

**FISCAL NOTE**  
**Requested by Legislative Council**  
**02/24/2015**

Amendment to: HB 1396

- 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						
Appropriations						

- 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).*

The Bill creates a new section of NDCC to provide a student loan repayment program for health care professionals, to repeal chapters 43-12.2 and 43-17.2, medical personnel and physician loan repayment programs, respectively, and applies to loan repayment contracts entered into on or after 8/1/15.

- 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 6 of the bill establishes payment over the earlier of the full repayment of the health care professional's student loan, or 5 years for the following four professional categories: 1) physicians – maximum loan repayment \$100,000; 2) clinical psychologists – maximum loan repayment \$60,000; 3) nurse practitioner, physician assistant, or certified nurse midwife – maximum loan repayment \$20,000; and 4) behavioral health professionals – maximum loan repayment \$20,000.

Funding included in the House of Representatives version of the budget for the Department of Health (HB 1004) will now be spread over 4 categories of professionals for contracts entered into on or after August 1, 2015 rather than the existing 2 categories. Therefore, this legislation has no fiscal impact.

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.*

- 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.*

**Name:** Brenda M. Weisz

**Agency:** Department of Health

**Telephone:** 328-4542

**Date Prepared:** 02/24/2015

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**Name:** Brenda M. Weisz

**Agency:** Department of Health

**Telephone:** 328-4542

**Date Prepared:** 02/24/2015

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/20/2015**

Bill/Resolution No.: HB 1396

- 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.*

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- 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).*

The Bill creates a new section to chapter 23-01 of the NDCC relating to student loan repayment grants for specific health professionals. It also increases the maximum loan repayment amt provided to physicians, increases their service requirement from 2 yrs to 5 yrs, & reduces the community match.

- 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 provides for a new section of NDCC relating to student loan repayment grants at amount not to exceed \$10,000 over a 36 month period for numerous health professionals. However, the bill does not include funding for any specific number of applicants. Therefore until funding is included for the new program or the number of applicants to be funded each biennium is defined, the new language does not have a fiscal impact.

Section 2 amends NDCC relating to the current physician loan repayment program to increase the amount of loan repayment from \$45,000 to \$100,000 and changes the community match from an amount that equals the loan to 25% of the loan repayment granted by the State. The changes also include extending the service requirement for physicians from the current 2 years to 5 years. The number of applicants selected is dependent upon the availability of funding. Therefore, these changes do not have a fiscal impact.

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**Name:** Brenda M. Weisz

**Agency:** Department of Health

**Telephone:** 328-4542

**Date Prepared:** 01/26/2015

**2015 HOUSE HUMAN SERVICES**

**HB 1396**

# 2015 HOUSE STANDING COMMITTEE MINUTES

## Human Services Committee Fort Union Room, State Capitol

HB 1396  
2/3/2015  
Job #23084

- ☐ Subcommittee  
☐ Conference Committee

Committee Clerk Signature

*Vicky Crabtree*

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

Relating to the physician loan repayment program and to provide an application.

### Minutes:

Testimonies 1-7

Chairman Weisz opened the hearing on HB 1396.

Rep. Sukut: Introduced the bill and handed out an amendment. (See Testimony #1 and Handout #2)

4:40

Chairman Weisz: Why are you eliminating the breach of contract?

Rep. Sukut: I'm going to let other folks here address that issue.

5:06

Rep. Michael Lefor: I represent District 37 which is most of the city of Dickinson. I lend my support to this because I served on a hospital board for 12 years and as Chair for 6. I can't tell you how many physician recruitment dinners I have been on or socials I have been to. It's a difficult process and very competitive when especially primary care physicians can go anywhere they want to in the country. We have a shortage of those physicians and it will get worse with time. When the physicians come out of school they have a huge debt. The physician candidates will say, "What do you do to help me with my loans?" This bill attempts to put us on an even playing field with the State of South Dakota. This will be one more tool to help us in the competitive process to recruit physicians into North Dakota.

7:00

Rep. Oversen: With conversations I have heard that with medical students from UND there perception is that the students who take up those programs and going to the rural areas would probably go there anyway because that is where they grew up. How do we recruit others who wouldn't have gone back to those areas?

Rep. Lefor: The rural component is not a very huge component in recruiting doctors.

Jerry Jurena: President of the ND Hospital Association testified in support of the bill. (See Testimony #3)

10:47

Matt Grimshaw: President of CHI Mercy Medical Center testified in support of the bill. (See Testimony #4)

14:33

Rep. Mooney: Why are you able to draw staff from the international community, but domestic?

Grimshaw: There is not a nursing shortage in most of the U.S that was anticipated five years ago. A lot of companies started working the process working with the Philippines in bringing international staff with Visas here. Trinity in Minot has far more than we do. A Visa waiver is allowable for a Bachelor's Degree RN from the Philippines. They can come into the U.S. for a 2-3 year commitment.

Rep. Mooney: Is that only on nursing?

Grimshaw: It applies to anybody with a 4 year degree. Our Visa programs we have been using are for lab, pharmacy and RN. Those are the only ones we have been successful on at this point.

16:14

Reed Reyman: President Of CHI St. Joseph's Health in Dickinson, ND testified in support of the bill. We are in much of the same shape as you heard from Matt in Williston. We have recruited in the past five years a number of providers. However, in the last 18 months we have only signed one family practice primary care provider and that person also left after one year. Part of the reason was that when that physician qualified for our student loan repayment and was eligible, there were no funds available for another 9 months. She was forced to leave and find another position that reimbursed her for her student loans. Currently we have 40 physicians and 24 middle level providers on staff. Thirty-three percent of our physicians are within 5-8 years of retirement. I have 60 credential locum providers that come in and fill the open 13 additional slots I need for primary care. The cost of locums is very expensive for us. The main reason I here for not coming to ND is that we have no mandated consistent state supported loan forgiveness program.

Rich Becker: Do you have foreign doctors?

Reyman: I can't speak for Williston. I do have two physicians that came through the Jay-1 waiver program. We have more success holding on to nurses because of the University of Mary and Dickinson State in close proximity.

Matt Grimshaw: We have offered positions to six Jay-1 Visa candidates and none have chosen to come to Williston. Primarily because they aren't around colleagues or members from their community so they don't find a fit.

Daniel Kelly: Chief Executive Officer of the McKenzie county Healthcare Systems, Inc. Watford City, ND testified in support of the bill. (See Testimony #5)

26:58

Chairman Weisz: On your emergency room coverage, is that \$119,000 in addition to what you would have paid if you had your own physician? Or is that the cost for the contracted physicians?

Kelly: That is the cost for contracted physicians. If we recruited physicians the cost would be a third of what it is using locum physicians.

Chairman Weisz: You are saying roughly you are paying 2/3 more for the locums.

Kelly: That is correct.

Rep. Mooney: Could the same be said for the \$22,000 in the paragraph above that?

Kelly: You are correct.

Dan Hannaher: Legislative Affairs Director at Sanford Health testified in support of the bill. (See Testimony #6)

29:41

Rep. Mooney: In the case where the hospital is at capacity and there are no beds for behavioral health and/or medical needs, where do those patients go?

Kelly: It is a case by case basis depending on the facility and the level patient care needed for the patients already housed within the facility. We have a wide network here in Bismarck. They may contact Fargo to see about capacity or even Sioux Falls. We look at the emergency room. We may move up the discharge of patients not at risk.

Leland Tong: Clinic Administrator Great Plains Women's Health Center in Williston testified in support of the bill. (See Testimony #7)

NO OPPOSITION

Chairman Weisz closed the hearing.



# 2015 HOUSE STANDING COMMITTEE MINUTES

Human Services Committee  
Fort Union Room, State Capitol

HB 1396  
2/18/2015  
24071

☐ Subcommittee  
☐ Conference Committee

*Chanelle Muecke*

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

Relating to the physician loan repayment program; and to provide an application for this Act.

## Minutes:

Chairman Weisz: Let's take up 1396. The first part is the dollar amount on the suggested amendments. Basically it is 20, 60, and 100. Are you ok with that? Doctors would get \$100,000, phycologists \$60,000, and the others \$20,000. Any objections? The next part deals with the eligibility for participation. The community side. The priority would first be for the small communities less than 15,000. Then 15-30 and then over. It is not a mandate it is just a priority. If you have no one that applies under 1 or 2 that is under page 2 of the amendments. You can still give the loans out.

Representative Porter: My concern in this area is inside of MSAs. I don't think this should apply when there is a sister city right next to a larger city. In Bismarck Mandan you would fall under number 2 as a priority even though you are under the MSA where there isn't a shortage of these physicians. It isn't a priority and they could still get these dollars. You may have other cities getting the poor end of the stick. I would suggest in the 2 definition that we say is not inside of a MSA and that would still allow the MSAs to fall under 3. I have an issue for allowing someone who qualifies for this to hang their shingle in West Fargo when it is one contiguous MSA. That is my concern.

Chairman Weisz: Are you comfortable with adding language? They couldn't fall within an MSA. Or not located within an MSA. That seems like a fair change.

Representative Fehr: Is MSA defined in our code some place?

Chairman Weisz: It is a federal rule. Everyone comfortable with this? We will put not in an MSA. You're okay with the eligibility size and the 15,000 break? I think some had good discussion on that number. Currently physicians are the only ones that require the community match. Is that where you want to keep it? There are pros and cons to both sides.

Representative Porter: I thought that everyone needs to be involved and whether the size of the match is relevant or not but having ownership in the program it follows all the economic development or granting program to make sure you are serious and supporting. I like the community arch across the board. Somewhere between 25 and 50% seems to be a number that is ok to ask the sponsoring community to put in.

Representative Hofstad: Not the other side but just so you understand. Right now there is a community match on nurses.

Chairman Weisz: That's true they are a part of the physicians.

Representative Oversen: I think the problem with applying the match to behavioral health professionals is if you are hiring a social worker in a smaller setting, not in a hospital, or a rural community. They might have a hard time getting a match and it's hard to know who you are expecting to do that when it is a hospital facility hiring a physician. That facility has the capacity to raise and provide that match. Some of the facilities they are hiring professionals won't be able to do that. If there happens to be a time and place where this might go to someone who ends up working at a state or county agency do we then expect that the state or county agency is going to provide the match? I don't know how we would exempt them. Our behavioral health professionals might have that happen.

Representative Hofstad: The problem that I have is that as we worked our way through the interim committee and looked at expanding this program the need out in the area is for those behavioral health people. Particularly in the license addiction councilors. You all know that process is hard because they have many requirements with no compensation. If the emphasis is on getting more addiction councilors and into that behavioral health issue out in the rural areas of ND that match becomes a problem.

Representative Fehr: When we set up the community criteria and said we wanted this to go to smaller communities. If we also say we want it to go to the small agencies and private agencies if we put in a match we have by design excluded them. The small private agencies aren't going to have the capacity for having a match. Communities will look at private providers and say your private you're not government there is no reason why we would give you money. Small agencies can't come up with the money themselves.

Representative Oversen: We do want the communities to have buy in and support for whatever professionals we are bring but as I indicated it is a lot easier to say as a community we are going to support a physician because they all understand that need. Not everyone will understand the need for a licensed addiction counselor because if it doesn't impact their families they won't see why it is important if they don't understand what that person brings. It is a hard sell to require those professionals to have a community match.

Representative Porter: If the community only has to match for some and you have primary care physicians your family nurse practitioner that is hanging out that are out in rural areas where they aren't guaranteed patients and they are starting from scratch. In fairness there shouldn't been any match. They are all important and hard to get in the communities.

Chairman Weisz: That's what I have struggled with too. The idea is a community says we have a shortage of whatever and we are trying to get that filled. If the community isn't

willing to help then they aren't worried. You may have something like the addiction counselor where the community may not know about the need. Many doctors are solo practice and still need a match.

Representative Damschen: If you don't have help from the community what is the bond to bring that counselor to come back to practice? That kind of seals the deal. I think it is clearer that if the community is putting in money they expect they person to come back and serve.

Representative Mooney: In the early days when the affordable Care act was getting up, our community had to do a focus group. We had to get together and figure out where our shortages were. That has to be done every couple years. Wouldn't that be a piece to identify them as needs? Then they could discuss how they would arrive at the match?

Chairman Weisz: Currently the physicians have 100% match requirement. We have three tiers. If we required a 50% match for the 100,000, a 25% for the 60,000, and a 10% match for the 20,000. If there is no support do you even come up with 2,000 dollars? If they are saying they have a shortage. Just a suggestion.

Representative Oversen: I am fine with those amounts. The goal is to have community buy in and I think that could help. My question is still if they are a state or county employee. Do we put that as an exemption?

