

**State Department of Health
Budget 301**

House Bill Nos. 1004, 1014, 1256, 1290, 1296, 1434, 1435, 1471; Senate Bill No. 2152

	FTE Positions	General Fund	Other Funds	Total
2007-09 legislative appropriation	331.50	\$21,649,493 ¹	\$150,848,845	\$172,498,338
2005-07 legislative appropriation	<u>311.50</u>	<u>13,468,904</u>	<u>112,270,220</u>	<u>125,739,124</u>
2007-09 appropriation increase (decrease) to 2005-07 appropriation	20.00	\$8,180,589	\$38,578,625	\$46,759,214

¹This amount includes \$4,062,135 of one-time funding. Excluding this amount, the agency's ongoing general fund appropriation is \$17,587,358.

NOTE: The 2007-09 legislative appropriation amounts include \$386,028, of which \$132,460 is from the general fund, for the agency's share of the \$10 million funding pool appropriated to the Office of Management and Budget for special market equity adjustments for classified employees.

Item Description

One time funding - The Legislative Assembly identified \$2,010,135 from the general fund for an antiviral stockpile in case of severe influenza outbreak as a one-time funding item. Other one-time funding items for the State Department of Health include:

- House Bill No. 1296 - \$30,000 from the general fund for an emergency medical services (EMS) system assessment;
- House Bill No. 1435 - \$2 million from the general fund for vaccines to public health units and other providers; and
- House Bill No. 1256 - \$22,000 from the general fund for a legend prescription drug and device donation and repository program.

The total for one-time funding to the State Department of Health is \$4,062,135. This amount is not to be considered part of the agency's base budget for preparing the 2009-11 executive budget, and the State Department of Health is to report to the Appropriations Committees during the 2009 legislative session on the use of this funding.

Status/Result

The State Department of Health has expended the following funds identified as one-time funding items:

	Legislative Appropriation	Expenditures and Obligations To Date	Remaining Balance	Current Status
Pandemic antiviral stockpile	\$2,010,135	\$2,004,635	\$5,500	The department has purchased vaccines at a cost of \$1,974,135 and has rented and renovated a warehouse for \$30,500. The department is storing the vaccine in Minot and Bismarck.
Immunization program transition (PROtect ND Kids)	2,000,000	1,391,174	608,826	See Provider Choice immunization program below for information.
EMS system assessment	30,000	30,000	0	The department used the funding to contract with the National Highway Traffic Safety Administration for an assessment of the state's EMS system. The National Highway Traffic Safety Administration conducted its assessment in April 2008. The department has presented the recommendations from the assessment to the Legislative Council's interim Public Safety Committee.
Legend prescription drug donation program	22,000	22,000	0	The department has provided a grant to the State Board of Pharmacy for establishing and administering a legend prescription drug donation and repository program. The board has established the program. Pharmacies and practitioners must register with the board to participate in the program.
Total	\$4,062,135	\$3,447,809	\$614,326	

The State Department of Health anticipates \$600,000 of the \$2 million appropriated for the immunization program transition (PROtect ND Kids) may be unspent at the end of the biennium.

The State Department of Health collects annual fees for licensing tanning facilities in January of each year. The department received approval to increase the fees in April 2008 and estimates total fees for the biennium will be approximately \$25,000. The department anticipates hiring an FTE position to assist with the program in the fall of 2008.

The State Department of Health has hired an independent contractor to complete surveys for the basic and long-term care facilities demonstration project. The contractor has completed three surveys to date. The department has received positive feedback and anticipates continuing the service as requested.

The State Department of Health anticipates spending the \$228,841 of special funds from laboratory analysis fees for repairs to the laboratory building toward the end of the 2007-09 biennium.

The Provider Choice program has evolved into the PROtect ND Kids program and transition to the new program is complete. The State Department of Health anticipates spending approximately \$1.4 million of the \$2 million appropriation to purchase vaccines for public health units and other immunization providers for the purpose of continuing the immunization services during the transition period of July 1, 2007, through December 31, 2007. The department has assisted private and local providers with the logistics of keeping an inventory of various vaccines and with setting up a billing system through Blue Cross Blue Shield of North Dakota and the University of North Dakota.

The department has only spent \$2.2 million of the \$19.4 million of special funding authorization to purchase vaccines at reduced costs and receive reimbursement from medical providers because drug companies were not interested in participating in the program and did not respond to a bid request. The department anticipates once again attempting to solicit bids to purchase vaccines but would only require one-half of the total authorization if successful.

