

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION  
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

3058

2001 HOUSE HUMAN SERVICES

HCR 3058

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HCR 3058/ HCR 3053

House Human Services Committee

Conference Committee

Hearing Date February 21, 2001

Tape Number	Side A	Side B	Meter #
Tape 2	X		0 to 2840
Tape 3	X		160 to 400
Tape 3	X		450 to 900
Committee Clerk Signature			

Minutes:

Chairman Price, Vice Chairman Devlin, Rep. Dosch, Rep. Galvin, Rep. Klein, Rep. Pollert, Rep. Porter, Rep. Tieman, Rep. Weiler, Rep. Weisz, Rep. Cleary, Rep. Metcalf, Rep. Niemeier, Rep. Sandvig

Chairman Price: Open hearing on HCR 3058.

Rep. Boucher: Presented Resolution. (See written testimony.) **HCR 3058** is a part of a package of five resolutions calling for the study of the state's essential infrastructure. These areas of infrastructure that are being studied are: Water Resources, Delivery, Transportation, Technology, Education Services, and Health Care Services Infrastructures. As we try to assess the economic development potential of our state and work to make our plans and create the strategies that we feel are necessary to make an initiative work; health care services is a critical part of the local and the statewide infrastructure. This resolution calls for a current assessment of health care needs and resources and also a look into the future. The study would seek to

determine how the changing demographics and the viability of a local community affects our health care service needs. Keep in mind the viability of, and a community's growth is dependent upon the accessibility and availability of health care services. I ask that you give **HCR 3058** a favorable recommendation.

Chairman Price: Would you like to address the following **HCR 3053**, being you're on that, at the same?

Rep. Boucher: I can. Rep. Wald came to me and pointed out what I thought he was trying to accomplish. It does focus attention on a major provider of health insurance or third party payer services in the State of North Dakota. I believe that bill may have some controversy, yet I support the bill because when we do things like that it brings people to the table. It catches peoples attention. I think this particular bill is going to create a forum for discussion. The providers come to the forum and state their position, the insurance companies can do the same. I support the study.

Rep. Weisz: This is on **HCR 3058**. When you talk about your vision, and I don't disagree. We need to be proactive. When we get out 25-50 years, who is going to determine that vision from the standpoint of studying the demographics and the other issues that are going to come up. I am interested in how you will propose that will be established.

Rep. Boucher: Obviously when you start laying out visionary things you are getting into the area of the unknown. It gets risky. Who should make that vision? I think many people should be players. It is a North Dakota issue and it boils back to the citizens and of what their visions are. Obviously as elected representatives we have been given that responsibility. Some of the primary players will be the legislators, the private sector from business to agriculture, public utilities, the water areas.

Rep. Wald: The resolution before you is something that I think is needed in the State of North Dakota. I'm not here to beat up on Blue Cross. I think the margins for some health care providers are so thin that in my mind, and that is what I'm being told by many people, that they can't maintain the quality, the availability, and the professionalism of health services, particularly in my case in western North Dakota. Blue Cross must be doing something right, when you get about 80% plus share of the market you can't be all wrong. Are we getting dangerously close to a single provider system in North Dakota. I don't know what the answer is that is why the study request is before you. I think we're going to have lots of input about the position that these clinics and hospitals are in - in terms of their profit margin. I think they are at a serious disadvantage in the negotiating process when carrier has that dominant health care market. I've had a lot of phone calls. Jim Labrun from Dickinson, who is the manager of the Great Plains Clinic. Greg Hanson the CEO at the St. Joseph's Hospital in Dickinson, Dr. Dennis Wolf who has been president of the N.D. Medical Association, and others.

Pat Ward: Domestic Insurance Companies. I would just like to indicate support for **HCR 3053**.

Arnold Thomas: President of North Dakota Health Care Association. I am in support of **HCR 3058 and HCR 3053**. I would suggest on the grand vision on **HCR 3058**, however, on line 19 "changing dynamics of delivered and funding" - will the committee consider incorporating both resolutions into one resolution. It is difficult for me to envision 50 years - I'll be 109. I went back to 1952, 50 years ago, Medicare was still a limited concept. The biggest issue that was facing the country at that time in terms of health care was polio. Some of the procedures we have today was pretty scientific. We would love to have an opportunity as an organization to share with you what we see to be some of the major issues. We are going to be wrestling with not knowing what the results are going to be. I'd like to give you two: the whole genetics issue,

right now that issue is really focused in North Dakota in agriculture. The consequence of that discussion is going to be radical relative to human beings and our environment. Another issue is when human beings are cloned. Maybe this study in looking forward is a way to start to set the table on an array of issues that are going to be confronted by our succeeding generation. Maybe it is time to have an interim discussion where we do attempt to look over the hill in terms of what is coming our way. In my suggestion of **HCR 3058**, there are elements in **HCR 3053** that I think also need to be brought into the discussion as well, because the affordability of all of this is going to be a key element in helping to shape some of the outcome. My suggestion for perhaps expanding line 19 by including financing may incorporate that as well so it is not lost.