Brenda Weisz: We are offering a grant loan repayment that was approved at the last health council meeting to a psychiatrist of the state hospital and that is a federal loan repayment program that requires match and the state hospital is proving the match.

Chairman Weisz: Let's say it's a county social service agency and so they need a licensed addiction counselor. Could they within the county budget get the match?

Brenda: I am not sure.

Chairman Weisz: Are you aware that there would be a prohibition? I don't see it in the law that the match can't be provided by the state or local tax funds.

Brenda: I am not aware of anything that would prohibit that but I am not sure that counties provide direct service of a license addiction counselor.

Chairman Weisz: What about a regional human service centers?

Brenda: We have been working with our loan repayment program currently and we have been working with the human service centers and they know about the match requirement and it has not stopped the state hospital from coming forward with an application and it has not stopped Dr. McLean from southeastern service center exploring options. We have not received an application from a human service center yet because we don't have behavioral health as an option yet. In visiting with them they have not shut down the idea. With the federal loan repayment program there is a match there so that would be current the one we have been exploring with the human service center which has been expanded to include behavioral health and that does require a match. They continue to explore but we have not received applications.

Representative Fehr: If somebody is working for a government agency, a non-profit they won't have trouble coming up with a match. If they are working for a profit they will have trouble and it will stop them from using the program.

Chairman Weisz: I am struggling with that because since we have looked at these programs it has always been presented to us that the community is looking for the service. Even though it says sole practitioner, if so and so says they are interested in going somewhere the community will not through economic development say if you come we'll make the match. That's the way it has been. The community was the one looking for the service not the person looking for the town. I realize there won't be much buy in for addiction officers and social workers compared to other physicians.

Representative Fehr: What you described is true. It is rare that a community will ask for an addiction counselor or someone similar. They won't go out of their way for that.

Representative Mooney: I would disagree. In our area the counseling was the highest that hit our measure. Once that rose to the top of our community our health care professionals are now looking to find. Communities through this process are doing that to fill the gaps.

Representative Muscha: I would echo what Representative Mooney said. Representative Keifert and I, from our community they are looking at a licensed addiction counselor too. Valley could raise the 2,000.

Representative Keifert: At our local health meetings, the addiction counsel was our focus of need and the second was a detox center. We have one in town now. That was the main concern.

Representative Hofstad: I would move to amend the bill

Representative Porter: Second

Representative Fehr: Hofstad has this; we could adopt it then amend it.

Chairman Weisz: I wanted to go through the areas so we could look at it all in a full picture.

A Voice Vote Was Taken: Motion carries

Chairman Weisz: Is there a reason why the language was changed from community to city?

Representative Fehr: I raised the question why we needed under section 3 1c, what this community would support if we are not talking about match because that is 3 and the response was maybe they could do other things to show support. We could take that out. Why she changed it community to keep it consistent.

Chairman Weisz: You won't want to keep c out because the health council looks at that to see if there is support and the match will help reinforce it.

Representative Fehr: I am assuming if we are not talking about money we are talking about letters so support. What are we asking for? If it is unclear we should take it out.

Chairman Weisz: This language talks about the criteria. Where did that come from?

Representative Hofstad: I think that language comes to set the parameters for the health council and give them flexibility.

Chairman Weisz: On page 1 where it talks about criteria. Is that the current practice of the health council?

Brenda: It is similar to what is in code already.

Chairman Weisz: You don't see a problem?

Brenda: No not really, they do look at the number of health care professionals in the area by field. They look at the access to health care services. It seems consistent when you look at the levels of participation. Health care professionals are looked at also. Their education and availability.

Chairman Weisz: Should city be community?

Brenda: Everything else in code has been community because they look at it as a whole on not the particular city. I think anyways. If someone is employed by a facility they reside in the city.

Chairman Weisz: The city would reside within the community so it would still be there.

Representative Porter: As you look at these and the wording we want to keep it so the council in their selection criteria is looking at the referral area for the health care practitioner and that is what I would see what community is.

Representative Hofstad: As you look are section 6 and we look under c, in the real world as you look at them to grant a loan I am hopeful that as you look at the license addicting counselor and so on you look at them under the behavior health umbrella. What happens if there are no applications?

Brenda: Behavioral health would be brand new. In the past we have had areas that have no applications which we would then have those funds available then if we had an additional physical that would come forward for loan repayment we would be able to use that funding to let the health council know they could approve another physician slot.

Chairman Hofstad: Behavioral health is trumping the existing program we have now. Does this do that?

Brenda: There is no funding for behavioral health. If you past this as amended it would repeal the physician loan repayment policy section of the ND century code and taking that money and applying it to these professions accordingly.

Chairman Weisz: If this passes and nothing goes into the health budget, under this would you allocate the dollars to the physician because that is how you have it broke in the budget?

Brenda: If this goes forward and you repeal that section and add the disciplines in its place, it looks like you could approve loans for 3 slots for each area.

Chairman Weisz: You look at it by repealing the section you would now require the prorated among all them and not using the same criteria you used before where you had a certain amount for each.

Brenda: Yes

Representative Porter: Do we need to put the allocation percentages in? How will we make sure the implementation will include each of them?

Brenda: I will get a fiscal note request in this and I would indicate for each profession. Your new law would tell us how to fund it out.

Representative Porter: Down to c on the amendment. Inside of that are we placing those in an order of funding priority by listing them?

Brenda: The applicants would go forward for the health council to decide which ones they want to fund.

Representative Fehr: On the match part. Who pays the community match?

Brenda: We have that it is on the physicians and the nurse practitioners assistance. By and large that is coming from the facility employing them. We have had DOCR pay them and others.

Representative Fehr: DOCR?

Brenda: Department of Corrections and rehabilitation.

Representative Fehr: That would be for their employees?

Brenda: Yes

Representative Fehr: are there examples where a math has been played by a community other than an employer?

Brenda: Not that I know.

Chairman Weisz: Would you know if the facility got money from the community?

Brenda: No

Representative Porter: Page one sub 3 section 3. Are we looking at changing that language to community rather than city? The removing the overstrike on sub c under sub 1 back to community?

Chairman Weisz: Yes and number one should also change.

Representative Porter: We may want to look at the application process also.

Chairman Weisz: Everywhere it says city to community. I like what they came up with. They have consistency. If we send it out the way it is it spreads the current pool among them all. Is that our intent? Should the money pool stay the same?

Representative Porter: What about allocating percentage in the first rounds of the grants?

Chairman Weisz: Would that limit the health council then?

Representative Porter: We would make sure the verbiage was good enough so if people don't apply we can make sure it can be given to others.

Chairman Weisz: I am willing to come up with some percentages.

Representative Porter: I think this would send the message that this is the policy we want. We could make sure they all get something.

Chairman Weisz: There is roughly 1.3 million dollars.

Brenda: Part of the money that is given out. That sheet shows the current. Now there are 405,000 that are built in the current for physician loan repayments. Some that is built in the budget has to pay for existing. This would change it from 6 to 3 slots.

Chairman Weisz: I am trying to get at percentages to see how much money would be available.

Brenda: There are 405,000 for new loans for 15-17 that is in the budget. The other codes are not impacted by this. They are addressed by other areas. That could be up to 6 loans in each biennium. It would take a change in the ND century code.

Chairman Weisz: As of now we know the 405,000 isn't there. Do we want to pool them all into one? If you could give us the numbers on the current budget?

Brenda: There are 360 in the community health.

Chairman Weisz: And still 180?

Brenda: In the non-profit.

Chairman Weisz: And 180 in the general funds for the dentist?

Brenda: They didn't approve the full executive budget for that either.

Chairman Weisz: Should we pool everything and then set percentages?

Representative Porter: Maybe we just want a legislative intent piece with this?

Chairman Weisz: We would need language to pool the funds.

Representative Porter: Have all those funds been spent or being allocated in programs?

Chairman Weisz: You have commitments in the next biennium and you have to do that first.

Representative Porter: The dentists are a standalone but the nurses are part of this same mix. I don't have a problem the nurse component into it.

Chairman Weisz: Would you like to see that we combine the nurse practitioners, physicians, behavioral health into one pool of money? If the slots weren't filled then you could move the money down.

Representative Mooney: Are we supposing in the second half no money will be put back in through the senate?

Chairman Weisz: No... We have these two options. If we don't pool then if money doesn't go back in we will have rules in place for behavioral health but there will be no money available unless it isn't used all by physicians and nurse practitioner. Right now we are only pooling physicians.

Representative Hofstad: If we do pool those two we now move nurse practitioners and PAs below the behavioral health.

Chairman Weisz: The health council will do the prioritizing.

Representative Hofstad: What we have set up so to prioritize those under behavioral health. Right now we have a program in place for them.

Chairman Weisz: If there is no money and we had them all pooled they would figure how many slots for each and they would do the priority criteria and if there weren't enough applications then they would spread out the rest.

Representative Hofstad: by bring them in you would be diluting the money available to them but you wouldn't change the priority level.

Chairman Weisz: If money comes back in the slots go up.

Representative Oversen: I would ask Brenda to run those numbers. We should look how it would impact the pool overall. I am looking at what she did with section 7 of the amendment. She would reduce the powers?

Chairman Weisz: I will ask her to look at that.

Representative Porter: I would say as we go through this process we have to be aware that our trump card from the policy stand point is to draw as many groups as possible. If you leave it the way it is then the other professions won't let it be their fight. We should bring them in to have the policy fight.

Chairman Weisz: Closed the discussion on HB 1396.



# 2015 HOUSE STANDING COMMITTEE MINUTES

Human Services Committee  
Fort Union Room, State Capitol

HB 1396  
2/23/2015  
24244

☐ Subcommittee  
☐ Conference Committee



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

A bill relating to physician loan prepayment program; and to provide for the application.

## Minutes:

Attachment #1

**Chairman Weisz:** Let's take up 1396.

**Rep. Hofstad:** (Attachment #1) The changes that we talked about was we added another level. Just to be clear we have physicians, we have clinical psychologist, we have mid-level providers and we have behavior health people. If you look in section 6 those disciplines are all out lined. Physicians are 100,000 dollars, that is the loan payment that we give to them and we ask the participating city or community to participate at a 50 percent level. The clinical psychologists are 60,000 dollars and we ask the community to participate at 25 percent. Those mid-levels are 20,000 dollars and we asked the communities to participate at 10 percent and the same with behavior health people. We have outlined the people that are included in that behavior health component, advanced practice nurses, licensed addiction counselors and so forth as you see on page 3 subsection 2. One change that we made back on page 2 is we have asked that when we look at those cities and the number of residents within the cities we have included under sub b. that they do not belong to metropolitan statistical area. So we added that component in there.

**Chairman Weisz:** On page 1 where we looked at section 1 where it talks about the health counsel shall establish criteria to be used in selecting cities and then further down it also talks about cities. We had a lot of discussion with both the health department and legislative counsel on that and it is appropriate to use cities, because the reality is the only thing that cities is referencing too is that section dealing with having 15,000 residents and 15,000 to 30,000 plus. So in other words the applicant has to identify the community they are going to be practicing in and that will determine the criteria but the health counsel is still going to look at the community as far as what area are they going to serve and how they determine the priority.

**Rep. Porter:** If someone was to set up their practice, then inside of their grant said they were going to focus in on the Medicaid population or the under-served population as a primary focus of my practice, but I live in Fargo. Do we want that sort of exclusion?

**Chairman Weisz:** Also related for example telemedicine. Lets say you are based in Bismarck but you are serving in Harvey or some other outline area. It was felt that there was enough flexibility in the health counsel that they could still shift the priority because they are serving that so called surrounding area but they would be limited on that section where they wouldn't have as high of a priority as someone that actually was in a community less than 15.

**Rep. Porter:** Maybe Mr. Jurena could expound on that for us to make sure we are covering that from the health counsels stand point, because of the modern practices of medicine the patient doesn't always have to come to the provider.

**Chairman Weisz:** The question Jerry is does the health counsel have some flexibility if a practitioner is in a community greater than 30? Let's say they are in a community greater than 30 but a majority of their practices or a good share of their practice is to server and outline area, would the health counsel be able to give them priority of moving them up a community of 15,000?

**Jerry Jurena President of the Hospital Association:** We had an individual who practiced in Grand Forks and the majority of his patients were kids who had Medicaid. When we received the scenario we took a look at who they were taking care of, it was outlined. The center for rural health gave us the parameters, the health counsel took a look at it and I we did grant the individual a loan so there is flexibility in the process.

