

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

10004

2007 HOUSE APPROPRIATIONS

HB 1004

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB1004

House Appropriations Committee
Human Resources Division

Check here for Conference Committee

Hearing Date: January 9, 2007 - Time: 8:30 am

Recorder Job Number: 790

Committee Clerk Signature

Donna Kramer

Minutes:

Rep. Chet Pollert, Chairman opened the hearing on **HB 1004**, A Bill for an Act to provide an appropriation for defraying the expenses of the state department of health. All division members present: **Representatives Larry Bellew, Vice Chairman, James Kerzman, Ralph Metcalf, Mary Ekstrom, Jon Nelson, Gary Kreidt, and Alon Wieland.**

Dr. Terry Dwelle, State Health Officer for the North Dakota Department of Health, testified. The Department of Health began a strategic planning process developing the department's mission, goals and objectives. Referred to department's Strategic Map detailing the department's goals in Attachment A.

Mission Statement: The mission of the North Dakota Department of Health is to protect and enhance the health and safety of North Dakotans and the environment in which we live.

(Copy of Testimony is attached.)

Department Overview: Accomplishments during the past two years in maintaining a 90 percent or higher rate of compliance with per requirements in the air, waste, water discharge and public water supply programs. Met National Ambient Air Quality Standards. Continued tobacco prevention efforts. Continued promoting use of child passenger safety restraints.

Responded to disease outbreaks. Implemented a web-based, electronic birth registration system.

Public Health Challenges: Providing cost-effective childhood vaccinations, purchasing and maintaining a stockpile of medications to protect our citizens in the event of an influenza pandemic, decreasing high-risk behaviors that make North Dakotans sick, reduce their quality of life or cause them early deaths, and competing with other state agencies and the private sector to recruit and retain quality public health employees.

Childhood Immunizations: In the past, DOH received enough federal funding to purchase all recommended childhood vaccines and make them available to all North Dakota children at no charge. These federal dollars are being reduced, while the number of vaccines and their associated costs are increasing. A strategy for addressing this shortfall, held forums with stakeholders across the state. The option that met most of the needs identified at the forums is one we call "Provider Choice." In that plan, the DOH will purchase vaccine for providers at a lower rate; the providers will then bill insurers for the vaccine used. Refer: 07:48 – 74:42
Department's budget request includes funding for the purchase of vaccines and two New FTEs to manage the Provider Choice programs.

Representative Kerzman: Question on providers purchasing vaccines cheaper than county health departments.

Dr. Terry Dwelle: Three levels of vaccines that can be purchased in the United States. First, federal rate ... we can only use state or federal entitlement dollars. Second, a wholesale rate pharmacies can purchase which is usually the highest rate. Third, middle rates that is right in between. Not aware of any special purchase agreement. Refer: 09:27 to 10:50.

Wieland: Describe what two new FTE's function would be:

Dr. Terry Dwelle: Need to receive orders for all 200 providers in the state every month and order vaccines. Follow to get best rate. Reference: 11:15 – 11:40,

Chairman Pollert: Vaccines out there before? Something new?

Dr. Terry Dwelle: The vaccines have been changing. Costs have been increasing. Have been forced to move away from universal vaccine status to universal select. Refer: 11:40 to 13:00.

Pandemic Influenza: Preparing to respond to a potential influenza pandemic.

Same efforts in other states are same in ND. Overall plan for response is to stockpile antiviral medications that may lessen severity of influenza if prescribed to people shortly after they are exposed. Goal is enough to treat 25% of our population. Federal funds up to 25% of the cost may be available for the purchase.

Bellew: Question on shelf life.

Dr. Terry Dwelle: Not like an inoculation. Medications and do have shelf life of 5 years. Refer: 16:15 to 17:05.

High-Risk Behaviors: Leading causes of death in ND are heart disease, cancer, chronic lung disease, accidents and diabetes. Underlying causes are high-risk behaviors like tobacco use, diet, inactivity and alcohol use. Nearly 13,000 of today's youth in ND are projected to die prematurely because of smoking. Proposed additional funding one FTE to focus on preventing our young people from smoking. Additional funding for the ND Tobacco Quitline to enhance and expand services. The Tobacco Quitline has proven to be effective. Reference: 18:00 – 20:26

Chairman Pollert: Question about numbers of people smoking dropping – why continue?.

