybe it is time to have an interim discussion where we do attempt to look over the hill in terms of what is coming our way. In my suggestion of **HCR 3058**, there are elements in **HCR 3053** that I think also need to be brought into the discussion as well, because the affordability of all of this is going to be a key element in helping to shape some of the outcome. My suggestion for perhaps expanding line 19 by including financing may incorporate that as well so it is not lost.

Bruce Levi: N.D. Medical Association. We too can support **HCR 3058**, particularly as it has been described in terms of it being a proactive approach at looking at health care needs in the state and what goals we have for the future. I would like to also address some of the issues that we have concern about in **HCR 3053** regarding medical disparity. As the tobacco issues come over to this side of the house, in terms of talking about health care costs and what we see as a major issue in terms of getting a handle on health care costs. With respect to **HCR 3053** we've been involved this past year in a lot of public dialog. We have the interim study that talked a lot about the change in demographics and what we were looking at from issues of reimbursement and those types of things. In our relationship with Blue Cross/Blue Shield we have gone through a lot this past year with the public forums to build a better relationship with our dominant care insurer in the state. Our focus has been over the last couple of sessions the issue of patient rates, patient protection, the issue of contracting process. We have done analyzing over this past year insurer contracts in our state. We had a bill draft ready to go this session in dialog with BCBS. The Insurance Commissioner decided to for go the legislature in terms of addressing some of

those issues for a process within the Office of Insurance Commissioner to get everybody at the table to talk about some of the contract issues that we have with BCBS. The contracts ultimately seem to define the relationships the physicians have with their patients. Fundamental concerns are whether contracts can be changed midterm throughout the contract period without the consent of providers. Whether the process for negotiating contract is a long enough period. Can we have payment schedules before we sign rather than after the contracts are signed. Do we need a definition of what constitutes medical necessary care. We hope to resolve those types of issues with the Insurance Commissioner and BCBS. BCBS is willing to take a look at some of those issues. **HCR 3053** goes a step further in looking at the implications for rural health care. The resolution language relating the unequal bargaining positions and the state of rural health care we can support **HCR 3053** also.

Chairman Price: You're saying the clinic managers, the hospital groups, your groups, the blues, and the Insurance Department have all agreed to sit down in this interim and go through those areas like contracting and time frames that you talked about?

Bruce Levi: We were in the preliminary stages of putting that together. I haven't had any specific confirmation. I've talked with the Insurance Commissioner, individuals with BCBS and they would like to participate. That is what we are looking at setting up after crossover.

Rep. Weiler: This question pertains more to **HCR 3053** but could cover both. Are we a unique state in that we have one health care provider that dominates? Is there any data?

Bruce Levi: I know there are a number of states that are in the same position.

Rep. Weiler: As dominant - 80%?

Bruce Levi: I believe the situation is similar in Alabama. They have a unique relationship with their dominant carrier in trying to resolve issues.

Dan Ulmer: Blue Cross/Blue Shield of North Dakota. **We oppose HCR 3053.** (See written testimony.) As introduced **HCR 3053** won't do much to help the problem facing rural health facilities, nor will it do much at all other than allow some folks to bash BCBSND's successes. We are strongly opposed to **HCR 3053** and encourage the committee to adopt **HCR 3058** instead. **HCR 3058** is more comprehensive and includes all the necessary parties to study the issues facing North Dakota's health care system.

Chairman Price: Close the hearing on HCR 3058/3053.

COMMITTEE WORK:

CHAIRMAN PRICE: HCR 3053.

REP. WEILER: I move a DO NOT PASS.

REP. METCALF: Yes.

CHAIRMAN PRICE: All those in favor of the **DO NOT PASS** signify by saying Aye.

13 YES 0 NO 1 ABSENT CARRIED BY REP. DEVLIN

COMMITTEE WORK:

CHAIRMAN PRICE: We'll go to HCR 3058. We had a proposed amendment on line 19 from Mr. Thomas that would say "the changing dynamics of delivery and funding". If there are pieces of 3053 we wanted to take a look at on lines 11 and 12 - to put that in but to change it to say "whereas an inadequate levels of Medicare, Medicaid, and private insurance reimbursement can result in", and then lines 18, 19, and 20 - if we wanted to do that, "that the Legislative Council study the affects of inadequate reimbursement in this state and the impact on the continued

availability, viability, and financial stability of health care” and take out “rural”. The Medicaid and Medicare play a far bigger part of the whole piece in the rural areas. I don’t want to just say rural in the last part of this because obviously, the private insurer’s piece is bigger in the urban parts of it. (Further discussion by committee members.) What do you want to do with the amendment?

VICE CHAIRMAN DEVLIN: Move the amendments.

REP. WEISZ: Second.

CHAIRMAN PRICE: All those in favor of the amendments signify by saying Aye (13 Yes, 0 No, 1 Absent). We have an amended resolution. What are your wishes?

REP. WEISZ: I move a DO PASS as amended.

REP. WEILER: Second.

CHAIRMAN PRICE: All those in favor for a **DO PASS as amended and be placed on the Consent Calendar** signify by saying Aye.

13 YES 0 NO 1 ABSENT CARRIED BY REP. DEVLIN

VR
2/22/01

HOUSE AMENDMENTS TO HCR 3058

HOUSE HS

2-22-01

Page 1, line 4, after "delivery" insert "and funding"

Page 1, line 5, remove "and" and after "state" insert "; and the effects of having inadequate reimbursement in this state, including the impact of inadequate reimbursement on the continued availability, viability, and financial stability of health care"

Page 1, after line 10, insert:

"WHEREAS, inadequate levels of reimbursement from Medicare, Medicaid, and private insurance may result in the closure of health care facilities and the termination of services, particularly in rural areas; and"

Page 1, line 19, after "delivery" insert "and funding"

Page 1, line 20, remove "and"

Page 1, line 21, after the semicolon insert "and the effects of having inadequate reimbursement in this state, including the impact of inadequate reimbursement on the continued availability, viability, and financial stability of health care;"

Renumber accordingly

Date: 2-21-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HCR 3058

House Human Services Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Moved Amendment

Motion Made By Rep. Devlin Seconded By Rep. Weisz

Representatives	Yes	No	Representatives	Yes	No
Clara Sue Price - Chairman	✓		Audrey Cleary	✓	
William Devlin - V. Chairman	✓		Ralph Metcalf	✓	
Mark Dosch			Carol Niemeier	✓	
Pat Galvin	✓		Sally Sandvig	✓	
Frank Klein	✓				
Chet Pollert	✓				
Todd Porter	✓				
Wayne Tieman	✓				
Dave Weiler	✓				
Robin Weisz	✓				

Total (Yes) 13 No 0

Absent 1

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

