

**FISCAL NOTE**  
**Requested by Legislative Council**  
**12/19/2014**

Bill/Resolution No.: HB 1036

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$20,000			
Appropriations			\$20,000			

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This Bill requires the Department of Health (DoH) to evaluate the state programs to assist health professionals, including behavioral health professionals, with a focus on state loan repayment programs.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 1 requires the DoH to a) identify programs to assist health professionals; b) consider standardizing current state loan programs; c) evaluate funding and usage of state programs; d) evaluate the effectiveness of programs; and e) consider whether there are gaps or duplication.

Also the DoH shall make periodic reports regarding the status of the study during the 2015-16 interim and report to Legislative Management on the outcome of the study, including recommended legislation.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The DoH would need to contract with an outside vendor to complete the evaluation and study of programs as required by this Bill at an estimated cost of \$20,000. These expenditures would be included in the operating line item.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Funding for this effort is not included the Department's appropriation bill (HB 1004.)

**Name:** Brenda M. Weisz

**Agency:** Department of Health

**Telephone:** 328-4542

**Date Prepared:** 01/05/2015

**2015 HOUSE HUMAN SERVICES**

**HB 1036**

# 2015 HOUSE STANDING COMMITTEE MINUTES

## Human Services Committee Fort Union Room, State Capitol

HB 1036  
1/12/2015  
Job #21847

- ☐ Subcommittee  
☐ Conference Committee

Committee Clerk Signature

*Vicky Crabtree*

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

A bill to study health professional assistance programs by the Health Dept. and report to Legislative management.

### Minutes:

Handout #1

Chairman Weisz opened the hearing on HB 1036.

Jennifer Clark: Legislative Council representative gave information on the bill. The interim committee received information for the Dept. of Health on loan repayment programs. Charts were received by the interim committee. We discussed the things we could do to make these programs more uniform and are we missing any professions. We did have the opportunity to look at the charts and see where the differences are and if they are intentional that serve a purpose. That is where this bill draft comes from.

Chairman Weisz: Could you give our committee a copy of the chart?

Jennifer Clark: Absolutely.

Jerry Jurena: President of the ND Hospital Association testified in support of the bill. We association feels this is an important bill.

No Opposition

Chairman Weisz closed the hearing.

Chairman Weisz: We will take up HB 1036.

Rep. Hofstad: Why not an interim study rather than the Dept. of Health?

Chairman Weisz: Good question. We will let this one stew a bit.

(Handout #1) handed in by Jennifer Clark.

# 2015 HOUSE STANDING COMMITTEE MINUTES

Human Services Committee  
Fort Union Room, State Capitol

HB 1036  
1/14/2015  
21984

☐ Subcommittee  
☐ Conference Committee

Committee Clerk Signature

*Donna Whetham*

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

A bill to study health professional assistance programs by the Health Dept. and report to Legislative management.

## Minutes:

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**Chairman Weisz:** took up HB 1036. This bill is asking the Department of Health to evaluate the programs to assist and they should report to the interim committee on what they found out.

**Rep. D. Anderson:** Is there a place we can find out how many programs there is?

**Chairman Weisz:** Who are you speaking of? There are dentists and physicians are targeted for rural areas.

**Rep. D. Anderson:** Veterinarians too?

**Chairman Weisz:** I think the Veterinarians are too. I don't know about the terms. We originally had it broke down into 3 slots by population. North Dakota is short of professional people in all areas.

**Rep. Hofstad:** I don't think this is a complicated study. I don't know why this couldn't be done in the interim. It seems appropriating \$20,000 to the Health Department is a waste. They could gather that information and bring it to the interim committee.

**Chairman Weisz:** They would have to have appropriation to sign off on the \$20,000 because there is no money allocated here. There is only a handful of health professional loan repayment programs. Evaluation of effectiveness is obviously that is just an opinion. You might be able to do a survey on those who went to the program.

**Rep. Rich Becker:** It sounds like it could be an internal study and if you went outside to have it done. It would cost more than \$20,000 dollars anyway.

**Chairman Weisz:** The question is would this be information be worthwhile to future legislative committees?

**Representative Anderson:** Don't we hear this every other year, or is there a study always attached to it?

**Chairman Weisz:** Jennifer Clark did e-mail me the information that showed the various programs that she presented to the health care reform. We know what programs are out there and the terms. The only question is would it be useful for the legislature to have this information.

