

2011 SENATE EDUCATION

SB 2146

# 2011 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee  
Missouri River Room, State Capitol

SB 2146  
January 11, 2011  
12746

Conference Committee

Committee Clerk Signature

*Teresa Jorgensen*

## Explanation or reason for introduction of bill/resolution:

Relating to the new dental practice grant program. Would allow in kind matches to be eligible for the dental loan repayment program.

## Minutes:

See attached testimony.

**Chairman Freborg** called the hearing to order on SB 2146; no fiscal note attached.

**Senator Judy Lee**, District 13, introduced the bill; has to do with the dental loan repayment programs. Rather than limit to cash the contributions that can be made by communities in order to recruit a dentist, that in kind might be another option. For example, a building may be available that could be used by the new dentist. Only adding that an "in kind match" would be eligible also for the program.

**Senator Flakoll:** What bill includes the money for this?

**Senator Judy Lee:** There isn't any money; the money for the dental match itself is going to be in Human Services budget. This just has to do with the community match for the program so not asking for any additional state dollars.

Dental graduates have large loans, need building to practice and tools. There are more costs to a dentist setting up practice in rural areas; unless they join an established practice the cost is significant. Communities usually seek donations to entice a dentist to open the practice. Not as likely to take the risk of setting up practice in a small town.

**Senator Flakoll:** How is the value of in kind matches established? Can a political subdivision provide cash or in kind contribution?

**Senator Judy Lee:** Right now the community that wants to have a dentist will raise contributions from businesses and individuals to match that. In this case, some rules would be developed about what would be eligible as far as in kind. May be a building that is not occupied and the owner would like to donate use of it rather than donate money. Maybe a low cost lease, use of entire building, etc.

**Senator Flakoll:** Would TIF (Tax Increment Financing) districts count in addition to, maybe, Renaissance Zone?

**Senator Judy Lee:** Hadn't thought about it, but suppose it could.

**Senator Flakoll:** When did the program start—or is this the genesis of the program?

**Senator Judy Lee:** The dental loan repayment program began 10 years ago. The grant program began about 2 years ago. Emphasis is to provide services to small communities; not to bring specialists into the "big four" communities, but rather to provide dental services in the smaller communities. They do recognize that if one gets to too small a community, there isn't enough of a population base to support the practice and don't want them to fail and end up with debt as well. It's a work in progress; hopeful there will be additional opportunities to use it so that we can have more dentists in small rural communities.

**Senator Heckaman,** District 23, is a co-sponsor of and testified in favor of SB 2146. There is a need for dental services in rural areas, and not all accept Medicaid patients. Can look at supporting a rural population; start up costs are very high and we need to do something to assist them in getting started. Rural people lack these services and have to drive many miles to get dental services.

**Senator Flakoll:** Would this allow a dentist to have a satellite office in another community; i.e. community A three days a week and community B two days a week? If they had an existing program could they use this to expand to another community—is that the intent or are they expected to only work out of one physical location?

**Senator Heckaman:** If you look at the bill that is in now, there is a requirement that dentist commit to the community for 5 years, but it doesn't say how many days a week. Not sure if that is written into rules someplace along the way, and if someone else could answer. There is a 5 year commitment qualify for the program. Would think it would be up to the community how they would want the commitment.

**Representative Bill Devlin, District 23,** (see testimony #1) testified in support of SB 2146.

**Representative Wayne Trottier, District 19,** (see testimony #2) testified in support of SB 2146.

**Joe Cichy, Executive Director, North Dakota Dental Association** testified in support of SB 2146. It interconnects between the loan repayment program and grant programs. This is a grant program that is administered by the state Health Department; program came about two years ago. Loan repayment program also encourages new dentists to go to rural areas. That's been in effect for 10 years; is highly successful. This is a quality program and with this change will be utilized more.

**Senator Flakoll:** Can the dentist have a practice 3 days in one community and 2 days in another community? One or the other of the communities would qualify for the program? Can they do that?

**Joe Cichy:** I don't think it is clear in the statute; it says they need to practice in the community for 5 years. Doesn't specify how many days per week. Something that the health department would have to address in their rules. Would have to be based on the population of the area.

**Senator Flakoll:** Verification process to find the value of the "in kind"—how is that determined?

**Joe Cichy:** That would be under the jurisdiction of the Health Department because they administer the program. They would have to make that determination as to what qualifies and what doesn't. Included in that would be the value of a lease, etc.

**Senator Flakoll:** There are two that have started, and would the people that qualify because of the rules or regulations get reimbursed at a lower rate than other communities or is it the same rate in all communities.

