Sixty-third Legislative Assembly of North Dakota

#### **SENATE BILL NO. 2355**

Introduced by

Senator J. Lee

Representative Weisz

- 1 A BILL for an Act to amend and reenact sections 23-01-03 and 23-01-04, subsection 1 of
- 2 section 23-01-05, and sections 23-01-24, <del>23-07-02.3,</del> 23-16-06, 23-16-10, 23-17.5-11,
- 3 23-19-07, 23-20.1-06, 23-24-02, 23-24-02.1, 23-24-03, 23-24-04, 23-24-05, 23-24-06, 23-25-08,
- 4 23-29-10, 50-21-02, and 50-21-04 of the North Dakota Century Code, relating to the powers
- 5 and duties of the state health council.

### 6 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

- SECTION 1. AMENDMENT. Section 23-01-03 of the North Dakota Century Code is
   amended and reenacted as follows:
- 9 23-01-03. Powers and duties of the health council.
- 10 The health council shall:

13

14

15

16

17

18

19

20

21

22

23

24

- 1. Fix, subject to the provisions of section 23-01-02, the time and place of the meetings of the council.
  - Make rules and regulations for the government of the council and its officers and meetings.
  - 3. Establish standards, and rules, and regulations subject to the approval of the state health officer, which are found necessary for the maintenance of public health, including sanitation and disease control. The council shall submit all proposed standards and rules to the health officer for consideration by the state health officer before proceeding to implement any standard or rule that the council is authorized by law to adopt.
    - 4. Provide for the development, establishment, and enforcement of basic standards for hospitals and related medical institutions which render medical and nursing care, and for the construction and maintenance of such institutions, such standards to cover matters pertaining to sanitation, building construction, fire protection measures,

- nursing procedures, and preservation of medical records. No rule may be adopted with respect to building construction of existing medical hospitals or related medical institutions unless the rule relates to safety factors or the hospital or related medical institution changes the scope of service in such a way that a different license is required from the department pursuant to rules adopted under chapter 23-16.
  - 5. Hold hearings on all matters brought before it by applicants and licensees of medical hospitals with reference to the denial, suspension, or revocation of licenses and make appropriate determination as specified herein. Advise the state health officer regarding the conduct and disposition of hearings and appeals that may come before the state health officer.

The council may direct the state health officer to do or cause to be done any or all of the things which may be required in the proper performance of the various duties placed upon the state department of health.

**SECTION 2. AMENDMENT.** Section 23-01-04 of the North Dakota Century Code is amended and reenacted as follows:

## 23-01-04. Effect of rules and regulations.

All rules and regulations promulgated adopted by the health council under the powers granted by any provisions of this title are binding upon all county and municipal health officers, and upon all county, municipal, and private medical hospitals and upon related institutions, and have the force and effect of law if approved in advance by the state health officer.

- **SECTION 3. AMENDMENT.** Subsection 1 of section 23-01-05 of the North Dakota Century Code is amended and reenacted as follows:
  - 1. Enforce all rules and regulations as promulgatedadopted by the health council, if the rules are properly adopted after approval by the state health officer.
- **SECTION 4. AMENDMENT.** Section 23-01-24 of the North Dakota Century Code is amended and reenacted as follows:

## 23-01-24. Health care cost and quality review program - Penalty.

The <u>state</u> department of health shall conduct a continuous program to review and improve the quality of health care in the state. The department may contract with a qualified person <del>or organization</del> to develop and implement the program. The department shall use the program to compile relevant information about the quality of health care in this state which will allow the

- 1 department to evaluate the cost, quality, and outcomes of health care. The department shall 2 establish and consult a provider advisory committee composed of health care providers 3 regarding the data that is a cost-effective process for collecting and evaluating the information. 4 The state department of health officer may assess against a provider a penalty of one hundred 5 dollars per day for each day the provider willfully refuses to provide the department with 6 information requested for use with the program, but the penalty may not exceed one thousand 7 dollars for each request. A provider against whom a fee is assessed may appeal that 8 assessment to the state health eouncilofficer. If the provider fails to pay the penalty, the state 9 health eouncilofficer may, in the county where the provider's principal place of business is 10 located, initiate a civil action against the provider to collect the penalty. As used in this section, 11 "provider" means a person who is licensed, certified, or otherwise authorized by the law of this 12 state to administer health care in the ordinary course of business or professional practice. The 13 department shall ensure that patient privacy is protected throughout the compilation and use of 14 the information. The department shall evaluate data management capabilities in the state and 15 shall organize its capabilities to provide information about the cost of care on an individual 16 provider basis as well as a collective basis. 17 SECTION 5. AMENDMENT. Section 23-07-02.3 of the North Dakota Century Code is
  - amended and reenacted as follows:

### 23-07-02.3. Emergency reporting.

18

19

20

21

22

23

24

25

26

27

28

29

30

31

- 1. The state health officer may issue a temporary order for emergency reporting of disease conditions or information if the state health officer finds probable cause to believe there is a threat caused by an imminent or emerging condition affecting the public health, including actual or threatened terrorism.
- The state health officer may designate who must report, what conditions or informationmust be reported, what information must be contained in the report, the methods and frequency of reporting, and may make any other pertinent requirement.
  - The temporary order may be issued and is effective without regard to chapter. 28-32 for a period of ninety days, unless earlier revoked by the state health officer. Emergency rulemaking must be initiated under chapter 28-32 within ninety days of the order or the order expires. The temporary order and any emergency rulemaking underthis section are effective without the necessity of approval from the health council.

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

- SECTION 5. AMENDMENT. Section 23-16-06 of the North Dakota Century Code is amended and reenacted as follows:
- 3 23-16-06. Authority to issue, deny, suspend, or revoke licenses.
- The state department of health shall issue licenses for the operation of institutions subject to this chapter which are found to comply with the provisions of this chapter and such regulations rules as are lawfully promulgated adopted by the state health council. The state health officer with the approval of the health council may, after a hearing, suspend or revoke licenses issued hereunder on any of the following grounds:
  - 1. Violation of any of the provisions of this chapter or the rules and regulations—

    promulgatedadopted pursuant thereto.
  - 2. Permitting, aiding, or abetting the commission of any unlawful act.
  - 3. Conduct or practices detrimental to the health or safety of patients and employees of said institutions; provided that this provision may not be construed to have any reference to practices authorized by law; and provided further that no license may be suspended or revoked for any trivial violation.
  - No application for a license may be denied, or any licenses suspended or revoked, except after a hearing before the <u>state</u> health <u>eouncilofficer</u> held pursuant to written notice to the applicant or licensee, served by registered or certified mail, which notice must concisely state the grounds for such denial or for such proposed suspension or revocation and must fix the time and place of hearing which may not be less than thirty days after the date of the mailing of such notice. After such hearing, the <u>eouncilstate health officer</u> shall make an order, either denying the application for license or granting the same, or suspending or revoking such license, or dismissing the proceedings to suspend or revoke as the merits of the case warrant. The <u>eouncilstate health officer</u> shall send a copy of <u>itsthe</u> order to the applicant or licensee by registered or certified mail, which must contain <u>itsthe</u> findings and conclusions <u>of the state</u> health officer, and such order, except an order of dismissal, becomes final thirty days after the date of mailing unless the applicant or licensee appeals therefrom in the manner provided by section 23-16-10.
  - **SECTION 6. AMENDMENT.** Section 23-16-10 of the North Dakota Century Code is amended and reenacted as follows:

## 1 23-16-10. Appeal.

An appeal may be taken to the district court from any order of the state health officer orhealth council denying an application for a license to operate a medical hospital or related
institution, or suspending or revoking a license, or from any order denying an application for a
construction project. Any such appeal must be taken in the manner provided in chapter 28-32.

**SECTION 7. AMENDMENT.** Section 23-17.5-11 of the North Dakota Century Code is amended and reenacted as follows:

## 23-17.5-11. Assessment - Health care cooperative agreement fund.

The department shall establish an assessment to be paid by each party to a cooperative agreement. The aggregate amount of the assessment for a cooperative agreement may not exceed forty thousand dollars, unless the department determines that an extraordinary need exists for an additional amount to ensure effective evaluation of the application or supervision under section 23-17.5-03.1. The parties may require that the determination of the need for an additional amount is subject to approval by the state health council. An appeal may be taken under chapter 28-32 from a determination of the state health councilofficer. After consultation with the parties, the department may require the payment of the assessment on an incremental basis and may require separate payments for the process of evaluating the application or for the process of active supervision. The assessment may be modified by agreement between the department and the parties to the cooperative agreement. The department shall deposit the moneys received under this section in the health care cooperative agreement fund of the state treasury.