**Rep. Fehr:** As I look at it we get requests for funding of programs and if we had the study it would make it easier to know what kind of priority and how important is it to allocate money.

**Chairman Weisz:** The way it will work in Appropriations if this passes whoever has the budget in the end which is the Senate. Then they will have to have \$20,000 tacked on somewhere because this has passed. If they don't get it they will have to do it internally anyway. If this passes they just have to do it.

**Representative D. Anderson:** Moved Do Pass on HB 1036.

**Representative Fehr:** seconded.

**A Roll Call Vote was taken. Yes: 9 No: 2 Absent: 2.**

**Representative D. Anderson:** will carry the bill.

Date: 1-14-15  
Roll Call Vote #: 1

2015 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1036

House Human Services Committee

☐ Subcommittee

Amendment LC# or Description: \_\_\_\_\_

Recommendation: ☐ Adopt Amendment  
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation  
☐ As Amended ☐ Rerefer to Appropriations  
☐ Place on Consent Calendar  
Other Actions: ☐ Reconsider ☐ \_\_\_\_\_

Motion Made By Rep. D. Anderson Seconded By Rep. Lehr

Representatives	Yes	No	Representatives	Yes	No
Chairman Weisz	✓		Rep. Mooney	✓	
Vice-Chair Hofstad		✓	Rep. Muscha	✓	
Rep. Bert Anderson	✓		Rep. Oversen	✓	
Rep. Dick Anderson	✓				
Rep. Rich S. Becker	✓				
Rep. Damschen	✓				
Rep. Fehr	✓				
Rep. Kiefert	✓	✓			
Rep. Porter	✓				
Rep. Seibel	✓				

Total (Yes) 9 No 2

Absent 2

Floor Assignment Rep. D. Anderson

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

**REPORT OF STANDING COMMITTEE**

**HB 1036: Human Services Committee (Rep. Weisz, Chairman)** recommends **DO PASS**  
(9 YEAS, 2 NAYS, 2 ABSENT AND NOT VOTING). HB 1036 was placed on the  
Eleventh order on the calendar.



**2015 SENATE HUMAN SERVICES**

**HB 1036**

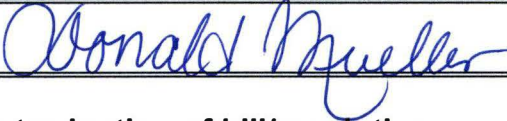
# 2015 SENATE STANDING COMMITTEE MINUTES

**Human Services Committee**  
Red River Room, State Capitol

HB 1036  
2/18/2015  
24046

☐ Subcommittee  
☐ Conference Committee

Committee Clerk Signature



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

A bill to provide for the State Department of Health to study health professional assistance programs and report to the legislative management.

## Minutes:

No attachments

**Jennifer Clark**, Legislative Council, and committee council for the Health Care Reform Review Committee, introduced HB 1036 to the Senate Human Services Committee. This is temporary law. It provides in the 2015-2016 interim, the Department of Health will study the programs they have designed to assist health professionals. This is not limited to their programs. A few are with the Department of Health but there may be some in other state agencies. The impetus of this is a look at the loan repayment programs. They considered the state programs administered by the Department of Health; the federal programs; their similarities and differences. The push is to look at all the repayment programs and see if there are things that should be standardized, whether there are elements that should be kept from program to program, figure out how the state programs could leverage the best federal funding and programs. The Department of Health will provide periodic reports back during the interim to legislative management committee. Before July 1, 2016, the report is required so if the interim committee decides to adopt as their own, it gives them an opportunity to review legislation and draft changes.

**Senator Dever** recognized that this version of the bill is the .02000 version. Was this amended in the house or amended prior to introduction?

**Ms. Clark** responded that this is the introduced version. The change from the 01000 to 02000 version was on page 1, line 7, the words including "behavioral health professionals."

**Chairman Judy Lee** stated we have also reviewed duplicating programs and the need to study. **Ms. Clark** indicated they also recognize there are numerous bills out there with the same issue.