**Joe Cichy:** Are you talking about Medicaid reimbursement? It is the same statewide.

**Senator Flakoll:** Second part of the question—how many are in the pipeline; are there two people since it started two years ago?

**Joe Cichy:** One in the pipeline and one grant has been given.

No opposition to SB 2146; hearing closed. Senator Heckaman made a motion for a Do Pass; seconded by Senator Marcellais. Senator Heckaman will carry the bill.

Discussion on the motion:

**Senator Flakoll:** Do we want to require a certain number of days in the community, or allow for satellites?

**Senator Heckaman:** I would prefer to leave it as is and let the state Health Department take that. I think they do that now already with the way the program is written.

Do Pass vote 7 – 0.

Date: 1-11-11  
Roll Call Vote # 1

**2011 SENATE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO. 2146**

Senate Education Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt Amendment  
 Rerefer to Appropriations  Reconsider

Motion Made By Sen. Heckaman Seconded By Sen. Marcellais

Senators	Yes	No	Senators	Yes	No
Chairman Layton Freborg	X		Senator Joan Heckaman	X	
Vice Chair Donald Schaible	X		Senator Richard Marcellais	X	
Senator Tim Flakoll	X				
Senator Gary A. Lee	X				
Senator Larry Luick	X				

Total (Yes) 7 No 0

Absent none

Floor Assignment Senator Heckaman

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

**REPORT OF STANDING COMMITTEE**

**SB 2146: Education Committee (Sen. Freborg, Chairman)** recommends **DO PASS**  
(7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2146 was placed on the  
Eleventh order on the calendar.

2011 HOUSE EDUCATION

SB 2146

# 2011 HOUSE STANDING COMMITTEE MINUTES

House Education Committee  
Pioneer Room, State Capitol

SB 2146  
03/07/11  
15020

Conference Committee

Committee Clerk Signature



## MINUTES:

**Chairman RaeAnn Kelsch:** We will open the hearing on SB 2146.

**Sen. Judy Lee:** Sponsor. SB 2146 just expands the potential for assisting dentists that are setting up new practices. This one as you may recall has to do with the fact that we are assisting people in setting up their practices in North Dakota. When a physician graduates from medical school they are likely to go into an existing group practice or a large healthcare provider and can basically bring their white coats and show up. For dentists they have to have an office and all the equipment they need to purchase. They independent contractors just as someone who owns a hardware store or is a farmer are an independent contractor. It is quite expensive to get established in that practice on top of what is probably already a pretty good sized student loan balance. So we have dental grad program to assist people in North Dakota that are looking to establish practices in our various communities. We are currently giving financial benefits but this would permit in-kind contributions from the community as well. For an example, someone may have a building available with space in it and that space could be an in-kind contribution. That is really what we are talking about here.

**Chairman RaeAnn Kelsch:** Questions?

**Vice Chair Lisa Meier:** What dollar amount? I don't see a cap on the dollar amount.

**Sen. Judy Lee:** We are not looking at altering that. We are just looking at that being considered as another option to the grant.

**Rep. Karen Karls:** Does this imply that there is a fulltime dentist or could a dentist, for example, from Jamestown set up a practice in a nearby small city and operate it as a satellite clinic and take advantage of this?

**Sen. Judy Lee:** That is a really good question and I think it might be a good one for the committee to explore.

**Rep. Karen Rohr:** Do we have an end goal for this? If there are a certain amount of practices established in the smaller communities then would this go away or is this just an ongoing strategy?



**Sen. Judy Lee:** This has been an ongoing strategy because we are so far behind in having adequate dental access and we have not seen the goal getting close yet. If we end up with a large supply of dental access providers in North Dakota then we might be less likely to look at this. It was originally intended to provide more opportunities in our small communities. We have adjusted it in recent years because it is difficult to get dentists to go into cities of under five thousand. We have softened some of those silos we had before. We haven't been using all the opportunities.

**Rep. Phillip Mueller:** Can you give a sense of the shortage situation in numbers and how many communities are looking and can't fill the void?

**Sen. Judy Lee:** I can get that for you. We are not only short of dentists throughout the area but we are also short of people who are dentists that are willing to provide services to individuals that are on Medicaid because our reimbursement has been very poor. We have risen that a bit but it is still a long way from being good. It has made a little difference. In Fargo, Grand Forks, and Bismarck they are bridging the dental gap with programs that are willing to provide services to people that are underinsured or uninsured. On another note I would like to find a mid-level dental access program. In the same sense that we have nurse practitioners and even baccalaureate level nurses in the medical field, we have dental hygienists which is a two-year program and that is it all we have all the way up to dentists. I think it is an extremely important to look at mid-level providers for dental care and adding a higher level/mid-level that would be working to provide access. That has nothing to do with this bill. It is just something I would like to see. In the mean time what we need are dentists that can go to the communities. We don't even really allow private practices of hygienists in North Dakota. The dentists are going to have to be in that satellite. They can't just enable someone that is one of their staff members to be there without supervision.