Dr. Terry Dwelle: Concern that we are making progress but want to accelerate that progress. Refer: 20:18 to 21:37.

Representative Kreidt: Question on counseling position. Refer: 21:50 to 22-55

Dr. Terry Dwelle: The Tobacco Quitline has many different parts. Many of the people have medical questions that can only be answered between a patient and physician. That is the purpose of this counseling service.

Dr. Terry Dwelle: Question on treatment of 25% of ND population. Where does it come from?

Dr. Terry Dwelle: Antivirals are not a vaccine. Looking at 1918 pandemic, it is estimated that 25% of the population will be clinically ill with influenza.

Representative Metcalf: Question as to which vaccines would not be used anymore.

Dr. Terry Dwelle: Provider Choice will allow us to cover all the children in ND. Refer: 25:00 – 29:07

Representative Ekstrom: Questions regarding hospital infection rate and public health inspections.

Dr. Terry Dwelle: Aggressive about requirements. Regulatory programs, review processes, and state health department involvement. Refer: 30:00 – 34:00

Representative Ekstrom: Public concern?

Dr. Terry Dwelle: Many different aspects. Refer: 34:00 – 35:40

Dr. Terry Dwelle: Employment Recruitment and Retention: Asking for support of the 4 and 4 salary increase for state employees and the \$10 million equity funding as included by the governor in budget request. Refer: 36:00 – 38:00.

Conclusion: Introduction of **Arvy Smith, Deputy State Health Officer**, who will provide information about the programs and budget of the DOH. Refer: 38:00 – 39:15.

Representative Metcalf: Question regarding 110 employees leaving workforce?

Arvy Smith:

Response on hiring employees and staff. Refer: 39:15 - 41:00.

Representative Ekstrom: Request on breakdown of ages of employees.

Arvy Smith: Info to be provided.

Representative Kerzman: Question on air quality monitoring.

Dave Glatt, Chief Environmental Health, DOH: Technology has improved with monitors.

Refer: 44:00 – 47:00

Representative Nelson: Question on animal feeding inspection. Workload of monitoring?

Dave Glatt: Makeup in rural areas changing. Refer: 48:00 – 49:50.

Representative Kreidt: Question regarding 110 people lost in DOH. Includes retirees?

Arvy Smith: Budget Overview: Continued referring to chart on Page 6 of the handout. Refer: 50:51. The total budget for the NDDOH recommended for the 2007-09 biennium is \$154,995.011.

Representative Metcalf: Question on 319 funds – up or down. Refer: 52:50.

Arvy Smith: Will explain later.

Representative Ekstrom: Question whether governor increased requested amount.

Arvy Smith: Close to 13.4 million General Fund figure. Bulk of figure includes pandemic flu stockpile and governor's salary package - 4 and 4% this year. Refer: 54:00

Dr. Terry Dwelle: Requested breakdown of 4 and 4.

Representative Kerzman & Kreidt: Questions on Special Funds. Fees collected from operating funds goes into Special Funds and Tobacco Settlement dollars. Refer: 55:00 - 56:15

Dr. Terry Dwelle: Question: 7 million is 10%.

Arvy Smith: Most of it. Refer: 56:29 Continued testimony on page 6.

Representative Wieland: Question on 20 total FTE's – 8 in area?.

Arvy Smith: Right. Continued explanation on Governor's Salary and Benefit Package. Refer: 59:00.

Dr. Terry Dwelle: Question as to how many employees in Tobacco program.

Arvy Smith: Answered 7. Continued explanation on New Programs. Refer: 60:00

Representative Ekstrom: Question on number of suicides in ND yearly.

Arvy Smith: In 2005, 30 in ages 10 to 24. Refer: 62:00

Dr. Terry Dwelle: Question FTE in Suicide Program now.

Arvy Smith: Currently do not. Refer: 62:30

Representative Wieland: Question regarding grant of limited program ... employee termination clause?

Arvy Smith: Upfront with employees. Explanation.

