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Donna Halliwell
Operator's Signature

10/3/03
Date

2003 HOUSE INDUSTRY, BUSINESS AND LABOR
HB 1407

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10/3/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1407

House Industry, Business and Labor Committee

Conference Committee

Hearing Date 1/27/03

Tape Number	Side A	Side B	Meter #
4		x	9.8-end
5	x		0.0-8.2
Committee Clerk Signature <i>Judith Hamma</i>			

Minutes: **Chairman Keiser** opened the hearing on HB 1407.

Arnold Thomas, President of the ND Healthcare Association, appeared in support of HB 1407.

(See Attachment # 1)

Rep. Severson: Under this bill, if a hospital in my town owned a pharmacy could they set it up in my grocery store?

Thomas: As written, yes. Campus specific language would be more than acceptable. We're only talking about prescriptions, we're not talking the whole line of commercial activity.

Rep. Severson: Is there a simple fix?

Thomas: We looked at an exemption for MSA's (Metro Statistical Areas). We brought this language to you for two reasons. We have a problem that failed to be addressed relative to the current administrative rules and there will be an ongoing policy challenge about pharmaceutical services and their accessibility in parts of our state where private commercial pharmacies may not be able to respond.

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House Industry, Business and Labor Committee
Bill/Resolution Number HB 1407
Hearing Date 1/27/03

Rep. Kasper: How many hospitals are in ND? How many cities have hospitals but are without pharmacies?

Thomas: 43 licensed community hospitals, I don't know about the pharmacies.

Chairman Keiser: Campus specific was mentioned as a language change. If we put it in the south campus, why isn't there a space for it there?

Thomas: There used to be three hospitals in Fargo, now there are two. The campus we're talking about is the result of that merger between Meritcare and the "expanded" Meritcare since they purchased Heartland.

Rep. Kasper: Aren't there 3 pharmacies within a mile of Dakota Heartland? Have you tried to work with them?

Thomas: I'll defer that question to a representative from Meritcare, ok?

Susan Schnase, Outpatient Pharmacy Services Manager for Meritcare Health System, Fargo, testified in support of HB 1407. (See attachment #2)

Rep. Klein: Why is a LLC not acceptable?

Schnase: I'll defer to members of the board to properly answer that question if I can't do so. We met the intent of the law to have 51% ownership but Meritcare was bearing the financial risk so we weren't financially accountable.

Rep. Kasper: How many pharmacies in other clinics does Meritcare have now? And what are their business hours?

Schnase: A retail pharmacy at 737 Broadway, a hospital pharmacy, and one in Moorehead and one in Bemidji. Some other pharmacies are lease arrangements. The pharmacy at 720 N. 4th is open 24 hours a day. Most pharmacies are closed Sundays.

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House Industry, Business and Labor Committee
Bill/Resolution Number HB 1407
Hearing Date 1/27/03

Rep. Kasper: Why not have the 24 hour pharmacy deliver to the south end?

Schnase: That site is licensed as a hospital pharmacy and there are limitations to operating as a retail pharmacy. Under emergent situations, we can't process insurances or Medicaid.

Rep. Klein: Is there a pharmacy at the Heartland site?

Schnase: That's licensed as a hospital pharmacy and can't do retail prescriptions.

Howard Anderson, the Executive Director of the State Board of Pharmacy, appeared in opposition to HB 1407. (See attachments #3 and #4) Attachment #4 provides a detailed answer to the question Rep. Kasper asked about regarding Meritcare and the ND Pharmacy Board.

Rep. Nottestad: Meritcare said they couldn't do this scenario and you say now they can. We're hearing both sides.

Anderson: The law says that a hospital pharmacy can take care of its own inpatients. The law says that you should have an outpatient pharmacy permit. But we've never said you can't take care of emergency patients or fill scripts when other pharmacies are closed. All hospitals around the state do this.

Rep. Ekstrom: Could we incorporate off site supervision? Could the north campus be the supervising pharmacy or owner?

Anderson: Outreach is fine. Nothing says you can't counsel a patient at a remote location.

Rep. Klein: Are we the only state to require 51% ownership?

Anderson: Yes.

Chairman Keiser: Everyone says they'll lose money at this, what prohibits a hospital from subsidizing an independent venture?

Anderson: I don't believe so.

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Hearing Date 1/27/03

Galen Jordre, Executive Vice-president of the ND Pharmaceutical Association, appeared in opposition to HB 1407. (See attachment # 5)

Rep. Johnson: Do all community with hospitals also have pharmacies?

Jordre: As far as I know, they all do.

Robert Treitline, owner of ND Pharmacy Inc. Dickinson and Williston, appeared in opposition to HB 1407. (See attachment # 6)

John Olson, representing the ND Pharmacy Service Corporation, appeared in opposition to HB 1407 and gave oral testimony. NDPSC represents 44 communities and 99 pharmacies in those communities.

Tony Welder, pharmacy owner in Bismarck and New Salem, appeared in opposition to HB 1407. (See attachment #7)

David Olig, Fargo pharmacist, forwarded written testimony in opposition to HB 1407. (See attachment # 8)

Keith Horner, Director of Pharmacy Services at St. Alexius Hospital, Bismarck, submitted written testimony for comment to the committee. (See attachment #9)

As there was no one else present to testify on this bill, the hearing was closed.

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2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1407

House Industry, Business and Labor Committee

Conference Committee

Hearing Date 1/29/03

Tape Number	Side A	Side B	Meter #
3	x		36.4-45.0
Committee Clerk Signature <i>Judith Hammer</i>			

Minutes: **Chairman Keiser** called for committee work on HB 1407.

Rep. Froseth moved a Do Not Pass. **Rep. Ekstrom** seconded the motion.

Rep. Severson: Arnold Thomas, President of ND Healthcare Association, hasn't produced the amendments he was going to bring us. **Rep. Ekstrom:** I haven't heard anything from Meritcare.

Chairman Keiser: This is a delicate area. The system in ND requires that a pharmacist own 51% or more of the stock in his company. That provides opportunity and protection for the pharmacist as well as provided communities with outstanding services. It's kept the big box companies out of ND. Dollars spent at megastores are out of state tonight. Here's a chance to protect existing businesses that provide good incomes in our communities.

Rep. Froseth: The \$6000 fiscal note, a non profit ownership of a pharmacy would provide a significant tax loss to local municipalities. They don't pay property or sales tax.

Results of the roll call vote for a Do Not Pass were: **13-0-1**. **Rep. Nottestad** takes this to the floor.

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2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1407

House Industry, Business and Labor Committee

Conference Committee

Hearing Date 2/04/03

Tape Number	Side A	Side B	Meter #
2	x		13.9-22.0

Committee Clerk Signature

Judith Hammer

Minutes: **Chairman Keiser** reopened the hearing on HB 1407 which had been re-referred to the IBL Committee.

Rep. Klein moved to reconsider the bill. **Rep. Ekstrom** seconded the motion.

Vice-Chair Stevenson stated that amendments prepared by **Arnold Thomas**, President of the ND Healthcare Association, had not yet been submitted when the committee took action on 1/29/03. After discussion, a voice vote to reconsider the committee's prior actions failed.

Results of a roll call vote were 4-10-0.

Rep. Nottestad carries this bill on the floor.

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