**Chairman RaeAnn Kelsch:** Who is the contact at the Department of Health?

**Sen. Judy Lee:** I can get that for you.

**Chairman RaeAnn Kelsch:** We could probably send it to the contact and ask for all those shortage areas.

**Sen. Judy Lee:** There is also a shortage of specialty dentists and that is another reason we did some changes to this a couple sessions ago.

**Chairman RaeAnn Kelsch:** Further questions?

**Rep. Brenda Heller:** I found it interesting that the grant money has to be distributed in equal amounts over five years. How could a dentist set up an office with the money being spread out over such a long period of time?

**Sen. Judy Lee:** The idea is they have to be committed to the community for five years. It is five years because it is a five year commitment.

**Rep. Karen Rohr:** Has anyone taken a proposal to the State Board of Higher Education regarding mid-level?

**Rep. Bob Hunskor:** As I read this I don't believe a dentist who receives a grant can use that for funding to pay off student loans and that type of thing but you talk about buildings, equipment and operating expenses. So could they use that for advertizing? It wouldn't just be restricted to those three things.

**Sen. Judy Lee:** On line 17, section 2, part C, it talks about buildings, equipment and operating expenses. I guess we didn't think of advertising being a part of operating expenses.

**Chairman RaeAnn Kelsch:** I think typically in the business world advertising isn't considered an operating expense. It is considered marketing.

**Rep. Bob Hunskor:** What if they wanted an extra assistant in the reception room? They would qualify then?

**Sen. Judy Lee:** I think that is part of it. It is what it takes to keep the professional office rolling. I am unaware of any kind of abuse on the funding that is there. It has been critically important to dentists. It has been a good program. Part of the challenge is that we have students that are going into dentistry and we don't have a program here. This may be a way bring some of those people back or to recruit some new ones.

**Chairman RaeAnn Kelsch:** Well good luck with that mid-level. We already have long waiting lists in Wahpeton for dental hygienists in the first place so it could be an interesting concept.

**Sen. Judy Lee:** Hopefully we will be able to work on that one too.

**Chairman RaeAnn Kelsch:** Further support?

**Gary Garland – North Dakota Department of Health:** I do administer this particular program and other loan pertaining programs. I would like to let you know that the Department of Health very much supports this piece of legislations. I can stand for questions.

**Chairman RaeAnn Kelsch:** Are we able to fill the slots and fund the two positions every biennium? Are we getting enough interest?

**Gary Garland – North Dakota Department of Health:** We have not. Last summer I attended a meeting of the North Dakota Medicaid Advisory Committee. Senator Lee happened to be in attendance at that meeting as well. We were discussing various loan repayment programs and financial incentive programs that would bring healthcare practitioners to North Dakota. I was asked about participation in this particular grant program and I was sorry to say we've only had one applicant. One person is currently in the program. I was asked why so few and it was the discussion of the group that it could be the hard dollars that are required by the community. This program provides for a 50,000

dollar grant program to a dentist over a five year period. Half of that money is paid by the state and the other half is paid by the community. We were of the opinion that hard dollars were maybe difficult for communities to access. There could be equipment, ancillary services that could be by local hospital or other healthcare providers, a waiver a rent, and a building even given to participants or other things that would qualify as in-kind match. This legislation offers flexibility to the community on offering money. The trick would be for the community and practicing dentist to agree that the financial contribution of the community is going to be roughly equivalent to 25,000 dollars over this five year period. I think there is a lot of flexibility and opportunity there. Hopefully if the bill is passed we will have more applicants and can fill the slots.

**Chairman RaeAnn Kelsch:** Rep. Karen Karls asked the question about someone that has maybe graduated four years ago, has an office here Bismarck, and wants to create a satellite clinic in one of those other areas. Would they qualify for this grant?

**Gary Garland – North Dakota Department of Health:** To my knowledge the legislation as written would require the individual to be fulltime on sight.

**Chairman RaeAnn Kelsch:** I know we've some of that discussion in past years.

**Rep. Phillip Mueller:** Do you think we ought to change the legislation so they could establish a satellite outside of a larger city?

**Gary Garland – North Dakota Department of Health:** That is an interesting concept, however if we were to provide for that the practicing dentist would have to sacrifice some of his/her time to go to a smaller community.