**Rep. Porter:** I do think that because of changes in medical practices I think that if we can fit language in there that specifically gives them that flexibility. If we include something that says telemedicine and under-served populations so that they aren't excluded from what we are trying to do, because I just think that part of the purpose of this whole program is to get practitioners to the under-served and todays practice of any of these professions with these technologies it doesn't necessarily have to be the shingle hanging on the door in order to have the priority of your practice in those areas.

**Chairman Weisz:** One way might be in the language on section 4 that in something where it says selection the cities for participation, we could put language that would recognize cities or practice area. Something of that language that would have the cities includes the practice area.

**Rep. Oversen:** Specific to your example, did the match come from the facility he was practicing in still?

**Jurena:** This was a dental program.

**Rep. Rich Becker:** It seems to me we aren't helping the under-served.

**Chairman Weisz:** That is a legitimate argument. That maybe a balance that we are trying to look at but on the one hand if someone is willing to commit a large portion of their time or services to a small community and if they are in the large city should they be moved down and the priority list the way we have it defined.

**Rep. Porter:** Even with the loan repayment program and some of the professionals that we are dealing with there still won't be enough to establish a practice and live in that community. So will the changes in the way medicine is practiced and the telemedicine and other types of practices the focus needs to be on the population we are trying to get after. I think it should be on population of where they live and who they are going to serve.

**Rep. Muscha:** We discussed this during interim committee, especially as it dealt with TBI (traumatic brain injury) and also behavior health. Partly because there aren't the numbers in the state for the specialists to be drawn and also if you come from a large city we don't have all the amenities and that is just reality.

**Rep. Fehr:** There is already adequate flexibility I think to try to put something more in its probably counterproductive. But also having somebody long distance doing telehealth isn't the same as having someone in person in your community.

**Chairman Weisz:** I don't think there is any question that it is ideal that you can have practitioner in your back yard so to speak.

**Rep. Hofstad:** Without question I think access to care is the thing we need to focus on. I think we do provide a great deal of flexibility to the health counsel even in section 5 where we specifically say that the health care professionals willingness to except Medicare and Medicaid assignments, but let me just offer this for conversation, if under cities, if we were to add a sub 4 and say something like consideration shall be given regardless of size of city for telemedicine and acceptance of Medicaid and Medicare patients. Does that open up that door a little bit wider and give them some more flexibility?

**Rep. Porter:** It may be better to put it in Section 5 and just have access to care with telemedicine and you are already talking about the willingness to accept Medicare and Medicaid assignments maybe it should just be an access to care thing rather than mess with the cities.

**Chairman Weisz:** If you have the health care professional they are going to use the criteria that is listed in section 5. So if they have three people who meet that criteria then they are going to go up and say what is the cities size?

**Rep. Porter:** So you are looking at one being able to trump the other then?

**Chairman Weisz:** I thought that was part of our discussion so that at least we could say if the health counsel would have the flexibility that if they qualify under section 5 that if that person says yeah I'm based in Fargo, but I am going to go to Beulah three days a week that based on the health counsels perception they could say he moves up to the number one list because he is serving the communities under that size and based on what he has

committed to we think that person should move to that level one. I kind of thought that's what the attempt was, but it should be up to the health counsel.

**Rep. Porter:** Inside of this discussion if you take a Washburn and the clinics there they commute. They rely on the volunteer ambulance service for health care after hours. All we are saying is that's where their practices are going to be they certainly aren't living there. That's my issue going back and forth on this. We want access in those communities but we also want to make sure that we are getting the priority to the under-served population too.

**Chairman Weisz:** We are only referencing telemedicine. As Representative Porter just pointed out if you are going to Washburn and living in Bismarck you aren't telemedicine you are commuting, but your practice is still in Washburn. To me it needs to be clear but in the end it is up to the health counsel. If they have three people that want to move to communities under 15,000 and those services are needed I assume they still have a priority over someone who says ill provide some telemedicine. That again should be up to the flexibility of the health counsel to decided where the needs are greatest and who should get the priority. I agree that I'm not sure we should limit that they can't give a priority or move somebody up on that category if the bulk of their services or all their services are provide in a smaller community than where they actually reside.

**Rep. Oversen:** I think it should be under the cities, because it's meant to put them back into that consideration. Similar to what Representative Hofstad's amendment was, regardless of the population of the community the health counsel may also get consideration to a health care professional who commits to provide access to under-served populations. It shouldn't be limited to just telemedicine because that is too narrow and I don't know if under-served population covers everything Representative Porter is discussing either. I think it should be may give consideration.

**Rep. Rich Becker:** I know we are trying to do something good here but I don't think I'm going to support the bill. We are supplying grant money for those who don't need it. I just don't see the intent here which I thought was to attract people to the less well served communities and I think what we are saying in this bill is that you can living in five or six big cities of the state and the population will come to you and we will still give you the grant. I just don't see a need to further help people be attracted to the major cities.

**Rep. Porter:** We gone on top of page 2 and insert a comma after criteria and then insert "or a practice with a focus on under-served population".

**Rep. Hofstad:** If you look at the criteria and the selection on the health council the past few years, their focus is certainly on serving that under-served population and I don't think there is anything we are going to do here. I certainly don't see anything that we are doing that is going to change that focus.

**Chairman Weisz:** I think they can probably do what we are trying to do now. This just says that we want to make it clear that they can if there is some question about where they can move a priority. Based on what we have heard they are and will continue to look at where that person is serving regardless of where they live. I'm not sure we are changing anything,, but we are making it clear that it should be part of the criteria and they should look at it.

**Rep. Fehr:** I don't know if this hurts anything or is necessary. I am kind of wondering about what is the definition of under-served population. I think it allows a lot of flexibility to giving in but I don't know if it is needed. I'm going to resist the motion.

**Rep. Oversen:** Just to be clear where we are putting this, after criteria under the cities? We list descending order in there, is that the appropriate place to put it?

**Chairman Weisz:** They show good priority in descending order to those cities that meet the selection criteria "OR" then they can look at giving this a priority within that list.

**Rep. Hofstad:** I move amendment .02003 and additional language that says after criteria or a practice with a focus on an under-served population.

**Rep. Porter:** Second.

Motion made to move amendment .02003 and additional language that says after criteria or a practice with a focus on an under-served population.

Motion made by Representative Hofstad.

Seconded by Representative Porter.

Voice Vote

Motion Carried

**Rep. Fehr:** In giving flexibility to the health counsel my concern is coming back to the community match, I believe that the amendment as stated will discourage or make it very difficult for any individual or very small group practitioner to move into a small community because as discussed the match with either always come from the employer or it might come from the foundation or it might come from economic development dollars or something like that. But if we are talking about wanting a physician, psychologist or someone to join a small group I think we have excluded them under the current language

**Rep. Oversen:** I understand the rationale behind wanting a match but I think if we are still then going to include individuals who end up working for a state or county organization all that we are doing is requiring that agency to put up additional dollars when their budgets are already stretched and they might have ability to do that and want to do that but it defeats the spirit of what a community match is. Those agencies aren't going to fundraise from the communities for those dollars, because they don't have the capacity to do that either.

**Rep. Hofstad:** As this gets to the appropriators and as they will look at this more favorably than if there is none. I think that is probably their philosophy.

**Rep. Fehr:** Are you saying there may be some flexibility? I'm reading it that there is no flexibility in terms of does it have to be a match.

**Chairman Weisz:** When appropriations looks funding this loan repayment program and the funds are going to be put in they look a lot more favorably if there is some skin in the game from those who want these and if it's just we are going to forgive the loans. In the end and I think you are aware at least at this point the 495,000 dollars for behavior health is no longer

in the health department budget and that is going to be an on-going discussion as we go through the rest of the session but I think that's part of it.

Representative Holfstad: I move a Do Pass As Amended.

Representative Seibel: Second.

Motion to Do Pass As Amended on HB 1396

Motion made by representative Holfstad.

Seconded by Representative Seibel.

Total Yes 11. No 2. Absent 0.

Floor assignment Representative Holfstad.

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1396

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide student loan repayment programs for health care professionals; to repeal chapters 43-12.2 and 43-17.2 of the North Dakota Century Code, relating to loan repayment programs for nurse practitioners, physician assistants, certified nurse midwives, and physicians; to provide for a continuing appropriation; and to provide for the application.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1.**

**Student loan repayment programs - Health care professionals.**

The health council shall administer student loan repayment programs, as established by this chapter, for healthcare professionals willing to provide services in cities that have a defined need for such services.

**SECTION 2.**

**Application process.**

The health council shall develop an application process for cities seeking to fill health care needs and for healthcare professionals willing to provide necessary services in exchange for benefits under a student loan repayment program.

**SECTION 3.**

**Cities - Selection criteria - Matching funds.**

1. The health council shall establish criteria to be used in selecting cities for participation in a program. The criteria must include:
  - a. The number of healthcare professionals, by specified field, already providing services in the city;
  - b. Access to healthcare services in the city and the surrounding area;  
and
  - c. The level of support from the city and the surrounding area.
2. The health council may consult with public and private sector entities in establishing criteria and evaluating needs based on such criteria.
3. A city may not be selected for participation unless it contractually commits to provide matching funds equal to the amount required for a loan repayment program in accordance with section 6 of this Act.

**SECTION 4.**

### **Cities - Eligibility for participation - Priority.**

In selecting cities for participation in a program, the health council shall give priority, in descending order, to those cities that meet the selection criteria and:

1. Have fewer than fifteen thousand residents;
2.
  - a. Have at least fifteen thousand residents, but fewer than thirty thousand residents; and
  - b. Do not belong to a metropolitan statistical area; or
3. Have at least thirty thousand residents.

### **SECTION 5.**

#### **Healthcare professionals - Selection criteria.**

1. The health council shall establish criteria to be used in selecting healthcare professionals for participation in a student loan repayment program. The criteria must include:
  - a. The healthcare professional's specialty;
  - b. The need for the healthcare professional's specialty within a city;
  - c. The healthcare professional's education and experience;
  - d. The health care professional's date of availability and anticipated term of availability; and
  - e. The health care professional's willingness to accept medicare and Medicaid assignments, if applicable.
2. The health council shall give priority to healthcare professionals who graduated from an institution of higher education in this state.

### **SECTION 6.**

#### **Student loan repayment program - Contract.**

1. The health council shall enter into a contract with a selected health care professional. The health council shall agree to provide student loan repayments on behalf of the selected health care professional subject to the requirements and limitations of this section.
  - a. For a physician:
    - (1) The loan repayment must be equal to twenty thousand dollars per year; and
    - (2) The matching funds must equal fifty percent of the amount required in paragraph 1.
  - b. For a clinical psychologist:
    - (1) The loan repayment must be equal to twelve thousand dollars per year; and



- (2) The matching funds must equal twenty-five percent of the amount required in paragraph 1.
  - c. For a nurse practitioner, physician assistant, or certified nurse midwife:
    - (1) The loan repayment must be equal to four thousand dollars per year; and
    - (2) The matching funds must equal ten percent of the amount required in paragraph 1.
  - d. (1) For a behavioral health professional:
    - (a) The loan repayment must be equal to four thousand dollars per year; and
    - (b) The matching funds must equal ten percent of the amount required in paragraph 1.
  - (2) For purposes of this subdivision, a behavioral health professional means an individual who practices in the behavioral health field and is:
    - (a) An advanced practice registered nurse;
    - (b) A licensed addiction counselor;
    - (c) A licensed practical nurse;
    - (d) A licensed professional counselor;
    - (e) A licensed social worker;
    - (f) A registered nurse; or
    - (g) A specialty practice registered nurse.
2. a. Payments under this section must be made on behalf of the health care professional directly to the Bank of North Dakota or to another participating lending institution.
  - b. Except as otherwise provided, payments under this section may be made only at the conclusion of each twelve month period of service.
  - c. Prorated payments may be made only if:
    - (1) The repayment of the loan requires less than a full annual payment;
    - (2) The health care professional is terminated or resigns from his or her position; or
    - (3) The health care professional is unable to complete a twelve month period of service due to the individual's death, a certifiable medical condition or disability, or a call to military service.
3. Payments under this section terminate upon the earlier of:

- a. The full repayment of the health care professional's student loan; or
- b. The completion of five years as a participant in the student loan repayment program.

## **SECTION 7.**

### **Powers of the health council.**

- 1. The health council may:
  - a. Receive and expend any gifts, grants, and other funds for the purposes of this program;
  - b. Participate in any federal programs providing for the repayment of student loans on behalf of health care professionals; and
  - c. Do all things necessary and proper for the administration of this chapter.
- 2. All moneys received by the health council under this section are appropriated to the health council on a continuing basis, to be used exclusively for the purposes of this Act.