Bruce Levi: N.D. Medical Association. We too can support **HCR 3058**, particularly as it has been described in terms of it being a proactive approach at looking at health care needs in the state and what goals we have for the future. I would like to also address some of the issues that we have concern about in **HCR 3053** regarding medical disparity. As the tobacco issues come over to this side of the house, in terms of talking about health care costs and what we see as a major issue in terms of getting a handle on health care costs. With respect to **HCR 3053** we've been involved this past year in a lot of public dialog. We have the interim study that talked a lot about the change in demographics and what we were looking at from issues of reimbursement and those types of things. In our relationship with Blue Cross/Blue Shield we have gone through a lot this past year with the public forums to build a better relationship with our dominant care insurer in the state. Our focus has been over the last couple of sessions the issue of patient rates, patient protection, the issue of contracting process. We have done analyzing over this past year insurer contracts in our state. We had a bill draft ready to go this session in dialog with BCBS. The Insurance Commissioner decided to for go the legislature in terms of addressing some of

those issues for a process within the Office of Insurance Commissioner to get everybody at the table to talk about some of the contract issues that we have with BCBS. The contracts ultimately seem to define the relationships the physicians have with their patients. Fundamental concerns are whether contracts can be changed midterm throughout the contract period without the consent of providers. Whether the process for negotiating contract is a long enough period. Can we have payment schedules before we sign rather than after the contracts are signed. Do we need a definition of what constitutes medical necessary care. We hope to resolve those types of issues with the Insurance Commissioner and BCBS. BCBS is willing to take a look at some of those issues. **HCR 3053** goes a step further in looking at the implications for rural health care. The resolution language relating the unequal bargaining positions and the state of rural health care we can support **HCR 3053** also.

Chairman Price: You're saying the clinic managers, the hospital groups, your groups, the blues, and the Insurance Department have all agreed to sit down in this interim and go through those areas like contracting and time frames that you talked about?

Bruce Levi: We were in the preliminary stages of putting that together. I haven't had any specific confirmation. I've talked with the Insurance Commissioner, individuals with BCBS and they would like to participate. That is what we are looking at setting up after crossover.

Rep. Weiler: This question pertains more to **HCR 3053** but could cover both. Are we a unique state in that we have one health care provider that dominates? Is there any data?

Bruce Levi: I know there are a number of states that are in the same position.

Rep. Weiler: As dominant - 80%?

Bruce Levi: I believe the situation is similar in Alabama. They have a unique relationship with their dominant carrier in trying to resolve issues.

Dan Ulmer: Blue Cross/Blue Shield of North Dakota. **We oppose HCR 3053.** (See written testimony.) As introduced **HCR 3053** won't do much to help the problem facing rural health facilities, nor will it do much at all other than allow some folks to bash BCBSND's successes. We are strongly opposed to **HCR 3053** and encourage the committee to adopt **HCR 3058** instead. **HCR 3058** is more comprehensive and includes all the necessary parties to study the issues facing North Dakota's health care system.

Chairman Price: Close the hearing on HCR 3058/3053.

**COMMITTEE WORK:**

CHAIRMAN PRICE: HCR 3053.

REP. WEILER: I move a DO NOT PASS.

REP. METCALF: Yes.

CHAIRMAN PRICE: All those in favor of the **DO NOT PASS** signify by saying Aye.

**13 YES 0 NO 1 ABSENT CARRIED BY REP. DEVLIN**

**COMMITTEE WORK:**

CHAIRMAN PRICE: We'll go to HCR 3058. We had a proposed amendment on line 19 from Mr. Thomas that would say "the changing dynamics of delivery and funding". If there are pieces of 3053 we wanted to take a look at on lines 11 and 12 - to put that in but to change it to say "whereas an inadequate levels of Medicare, Medicaid, and private insurance reimbursement can result in", and then lines 18, 19, and 20 - if we wanted to do that, "that the Legislative Council study the affects of inadequate reimbursement in this state and the impact on the continued



availability, viability, and financial stability of health care" and take out "rural". The Medicaid and Medicare play a far bigger part of the whole piece in the rural areas. I don't want to just say rural in the last part of this because obviously, the private insurer's piece is bigger in the urban parts of it. (Further discussion by committee members.) What do you want to do with the amendment?

VICE CHAIRMAN DEVLIN: Move the amendments.

REP. WEISZ: Second.

CHAIRMAN PRICE: All those in favor of the amendments signify by saying Aye (13 Yes, 0 No, 1 Absent). We have an amended resolution. What are your wishes?