Representative Nelson: Question on Traffic Assessment Program additional staff person. Refer 66:48

Arvy Smith: Explanation. Computerized system.

Continued on Domestic Violence Grants: Refer: 69:16.

Representative Kreidt: Question on influenza stockpile - \$2,263,000 funding ... continuous supply? Rotation process. Now, retail rate of \$70. Refer: 70:00 – 72:45

Dr. Terry Dwelle: Refer: 72:50. Limitation of rotation explained. Purchasing in negotiations.

Dr. Terry Dwelle: Question as to 2.2 million this biennium – continue every 2 years.

Dr. Terry Dwelle: Explanation. Continuing appropriation. Refer: 74:00 – 75:00

Arvy Smith: Arsenic Trioxide Program: Explanation. Refer: 75:19

Office for the Elimination of Health Disparities: Explanation. Refer: 76:44 – 78:00

Dr. Terry Dwelle: Question on Arsenic Program. SE ND and funds?

Arvy Smith: Increase to 11.4 million. Explanation of what is Federal funds. Refer 79:00.

Arvy Smith: Death Registry System: Explanation. There is an electronic death registration bill creating an impact.

Representative Metcalf: Question on "impact".

Arvy Smith: Reduce revenue in the counties and work. Bill is HB 1129. Refer: 80:00

Dr. Terry Dwelle: Acknowledged visitors from Harvey Public Health, Jamestown Area Public Health, and Beulah-Hazen who have public comments.

Chairman Pollert closed the hearing on HB 1004 until this afternoon. Refer: 82:00

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB1004

House Appropriations Committee
Human Resources Division

Check here for Conference Committee

Hearing Date: January 9, 2007 - Time: 10:15 am

Recorder Job Number: 791

Committee Clerk Signature

Minutes:

Rep. Chet Pollert, Chairman reopened the hearing on **HB 1004**, A Bill for an Act to provide an appropriation for defraying the expenses of the state department of health. All division members present: **Representatives Larry Bellew, Vice Chairman, James Kerzman, Ralph**

Metcalf, Mary Ekstrom, Jon Nelson, Gary Kreidt, and Alon Wieland.

Arvy Smith: Terminated Programs/Projects: Changes to Programs: Continued testimony.

(See attachment)

Representative Wieland: Question on FTEs. Refer: 005:00

Arvy Smith: Twenty FTEs.

Chairman Pollert: How many employees emergency commission approved? How many new?

Arvy Smith: Explanation. Refer: 006:30 – 08:05

Continued explanation of employee salaries. See testimony on Page 8 of attachment.

Chairman Pollert: Question on whether 10 million equity is included in budget. Refer: 011:20.

Arvy Smith: Included in governor's budget, SB 2015. Refer: 011:30 – 012:40.

Continued explaining Community Health Trust Fund and cessation programs. (See page 8)

Representative Kerzman: Question on Quitline counseling rate. Refer: 015:10 – 16:00

Chairman Pollert: Is the 1.1 million increase in Tobacco Quitline sufficient in the governor's budget? Where from? Refer: 016:50 – 017:23

Arvy Smith: Budget by Section: Currently, have six major sections in department. But with new Children's Special Health Services and the Minority Health Disparities area, we are creating a new section to handle those areas. It is not in the organization chart. Refer: 017:25 – 021:03

Community Health Section: Six divisions: Cancer Prevention and Control, Chronic Disease, Family Health, Injury Prevention and Control, Nutrition and Physical Activity, and Tobacco Prevention and Control. (See pages 11 – 17) Refer: 021:49 – 027:22

Representative Kreidt: Question regarding salaries and wages. Refer: 027:30 – 029:00

Chairman Pollert: Question and discussion about classified and nonclassified employees. (See handout) Refer: 029:00 – 030:50.

Arvy Smith: Emergency Preparedness and Response Section: (See pages 17 and 18)

Chairman Pollert: Do counties have a cost for pandemic flu? Refer: 033:10

Tim Wiedrich, DOH: Splits between what the state's responsibility and local public health unit. Discussion. Refer: 034:00 – 36:00

Chairman Pollert: Unfunded state mandate in a pandemic flu? Costs to counties:

Tim Wiedrich, DOH: We are not.