**Senator Warner** asked if there was still one for veterinarians.

**Chairman Judy Lee** confirmed yes.

**Nancy Kopp**, representing the North Dakota Veterinarian Medical Association as well as the North Dakota Optometric Association, does support HB 1036. The veterinarian repayment program is included in the Health Department.

**Chairman Judy Lee** asked Ms. Kopp to review the veterinarians, optometrists, and dentists. **Ms. Kopp** provided an overview of the programs. Through the university system budget, there is a program called Professional Student Exchange Program. The State of North Dakota does provide the difference in the amount of money that for in-state versus out-of-state tuition for the optometry, dentistry, and veterinary medicine. These educational programs are not available in the State of North Dakota. There is funding for 6-to-8 freshman slots, and then sophomore, junior and senior as well. Presently, there is not a repayment provision if they don't come back to the state of North Dakota to practice. We don't have the programs in our state, there are numerous grants and scholarships for other professions, and they also do not have to remain in the state and they are receiving assistance.

OPPOSING TESTIMONY TO HB 1036

No opposing testimony

NEUTRAL TO HB 1036

No neutral testimony

Closed public hearing.

**Senator Dever** moved the Senate Human Services Committee recommend a DO PASS to HB 1036. The motion was seconded by **Senator Axness**.

Discussion

**Senator Dever** pointed out that the fiscal note is below the threshold to refer to appropriations. **Chairman Judy Lee** confirmed.

Roll Call Vote to DO PASS

6 Yes, 0 No, 0 Absent. Motion passes.

**V. Chairman Oley Larsen** will carry HB 1036 to the floor.

Date: 02/18 2015  
Roll Call Vote #: 1

**2015 SENATE STANDING COMMITTEE**  
**ROLL CALL VOTES**  
BILL/RESOLUTION NO. HB 1036

Senate Human Services Committee

☐ Subcommittee

Amendment LC# or Description: \_\_\_\_\_

Recommendation: ☐ Adopt Amendment  
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation  
☐ As Amended ☐ Rerefer to Appropriations  
☐ Place on Consent Calendar  
Other Actions: ☐ Reconsider ☐ \_\_\_\_\_

Motion Made By Dever Seconded By Axness

Senators	Yes	No	Senators	Yes	No
Senator Judy Lee (Chairman)	✓		Senator Tyler Axness	✓	
Senator Oley Larsen (V-Chair)	✓		Senator John M. Warner	✓	
Senator Howard C. Anderson, Jr.	✓				
Senator Dick Dever	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Larsen

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

**REPORT OF STANDING COMMITTEE**

**HB 1036: Human Services Committee (Sen. J. Lee, Chairman)** recommends **DO PASS**  
(6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1036 was placed on the  
Fourteenth order on the calendar.

**2015 TESTIMONY**

**HB 1036**

**Testimony  
Health Care Reform Committee  
Wednesday, October 1, 2014  
North Dakota Department of Health**

Good afternoon Chairman Kaiser and members of the Health Care Reform Committee. My name is Mary Amundson, representing the North Dakota Department of Health as Director of the Office of Primary Care. I am here today in response to the committee's discussion during the July 23 meeting regarding potential changes to the state loan repayment programs offered to qualified health professionals in North Dakota. As you may recall, the state funds and administers four programs which were created as follows: the State Community Matching Physician Loan Repayment Program (Chapter 43-17.2) in 1991; the State Medical Personnel Loan Repayment Program (Chapter 43-12.24) in 1993; the Dentists' Loan Repayment Program (Chapter 43-28.1) in 2001; and the Dental Nonprofit Public Health Program (Chapter 43-28.1-01.1) in 2009. In addition, two federally-funded programs, the National Health Service Corps and the federally-funded State Loan Repayment Program (SLRP) offer financial incentives for providers to practice in rural and underserved areas.

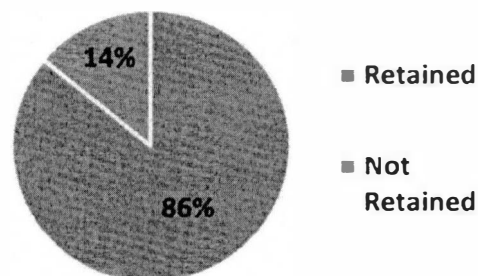
My presentation today will focus on providing information on the effectiveness of the current program, gaps and duplication in the loan repayment programs, standardization of the state-funded loan repayment programs and adequacy of funding for the programs.