SECTION 8. AMENDMENT. Section 23-19-07 of the North Dakota Century Code is amended and reenacted as follows:

- 23-19-07. Authority to issue, deny, suspend, or revoke licenses.
- The state department of health shall issue licenses to applicants found to comply with the provisions of this chapter and lawfully promulgated regulations adopted rules. The state health officer with the approval of the state health council may, after a hearing, deny, suspend, or revoke licenses on any of the following grounds:
  - 1. Failure to execute, deposit, and maintain a surety bond.

10

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

**SECTION 8. AMENDMENT.** Section 23-20.1-06 of the North Dakota Century Code is amended and reenacted as follows:

- 11 23-20.1-06. Administrative procedures and judicial review.
- 12 Any proceeding under this chapter for:
  - 1. The issuance or modification of rules including emergency orders relating to control of sources of ionizing radiation:
  - 2. Granting, suspending, revoking, or amending any license; or
  - Determining compliance with rules of the department;

must be conducted in accordance with the provisions of chapter 28-32. If an emergency exists requiring immediate action to protect the public health and safety, the department may, without notice or hearing, issue an order reciting the existence of such emergency and requiring that such action be taken as is necessary to meet this emergency. Notwithstanding any provision of this chapter, such order is effective immediately. Any person to whom such order is directed shall comply therewith immediately, but on application to the department must be afforded a hearing before the state health councilofficer within ten days. On the basis of such hearing, the emergency order must be continued, modified, or revoked within thirty days after such hearing.

**SECTION 9. AMENDMENT.** Section 23-24-02 of the North Dakota Century Code is amended and reenacted as follows:

23-24-02. Petition for establishment of vector control districts - Hearing thereon and investigation - District when created.

Whenever there is filed with the state health <u>council officer</u> a petition signed by the governing body of a county, city, or township or by twenty percent or more of the freeholders within the limits of a proposed vector control district, the state health <u>council officer</u> shall fix a

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

time and place for a public hearing on such petition. The place of hearing must be convenient and accessible for a majority of the freeholders of the proposed district. Not less than ten days prior tobefore the date of hearing, notice thereof must be published in at least one newspaper of general circulation in the proposed district. Prior to such Before the hearing the state health officer shall make or cause to be made an investigation of the need for the establishment of the proposed vector control district and shall submit his report to the council. If the state health council finds that it is not feasible, desirable, or practical to establish the proposed district, it shall make an order denying the petition and state therein the reasons for its action. If, however, the councilstate health officer finds the problems of vector control or other reasons make the establishment of the proposed district desirable, proper, and necessary, it the state health officer shall grant the petition and create such district and establish the boundaries thereof.

**SECTION 10. AMENDMENT.** Section 23-24-02.1 of the North Dakota Century Code is amended and reenacted as follows:

# 23-24-02.1. Petition for withdrawing from a vector control district - Hearing and investigation - Boundary modification.

Any county, city, or township or portion of a county, city, or township may withdraw from a vector control district whenever a petition signed by the governing body of the county, city, or township or at least twenty percent of the residents of the county, city, or township, or portion thereof, desiring to withdraw from the district, is approved by the state health council officer. Prior to Before approving a petition to withdraw from the district, the state health council officer shall fix a time and place for a public hearing on the petition. The place of the hearing must be convenient and accessible for a majority of the residents of the district. At least ten days priortobefore the date of the hearing, the state health councilofficer shall publish a notice of the hearing in at least one newspaper of general circulation in the district. Prior to Before the hearing the state health officer shall investigate the petition to withdraw and shall submit a report to the eouncil. If the state health councilofficer finds that it is not feasible, desirable, or practical to allow the petitioning entity to withdraw from the district, itthe state health officer shall make an order denying the petition and state the reasons for its the state health officer's action. If the council state health officer finds that the petitioning entity is no longer benefited by being included within the boundaries of the district or if other reasons make the withdrawal of the petitioning entity desirable, proper, and necessary, itthe state health officer shall grant the

- 1 petition and modify the boundaries of the district. No personAn individual may not be a member
- 2 of the board of commissioners if that personindividual is no longer a resident of the vector
- 3 control district after the boundaries have been modified. A new member must be appointed to
- 4 replace any such member in the manner provided for original appointments.
- **SECTION 11. AMENDMENT.** Section 23-24-03 of the North Dakota Century Code is amended and reenacted as follows:
- 7 23-24-03. Area to be included within district How determined.