Chairman Pollert: Question regarding flu shots mandate. Refer: 036:00

Arvy Smith: Medicaid provides an allocation of vaccine that will cover all of our children that are Medicaid eligible, that are Native American or Native Alaskan, uninsured, and under insured. Refer: 036:00 – 037:58

Arvy Smith: Continued with major expenses in Emergency Preparedness.

Chairman Pollert: How many temporary FTEs?

Arvy Smith: Four full time temporary and four additional at Public Health, and other temporary salaries. Refer: 039:10.

Medical Services: (Page 19 – 21)

Currently, the State Forensic Examiner position is vacant with a forensic pathologist from UND School of Medicine and Health Services currently assisting the department. Total Budget for Medical Services is \$15,252,669. Refer: 040: 00 – 044:23

Representative Ekstrom: Question regarding prescreening? Refer: 45:01 – 045:47

Arvy Smith: Health Resources Section: Consists of four divisions: Health Facilities, Office of Community Assistance, Emergency Medical Services, and Food and Lodging. (See Page 21-24)

Representative Kreidt: Question regarding salaries for Health Resources. Refer: 049:00 – 049:55

Representative Kerzman: Question regarding Safety Codes. Refer: 050:00 – 051:22

Representative Metcalf: Referred to the recent inspection at the Veterans Home ... buildings being a fire hazard. Refer: 052.06 – 052:53.

Darlene Bartz, Health Resources Section Chief: One issue at the Veterans Home – a tunnel which, in case of a fire, the fire would go throughout. It is an issue. Refer: 052:55 – 054:52.

Representative Nelson: Referred to "gray areas" of surveys.

Darlene Bartz: Try to get consistency. Refer: 055:00 – 057:20.

Representative Wieland: Do inspectors work with local agencies? Refer: 057.33

Darlene Bartz: Surveyors are trained through Federal government. Refer: 057:53 – 058:30

Representative Metcalf: Changes need to be made in structural facility. Refer: 059:10 – 061:02

Darlene Bartz: Do not make the codes and are not always in control.

Representative Kreidt: Question on life safety of Veterans Home. Has department done any analogy of what it would cost for any changes?

Darlene Bartz: Have not done any analysis. Refer: 060:00 – 063:19

Representative Kreidt: Who is going to pay for this?

Chairman Pollert: Just some concerns of committee members.

Arvy Smith: Environmental Health Section: Refer: 064:12

(See Page 24 -29) Five divisions within Environmental Health: Air Quality, Laboratory Services, Municipal Facilities, Waste Management and Water Quality.

Special Populations Section: Refer: 069:56

New section added for the biennium. Includes the transfer of Children's Special Health Services from the Department of Human Services and the addition of a new program called the Office for the Elimination of Health Disparities.

Representative Ekstrom: Question regarding transfer if to be a physical move ... people following their jobs.

Arvy Smith: Eight individuals ... plan to take all.

Office for the Elimination of Health Disparities: OEHD will provide leadership to develop goals, strategies, policies and programs to eliminate health disparities. Refer: 073:48

Public Testimony:

Robin Iszler, Administrator of Central Valley Health District. (Provided copy of testimony)

Requesting support of HB 1004. Refer: 078:50 – 085:22

Representative Nelson: Question on Environmental Health being the most important issue.

Refer: 085:44

Representative Nelson: How many public schools for a nurse? Refer: 086:00

Chairman Pollert: Question regarding 5 mills levy? Refer: 087:34

Karen Volk, RN, Nurse Administrator and Director of Nursing from Wells County.

Testified in support of HB 1004. Refer: 089:28 – 093:00

Dave Peske, North Dakota Medical Association. Stated Medical Association has an interest on a portion of the Health Department Budget of the Physician Loan Repayment Program.

Brad Strand, Head of the Department of Health, Nutrition and Exercise Sciences at North Dakota State University. Provided testimony regarding the Healthy North Dakota worksite wellness pilots. Refer: 095:31 – 104:15.