**Effectiveness of the Current Program:** The information that is currently available pertains to retention of providers that have participated in the program. Through 2013, 59 of 98 clinicians have completed their service obligation and are included in this analysis.

Discipline	Total # Participating	Total # Completing Obligation
Physicians	49	36
Dentists	26	7
Nurse Practitioners	14	9
Physician Assistants	9	7
<b>Total</b>	<b>98</b>	<b>59</b>

Of the providers that completed their obligation, 86% (51/59) were retained; they continue to practice at their initial practice, are engaged in teaching or are practicing at other locations in the state.

State Loan Repayment Retention



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January 13, 2015

The following chart shows the in-state retention by discipline.

Discipline	Retained In-State	Percent
Physicians	30/36	83%
Dentists	7/7	100%
Nurse Practitioners	7/9	78%
Physician Assistants	7/7	100%
<b>Total</b>	<b>51/59</b>	<b>86%</b>

Seventy-six percent (39/51) of the providers that stayed in North Dakota are currently retained at their original site.

Discipline	Retained at Original Site	Percent
Physicians	21/30	70%
Dentists	7/7	100%
Nurse Practitioners	5/7	71%
Physician Assistants	6/7	86%
<b>Total</b>	<b>39/51</b>	<b>76%</b>

#### Reasons providers were not retained in-state:

##### Physicians:

- Contract not renewed
- One provider left medicine and went into construction
- One provider went to rural Minnesota closer to family; one to Washington
- One provider moved to Wisconsin (North Dakota physician married to a Wisconsin native – moved to be close to spouses family)
- Two are now teaching

##### Physician Assistants:

- One retired

##### Nurse Practitioners:

- Two providers (husband and wife) left the practice; one is employed by a national locums firm the other is teaching

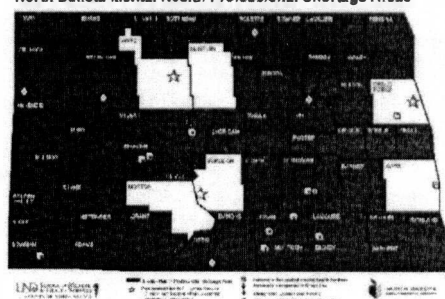
##### Dentists:

- All retained

#### Gaps and Duplication in Incentive Programs:

Currently, there are no state funded loan repayment programs for mental/behavioral health providers. The Mental Health Professional Shortage Area map shows that 94 percent of the state is designated as a shortage area for these providers. The applicants

North Dakota Mental Health Professional Shortage Areas





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January 12, 2015

that can apply for loan repayment is currently limited by the professions identified in legislation.

I am not aware of other loan repayment programs in the private sector but am aware of a dental program offered by the Department of Human Services.

**Standardize and/or Change To The Loan Repayment Programs:** Attachment A is a schedule comparing the various requirements for each of the loan repayment programs the state offers. The varying requirements include the amount, years of service required, timing of payments, eligibility, matching requirements, number of awards, penalty and continuing appropriation authority.

**Determine if the programs are adequately funded:** In 2013, we developed a more standardized process for accepting applications to bring forward to the State Health Council. For the April, 2014 Council meeting, twenty-two applications were presented. Funding was available for the following applicants:

Discipline	Number Applicants	Funds Awarded
Physicians	12	7
Nurse Practitioners	3	3
Physician Assistants	1	1
Dentists	7	3

Note that two of the dental applicants were not eligible due to practicing in the state longer than what is allowed in statute and that the unfunded physicians were all specialists.

That concludes my presentation and I am happy to answer any questions you may have.