**SECTION 8. REPEAL.** Chapters 43-12.2 and 43-17.2 of the North Dakota Century Code are repealed.

**SECTION 9. APPLICATION.** This Act applies to loan repayment contracts entered into on or after August 1, 2015.

- 1. Any nurse practitioner, physician assistant, or certified nurse midwife loan repayment contract entered into before August 1, 2015, is governed by chapter 43-12.2, as it existed on July 31, 2015.
- 2. Any physician loan repayment contract entered into before August 1, 2015, is governed by chapter 43-17.2, as it existed on July 31, 2015."

Renumber accordingly

SK  
2/23/15  
4831

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1396

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide student loan repayment programs for health care professionals; to repeal chapters 43-12.2 and 43-17.2 of the North Dakota Century Code, relating to loan repayment programs for nurse practitioners, physician assistants, certified nurse midwives, and physicians; to provide for a continuing appropriation; and to provide for an application.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1.

**Student loan repayment programs - Health care professionals.**

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SECTION 2.

**Application process.**

The health council shall develop an application process for cities seeking to fill health care needs and for healthcare professionals willing to provide necessary services in exchange for benefits under a student loan repayment program.

SECTION 3.

**Cities - Selection criteria - Matching funds.**

1. The health council shall establish criteria to be used in selecting cities for participation in a program. The criteria must include:
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  - b. Access to healthcare services in the city and the surrounding area;  
and
  - c. The level of support from the city and the surrounding area.
2. The health council may consult with public and private sector entities in establishing criteria and evaluating needs based on the criteria.
3. A city may not be selected for participation unless it contractually commits to provide matching funds equal to the amount required for a loan repayment program in accordance with section 6 of this Act.

SECTION 4.

**Cities - Eligibility for participation - Priority.**

In selecting cities for participation in a program, the health council shall give priority, in descending order, to those cities that meet the selection criteria, or to a practice with a focus on an underserved population and:

1. Have fewer than fifteen thousand residents;
2.
  - a. Have at least fifteen thousand residents, but fewer than thirty thousand residents; and
  - b. Do not belong to a metropolitan statistical area; or
3. Have at least thirty thousand residents.

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  - b. The need for the healthcare professional's specialty within a city;
  - c. The healthcare professional's education and experience;
  - d. The health care professional's date of availability and anticipated term of availability; and
  - e. The health care professional's willingness to accept medicare and Medicaid assignments, if applicable.
2. The health council shall give priority to healthcare professionals who graduated from an institution of higher education in this state.

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  - b. For a clinical psychologist:

34

- (1) The loan repayment must be equal to twelve thousand dollars per year; and
    - (2) The matching funds must equal twenty-five percent of the amount required in paragraph 1.
  - c. For a nurse practitioner, physician assistant, or certified nurse midwife:
    - (1) The loan repayment must be equal to four thousand dollars per year; and
    - (2) The matching funds must equal ten percent of the amount required in paragraph 1.
  - d.
    - (1) For a behavioral health professional:
      - (a) The loan repayment must be equal to four thousand dollars per year; and
      - (b) The matching funds must equal ten percent of the amount required in paragraph 1.
    - (2) For purposes of this subdivision, a behavioral health professional means an individual who practices in the behavioral health field and is:
      - (a) An advanced practice registered nurse;
      - (b) A licensed addition counselor;
      - (c) A licensed practical nurse;
      - (d) A licensed professional counselor;
      - (e) A licensed social worker;
      - (f) A registered nurse; or
      - (g) A specialty practice registered nurse.
2.
  - a. Payments under this section must be made on behalf of the health care professional directly to the Bank of North Dakota or to another participating lending institution.
  - b. Except as otherwise provided, payments under this section may be made only at the conclusion of each twelve month period of service.
  - c. Prorated payments may be made only if:
    - (1) The repayment of the loan requires less than a full annual payment;
    - (2) The health care professional is terminated or resigns from his or her position; or
    - (3) The health care professional is unable to complete a twelve month period of service due to the individual's death, a certifiable medical condition or disability, or a call to military service.

4/4

3. Payments under this section terminate upon the earlier of:
  - a. The full repayment of the health care professional's student loan; or
  - b. The completion of five years as a participant in the student loan repayment program.

**SECTION 7.**

**Powers of the health council - Continuing appropriation.**

1. The health council may:
  - a. Receive and expend any gifts, grants, and other funds for the purposes of this program;
  - b. Participate in any federal programs providing for the repayment of student loans on behalf of health care professionals; and
  - c. Do all things necessary and proper for the administration of this chapter.
2. All moneys received by the health council under this section are appropriated to the health council on a continuing basis, to be used exclusively for the purposes of this Act.

**SECTION 8. REPEAL.** Chapters 43-12.2 and 43-17.2 of the North Dakota Century Code are repealed.

**SECTION 9. APPLICATION.** This Act applies to loan repayment contracts entered into on or after August 1, 2015. Any nurse practitioner, physician assistant, or certified nurse midwife loan repayment contract entered into before August 1, 2015, is governed by chapter 43-12.2, as it existed on July 31, 2015. Any physician loan repayment contract entered into before August 1, 2015, is governed by chapter 43-17.2, as it existed on July 31, 2015."

Renumber accordingly

Date: 2-1  
Roll Call Vote #:

2015 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1391

House Human Services

## Committee

☐ Subcommittee

Amendment LC# or Description: hofstad amendments

Recommendation: ☒ Adopt Amendment

☐ Do Pass☐ Do Not Pass☐ Without Committee Recommendation☐ As Amended

☐ Rerefer to Appropriations

☐ Place on Consent Calendar

**Other Actions:**

☐ Reconsider

1

**Motion Made By**

### Seconded By

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)	No
10	10	0

Absent

## Floor Assignment

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

match of 50% for physician, 25% for psychologist, 10% for behavior professional

Date: 2-23-15  
Roll Call Vote #: 1

2015 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1396

House Human Services Committee

☐ Subcommittee

Amendment LC# or Description: See Attachment #1

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. Hofstad Seconded By Rep. Porter

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) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

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

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



Date: 3-23-15  
Roll Call Vote #: 2

2015 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1396

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. Hofstad Seconded By Rep. Seibel

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) 11 No 2

Absent \_\_\_\_\_

Floor Assignment Rep. Hofstad

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

**REPORT OF STANDING COMMITTEE**

**HB 1396: Human Services Committee (Rep. Weisz, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (11 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). HB 1396 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide student loan repayment programs for health care professionals; to repeal chapters 43-12.2 and 43-17.2 of the North Dakota Century Code, relating to loan repayment programs for nurse practitioners, physician assistants, certified nurse midwives, and physicians; to provide for a continuing appropriation; and to provide for an application.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1.**

**Student loan repayment programs - Health care professionals.**

The health council shall administer student loan repayment programs, as established by this chapter, for healthcare professionals willing to provide services in cities that have a defined need for such services.

**SECTION 2.**

**Application process.**

The health council shall develop an application process for cities seeking to fill health care needs and for healthcare professionals willing to provide necessary services in exchange for benefits under a student loan repayment program.

**SECTION 3.**

**Cities - Selection criteria - Matching funds.**

1. The health council shall establish criteria to be used in selecting cities for participation in a program. The criteria must include:
  - a. The number of healthcare professionals, by specified field, already providing services in the city;
  - b. Access to healthcare services in the city and the surrounding area;  
and
  - c. The level of support from the city and the surrounding area.
2. The health council may consult with public and private sector entities in establishing criteria and evaluating needs based on the criteria.
3. A city may not be selected for participation unless it contractually commits to provide matching funds equal to the amount required for a loan repayment program in accordance with section 6 of this Act.

**SECTION 4.**

**Cities - Eligibility for participation - Priority.**

In selecting cities for participation in a program, the health council shall give priority, in descending order, to those cities that meet the selection criteria, or to a practice with a focus on an underserved population and:

1. Have fewer than fifteen thousand residents;
2.
  - a. Have at least fifteen thousand residents, but fewer than thirty thousand residents; and
  - b. Do not belong to a metropolitan statistical area; or
3. Have at least thirty thousand residents.

#### **SECTION 5.**

##### **Healthcare professionals - Selection criteria.**

1. The health council shall establish criteria to be used in selecting healthcare professionals for participation in a student loan repayment program. The criteria must include:
  - a. The healthcare professional's specialty;
  - b. The need for the healthcare professional's specialty within a city;
  - c. The healthcare professional's education and experience;
  - d. The health care professional's date of availability and anticipated term of availability; and
  - e. The health care professional's willingness to accept medicare and Medicaid assignments, if applicable.
2. The health council shall give priority to healthcare professionals who graduated from an institution of higher education in this state.

#### **SECTION 6.**

##### **Student loan repayment program - Contract.**

1. The health council shall enter into a contract with a selected health care professional. The health council shall agree to provide student loan repayments on behalf of the selected health care professional subject to the requirements and limitations of this section.
  - a. For a physician:
    - (1) The loan repayment must be equal to twenty thousand dollars per year; and
    - (2) The matching funds must equal fifty percent of the amount required in paragraph 1.
  - b. For a clinical psychologist:
    - (1) The loan repayment must be equal to twelve thousand dollars per year; and
    - (2) The matching funds must equal twenty-five percent of the amount required in paragraph 1.
  - c. For a nurse practitioner, physician assistant, or certified nurse midwife:

- (1) The loan repayment must be equal to four thousand dollars per year; and
  - (2) The matching funds must equal ten percent of the amount required in paragraph 1.
- d.
  - (1) For a behavioral health professional:
    - (a) The loan repayment must be equal to four thousand dollars per year; and
    - (b) The matching funds must equal ten percent of the amount required in paragraph 1.
  - (2) For purposes of this subdivision, a behavioral health professional means an individual who practices in the behavioral health field and is:
    - (a) An advanced practice registered nurse;
    - (b) A licensed addition counselor;
    - (c) A licensed practical nurse;
    - (d) A licensed professional counselor;
    - (e) A licensed social worker;
    - (f) A registered nurse; or
    - (g) A specialty practice registered nurse.
2.
  - a. Payments under this section must be made on behalf of the health care professional directly to the Bank of North Dakota or to another participating lending institution.
  - b. Except as otherwise provided, payments under this section may be made only at the conclusion of each twelve month period of service.
  - c. Prorated payments may be made only if:
    - (1) The repayment of the loan requires less than a full annual payment;
    - (2) The health care professional is terminated or resigns from his or her position; or
    - (3) The health care professional is unable to complete a twelve month period of service due to the individual's death, a certifiable medical condition or disability, or a call to military service.
3. Payments under this section terminate upon the earlier of:
  - a. The full repayment of the health care professional's student loan; or
  - b. The completion of five years as a participant in the student loan repayment program.

**SECTION 7.**

**Powers of the health council - Continuing appropriation.**

1. The health council may:
  - a. Receive and expend any gifts, grants, and other funds for the purposes of this program;
  - b. Participate in any federal programs providing for the repayment of student loans on behalf of health care professionals; and
  - c. Do all things necessary and proper for the administration of this chapter.
2. All moneys received by the health council under this section are appropriated to the health council on a continuing basis, to be used exclusively for the purposes of this Act.

**SECTION 8. REPEAL.** Chapters 43-12.2 and 43-17.2 of the North Dakota Century Code are repealed.

**SECTION 9. APPLICATION.** This Act applies to loan repayment contracts entered into on or after August 1, 2015. Any nurse practitioner, physician assistant, or certified nurse midwife loan repayment contract entered into before August 1, 2015, is governed by chapter 43-12.2, as it existed on July 31, 2015. Any physician loan repayment contract entered into before August 1, 2015, is governed by chapter 43-17.2, as it existed on July 31, 2015."

Renumber accordingly

**2015 SENATE HUMAN SERVICES**

**HB 1396**

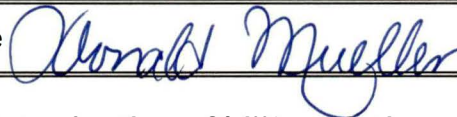
# 2015 SENATE STANDING COMMITTEE MINUTES

Human Services Committee  
Red River Room, State Capitol

HB 1396  
3/9/2015  
24470

☐ Subcommittee  
☐ Conference Committee

Committee Clerk Signature



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

A bill to provide student loan repayment programs for health care professionals; relating to nurse practitioners, physician assistants, certified nurse midwives, and physicians; to provide for a continuing appropriation

## Minutes:

Attach #1: Testimony by Cheryl Rising  
Attach #2: Testimony by Rep. Alan Fehr  
Attach #3: Testimony by Brenda Weisz  
Attach #4: Testimony by Rev. Larry Giese  
Attach #5: Testimony by Elizabeth Seifert  
Attach #6: Testimony by Jerry Jurena  
Attach #7: Testimony by Daniel Kelly  
Attach #8: Testimony by Matt Grimshaw  
Attach #9: Testimony by Leland Tong  
Attach #10: Testimony by Dr. Andy McLean

**Ms. Cheryl Rising** provided electronic submission IN FAVOR of HB 1396. See attachment #1.

**Representative Sukut:** District 1 was on hand to introduce HB 1396 to the Senate Human Services Committee. This bill addresses the physician's student loan repayment program. The intent is to make it more competitive to get physicians into the North Dakota system. The original bill was \$45,000 match to help physicians retire their student loans under a two year plan. This was increased to \$100,000 expanded to a five year plan, a graduated payment plan that was based on what they had done in Montana. The original bill also addressed other medical professionals, \$10,000 over 3 year period. The surrounding areas do not have community matches. The \$100,000 requires a 25% community grant. The House hog housed the bill, and made a better bill.