Meeting adjourned until after lunch.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB1004

House Appropriations Committee
Human Resources Division

Check here for Conference Committee

Hearing Date: January 15, 2007 - Time: 9:15 am

Recorder Job Number: 1106

Committee Clerk Signature

Donna Kramer

Minutes:

Rep. Chet Pollert, Chairman opened the hearing on **HB 1004**, A Bill for an Act to provide an appropriation for defraying the expenses of the state department of health. All division members present: **Representatives Larry Bellew, Vice Chairman, James Kerzman, Ralph Metcalf, Mary Ekstrom, Jon Nelson, Gary Kreidt, and Alon Wieland.**

Kathy Albin, Director from the State Department of Health, testified in place of Arvy Smith, Deputy State Health Officer, who had to attend another meeting. Gave a recap of hearings for this week.

Kathy Albin continued stating there would be a special presentation on the Pandemic Flu stockpile.

Tim Wiedrich, Section Chief, DOH, testified. Refer: 004:56.

(Copies of handouts **Pandemic Influenza Antiviral Stockpile Program Summary** and **Pandemic Influenza Antiviral Cost Description** attached) Gave an overview if there is an outbreak. Explained the difference between pandemic antiviral and vaccine. Concerns: 1) Cannot use stockpile unless the federal government declares a pandemic. 2) Cannot rotate drugs. Questions about rotation. Federal government recommends a stockpile large enough

to cover 25% of the population. What would be needed to be purchased at a state level would be roughly 65,000 courses. Questions and discussion about stockpile.

Tim Wiedrich continued to explain the North Dakota Plan for a stockpile for a total cost of \$2,263,000. Questions and answers regarding the rate of \$15 from the federal government negotiations and where stored. It was stated there would be 65 points of dispensing in the state. More questions and discussion on the antiviral drug stockpile and cost. The stockpile would be rotated every 5 years.

Arvy Smith, Deputy State Health Officer, stated the amount needed to be repurchased after 5 years, if shelf life is not extended, is \$714, 135. The \$1.2 million is a one-time cost. More discussion and questions regarding the shelf life and rotation of the antiviral medicines. It was stated the "Federal government will purchase and store 94,391 courses for ND and this would not be rotated." Refer: 36:15.

Dr. Terry Dwelle, State Health Officer for the North Dakota Department of Health, testified continuing to explain the shelf life, storage fees and replacement costs, and the cost of each course. Dr. Dwelle stated the \$1.2 million dollars goes to buy the initial cushion that allows us to have extra amounts of this antiviral in the state for use whether we have a pandemic or a local epidemic never declared by the federal government. Refer: 37:30 - 42:20.

Tim Wiedrich and Dr. Terry Dwelle continued testifying and explaining the North Dakota plan for the drug stockpile in the event of a pandemic flu epidemic. Refer: 43:00 - 51:45

Arvy Smith, Deputy State Health Officer, began testifying again regarding **Emergency Preparedness Response**. (Handout is attached) The columns were explained. Arvy stated the increases in this biennium are related to the pandemic flu planning. There were questions regarding emergency pool, repairs, Emergency Commission authorization, IT Contractual Services, and software with answers regarding the budget. Refer: 53:00 - 72:20

Tim Wiedrich explained some of the software costs and maintenance agreement. Refer:

73:00 - 74:00

Arvy Smith continued with questions and explanation regarding the Professional Services.

Refer: 74:50 - 80:00. Discussion continued regarding salaries budget ... 4 - 4, base salary, and increases. Refer 80:00 - 93:00

There were questions and explanation regarding equipment under \$5,000, other equipment.