REP. WEISZ: I move a DO PASS as amended.

REP. WEILER: Second.

CHAIRMAN PRICE: All those in favor for a **DO PASS as amended and be placed on the Consent Calendar** signify by saying Aye.

**13 YES 0 NO 1 ABSENT CARRIED BY REP. DEVLIN**

13076.0101  
Title.0200

Adopted by the Human Services Committee  
February 22, 2001

VR  
2/22/01

HOUSE AMENDMENTS TO HCR 3058

HOUSE HS

2-22-01

Page 1, line 4, after "delivery" insert "and funding"

Page 1, line 5, remove "and" and after "state" insert "; and the effects of having inadequate reimbursement in this state, including the impact of inadequate reimbursement on the continued availability, viability, and financial stability of health care"

Page 1, after line 10, insert:

"**WHEREAS**, inadequate levels of reimbursement from Medicare, Medicaid, and private insurance may result in the closure of health care facilities and the termination of services, particularly in rural areas; and"

Page 1, line 19, after "delivery" insert "and funding"

Page 1, line 20, remove "and"

Page 1, line 21, after the semicolon insert "and the effects of having inadequate reimbursement in this state, including the impact of inadequate reimbursement on the continued availability, viability, and financial stability of health care;"

Renumber accordingly

Date: 2-21-01  
 Roll Call Vote #: 1

**2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO. HCR 3058**

House Human Services Committee

Subcommittee on \_\_\_\_\_  
 or  
 Conference Committee

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

Action Taken Moved Amendment

Motion Made By Rep. Devlin Seconded By Rep. Weisz

Representatives	Yes	No	Representatives	Yes	No
Clara Sue Price - Chairman	✓		Audrey Cleary	✓	
William Devlin - V. Chairman	✓		Ralph Metcalf	✓	
Mark Dosch			Carol Niemeier	✓	
Pat Galvin	✓		Sally Sandvig	✓	
Frank Klein	✓				
Chet Pollert	✓				
Todd Porter	✓				
Wayne Tieman	✓				
Dave Weiler	✓				
Robin Weisz	✓				

Total (Yes) 13 No 0

Absent 1

Floor Assignment \_\_\_\_\_

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

Date: 2-21-01  
Roll Call Vote #: 2

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. HR 3058

House Human Services Committee

Subcommittee on \_\_\_\_\_  
or  
 Conference Committee

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

Action Taken DO PASS as amended & placed on Consent Calendar

Motion Made By Rep Weisz Seconded By Rep Weiler

Representatives	Yes	No	Representatives	Yes	No
Clara Sue Price - Chairman	✓		Audrey Cleary	✓	
William Devlin - V. Chairman	✓		Ralph Metcalf	✓	
Mark Dosch			Carol Niemeier	✓	
Pat Galvin	✓		Sally Sandvig	✓	
Frank Klein	✓				
Chet Pollert	✓				
Todd Porter	✓				
Wayne Tieman	✓				
Dave Weiler	✓				
Robin Weisz	✓				

Total (Yes) 13 No 0

Absent 1

Floor Assignment Rep Devlin

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

**REPORT OF STANDING COMMITTEE**

**HCR 3058: Human Services Committee (Rep. Price, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE PLACED ON THE CONSENT CALENDAR** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HCR 3058 was placed on the Sixth order on the calendar.

Page 1, line 4, after "delivery" insert "and funding"

Page 1, line 5, remove "and" and after "state" insert "; and the effects of having inadequate reimbursement in this state, including the impact of inadequate reimbursement on the continued availability, viability, and financial stability of health care"

Page 1, after line 10, insert:

**"WHEREAS**, inadequate levels of reimbursement from Medicare, Medicaid, and private insurance may result in the closure of health care facilities and the termination of services, particularly in rural areas; and"

Page 1, line 19, after "delivery" insert "and funding"

Page 1, line 20, remove "and"

Page 1, line 21, after the semicolon insert "and the effects of having inadequate reimbursement in this state, including the impact of inadequate reimbursement on the continued availability, viability, and financial stability of health care;"

Renumber accordingly

2001 SENATE HUMAN SERVICES

HCR 3058

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HCR 3058

Senate Human Services Committee

Conference Committee

Hearing Date March 13, 2001

Tape Number	Side A	Side B	Meter #
2	X		
Committee Clerk Signature <i>Rosal K. Ludejchuk</i>			

Minutes:

Midkota high school students visited the Human Services committee.