**Senator Warner:** How many metropolitan statistical units are there in North Dakota?

**Representative Sukut:** I cannot answer that question but people behind me can.

**Representative Curt Hofstad:** District 15. When the House looked at this, and a companion bill, they tried to merge together. The goal was to put them under the same umbrella, standardized, and to include the behavioral health professionals, and make it more attractive for physicians, and broaden to be more inclusive.

Section 1 is the student loan program and the health council will administer the program.

Section 2 is the application process, with an application that shall be developed by the health council.

Section 3 is the selection criteria for the cities

Section 4 is the eligibility for participation

Section 5 is the selection criteria

Section 6 provides for the loan repayment - four different categories to include the physician, clinical psychologist, nurse practitioner, and behavioral health professional.

The program will be divided over five years, allowing more slots to be included in the different professions.

Physicians is \$100,000, with a required 50% match by community in which this takes place

Clinical psychologist is \$60,000 with 25% match by the community

Nurse practitioner \$20,000 with 10% match by the community

Behavioral Health Professional \$25,000 with 10% match by the community

Section 7 defines the power of the health council.

**Senator Axness:** Our committee heard a lot bills about qualified mental health care professionals and people who wanted to be included in certain sections of code.

**Representative Hofstad:** As we worked this through we tried to identify the behavioral health professionals. This may be something for your consideration.

**Senator Dever:** How is this funded?

**Representative Hofstad:** The funding is in the Department of Health budget.

**Chairman Judy Lee:** There is no impact because they are spread across over additional categories, but the same total numbers of dollars.

**Senator Dever:** Are we adjusting an existing program.

**Chairman Judy Lee:** Yes.

**Representative Hofstad:** The funding is in place through the department's budget. We are using the existing dollars in the budget to fund the program.

**Chairman Judy Lee:** Also had a study about the various loan repayment programs and differences in them, and Representative Silbernagle, in particular, was involved with one with the behavioral health professionals. The whole idea was to have it be parallel to what the STEM program criteria are for loan repayments now. Did you look at the STEM criteria at all?

**Representative Hofstad:** We looked at it from this perspective but this preempts it a bit and tries to take a piece of this thing. We didn't take on the dentists or veterinarians but health professionals were included in this piece. We fund more people, so we bring more into the professions.



**Senator Warner:** I appreciate the prioritization of cities. Were there any discussions regarding practice of professionals, funding different levels of practitioners at greater or different rates? Could physicians tie up all the money?

**Representative Hofstad:** We did have those discussions but deferred to the health council to fill those positions. We didn't want to go that deep in legislation and wanted the health council to determine this.

**Chairman Judy Lee:** Why did you specifically identify midwife? They would fall under nurse practitioner.

**Representative Hofstad:** That is presently in code we brought it over.

**Representative Alan Fehr,** District 36, testified and provided two areas of consideration for amendment. See attachment #2. (18:33-21:30)

**V. Chairman Oley Larsen:** The behavioral analysts, is that usually a stepping stone to move on for promotion

**Representative Fehr:** The short answer is that no, it is not usually a stepping stone. Someone can go on and get the licensure depending on their degree. The behavioral analysts were exempt psychologists, but the exemption went away. Working with Dev Dis and autism, there is a need for analysts.

**Chairman Judy Lee:** By removing the match, we've removed parties who can benefit from this as well. Assuming no more money and we are already diluting it over number of professionals so do you have any thoughts at all about eliminating the match, at least in some cases, we are going to reduce the scholarships available.

**Representative Fehr:** That is certainly the case; tradeoff is looking at small communities. Removing the match would help the small communities.

**Senator Brad Bekkedahl:** District 1. Endorse the hog-house amendments. They do make the bill better. Cannot comment on the proposed amendments.

**Senator Warner** registered dentists are not part of this bill.

**Senator Bekkedahl:** That is in another bill.

**Senator Warner** asked if they should be added and combined the bills.

**Senator Bekkedahl:** deferred to committee for that answer.

**Chairman Judy Lee:** That study how we can make them more streamlined. There are different programs for dentists, veterinarians, optometrists. Pay for in-state versus out-of-state tuition. They are unique compared to doctors where 80% are involved in large healthcare providers. Part of our discussion in this committee may be the interim study to look at all the loan repayment programs. Mary Amundsen had a list of all the loan

repayment programs, have many for each profession, but not standardized, and people don't even know it is there.

**Senator Bekkadahl:** I think the interim study can help meld the programs in a better sequence.

**Chairman Judy Lee:** I have to give great credit to the dentist for loan repayment and then come back and practice in North Dakota. These changed in prior sessions, but now support it again.

**Senator Warner:** Student loans are used for more than tuition; rents. Can it be used for automobiles? Could cost of setting up the practice be part of the loan?

**Senator Bekkadahl:** I am not informed enough to answer the question. When I came back, they paid strictly tuition.

**Senator Dever:** In thinking of Watford City and Williston they are likely to go into the third category by the next census. What is the intent of the bill to follow?

**Senator Bekkadahl:** I do not know. The latest population at 31,000+ for Williston.

**Senator Dever:** The lowest one would be to your benefit.

#### NEUTRAL TESTIMONY

**Brenda Weisz,** Director of the Accounting Division for the North Dakota Department of Health. See attachment #3. (32:33-39:45)

**Chairman Judy Lee:** So in 2017-2019, we are looking at an increase, the physicians will get more, psychologists get less.

**Brenda Weisz:** If you look at first column are the obligations from the 2015-2017 biennium. Since the first group of applicants that will come though they would be under the old obligation. Starting in year 2, since it is over 5 years, the obligation will go out longer. That is what allows us to enable the additional professions.

**Senator Warner:** Do we obligate the full amount the first year we sign.

**Brenda Weisz:** Health council approves contract through the term, up to 5 years if the legislation passes, but there is language in the contract that if appropriations are not provided, contract can be terminated. We provide schedules to appropriations so they know there is a commitment to future biennium.

**Senator Warner:** As this runs out, we won't be adding any new people for quite a while?

**Brenda Weisz:** Each budget cycle, we add the new applicants. The chart shows the proposed for 2017-2019.

**Senator Warner:** So there would be adequate funding for the growth in the future.

**Brenda Weisz:** Provided appropriations would approve the funding.

**Senator Warner:** Please comment on the adequacy for mid-level practitioners.

**Brenda Weisz:** Deferred to Mary Amundsen.

**Mary Amundsen:** Department of Family and Community Medicine at the University of North Dakota Health Sciences and I contract with Department of Health for the primary care office grant. Part of my responsibility to manage and administer the loan repayment program; recruiting is the luck of the draw. With the Nurse Practitioner, Physician Assistant, there seems to be an adequate supply of those professions. On a recent survey the past 20 years, there is vacancy of around 10 statewide and easy to recruit; when we look at physicians that are very hard to recruit physicians, especially family medicine in the small communities. A quick survey of the physicians who just received loan repayment, 6 of the 7 said they would. Of the midlevel, 2 of 4 responded and 1 said yes, 1 said no.

**V. Chairman Oley Larsen:** Is it your entity that will be putting out the loans to the applicants at UND or do you look at the entire state.

**Mary Amundsen:** We advertise to anyone to look at these loans. Anyone can apply.

**Brenda Weisz:** Referred to the cheat sheet for loan repayments. Weisz can email to committee clerk.

#### TESTIMONY IN FAVOR

**Bruce Murray:** Registered lobbyist with Licensed Marriage and Family Therapists, introduced Rev. Larry Giese.

**Reverend Larry Giese,** a Licensed Marriage and Family Therapist, testified IN FAVOR of HB 1396. See attachment #4. (48:16-51:15)

**V. Chairman Oley Larsen:** Looking at the slots of who is going to get the funding, how many slots do you think the Licensed Marriage and Family Therapists and behavioral analysts should have?

**Rev. Giese:** I am not sure of how many to ask for. Not all Licensed Marriage and Family Therapists working in the state ask for Medicaid reimbursement. Loan repayments are through church in his circumstance.

**Senator Dever:** Earlier in the session you showed us where the Licensed Marriage and Family Therapists are in the state - do you know where the underserved areas are.

**Rev. Giese:** Out of the 41 that are licensed, we would have 5 or 6.

**Chairman Judy Lee:** The map showed they are concentrated in the urban areas.

**Senator Dever:** With incentive, would they move to rural areas.

**Chairman Judy Lee:** How many Licensed Marriage and Family Therapists are also ministers in church.

**Rev. Giese:** Just two.

**Chairman Judy Lee:** Are there any who are looking at just baccalaureate versus master's degree.

**Elizabeth Seifert:** testified IN FAVOR of HB 1396 and requested that occupational therapists be included for consideration for an amendment. See attachment #5. (54:22-56:45)

**Chairman Judy Lee:** Are there any physical therapists and speech therapist present. Chairman Judy Lee also referred to Cheryl Rising email.

**Jerry Jurena** testified IN FAVOR of HB 1396. See attachment #6. (57:40-58:25)  
Attachment #7 for additional written testimony

**Senator Howard Anderson, Jr.:** Is the amounts a reasonable incentive or is this just frosting on the cake.

**Jerry Jurena:** More frosting on the cake. Any incentives will be beneficial to get people into the health care community

**Senator Dever:** The rapid growth in Williston and Watford City, does the rapid growth exacerbate the challenges in trying to recruit.

**Jerry Jurena:** Yes, the rapid growth is not necessarily in the health care field.

**Chairman Judy Lee:** What other incentives are there for other fields, entry level career, for local people already in place.

**Jerry Jurena:** This is going on across the state, what is working and not working. We grow our own in our communities. We had programs in place to bring students over the summer. We had a local person, cultivated him while he went to school, but when he graduated, Minnesota provided 40% more, so we couldn't compete.

**Chairman Judy Lee:** It's not just the higher positions, but critically important and not quite as high educated programs.

**Jerry Jurena:** There are not enough Certified Nursing Assistant in the state.

Electronic testimony was provided by **Daniel Kelly** (See attachment #7).

**Matt Grimshaw:** President, CHI-Mercy Medical Center, testified IN FAVOR of HB 1396. See attachment #8. (1:02:44-1:05:52)

**Senator Dever:** Is the \$100,000 sufficient incentive or should we be talking more dollars, few slots?

**Matt Grimshaw:** Depends on who you talk to. The current \$90,000 is not competitive. Not uncommon for physician to have \$250,000 in debt. The goal is not to take care of all of the debt for 3 people, but if we can take care of the majority of debt for 6 people, this may be better.

**Senator Dever:** If any of the money we put in the surge bill, there is money for medical facilities, is there money in there for recruitment

**Matt Grimshaw:** I do not believe so for recruitment.

**Leland Tong:** Clinic Administrator for Great Plains Women's Health Center, testified IN FAVOR of HB 1396. See attachment #9. (1:08:01-1:10:22)

**Senator Howard Anderson, Jr.:** It seems like there are two stories. One is if you get person in community, then it is there job to stay long-term instead of the program to be over five years. Previously we said if you left before the 5 years, you owed the money back. Now we let them go.

**Leland Tong:** The money alone does not keep them in the communities. It is the friends; the culture is what keeps them. The loans provide financial incentive, but the community integration is more important. In terms of repayments, the penalty is you pay back twice what you were given. That is a significant disincentive when applying to the 5 year commitment. Would give pause to commit to 5 years and the penalty of paying back twice what you were given. I like that the penalty has been removed from the bill. Payments are made in years, so trading services to the community for the loan repayment program.

**Chairman Judy Lee:** The repayment isn't eliminated but it is prorated. This used to be a 5 year deal for docs and reduced to 2 because it wasn't well received. With the proration and they won't be penalized with the loan repayment, this is okay.