Refer: 93:20 - 96:10

Tim Wiedrich continued to explain the equipment amount (communication packages, microscope, and satellite links equipment). Refer: 96:15 - 105:00

Arvy Smith and Tim Wiedrich gave an explanation as to the hiring of temporary auditors and quality performance people (who collect data). Refer: 105:40 - 110:15

Grant Line Items

Arvy Smith reviewed the explained the Grant Line Items. Questions regarding the local public health units funding and there was continued discussion. Refer: 110:15 - 116:49

Representative Nelson requested information about the HRSA Grant. **Arvy Smith and Tim Wiedrich** gave an explanation of the reduction in the grant (as federal funds) had reduced and what the monies were used for. Refer: 118:00 - 124:00

Medical Services

Arvy Smith continued with an overview of the Medical Services starting with salaries and continued. She explained the income from Provider Choice, reduction in contractual services, general funds increase (state forensic officers), and Professional Services increase. She mentioned "getting hit in federal funds." Refer: 126:40 - 143:00

Meeting adjourned until this afternoon.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB1004

House Appropriations Committee
Human Resources Division

Check here for Conference Committee

Hearing Date: January 15, 2007 - Time: 2:00 pm

Recorder Job Number: 1135

Committee Clerk Signature

Donna Kramer

Minutes:

Rep. Chet Pollert, Chairman reopened the hearing on **HB 1004**, A Bill for an Act to provide an appropriation for defraying the expenses of the state department of health. All division members present: **Representatives Larry Bellew, Vice Chairman, James Kerzman, Ralph Metcalf, Mary Ekstrom, Jon Nelson, Gary Kreidt, and Alon Wieland.**

Arvy Smith, Deputy State Health Officer, began this afternoon reviewing **Special Populations** section budget. Arvy stated this is a brand new section which accommodates new minority health program (all federal funds) and the transfer of Children's Special Health Services from the Department of Human Services. Questions and answers regarding salaries and as to when federal money becomes available. Refer: 01:00 - 05:50

Representative Bellew asked a question about the Grants to ND Human Services of \$248,000. **Tamara Gallup Millner, Director of Health Services**, explained that it was a county reimbursement. Questions regarding Russell Silver program and explanation. Refer: 06:40 - 15:30

Arvy Smith continued with the Special Populations review. Question about FTEs.

Chairman Pollert asked about Minority Health work.

Dr. Terry Dwelle, State Health Officer for the North Dakota Department of Health,

responded and defined ... diseases in high risk areas ... why Minority Health Officer ... special populations ... Refer: 17:34 - 22:50.

Arvy Smith continued answering questions regarding federal funds and special needs with

Tamara Gallup Millner explained special needs. Refer: 26:20 - 26:43

Arvy Smith and Tamara answered questions regarding Russell Silver program, money turned back, why more money needed and number of people affected by this. Refer: 28:00 - 36:40

Arvy Smith continued with Provider Choice. (Handout attached) Showed a Power Point presentation on the screen to show the complex immunization process and why they came to the conclusion to go down the road of Provider Choice. Major changes going on in the immunization program across the country. She explained the 317 Funding, Costs to Vaccinate a Child, Reasons for Increases. Arvy stated there are 10 more vaccines in progress for a variety of things that will cost more money. It was noted that changes will be in the ages of children vaccinated because of cost. Refer: 37:00 - 48:00

Representative Ekstrom asked about whether staph infection vaccine is one-time vaccination. **Dr. Terry Dwelle** stated that is still known, it is still in research study. Dr. Dwelle continued explaining various diseases and the vaccines.

Arvy Smith continued reviewing the Costs of New Vaccines, Varying Costs Per Child, Categories of Children, Total Costs to Vaccinate, Total Funding Gap, Total Funding Gap W/Catch-up, Total Funding Gap W/Catch-up, Other Considerations, Potential Options of VFC Only (All other vaccines in private market at private rates); or, Universal Coverage (VFC plus state general funds for all other children); or, Provider Choice (VFC plus state purchases non VFC to achieve best rate for non VFC using funding from providers who bill insurers for costs), and Conclusion. Out of 174,000 children, 139,000 children are getting vaccinated or 79%.

Questions regarding the 21% that need to be vaccinated and why they haven't been vaccinated. Arvy responded that ND used to be one of the top five in the nation. Reasons are the lack of knowledge.