**Chairman RaeAnn Kelsch:** I don't know of too many dentists that will graduate and be ready within the time frame to go out and establish a satellite within a five year period of time. It has to be within the first five years that they have graduated from school. That is a pretty big stretch for a young person. This is another issue that we deal with. You can lead a horse to water but you can't make it drink. People aren't willing to go into those smaller communities when they feel as though there is more money to be made in those larger communities. It does cause some difficulty. Hopefully with something like the in-kind, maybe it will be more lucrative and they would be willing to go in and make that five year commitment. Further questions?

**Rep. Joe Heilman:** I have a question on the funding. Is that an appropriation or is it built into the budget? I'm wondering if we can raise this.

**Gary Garland – North Dakota Department of Health:** This money is in the Health Department's budget as an ongoing part of that budget.

**Chairman RaeAnn Kelsch:** It has been like this for a while.

**Gary Garland – North Dakota Department of Health:** This portion of the legislation was in enacted two biennia ago.

**Rep. Joe Heilman:** We provide a matching of 50% of 50,000. In your budget there is 50,000 dollars for this?

**Gary Garland – North Dakota Department of Health:** Yes.

**Rep. Karen Rohr:** What if an established practice in Bismarck has two slots that they open up and they hire two new dental students for practice. Their home base could be in Bismarck but they could be responsible to go to another community and start up a practice. They would have the advantage of benefits being paid for by their main dentist and/or billing arrangements so they didn't have to worry about all the logistics of setting up a practice in a small town. Would that fit into this?

**Gary Garland – North Dakota Department of Health:** It might. We haven't run across that situation though.

**Chairman RaeAnn Kelsch:** I question if that would work. It would depend on what they were calling their business I suppose. It probably wouldn't matter though. If you can get that young person to go there and make that commitment because it has to be a fulltime commitment so it would no longer be considered a satellite clinic they way we view satellite clinics in North Dakota. Further questions? Support? Further comments? We will close the hearing on SB 2146. Committee members are you comfortable going ahead and moving the bill without knowing the shortage numbers?

**Rep. Karen Rohr:** Should we consider doing an assessment or an evaluation of these new dental students and what would help or attract them to these small areas so we could make this a part of the bill? Is it the logistics?

**Chairman RaeAnn Kelsch:** This was just one component of the dental program because we do have a loan repayment dental program.

**Gary Garland – North Dakota Department of Health:** There are actually three components. There is the main loan repayment program that will offer 80,000 dollars for dentists that will work in communities that qualify for a period of four years. Then there is this grant program that provides additional financial incentives for those that use the money to buy equipment, buildings, or to contribute to ongoing operating expenses. The third component, and the one that is in a little trouble during this financial session, is a loan repayment program but it is targeted to dental clinics that bill on a sliding fee schedule and serve almost exclusively low-income populations. The main loan repayment program specifies that preference will be given to rural communities. Those that go to rural communities have absorbed all of the money so for dentists that practice in the community health centers in places like Fargo and Grand Forks we could not help these individuals. Individuals that practice in these clinics that bill on the sliding fee schedule, they could make a lot more money if they were out in private practice operating a normal dental clinic and serving other populations. The program that is designed for low income clients had an appropriation of 180,000 dollars. The problem is that it was enacted last legislative session and it was enacted for one biennium. It is not in the governor's budget for the Health Department for this biennium. I am aware that the North Dakota Oral Health Coalition is moving to reenact it.

**Chairman RaeAnn Kelsch:** It was sun setting so they are looking at taking the sunset off.

**Gary Garland – North Dakota Department of Health:** They are looking to bring that back so we could bring some financial awards to individual that serve low income populations.

**Chairman RaeAnn Kelsch:** We have the programs in place. I think the purpose here is that we have some communities that wanted to give buildings away but the way that it is written is that it wouldn't qualify as the 50% match. Maybe that will be something else that will be enticing. Again it goes back to that statement that we can create the incentives but the individual has to want to go there and has to want to do that. That is where we are kind of struggling. Committee members are you comfortable?

**Rep. John Wall:** I move a do pass.

**Rep. David Rust:** Second.

**Chairman RaeAnn Kelsch:** Rep. John Wall is in that district that has the dental hygienist program and I know during the interim higher education meetings we talked about if it is something you expand and have BSC or other institutions offer it so you could get more dental hygienists through. If you aren't going to be recognized as being able to do some of the initial care in communities it may not help. It is certainly an interesting thought on the intermediate level. We know how well the nurse practitioner program has worked and physician assistants. We know things like that would be beneficial if it is doable.