**Leland Tong:** Yes. This was patterned after state of Montana, which has a 5 year system.

**Chairman Judy Lee** the bank of North Dakota has the best consolidation of school loans in the world, and they had refinanced up to \$450,000 for a physician resulting in a huge reduction. Hope that in the interim, people consider the loan consolidation at bank of North Dakota.

**Dr. Andrew McLean,** Medical Director of the Department of Human Services, testified. See attachment #10. (1:16:15-1:19:15)

**Chairman Judy Lee:** The way to sell is not the 5 year commitment, the maximum is 5 years.

**Dr. McLean:** The other thing that I am concerned about is the discussion that the health council can work with federal loans, significant restrictions to telemedicine. If looking to tie into federal programs, these may not be in person.

**Senator Warner:** The contract is with the medical professional, city determines size, so Department of Human Services question?

**Dr. McLean:** We want to spread the wealth. So if we are doing tele-health, there are only so many places that you can do that care too. There have been reductions in HIPAA sites too, such as state hospital. If we could recruit a psychologist in smaller community, it is tough, but if we can do with tele-health, easier.

**Chairman Judy Lee:** Would also be hard to recruit someone to work in Region 3 because it is not a major urban area.

**Dr. McLean:** That is one of the issues. In Fargo, SEHSC and the private groups could do outreach, but some of this was taken away.

**Chairman Judy Lee:** Could Dr. McLean and Julie Leer and Health look at community size, making it available for professionals who will be serving in situations you described and not fighting the federal criteria.

**Brenda Weisz:** I did talk about underserved and tele-medicine when working on this bill. Health council could consider this without adding the specific language itself. On page 2, under cities, adding the phrase they couldn't use communities but had to use cities, the health council could make exception for being located in one location and work with tele-medicine, gives the latitude to the health council.

**Chairman Judy Lee:** What about being recruited by either the statewide department or regional human service center?

**Brenda Weisz:** Didn't talk about that specifically, but health council has ability to determine; it looks broader, who are they serving, city size, and rank applicant higher in rural communities.

**Chairman Judy Lee:** I don't disagree that health council determines criteria, but then the bill goes into specifics, and health council will not overstep intent.

**Senator Warner:** Do you know how many metropolitan areas there are in the state?

**Brenda Weisz:** There are 3 - Fargo, Bismarck, and Grand Forks. Minot is getting close.

OPPOSITION TO HB 1396

No opposing testimony

NEUTRAL TO HB 1396

No neutral testimony

Closed Public Hearing.

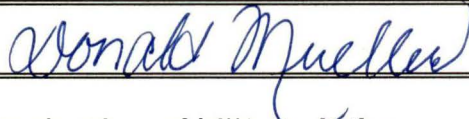
# 2015 SENATE STANDING COMMITTEE MINUTES

## Human Services Committee Red River Room, State Capitol

HB 1396  
3/9/2015  
24526

- ☐ Subcommittee  
☐ Conference Committee

Committee Clerk Signature



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

A bill to provide student loan repayment programs for health care professionals; relating to nurse practitioners, physician assistants, certified nurse midwives, and physicians; to provide for a continuing appropriation

### Minutes:

Attach #1: Chapter 43-12.2 Repealer  
Attach #2: Chapter 43-17.2 Repealer

The Senate Human Services Committee met for committee work on HB 1396 on March 9, 2015 at 2:00 p.m.

The Intern, Femi, provided the repealers - 43.12.2 (attach #1) and 43.17.2 (attach #2)

**Chairman Judy Lee** indicated that Occupational Therapists, Licensed Marriage and Family Therapists, and behavioral analyst want to be included. With the shortfall, Chairman Judy Lee suggested that we keep it limited to what is defined in the bill.

**Sernator Axness** wanted to clarify that he didn't know the Licensed Marriage and Family Therapists were in the room. He brought it up because of other bills from before. Regarding allotment, there are 5 slots for behavioral health, and now dividing it further would be of concern.

**Chairman Judy Lee** reminded the committee that Licensed Marriage and Family Therapists can now get reimbursement for Medicaid from the other bills.

**Senator Warner** where do the matching funds come from? Can it be taxpayer dollars?

**Chairman Judy Lee** provided an example where the Grafton hospital has a foundation so they could match with those dollars.

**Senator Warner** smaller town trying to recruit, foundation, can you use city dollars?

**Chairman Judy Lee** that was Representative Fehr's concern as well.

**Senator Howard Anderson, Jr.** on health council, matching money's is usually the employer, sometimes economic development from the city.

**Chairman Judy Lee** assigned Femi to investigate whether or not it is legal to use public dollars to use the match

**Senator Dever** in this bill, the only references to the century code is in the two repealers. The loan programs are in chapter 43. A bill to enact student loan repayment. This creates program but doesn't place it in the century code, so this would go back to session laws. Not sure if we need to think about this differently.

Chapter 43 where all the boards are and their chapters.

**Senator Axness** was wondering where they were replaced in this bill.

**Senator Howard Anderson, Jr.** did ask the question earlier on the loan repayment programs that if you apply for the federal loan repayment programs, you have to complete your obligation under that program before you can apply for this one. You can't do both at the same time.

The Senate Human Services Committee discussed amendments. **V. Chairman Oley Larsen** asked about the second amendment with the Behavioral Analyst. **Senator Howard Anderson, Jr.** indicated that occupational therapist was one. **Senator Warner** indicated tele-medicine.

**Senator Axness** indicated that Representative Fehr was concerned about the matching grants. **V. Chairman Oley Larsen** continued so they wouldn't be non-profit and could be a sole person.

**Senator Howard Anderson, Jr.** indicated that Dr. Andy McLean was the person concerned with the tele-health issues.

**V. Chairman Oley Larsen** there are a few sole proprietors that are their own entity.

**Senator Howard Anderson, Jr.** many of these are one-person programs, even with one person. They need the program license to get reimbursed.

**V. Chairman Oley Larsen** when talking about the rural area, Trinity has satellite offices in smaller communities; they could get under the umbrella. He is not in favor of the sole proprietor be part of the umbrella for the return.

(17:00)

**Senator Dever** updated Chairman Judy Lee regarding the repealers, and an option to add the loan program to each of the professions.

**Chairman Judy Lee** was wondering the responsibilities being repealed are in the bill?



**V. Chairman Oley Larsen** in the application process is section 1 and 2 is where health council is mentioned in the new.

**Chairman Judy Lee** asked does the health council administer all loan refund programs. Senator Howard Anderson, Jr. responded all but nursing board.

**Chairman Judy Lee** What section of code is the Health Council (to Femi).

**Chairman Judy Lee** stated that if you look at what is being deleted, 43.12 and 43.17, it has the same verbiage. It is being replaced by small verbiage. Why do we bring up certified nurse midwives? That is the same as advanced practicing nurse, so this is redundant. Why include nurse midwives and not include the other specialty nurses.

**Senator Howard Anderson, Jr.** responded that in conversations with Connie Kolenek, she considers the nurse midwives as advancing practicing nurse.

**Chairman Judy Lee** restated her concern about the one sentence replacement of an entire page being repealed. Chairman Judy Lee asked if anyone asked the Health Council regarding the changes proposed in the bill.

**Senator Howard Anderson, Jr.** no one asked the council, but Brenda Weisz was involved. It sounded like they had made adjustments for the categories, so they could probably do rules.

**Chairman Judy Lee** indicated that Dr. McLean, maybe Julie Leer, will come up with language to deal with cities to cover the Department of Human Services. Page 2, line 10, the word "and" relates back to cities. Section 4 is confusing. What is odd is the first category is cities less than 15,000; the next category is 15,000-30,000 but they cannot belong to an Metropolitan Statistical Area, and the third category is over 30,000.

**V. Chairman Oley Larsen** could a person on page 2, line 11, instead of the language "have" could it be changed to "serve" fewer than. With the telemedicine part, they are serving that small community from the larger cities.

**Chairman Judy Lee** asked why do you suppose there is a category of fewer than 15,000, one that is larger than 30,000, but the category between 15,000 to 30,000 cannot belong to a metropolitan statistical area.

**Senator Dever** indicated that Health Council is in 23.01.02, and is a paragraph.

**Senator Axness** asked are you suggesting that this would be amending section 23?

**Senator Dever** responded no, the repealers are under the different professions.

**Senator Howard Anderson, Jr.** stated sometimes bill is passed and legislative management figures out where it goes in statute.

**Chairman Judy Lee** line 9, line 18 on cities, circled midwives, the whole section on cities.

**Senator Howard Anderson, Jr.** when they have this long list at the bottom of page 3, don't think there is a downside to add the other professions. The list is so long already, they have to prioritize anyways, so maybe it doesn't hurt having those other professions.

The word "addition" needs to be replaced with "addiction" (page 3, line 26). (FEMI)

**V. Chairman Oley Larsen** expansion for behavioral health professionals, the occupational therapists is a master's level program. What about the athletic training? So these five slots is this statewide. He does not favor expanding the list. They were discussing what professions fall under the master's degree. **Chairman Judy Lee** Licensed practical nurse is one year, so she thinks this should be removed. **V. Chairman Oley Larsen** indicated the Board could prioritize by the profession. **Senator Howard Anderson, Jr.** indicated that board could prioritize. A Licensed Practical Nurse would likely be lower priority.

**Anita Thomas** from legislative management came to help the committee through the discussion. The committee reviewed the prior conversation regarding nurse midwives being the same as an advanced practical nurse; the "cities" concern, which also precludes regional human service centers in Department of Human Services and also the Department of Health, so perhaps it should be private/public entity; the tele-health discussion, including the size of the cities. There was discussion regarding the size of cities, and the restriction of metropolitan statistical area by population.

**Senator Dever** suggested that perhaps we should remove the restriction of the city size, and provide the Health Council the flexibility

**Senator Howard Anderson, Jr.** stated the Health Council prefers to understand the intent, so if you want to go to underserved smaller population areas, it should be stated.

**Senator Dever** raised another question regarding the provision of 16 hours a week, is that prorated. The bill states it must be equal to \$20,000 per year.

**Chairman Judy Lee** if there is a person in Bismarck/Mandan who is helping to serve between Bismarck and Dickinson, and includes tele-medicine, they don't have to be onsite but are serving that area. The metropolitan statistical area only applies to the middle category, so this seems odd.

**Senator Dever** asked about the repeal, century code.

**Ms. Thomas** answered it will be put in the century code, so not sure where it will end up, but at end of session attorney's will figure out where it will go.

**Chairman Judy Lee** in the selection criteria, should we address someone working only part time.

**Senator Howard Anderson, Jr.** the only place that came up was the dental repayment program to get more dentists serving Medicaid patients. They may agree to work at the free clinic which takes Medicaid patients.

**Chairman Judy Lee** asked so they qualify even if they don't work full time for the Bridging the Dental Gap.

**Senator Howard Anderson, Jr** answered yes, they did get the whole program. Some didn't serve any Medicaid clients, but perhaps they worked in the free clinic where they did serve Medicaid.

The committee returned to the city size definition. It was suggested to go to number four, and they are not part of a metropolitan statistical area and apply that to all the categories. The committee confirmed.

The committee next discussed where the student graduates from. The committee felt it was important where they served, in the underserved population area, versus where they went to school. The committee confirmed to remove the school location requirement. The Council could still that into consideration.

Committee agreed behavioral health professional, remove Licensed Practicing Nurse. Page 3, line 14 and title, remove certified midwife. It shouldn't be nurse practitioner; it should be advanced practicing nurse. Senator Howard Anderson, Jr. doesn't have a problem keeping nurses someplace, but not under behavioral health. Ms. Thomas indicated the LPN would have to practice in the behavioral health field.

The next area of discussion for the committee was in regards to full time versus number of hours, as was discussed in a prior bill. It was discussed that hospitals in the western half of the state would even take part time help, as that would be an improvement. The committee confirmed the health council will make the determination and consider the part time worker.

**V. Chairman Oley Larsen** looking at page 4, line 4, payments under this section for 12 month period of service, if only under 10 hours a week, are we going to pay? When we do certification with teaching, it is hours based. Maybe we should start changing the consistence based on hours. **Chairman Judy Lee** asked about 12 months, or hours of 12 months. **V. Chairman Oley Larsen** indicated we perhaps should make it consistent with the nursing home. **Senator Dever** if a doctor works in Minot and works 3 days and works in Williston for 2 days, that may be a good thing. Maybe it doesn't make any difference because there isn't enough money. Senator Dever stated he is fine with leaving it like it is.

The committee next discussed the repealers. There is concern that there is a lot of language being repealed and replaced with very little language. **Anita Thomas** indicated they are fine with this.