The area or areas to be included in the district must contain the territory described in the petition for the creation or modification thereof. However, the councilstate health officer, upon its the state health officer's own motion or upon the request of the board of commissioners, shall consider and may include within the boundaries of the district areas which may be benefited by being included therein. Upon a request by the board of commissioners to expand an existing district, the councilstate health officer shall hold a hearing and investigation and file any order expanding a district in a manner similar to that provided in sections 23-24-02 and 23-24-04.

**SECTION 12. AMENDMENT.** Section 23-24-04 of the North Dakota Century Code is amended and reenacted as follows:

#### 23-24-04. Order establishing or modifying district.

A certified copy of the order establishing or modifying a vector control district must be filed with the county auditor of each county within which any portion of the district lies and like copy of the order must be filed in the office of the secretary of state. The secretary of state shall make and issue to the councilstate health officer a certificate bearing the seal of the state of the due organization of the district and shall record the certificate and the order of the councilstate health officer establishing or modifying the district. The certificate of the secretary of state or a copy thereof authenticated by the secretary of state is prima facie evidence of the organization of the vector control district. Such district is a governmental agency, body politic and corporate, with the authority to exercise the powers specified in this chapter or which may be reasonably implied in order to exercise such powers. The order of the councilstate health officer must specify the name or number by which the vector control district shall be known.

**SECTION 13. AMENDMENT.** Section 23-24-05 of the North Dakota Century Code is amended and reenacted as follows:

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

# 23-24-05. Board of commissioners - Composition - Appointment - Term of office Vacancy - Compensation.

When an order of the councilstate health officer creating a vector control district has been filed in the office of the county auditor of a county in which the district or a part of the district is situated, a three-member board of commissioners of the vector control district must be appointed as provided by this section. Any resident freeholder in the district is eligible for appointment to the board of commissioners thereof. The term of commissioners first appointed must be determined by lot. One commissioner shall hold office for a term of two years, one shall serve for a term of three years, and one shall serve for a term of five years. The term of a commissioner commences on the date of appointment. If the office of a commissioner becomes vacant, the commissioner appointed to fill the vacancy shall serve the unexpired term of the member of the board of commissioners whom the new commissioner replaces. Any vacancy must be filled in the manner provided for original appointments. Appointments to the board of commissioners must be made by the board of county commissioners of the county containing the largest area of the vector control district. Any member of the board of commissioners may be removed upon a majority vote of the board of county commissioners that appoints members for the board of commissioners and the board of commissioners may be dissolved upon a majority vote of the board of county commissioners that appoints the members for the board. Each member shall receive the sum of thirty dollars per day while performing duties as a member of the board, or a lesser sum as the board may determine, an allowance for meals and lodging as provided in section 44-08-04, and mileage expense reimbursement at the rate provided in section 54-06-09.

**SECTION 14. AMENDMENT.** Section 23-24-06 of the North Dakota Century Code is amended and reenacted as follows:

23-24-06. Oath of office - Organization of board of commissioners - Appointment of employees - Meetings.

Upon receiving notice of appointment as a member of the board of commissioners of a vector control district, such the appointee shall take the oath of office prescribed for civil officers. Such The oath must be filed with the secretary of the board after organization thereof as herein provided. Notice of the appointment of a member or members of a board of commissioners must be mailed to the governing body of the county, city, or township included within said the

- 1 district. Such The notice must state the name and post-office address of each appointee and the 2 date of the appointment and must request approval of the same. The commissioners appointed 3 after their approval shall meet to organize at a time and place designated by the state health 4 eouncilofficer and shall organize by selecting a chairman of the board and naming a temporary 5 secretary pending appointment of a permanent secretary. A majority of the commissioners 6 constitutes a quorum for the transaction of business as may come before the board but any 7 number may adjourn a meeting for want of a quorum. The board shall appoint a secretary and 8 treasurer and such other employees as may be deemed determined needed for efficient conduct 9 of the district's business and shall fix their compensation. The office of secretary and treasurer 10 may be held by the same personindividual. Officers and employees shall hold office during the 11 pleasure of the board. The board shall provide an office suitable for its use as a meeting place 12 and for conducting the affairs of the district. ItThe board shall adopt such rules or regulations for 13 transacting the business of the district as it may deemdetermine necessary, including the time 14 and place of holding regular meetings of the board. Special meetings may be called by the 15 secretary on order of the chairman of the board or on written request of two members of the 16 board. Notice of the special meeting must be mailed to each member of the board at least five 17 days before any such meeting, provided that a special meeting may be held whenever all 18 members of the board are present or consent thereto in writing.
  - **SECTION 15. AMENDMENT.** Section 23-25-08 of the North Dakota Century Code is amended and reenacted as follows:
    - 23-25-08. Administrative procedure and judicial review.
- 22 Any proceeding under this chapter for:

20

21

23

24

25

26

27

28

29

30

31

- The issuance or modification of rules and regulations including emergency orders relating to control of air pollution; or
- 2. Determining compliance with rules and regulations of the department,

must be conducted in accordance with the provisions of chapter 28-32, and appeals may be taken as therein provided. When an emergency exists requiring immediate action to protect the public health and safety, the department may, without notice or hearing, issue an order reciting the existence of suchan emergency and requiring that such action be taken as is necessary to meet this emergency. Notwithstanding any provision of this chapter, suchthe order must be effective immediately, but on application to the department an interested person must be

- 1 afforded a hearing before the state health councilofficer within ten days. On the basis of such the
- 2 hearing, the emergency order must be continued, modified, or revoked within thirty days after
- 3 suchthe hearing. Except as provided for in this section, notice of any hearing held under this
- 4 chapter must be issued at least thirty days prior to before the date specified for the hearing.
- **SECTION 16. AMENDMENT.** Section 23-29-10 of the North Dakota Century Code is amended and reenacted as follows:
  - 23-29-10. Administrative procedure and judicial review.

Any proceeding under this chapter for the issuance or modification of rules and regulations, including emergency orders relating to solid waste management and land protection, and determining compliance with rules and regulations of the department, must be conducted in accordance with the provisions of chapter 28-32, and appeals may be taken as therein provided. When an emergency exists requiring immediate action to protect the public health and safety, the department may, without notice or hearing, issue an order reciting the existence of suchan emergency and requiring that such action be taken as is necessary to meet this emergency. Notwithstanding any provision of this chapter, suchthe order is effective immediately, but on application to the department must be afforded a hearing before the state health councilofficer within ten days. On the basis of suchthe hearing, the emergency order must be continued, modified, or revoked within thirty days after suchthe hearing.

**SECTION 17. AMENDMENT.** Section 50-21-02 of the North Dakota Century Code is amended and reenacted as follows:

#### **50-21-02.** Administration of revolving fund.

The revolving fund and loans made therefrom must be supervised and administered by the Bank of North Dakota. All applications for loans under the provisions of this chapter for the construction of nursing homes or combination nursing homes and basic care facilities must be made to the state department of health, which. The state department is authorized, subject to the approval of the North Dakota health council, to promulgate of health may adopt such rules and regulations as may be necessary to carry out the provisions of this chapter. All applications for the construction of basic care facilities must be made to the state department of health, which . The department shall promulgate adopt such rules and regulations as may be necessary to carry out the provisions of this chapter. Applications approved by the state department of health and the North Dakota health council must be forwarded to the Bank of North Dakota.

- 1 Upon approval of suchan application by the president of the Bank of North Dakota, loans must
- 2 be granted by the Bank of North Dakota from the revolving fund in accordance with the
- 3 provisions of this chapter.
- 4 **SECTION 18. AMENDMENT.** Section 50-21-04 of the North Dakota Century Code is amended and reenacted as follows:
- 6 **50-21-04. Standards Administration procedure.**

7 The state department of health, subject to the approval of the state health council, shall 8 establish standards of construction which must be followed by all applicants receiving loans of 9 funds for the construction of nursing homes or combination nursing homes and basic care 10 facilities. The state department of health shall establish standards of construction which must be 11 followed by all applicants for loans for the construction of basic care facilities. The state 12 department of health council, in the case of the construction of nursing homes or basic care 13 facilities or combination nursing homes and basic care facilities, shall approve all building plans 14 and specifications for any facilities to be constructed in whole or in part with loans of funds 15 provided under the provisions of this chapter prior tobefore the disbursement of any such funds. 16 Administrative procedures established by the state department of health with the approval of the 17 health council must, except to construction standards, be in general in accordance with the 18 procedures established for the administration of the federal grant-in-aid program for similar 19 purposes under the Hill-Burton Act, or federal acts supplemental thereto.