Dr. Terry Dwelle stated there was a gap of kids between 6 months and school age that need vaccinations. Refer: 65:20 - 67:50

Meeting adjourned for the day.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB1004

House Appropriations Committee
Human Resources Division

Check here for Conference Committee

Hearing Date: January 16, 2007 - Time: 8:30 am

Recorder Job Number: 1147

Committee Clerk Signature

Donna Kramer

Minutes:

Rep. Chet Pollert, Chairman reopened the hearing on **HB 1004**, A Bill for an Act to provide an appropriation for defraying the expenses of the state department of health. All division members present: **Representatives Larry Bellew, Vice Chairman, James Kerzman, Ralph Metcalf, Mary Ekstrom, Jon Nelson, Gary Kreidt, and Alon Wieland.**

Arvy Smith, Deputy State Health Officer, began with page 6 of the Immunization Funding booklet. Question regarding new vaccines and the cost. She explained what was in the gross dollars' cost and the VFC cost concern. The remaining non-VFC category is their concern. Moving into 2008, there will a \$5.9 million gap to cover. This is a problem. BCBS will cover. Can buy at a lower rate and distribute with Provider Choice option. Discussion regarding billing. Steps: BCBS gives DOH the money, DOH buys the vaccine, and BCBS reimburses for the cost of the vaccine. DOH want to switch to providers give the money, DOH purchases the vaccine, vaccine to the providers and they give the shots, and bill the insurance companies or the individual. Provider Choice option cost to the General Fund, if implemented July 1, is the \$220,000 with two people to do this. Continued discussion. Refer: 12:00 - 23:50

Arvy Smith continued with page 7 regarding the catch-up of 25% rate per year explanation. All of the schedules shown assume that we stay at 79% of ND children covered, **Arvy Smith**

stated. Discussion and questions. **Arvy** explained the state general funds scenario in using general funds and buy off federal vaccines and give to providers. Continued discussion. 35:00 - 37:00.

Arvy Smith continued with page 8 with some of the considerations. Questions and discussion on the numbers presented on the budget, numbers immunized, costs, and the options. **Arvy Smith** explained the lowest rate option. Refer: 37:10 - 53:48.

Arvy Smith explained the option of Universal Coverage with no insurance costs. The general fund gives the DOH money to buy vaccine at a lower rate with no insurance costs. The state would be administering and the DOH would bear the financial risk if the 79% increases or the catch-up rate is higher. Questions and discussion. Refer: 54:00 - 57:20.

Continuing with the Provider Choice option, **Arvy Smith** again explained the plan with the benefits. Questions and discussion. Refer: 57:25 - 62:22

Arvy Smith handed out the sheet on the Costs to Vaccinate.

Dr. Dwelle answered questions about mandated vaccines, if approved - when the program would be up and running, and amounts granted to public health units. 62:25 - 73:50.

Meeting adjourned for a break.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB1004

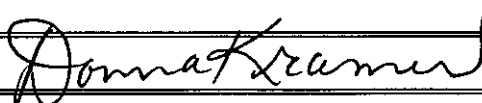
House Appropriations Committee
Human Resources Division

Check here for Conference Committee

Hearing Date: January 16, 2007 - Time: 10:00 am

Recorder Job Number: 1195

Committee Clerk Signature



Minutes:

Rep. Chet Pollert, Chairman reopened the hearing on **HB 1004**, A Bill for an Act to provide an appropriation for defraying the expenses of the state department of health. All division members present: **Representatives Larry Bellew, Vice Chairman, James Kerzman, Ralph Metcalf, Mary Ekstrom, Jon Nelson, Gary Kreidt, and Alon Wieland.**

Arvy Smith, Deputy State Health Officer, continued with **Environmental Health**. (Handout given) She stated they are looking at an increase of \$13 million. Most of it is in Federal funds ... mainly the arsenic project in southeast ND. Question and explanation about the project, FTEs, salaries, insurance, travel expense, and professional services decrease.

Dave Glatt, Environmental Health Section Chief, in response to a question about the Arsenic Project explained the background of the project and the expansion of the water treatment. He also talked about the 319 program, explained LUST, explained Lake Survey, and how long Arsenic Project and how funded. Refer: 11:10 - 27:30.

Arvy Smith continued with a definition and explanation of **Extraordinary Repairs** under Capital Assets. They are major repairs to buildings based on a formula based on the age of the building, cost, whether renovated, and such. Question regarding OMB using a formula. There was a question about the requested underground sprinklers and explanation. Continued