REPRESENTATIVE MERLE BOUCHER, House Minority Leader, Sponsor of the resolution, introduced resolution. (Written testimony) ND 's infrastructure. What ND should look like in 10, 20, 50 years down the road. Economic development and growth meets today's current market and see if we can't go somewhere. Labor force, healthcare, education, roads, water, technology. SENATOR KILZER: Do you like the House amendments? REP BOUCHER: I have no problem with amendments. Where do we want our state to be in 50 years. Are we scaling everything back because we will only have 550,000 people? SENATOR POLOVITZ: Have you looked at models of other states/countries? REP BOUCHER: No experience with other states or countries. Strategies of 5, 10, 20, 40 years, water strategy and we could do other areas as well.

Page 2

Senate Human Services Committee

Bill/Resolution Number HCR 3058

Hearing Date March 13, 2001

DAN ULMER, BCBS, supports HCR 3058. This study is broad. We think this should be focus of interim. How do these costs intertwine. SENATOR KILZER: Do the Blues still have projections for 40-50 years? MR. ULMER: Most of our information is accessible. These projections are based on variables. The major issue is consumer interest in what we do as a company. Health care is a critical part. What do we do for wellness?

DAVE PESKE, ND Medical Assoc., supports resolution.

No more testimony. The hearing was closed on 3058.

Discussion on resolution. SENATOR FISCHER moved a DO PASS on HCR 3058. SENATOR ERBELE seconded the motion. Discussion. Roll call vote carried 5-0-1. SENATOR KILZER will carry the bill.



Date: 3/13/01

Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 3058

Senate HUMAN SERVICES Committee

Subcommittee on \_\_\_\_\_  
or  
 Conference Committee

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

Action Taken Do pass

Motion Made By Sen Fischer Seconded By Sen Erbele

Senators	Yes	No	Senators	Yes	No
Senator Lee, Chairperson	✓		Senator Polovitz		✓
Senator Kilzer, Vice-Chairperson	✓		Senator Mathern	✓	
Senator Erbele	✓				
Senator Fischer	✓				

Total (Yes) 5 No 1

Absent 0

Floor Assignment Sen Kilzer

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

REPORT OF STANDING COMMITTEE (410)  
March 16, 2001 3:07 p.m.

Module No: SR-46-5944  
Carrier: Kilzer  
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HCR 3058, as engrossed: Human Services Committee (Sen. Lee, Chairman)  
recommends **DO PASS** (5 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). Engrossed  
HCR 3058 was placed on the Fourteenth order on the calendar.

2001 TESTIMONY

HCR 3058

Testimony For House Concurrent Resolution No. 3058  
Prepared For The House Human Services Committee  
Representative Clara Sue Price, Chair

Good morning Representative Price and members of the House Human Services Committee. For the record I am Merle Boucher an elected representative from District Nine.

House Concurrent Resolution No. 3058 is a part of a package of five resolutions calling for the study of the state's essential infrastructure. These areas of infrastructure that are being studied are: 1. Water Resources and Delivery Infrastructure. 2. Transportation Infrastructure. 3. Technology Infrastructure. 4. Education Services Infrastructure. 5. Health Care Services Infrastructure.

As we try to assess the economic development potential of our state and work to make our plans and create the strategies that we feel are necessary to make an initiative work; health care services is a critical part of the local and the statewide infrastructure. This resolution calls for a current assessment of health care needs and resources and also a look into the future. The study would seek to determine how the changing demographics and the viability of a local community affects our health care service needs.

Keep in mind the viability of, and a community's growth is dependent upon the accessibility and availability of health care services.

Chair Price and members of the House Human Services Committee, I ask that you give House Concurrent Resolution No. 3058 a favorable recommendation.

Respectfully submitted by:

A handwritten signature in cursive script, appearing to read "Merle Boucher", with a long horizontal flourish extending to the right.

Representative Merle Boucher

**Testimony in Support of HCR3058**

Senate Human Services Committee

Senator Judy Lee, Chairman

13 March, 2001

Senator Lee, and members of the Senate Human Services Committee, my name is Merle Boucher Representative from District 9. I come before you today in support of HCR3058.

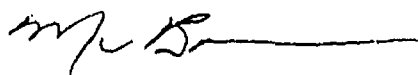
As North Dakota continues to change, so will its health care needs. Changing demographics in relation to age and geographic distribution, will demand new strategies to make health care reasonably accessible to North Dakotans. We will come under increasing pressure to make tough decisions about how health care services are distributed and funded, especially in rural areas.

Small care facilities will have to re-evaluate how to meet demands for efficiency and accessibility and affordability without sacrificing quality. Inadequate reimbursement for Medicare, Medicaid and private insurance will also factor into these tough decisions.

As North Dakota establishes its economic development priorities, health care is an important factor in that equation. Affordable, accessible health care is a critical component to encourage and retain population. Wise investment in a good health care system will improve the quality of life and consequently keep people here and encourage others to come.

This study is designed to look critically at these issues so we can make informed decisions in the upcoming years to move the great state of North Dakota toward a brighter, healthier future.

Respectfully submitted,



Merle Boucher