The committee next discussed Representative Fehr's concern regarding matching funds.

There was continued discussion of who to include in the professions. Nurses was the focal point, where they also receive loan repayment and scholarships through the Board of Nursing. The committee decided the specialty nurses that are behavioral health related will be included in the bill.

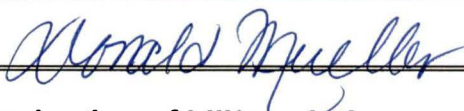
# 2015 SENATE STANDING COMMITTEE MINUTES

## Human Services Committee Red River Room, State Capitol

HB 1396  
3/10/2015  
24609

- ☐ Subcommittee  
☐ Conference Committee

Committee Clerk Signature



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

A bill to provide student loan repayment programs for health care professionals; relating to nurse practitioners, physician assistants, certified nurse midwives, and physicians; to provide for a continuing appropriation

### Minutes:

Attach #1: Proposed Amendment Anita Thomas  
Attach #2: Marked Up Bill by Anita Thomas  
Attach #3: Proposed Amendment by Dr. Andy McLean

The Senate Human Services Committee did committee work on HB 1396 on March 10, 2015.

**Anita Thomas**, Legislative Council, provided proposed language for amendment (attach #1) and marked up bill (attach #2). Dr. Andy McLean, Department of Human Services, provided proposed language for amendment (attach #3).

**Chairman Judy Lee** walked through the amendments. The committee discussed the line-by-line proposed changes.

**Senator Dever** asked if there is a definition for "statistically underserved". Femi will investigate.

**Senator Warner** the word "access", is that a part of component for statistically underserved, and affordability.

**Chairman Judy Lee** continued going through the amended mark-up bill. (13:37)

**V. Chairman Oley Larsen** will we have to move forward with hog-house or move forward with the amendments.

Committee thought the amendments will work.

**Senator Howard Anderson, Jr.** indicated that before, there was concern with the term "community" so they went to "cities". Now it is "area" and "public and private entities", so be aware of the terms.

**Chairman Judy Lee** reviewed Dr. Andy McLean's proposed amendment.

**Senator Warner** this dovetails with staying in length of stay in state, and providing tele-health.

**Chairman Judy Lee** and **Senator Howard Anderson, Jr.** indicated the Health council will determine what that means. **Senator Howard Anderson, Jr.** indicated the Health Council would always prefer to do intent.

**Senator Howard Anderson, Jr.** moved the Senate Human Services Committee DO ADOPT amendment by Anita Thomas and Dr. Andy McLean and the changes discussed. The motion was seconded by **Senator Warner**. No discussion.

Roll Call Vote to AMEND HB 1396  
6 Yes, 0 No, 0 Absent. Motion passes.

**Senator Warner** moved the Senate Human Services Committee DO PASS HB 1396 AS AMENDED. The motion was seconded by **V. Chairman Oley Larsen**. No discussion.

Roll Call Vote for DO PASS HB 1396  
6 Yes, 0 No, 0 Absent. Motion passes.

**Senator Howard Anderson, Jr.** will carry HB 1359 to the floor.

March 10, 2015

1 of 2  
TD  
3/11/15

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1396

Page 1, line 2, after "to" insert "student"

Page 1, line 3, remove "nurse practitioners, physician assistants, certified nurse midwives, and"

Page 1, line 4, replace "physicians" with "health care professionals"

Page 1, line 9, replace "cities" with "areas of this state"

Page 1, line 13, replace "cities" with "public and private entities"

Page 1, line 14, after "services" insert ", including providing medical behavioral health services via telecommunication and information technologies."

Page 1, line 17, replace "**Cities**" with "**Public and private entities**"

Page 1, line 18, replace "cities" with "public and private entities"

Page 1, line 21, replace "city" with "area"

Page 1, line 22, remove "city and the surrounding"

Page 1, line 23, remove "city and the surrounding"

Page 2, line 1, replace "public and private sector entities" with "health care and social service providers, advocacy groups, governmental entities, and others."

Page 2, line 3, replace "A city" with "An entity"

Page 2, line 7, replace "**Cities**" with "**Public and private entities**"

Page 2, line 8, replace "cities" with "public and private entities"

Page 2, line 8, remove ", in"

Page 2, replace lines 9 through 15 with: "to entities that:

1. Meet the selection criteria; and
2. Are located in or able to provide telemedicine services to areas that are:
  - a. Statistically underserved; and
  - b. Located outside of a metropolitan statistical area

Page 2, line 22, replace "a city" with "an area"

Page 2, replace lines 28 and 29 with:

- "2. In selecting health care professionals for participation in a program, the health council may consider an individual's:
  - a. Length of residency in this state; and
  - b. Attendance at an in-state or an out-of-state institution of higher education."

2 of 2  
TD  
3/11/15

Page 3, line 14, replace "a nurse practitioner." with "an advanced practice registered nurse or a"

Page 3, line 14, remove ", or certified nurse midwife"

Page 3, remove line 25

Page 3 line 26, replace "(b)" with "(a)"

Page 3, line 26, replace "addition" with "addiction"

Page 3, remove line 27

Page 3, line 28, replace "(d)" with "(b)"

Page 3, line 29, replace "(e)" with "(c)"

Page 3, line 30, replace "(f)" with "(d)"

Page 3, line 31, replace "(g)" with "(e)"

Page 4, line 31, remove "nurse practitioner, physician assistant, or certified nurse midwife"

Page 5, line 1, after the second comma insert "in accordance with chapter 43-12.2,"

Page 5, line 2, remove "physician"

Page 5, line 3, after the first comma insert "in accordance with chapter 43-17.2,"

Renumber accordingly

Date: 03/10 2015  
Roll Call Vote #: 1

2015 SENATE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. HB 1396

Senate Human Services Committee

☐ Subcommittee

Amendment LC# or Description: 15. 0535. 03002 Title 04000

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 Sen. Anderson Seconded By Sen. Warner

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 \_\_\_\_\_

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



Date: 03/10 2015  
Roll Call Vote #: 2

2015 SENATE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. HB 1396

Senate Human Services Committee

☐ Subcommittee

Amendment LC# or Description: 15.0535.03002 Title 04000

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 Warner Seconded By Larsen

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 Sen. Anderson

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

**REPORT OF STANDING COMMITTEE**

**HB 1396, as engrossed: Human Services Committee (Sen. J. Lee, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1396 was placed on the Sixth order on the calendar.

Page 1, line 2, after "to" insert "student"

Page 1, line 3, remove "nurse practitioners, physician assistants, certified nurse midwives, and"

Page 1, line 4, replace "physicians" with "health care professionals"

Page 1, line 9, replace "cities" with "areas of this state"

Page 1, line 13, replace "cities" with "public and private entities"

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Page 2, line 3, replace "A city" with "An entity"

Page 2, line 7, replace "**Cities**" with "**Public and private entities**"

Page 2, line 8, replace "cities" with "public and private entities"

Page 2, line 8, remove ", in"

Page 2, replace lines 9 through 15 with: "to entities that:

1. Meet the selection criteria; and
2. Are located in or able to provide telemedicine services to areas that are:
  - a. Statistically underserved; and
  - b. Located outside of a metropolitan statistical area"

Page 2, line 22, replace "a city" with "an area"

Page 2, replace lines 28 and 29 with:

- "2. In selecting health care professionals for participation in a program, the health council may consider an individual's:
  - a. Length of residency in this state; and

- b. Attendance at an in-state or an out-of-state institution of higher education.

Page 3, line 14, replace "a nurse practitioner," with "an advanced practice registered nurse or a"

Page 3, line 14, remove ", or certified nurse midwife"

Page 3, remove line 25

Page 3 line 26, replace "(b)" with "(a)"

Page 3, line 26, replace "addition" with "addiction"

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Page 3, line 29, replace "(e)" with "(c)"

Page 3, line 30, replace "(f)" with "(d)"

Page 3, line 31, replace "(g)" with "(e)"

Page 4, line 31, remove "nurse practitioner, physician assistant, or certified nurse midwife"

Page 5, line 1, after the second comma insert "in accordance with chapter 43-12.2,"

Page 5, line 2, remove "physician"

Page 5, line 3, after the first comma insert "in accordance with chapter 43-17.2,"

Renumber accordingly

**2015 CONFERENCE COMMITTEE**

**HB 1396**

# 2015 HOUSE STANDING COMMITTEE MINUTES

## Human Services Committee Fort Union Room, State Capitol

HB 1396  
4/3/2015  
Job #25795

☐ Subcommittee  
☒ Conference Committee

Committee Clerk Signature

*Hicky Crabtree*

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

A bill relating to physician loan program.

### Minutes:

Rep. Hofstad: Let's call the conference committee to order on SB 1396 and let's ask the Senate to explain their amendments.

Sen. Larsen: We put word changing in. We had an issue of changing it to areas of the state and replacing cities. There was a hitch on where we wanted the funding to go to; both public and private entities as far as the repayment part or loan. So, if the decided to go to the village or contracted to another place over in the west that might not be a public health unit or a private entity, we wanted to allow them that same opportunity. There was removing the city and surrounding area, page 2, line 1, replace the "public and private sector entities" with health care and social service providers, advocacy groups, governmental entities. Clarifying more about what that change was. On page 2, replaces the lines 9-15 to "entities that" and the subsections meet the section criteria. Statistically underserved was another part we put in there. We wanted to make sure that these areas were not downtown Fargo and located outside of metropolitan statistical areas. We have an issue with some going to Moorhead State that are coming to serve in ND and felt they need to take advantage of this as well. If they are ND residents and going to school in Moorhead that they would be able to access that. On page 3, line 14, we replaced the nurse practitioner with an "advanced practiced registered nurse, those folks are the ones dealing with the behavioral health areas. We felt a nurse practitioner didn't align itself to the bill. We removed certified midwife as well because this bill will hopefully will look at the folks in behavioral health and is where they want to access the funds. Then on page 3 changing from "addition to addiction". That is a review of where our stance was.

4:53

Sen. H. Anderson: We tried to do three different things here. First we felt cities were too narrow. Second was to take detail out of qualification and leave that to the health council. On page 3, line 23 we changed to advanced practice registered nurse because that is the designation of what a nurse is (inaudible) now and that includes certified nurse midwives.

Rep. Hofstad: And those are the midlevel?

Sen. H. Anderson: Correct.

Sen. Axness: On page 3, on that last subsection 2 on behavioral health. The Senate took out some of the individuals that were listed on the House version. We did that because we wanted them all in one category and open up a bigger dollar amount for the people that we still left in subsection 2.

Sen. H. Anderson: The funding for this is in the Health Dept. budget. In their conversations with the Appropriations Committee they delineated that they had four different pots of money divided up for the different categories and that is the way it is in the budget and we stuck with that.

Rep. Hofstad: I understood we were going to draw off from the same pot of money that was appropriated through the Health Dept. Is that not the case?

Sen. H. Anderson: It is all the same pot of money, but in their budget they explained how they intended to divide that up. I'm sorry I don't have that.

Rep. Hofstad: We will get an explanation of that. We had an extensive discussion on cities and how we were to define cities and ended up with the advice of council putting cities there rather than communities. As we talk about this we have the dental program and as we look at these two programs if we can marry the two as closely as we can to one another I think going forward then would be much easier.

11:07

Sen. Larsen: The fiscal note 03000 explains in clarity of the \$100,000 on the loan repayment. What this bill did was added the behavioral health professionals' component for that \$20,000. Prior to this they were not added into the \$100,000 pool.

Rep. Oversen: I think I'm ok with this.

Rep. Fehr: I'm still struggling to follow along giving the line numbers don't match up.

Rep. Oversen: Maybe we can go back to where we took out cities and put in entities. Is there any definition of what that is defined as and what it may or may not include?

Sen. Anderson: Some of these health care entities may not necessarily be a city maybe a multiple jurisdictional group. The main concern was multiple jurisdictional areas where the person was not going to serve just that city, but their application was going to show they would serve the city and surrounding area.

Sen. Larsen: We had testimony where a mental health provider worked in Minot and would go on the teleport to the clinic in Stanley or New Town so they would be able to provide that and that would be the umbrella of multiple cities.

Rep. Hofstad: We had those same discussions and we tried to make it as broad as we could.

Sen. Anderson: I see in the fiscal note where it explains about that money and is that adequate for showing how that money would be divided up.

Rep. Hofstad: I see that now and that explains it. I'm going to wait until the dental bill goes through and then we can mirror those. That is SB 2205.