# State Loan Repayment Program

Summary of North Dakota Loan Repayment Programs for Health Professionals						
	Physician (MD)	Nurse Practitioner/Physician Assistant/Certified Nurse Midwife (NP/PA/CNM)	Dentist (DDS)	Dentist New Business Grant	Dentists in Public Health and Nonprofit Dental Clinics	Veterinarian (DVM)
Year program began	1991	1993	2001	2007	2009	2007
Max Amount of award per individual from State	\$45,000	\$15,000	\$80,000	\$25,000	\$60,000	\$80,000
Years of service Required	2	2	4	5	3	4
State Payment parameters	1st pymt- after at least 6 mo. service; pymt can be no later than the end of the fiscal yr. of service - 22,500 / pymt	1st pymt- after at least 3 mo. service; pymt can be no later than the end of the fiscal yr. of service- 7,500 / pymt	1st pymt- after at least 6 mo. service; pymt can be no later than the end of the fiscal yr. of service - 20,000 / pymt	Distributed in equal amts over 5 yr. period	Payments must be made during the 1st two years of service.	1st pymt (15,000)- after 6 mo. service the 1st yr.; 2nd pymt (15,000) - upon completion of 2nd yr. of service; 3rd pymt (25,000) upon completion of 3yrs; 4th pymt (25,000) upon completion of 4 yrs.
State / Community match	50%/50%	50%/50%	None	50%/50%	None	None
Number of awards/year	As many as funding will support	As many as funding will support	3	2	3 per biennium	As many as funding will support - <i>see footnote 1</i>
2013 - 2015 Biennial budget	464,288	112,500	520,000	25,000	180,000	485,000
General	464,288	112,500	180,000	0	180,000	485,000
CHTF	0	0	340,000	25,000	0	0
Century code	43-17.2	43-12.2	43-28.1	43-28.1	43-28.1-.01.1	43-29.1
Penalty if leave early	Twice uncredited amount on prorated monthly basis	Twice uncredited amount on prorated monthly basis	Total amount received	Law is Silent	Law is silent	Prorated for amount of time served for the specific yr. service was not fulfilled
Community Selection	Priority - demonstrated need for primary care physician or trained in psychiatry or population not more than 15,000	Priority - demonstrated need for primary care or population not more than 15,000	Population under 2,500 given highest priority; 2nd priority 2,500 - 10,000; < 10,000 given lowest priority	Population not more than 7,500	Sites must be in a public health setting or nonprofit dental clinic utilizing a sliding fee scale	Population under 5,000 given highest priority; 2nd priority 5,000 - 10,000; < 10,000 given lowest priority
Continuing Approp. Authority to grant additional awards if gifts, grants or donations are rec'd	No	No	Yes	No	No	Yes

1 - 2011 Session Laws change requirement of funding of "no more than 3 veterinarians" to being limited to the number supported by moneys available.

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# Federal / State Loan Repayment Program

Federal State Loan Repayment Program (SLRP) *					
	Physician (MD)	Nurse Practitioner/Physician Assistant/Certified Nurse Midwife (NP/PA/CNM)	Dentist (DDS)	Mental/Behavioral Health, Pharmacy, Registered Nurses	
Year program began	2012	2012	2012	2014	
Max Amount of award per individual from State	\$50,000	\$50,000	\$50,000	\$50,000	
Years of Service Required	2	2	2	2	
Payment Parameters	Payment is made after 90 days of service. Consistent with the National Health Service Corps Federal Program	Payment is made after 90 days of service. Consistent with the National Health Service Corps Federal Program	Payment is made after 90 days of service. Consistent with the National Health Service Corps Federal Program	Payment is made after 90 days of service. Consistent with the National Health Service Corps Federal Program	
Match Requirements	50% NonFederal Funds	50% NonFederal Funds	50% NonFederal Funds	50% NonFederal Funds	
Number of awards	6 total awards				
Federal Award	\$308,000 - 9/1/2014 - 8/31/2015				
Century code	43-17.2-02	43-12.2-02	43-28.1-02	N/A	
Penalty	Severe federal penalties, mandated by the Federal State Loan Repayment Program Office, are imposed on health care providers for default of the SLRP contractual agreement. Failure of the provider to meet any of the contractual service requirements will result in a provider penalty consisting of: 1) The payback of any SLRP funds received through the program, 2) A default penalty of \$7,500 per month multiplied by the number of months of the entire contract (if less than one year has been served) or \$7,500 multiplied by the number of months remaining in the contract (if the provider has served more than one year), and 3) An additional \$10,000 penalty if the defaulted contract is three or more years in length.				
Continuing Approp. Authority to grant additional awards if gifts, grants or donations are rec'd	No	No	No	N/A	

\* - Must practice in a federally designated workforce shortage area

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January 13, 2015