Tanning facility regulation fees - Section 7 of House Bill No. 1004 creates a new section to North Dakota Century Code (NDCC) Chapter 23-39 to provide for fees collected by the State Department of Health for regulating tanning facilities to be deposited in the department's operating fund for associated costs. House Bill No. 1154 provides for the department to regulate tanning facilities.

Basic and long-term care facilities demonstration project - Section 12 of House Bill No. 1004 provides for a demonstration project to be conducted during the 2007-09 biennium for voluntary surveys during major construction or renovation of basic care and long-term care facilities. The State Department of Health may charge a reasonable fee for conducting life safety surveys as part of this project. The department is to provide a report to the Legislative Council before August 1, 2008, regarding the status of the demonstration project, including the feasibility and desirability of making the program permanent and whether the department will be recommending any legislation to make the program permanent.

Extraordinary repairs - The Legislative Assembly appropriated \$228,841 of special funds to the State Department of Health for repairs for the laboratory building.

Provider Choice immunization program - Provider Choice is a program to manage and cost effectively pay for all recommended vaccines for all children. There have been significant changes in childhood immunization programs, including a possible decline in federal funding for immunizations and the introduction of several very expensive newly recommended vaccines. The Provider Choice program continues the provision of federal vaccines to providers for eligible children and gives providers the choice of purchasing all other vaccines through the State Department of Health where they can achieve lower vaccine costs through multistate, large-volume purchase agreements. Vaccines for all children will be covered either through the federal Vaccines for Children program or through an individual's health insurance. Some copayments may apply. The Legislative Assembly provided funding of \$227,000 from the general fund for 2 FTE positions to manage the issues related to Provider Choice and special funds spending authority of \$19.4 million to purchase the vaccines on behalf of and receive payment from providers.

House Bill No. 1435 provides that the State Department of Health establish a program to distribute vaccines to local public health units and other immunization providers for the purpose of continuing the immunization services previously funded through the immunization grant program, while

transitioning to a Provider Choice immunization program during the period July 1, 2007, through December 31, 2007. The Legislative Assembly appropriated \$2 million from the general fund to the State Department of Health for the department to purchase vaccines for public health units and other immunization providers during this transition period. Of the amount appropriated, \$500,000 is only available if the State Department of Health determines that vaccines need to be purchased after December 31, 2007.

Veterinarian loan repayment program - House Bill No. 1125 provides for a veterinarian loan repayment program. The Health Council, in consultation with the State Board of Animal Health, may select from a pool of applicants no more than three veterinarians to provide animal veterinary medicine services to communities in this state. The veterinarians are eligible to receive up to \$80,000 in loan repayment funds. A veterinarian may receive a loan payment of up to \$15,000 upon completion of the first six months of service, an additional \$15,000 upon completion of the second year of service, \$25,000 upon completion of the third year of service, and an additional \$25,000 upon completion of the fourth year of service. The Health Council is to identify communities that are in need of a veterinarian and establish a priority ranking for participation in the program by the selected communities. Any money received as gifts, grants, or donations for the veterinarian loan repayment program are appropriated on a continuing basis to the Health Council. House Bill No. 1003, the appropriation bill for the North Dakota University System, includes a \$100,000 general fund appropriation for this program.

Dentists' loan repayment program - The Legislative Assembly appropriated \$440,000 from the community health trust fund for the dentists' loan repayment program (\$380,000) and a new dental grant program (\$60,000). Senate Bill No. 2152 relates to the dentists' loan repayment program and provides for a dental grant program.

- The bill amends NDCC Section 43-28.1-03 to provide that a dentist providing services in Fargo, Bismarck, or Grand Forks must practice at a minimum of two full days per week at a public health clinic or nonprofit clinic or received at least \$20,000 of medical assistance reimbursement for dental medical payments during the year in order to qualify for the dentists' loan repayment program.
- The bill provides that a dentist who has graduated from an accredited dental school may apply for a grant for the purpose of establishing a dental practice in a city in the state with a population of 7,500 or less. The Health Council may award a maximum of two grants per year with a maximum grant award of \$50,000 per applicant to be used for buildings, equipment, and operating expenses. The community in which the dentist is locating must provide a 50 percent match. The grant must be distributed in equal

The State Department of Health has established a veterinarian loan repayment program. As of May 2008 the department has three veterinarians enrolled in the program for a total cost of \$45,000. The department anticipates accepting three additional veterinarians in January 2009 increasing the total cost of the program to \$90,000 for the 2007-09 biennium. The department will use the remaining funds of \$10,000 for administrative costs.