**Rep. Lyle Hanson:** Didn't we have a bill on veterinarians similar to this several years ago?

**Chairman RaeAnn Kelsch:** Yes.

**Rep. Lyle Hanson:** Does it work?

**Rep. David Rust:** I take that to the floor tomorrow.

**Chairman RaeAnn Kelsch:** And it is working?

**Rep. David Rust:** It is working very well.

**Gary Garland – North Dakota Department of Health:** It is working very well. The number of participants in the program now is twelve and that would be what I call a full program because program allows three new veterinarians in each year for a period of four years. The mathematics of it is such that there is going to be twelve in the program at any given time. Each year three will complete their service agreement. On average we have ten to twelve applicants per year for three slots.

**Rep. Joe Heilman:** It sounds like the program isn't getting a whole lot of use or interest. Do you know or have any ideas how it could be more attractive? Do we need to lessen some restrictions or increase the amount?

**Gary Garland – North Dakota Department of Health:** I believe increasing the amount would be attractive. As you know it is difficult to deal with dollars as we move in this period of time. Hopefully the option for the community to come up with soft-match will be something that contributes to the program.

**Rep. Joe Heilman:** Do you find that communities have trouble finding the dollar for dollar match?

**Gary Garland – North Dakota Department of Health:** Yes.

**Chairman RaeAnn Kelsch:** We have a motion on the table for a do pass. We will take the roll. We will close on SB 2146.

**14 YEAS 0 NAYS 1 ABSENT  
CARRIER: Rep. John Wall**

**DO PASS**

Date: 03-07-11  
 Roll Call Vote #: \_\_\_\_\_

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
 BILL/RESOLUTION NO. SB 2146

House EDUCATION Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt  
 Amendment

Rerefer to Appropriations  Reconsider

Motion Made By REP. WALL Seconded By REP. RUST

Representatives	Yes	No	Representatives	Yes	No
Chairman Kelsch	X		Rep. Hanson	X	
Vice Chairman Meier	X		Rep. Hunskor	X	
Rep. Heilman	X		Rep. Mock	X	
Rep. Heller	X		Rep. Mueller	X	
Rep. Johnson					
Rep. Karls	X				
Rep. Rohr	X				
Rep. Rust	X				
Rep. Sanford	X				
Rep. Schatz	X				
Rep. Wall	X				

Total (Yes) 14 No 0

Absent 1 - REP. D. JOHNSON

Floor Assignment REP. WALL

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

**REPORT OF STANDING COMMITTEE**

**SB 2146: Education Committee (Rep. R. Kelsch, Chairman) recommends DO PASS**  
(14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2146 was placed on the  
Fourteenth order on the calendar.



2011 TESTIMONY

SB 2146

Good Morning Chairman Freborg and members of the Senate Education Committee.

For the record, I am Representative Bill Devlin of Finley. I represent District 23 which encompasses all or part of five rural counties in eastern North Dakota.

I am here to testify in support of Senate Bill 2146 and urge the committee to give the bill a do pass.

Senate Bill 2146 provides an additional tool to help attract dentists to underserved areas of our state.

In our communities we find that there is often a shortage of many of the medical services that our friends in our larger communities take for granted.

The legislature has provided tools like the Dental Practice Grant Program to help increase services those areas.

Besides the shortage of medical providers there often can be a shortage of economic development or other funds that can be used to provide the matching dollars to access the grant.

But there often things of great value in a community, such as a vacant building, that will be needed for the new dentist in the community. What this bill does is simply allow a community to utilize that building or some other type of in-kind service as all or part of their share of the matching funds needed.

I urge the esteemed members of the Senate Education Committee members to give SB 2146 a do pass recommendation. I would be happy to answer any questions you might have but understand there are other speakers to follow that will be able to provide much greater details about the need to pass SB2146.

#1 SB 2146

Good Morning Chairman Freborg and members of the Senate Education Committee.

For the record, I am Representative Wayne Trottier from Northwood. I represent District 19 which includes most of rural Grand Forks County.

I am here to testify in support of Senate Bill 2146 and urge the committee to give the bill a do pass.

Senate Bill 2146 will help rural communities attract desperately needed medical providers by expanding the tools available under the dental grant program.

As you are aware, this bill allows a community to utilize that building or some other type of in-kind service as all or part of their share of the matching funds needed. It is a good change in public policy that will benefit the citizens of our great state, and I respectfully ask the committee to give the bill a do pass recommendation.

Chairman Freborg and members of the committee I would be happy to try answer any questions you might have but believe there are other speakers that will follow me that can provide more details if needed by the committee.

#2 SB 2146