The dentists' loan repayment program, which is administered by the Health Council, was established in 2001. Each year the Health Council is to select up to three dentists who agree to provide dental services in the state. The dentists are eligible to receive funds, not to exceed a total of \$80,000 per applicant, for the repayment of their educational loans. The funds are payable over a four-year period (\$20,000 per year). The dental loan repayment program is to provide the highest priority for acceptance into the program to dentists willing to serve the smallest and most underserved communities in North Dakota. The Health Council has added three dentists to the program since the start of the 2007-09 biennium and anticipates adding three more dentists to the program in July 2008. Dentists entering the program during the 2007-09 biennium are serving in the following communities--Park River, Bismarck, Grand Forks, Cando/Devils Lake, Rugby, and Wishek. As of May 2008 there are 10 dentists in the program.

The department has received no applications to date for the new dental grant program enacted by the 2007 Legislative Assembly.

amounts over a five-year period and the dentist must commit to practice in the community for five years.

Viral hepatitis program - The 2007 Legislative Assembly, in House Bill No. 1434, provided a \$200,000 general fund appropriation to the State Department of Health to establish and administer a viral hepatitis program with a goal of distributing information regarding the dangers of the disease and contact information to high-risk individuals. In addition, the department is to establish a vaccination and testing program to be coordinated by the department through local public health units.

Human papilloma virus - The 2007 Legislative Assembly, in House Bill No. 1471, provided a \$50,000 general fund appropriation to the State Department of Health to educate the public regarding the human papilloma virus and the availability of human papilloma virus vaccine.

Emergency medical services operations - House Bill No. 1296 provides an appropriation for the State Department of Health to distribute \$1.25 million of insurance premium tax collections to eligible EMS operations.

Physician loan repayment program - North Dakota Century Code Chapter 43-17.2 provides for the state community matching physician loan repayment program. A qualifying physician may receive up to \$22,500 per year for up to two years for a total of \$45,000. Section 43-12.2-01 provides for mid-level practitioners to receive up to \$2,500 per year for up to four years for a total of \$10,000. Communities must contribute an amount at least equal to the amount of the state contribution for the physicians and mid-level practitioners. The 2007 Legislative Assembly provided \$225,000, of which \$75,000 is from the general fund and \$150,000 is from the community health trust fund, for physician loan repayment program grants.

Evaluation of the state trauma system - House Bill No. 1290 provides for the State Department of Health to contract with a professional organization to perform an evaluation of the state trauma system and report the findings to the Legislative Council before July 1, 2008. The 2007 Legislative Assembly provided \$100,000 of special funds spending authority from the health care trust fund (\$75,000) and gifts, donations, and other special funds sources (\$25,000) for the purpose of contracting for and assisting with the evaluation.

The State Department of Health anticipates using the \$200,000 general fund appropriation and \$57,840 of federal funds for testing and counseling services at the local public health units and a media campaign.

The State Department of Health anticipates using the \$50,000 general fund appropriation for purchasing brochures and other educational materials and for awareness activities.

The State Department of Health promulgated rules and developed a grant application process for EMS operational grants to 108 of the state's 141 licensed ambulance services that were identified by the department as being "access critical." By November 1, 2007, 40 ambulance services had applied for a grant. Of the 40 applicants, 32 grants were awarded totaling \$824,101. The department anticipates another grant application period in the fall of 2008.

The physician and mid-level practitioners program currently has three participating physicians and applications for two additional physicians and two mid-level practitioners. The State Department of Health anticipates receiving applications from at least one more physician and one additional mid-level practitioner. If no additional applications are received, the department anticipates spending \$115,000 of the \$225,000 appropriation.

The State Department of Health contracted with the American College of Surgeons to assess and Ms. Rhonda Bugbee, Minot, to facilitate the assessment of the state's trauma system. The assessment was completed in April 2008. The department anticipates the assessment will cost approximately \$50,000 and the facilitator will cost \$24,450--both will be paid with special funds from the health care trust fund. Gifts, donations, and other special funds of \$25,000 did not materialize and will not be spent.

Colorectal cancer screening initiatives - The 2007 Legislative Assembly provided funding of \$200,000, of which \$50,000 is from the general fund and \$150,000 is from the community health trust fund, for a grant program through the North Dakota Cancer Coalition to provide funding for colorectal cancer screening initiatives to target low-income, underinsured, uninsured, and disparity populations between the ages 50 and 64 living in rural counties and with a primary focus on counties with a large American Indian population.

The State Department of Health has entered a contract with Heart of America in Rugby for \$200,000 for the colorectal cancer screening initiative. Screenings are being conducted on individuals within a 75-mile radius of Rugby, including the Turtle Mountain Indian Reservation.