Sen. Larsen: On clarification on the private entity. One of our discussions was an individual might have their own private practice and prior to this bill they would not be able to access that loan repayment. They would have to be under the umbrella of the Dept. of Health or something like that. In some of the larger cities there are people that have their own private business.

Rep. Fehr: Is it your intent that this be open to people who are currently in a practice and have loans out there versus people moving to a community to access loans.

Rep. Larsen: I believe the intent is that the person has to be in an underserved area. Even though they are in private practice in Fargo, unless they have the teleport item, they could possibly take advantage of it if they services these other cities.

Rep. Fehr: Let's say there was someone in Stanley and had loans, is it the intent they could access it?

Rep. Larsen: I don't think so. This is not a retro effect.

Sen. Howard: They would either have to be moving to or use tele health to serve an area they weren't before. It is not intended to pay the bills for people who are already there.

Rep. Hofstad: We will close the hearing.

# 2015 HOUSE STANDING COMMITTEE MINUTES

## Human Services Committee Fort Union Room, State Capitol

HB 1396  
4/13/2015  
Job #26051

☐ Subcommittee  
☒ Conference Committee

Committee Clerk Signature

*Ticky Crabtree*

### Minutes:

Handout #1

Rep. Hofstad: We will open the conference committee on HB 1396. Are there any amendments?

Rep. Fehr: I have some that I will pass out. (See Handout #1) The amendments were put forward for three general reasons. One is to place more of an emphasis on rural communities and secondly in the Senate's version had put a telecommunication in and we didn't want to take it out entirely, but wanted to de-emphasize it; and thirdly, to put a needs for a waiver for solo practitioners and new service. In Section 2, the words telecommunications and information technologies were removed from Section 2. In Section 4, item 3 was added and that changes some wording. It had said previously, "located outside of a metropolitan statistical area" and now it says "located at least 20 miles outside of the boulder of the city having more than 40,000 residents." The intention here was, where exactly is the boundary of a metropolitan statistical area is a little unclear. Under Section 5 you will some language added under number 2. We thought there was no language in here making the point of this being a full-time practice. So, we put in the language full-time practice. The other change is in Section 6 number 4, on page 4. If there is a match in a loan repayment program, almost always the employer pays the match. This would allow a waiver for someone starting a new service.

Sen. H. Anderson: When you say full-time do you have a definition for that?

Rep. Fehr: We didn't put a definition of full-time. I assume in code there is a definition.

Rep. Hofstad: On page 4, number 4, the opt out that Rep. Fehr has brought to us is kind of on the outside of the scope of the issues we are talking here of the changes between the House and Senate. In dealing and looking at that is or is not outside of the scope of what we ought to be looking at. Maybe we need to have that discussion amongst ourselves also.

Sen. Axness: The tele health provisions under Section 5, subsection 2; when we talk about the tele health that needs to be outside of the city setting my concerns are that someone in Dickinson could be servicing someone in Mott. Is this too limiting?



Rep. Fehr: I pulled a population list of cities. Fargo, Bismarck and Minot are over 40,000. If you are going 20 miles outside the boundaries of the city, that would include West Fargo and Mandan.

Sen. H. Anderson: The Senate's intention was to increase the tele health services to the maximum we could with the idea that we might extend services to some communities that wouldn't have it otherwise. I think this is a good compromise and I'm will to support the amendments.

Rep. Fehr: I motion for the amendments.

Sen. H. Anderson: Second.

Rep. Hofstad: I want to ask the committee again if on page 4, subsection 4 if that is within the scope of discussion between the changes in the Senate and the House. Are you comfortable with that?

Sen. H. Anderson: I believe the Senate Human Services Committee did have some discussions about when you might waive the share. There aren't many cases when it is not the employer doing the match. I don't think it is beyond the scope as long as we give the Health Council that authority to choice to do that if they want to. I think it will be fine.

Rep. Hofstad: We don't open the "me too" door?

(People answering without microphones on so it is inaudible.)

ROLL CALL VOTE: 6 y 0 n 0 absent

# 2015 HOUSE STANDING COMMITTEE MINUTES

## Human Services Committee Fort Union Room, State Capitol

HB 1396  
4/14/2015  
26099

☐ Subcommittee  
☒ Conference Committee

Committee Clerk Signature

*Carmen Hart*

### Minutes:

Rep. Hofstad: Opened the conference committee meeting on HB 1396.

Rep. Oversen: Was the motion to accede or recede?

Rep. Hofstad: To recede.

Rep. Oversen: I move that we reconsider our actions whereby we receded from the Senate amendments and adopted further amendments on HB 1396.

Sen. Warner: Second.

Voice Vote: Motion Carried.

Rep. Hofstad: After we met the other day, we had some further discussions. Page 4, we adopted the wordage that said the health council shall waive the requirements. We think that is too restrictive. We would like to put something in there like the health council "may waive the requirements." Page 2, Section 5, No. 2, the healthcare professional selection criteria--if you look at all of those issues, it was suggested to us that it would be far easier and cleaner if we simply added another sub in Section 4 and said that entity that is physically located in an area they serve. For discussion, does anyone have comments on these two issues?

Sen. H. Anderson: What you are suggesting is to add a 4 under Section 4? What are you suggesting with Section 5?

Rep. Hofstad: And to delete Subsection 2 of Section 5.

Rep. Fehr: Regarding the items on Page 2, I believe if you wanted to remove the tele health, the way to do that under Section 5, Sub 2 is just remove b and leave a intact.

Rep. Oversen: It is a policy debate whether we put it into Section 4 or 5. The language in Section 4 is a priority. Section 5 is criteria which is interpreted more often as a

requirement. If we are going to require them to be physically present, it should be in Section 5. If it is something to be taken in consideration, it should be in Section 4.

Rep. Fehr: My read is that Section 4 has to do with the public and private entities. Section 5 has to do with healthcare professionals, so it should stay in Section 5 unless you also want to get rid of the full time basis language that we previously discussed in addition to the tele health.

5:12

Sen. Anderson: I agree that Section 4 talks about the public and private entities. If we are talking about the individuals that are going to provide the services, that should stay in Section 5. The question is how would it make Section 5 fit what we are intending? What is the problem in Subsection 2, a, b, 1, 2, 3?

Brenda Weisz, Dept. of Health, was asked to appear. There is no opposition to telemedicine in itself, but the opposition was when you are using the word "shall" with the health council. I think the idea is to give the health council the flexibility. Lay out the priorities, but then give the health council the flexibility with the applications that appear before them to carry out the program. When you look at No. 2, the discussion centered around the word "shall" where it talks about the health council "shall require that the individual..." It is requiring that the individual be physically present, and it is limiting the discretion of the health council. There is not opposition to the full time basis. It was being physically present and also stating at the percentage of time, half time, being physically present to be there face to face and half time to do telemedicine. To allow the most flexibility for the health council, it was thought that if wording was put into Section 2 and you drive at the application that was coming in and hitting at getting to the underserved and having them physically located in the community or the area in which they were going to serve, that would address the issue.

Sen. Anderson: You are saying the sentence under 2 should be changed from "shall" to "may"?

Brenda Weisz: From a health council perspective, I think it gives you more latitude. Also, dictating for the health council how much and what you can accept out of that application was limiting.

Sen. Anderson: I think it was the intention of Rep. Fehr when he brought this amendment to require those things, not make them options. Under b we might say is physically present at and provide service on at least a half time basis to an entity that meets the requirements of Section 4 or provides tele health services to a second entity that meets the requirements of Section 4. That might make it clearer that the other portion of time could be spent providing tele health services. It is not my intention to say that Rep. Fehr is wrong in restricting it to these people. That is not necessarily bad. We all want to encourage these people to be in the smaller communities and so forth, and if we think this helps that, that would be one option that we could approach. Changing it to "may" means it pretty much opens it up for the person to be wherever they want to be.

11:32

Sen. Larsen: I didn't hear much heartburn when we voted it out 6 nothing. There was no objection before we voted. I opt to just leave it the way it is.

Sen. Anderson: Changing it to "may" on Page 4 might help. I can't imagine too many people saying I would like to provide the matching funds if they had the option of doing it or not, but it is a possibility. If you say "may waive the requirements" under Section 4, that is fine, because I would suspect that most of the application would say we would like you to waive the requirements if they met the other criteria in the paragraph.

Sen. Axness: Maybe it would be best to get rid of Section 4.

Rep. Fehr: I brought forth Section 4 because if you are talking about somebody who is establishing a solo practice, there is not an employer, so there would not be a match. Without that, they're essentially not participating in this, and it is a way of trying to encourage small practices. However, if it is changed to a "may" rather than "shall waive", I wouldn't resist that.

Rep. Oversen: There is another option. Under Section 5, if we remove Subsection 2 and add a Subsection f to Subsection 1 that reads "The healthcare professional's willingness to live in the area in which they are providing healthcare services and be physically present on a full time basis at the entity that meets the requirements of Section 4." That sort of outlines that is a preference of the healthcare council, but that they have the flexibility if there is somebody else presenting an application.

Rep. Fehr: I think it would do the same thing as leaving in Section 2a, getting rid of b, and just changing the "shall" to a "may," which makes it optional. I resist making that optional. I think it defeats the purpose.

Sen. Larsen: My motion is to leave it the way it was, the same we voted on it 6-0 out of here yesterday. The motion is for the SENATE RECEDE FROM SENATE AMENDMENTS AND AMEND AS FOLLOWS.

Rep. Fehr: Seconded.

Rep. Hofstad: I am worried about the "shall" that we have in Page 4, Subsection 4. I do believe that it limits the health council.

Sen. Larsen: I think that this bill is, hopefully, going to address the needs of the addiction counselors on the \$20,000 loan repayment. I think it is those folks that are in college that are going to get a job in an actual facility that will take priority in a rural area. I am hoping that some of these folks from Minot State will be able to go to Watford City and perhaps, Williston and take advantage of that loan opportunity. I really don't see that somebody from Fargo is going to do telemedicine in Stanley and be \_ to the top of that loan repayment list, and I think if a problem of that does occur, that all of the tele health folks get the loan, then I think we will address that next session, and I don't see that happening.

Rep. Fehr: If we are talking about wanting a substance abuse counselor to take up a practice in Watford City or Stanley, Harvey, or whatever as a sole practice, if we change it

to a permissive thing, then the health council is going to ask them if they have a match. Of course, if they don't have a match, then they have to look around and see if somebody wanted to give a match. At worst, it will delay things.

Sen. Larsen: When they get out of college, they are going to jump on board with somebody that is a business, an entity. They are going to get some experience and then they will hang their shingle out. The folks I talked to in the addiction counseling field at Minot State, not one of them indicated that they were going to work independently and go out on their own.

A roll call vote was taken. 4 Yeas, 2 Nays, 0 Absent. Motion passes.

The meeting was closed.

8/4/13/15  
1/5

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1396

That the Senate recede from its amendments as printed on pages 1017 and 1018 of the House Journal and pages 767 and 768 of the Senate Journal and that Engrossed House Bill No. 1396 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide student loan repayment programs for health care professionals; to repeal chapters 43-12.2 and 43-17.2 of the North Dakota Century Code, relating to student loan repayment programs for health care professionals; to provide for a continuing appropriation; and to provide for an application.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1.

**Student loan repayment programs - Health care professionals.**

The health council shall administer student loan repayment programs, as established by this chapter, for health care professionals willing to provide services in areas of this state that have a defined need for such services.

SECTION 2.

**Application process.**

The health council shall develop an application process for public and private entities seeking to fill health care needs and for health care professionals willing to provide necessary services in exchange for benefits under a student loan repayment program.

SECTION 3.

**Public and private entities - Selection criteria - Matching funds.**

1. The health council shall establish criteria to be used in selecting public and private entities for participation in a program. The criteria must include:
  - a. The number of health care professionals, by specified field, already providing services in the area;
  - b. Access to health care services in the area; and
  - c. The level of support from the area.
2. The health council may consult with health care and social service providers, advocacy groups, governmental entities, and others in establishing criteria and evaluating needs based on the criteria.

3. An entity may not be selected for participation unless it contractually commits to provide matching funds equal to the amount required for a loan repayment program in accordance with section 6 of this Act.

#### **SECTION 4.**

##### **Public and private entities - Eligibility for participation - Priority.**

In selecting public and private entities for participation in a program the health council shall give priority to an entity that:

1. Meets the selection criteria;
2. Is located in an area that is statistically underserved; and
3. Is located at least twenty miles [32.18 kilometers] outside the boundary of a city having more than forty thousand residents.

#### **SECTION 5.**

##### **Health care professionals - Selection criteria.**

1. The health council shall establish criteria to be used in selecting health care professionals for participation in a student loan repayment program. The criteria must include:
  - a. The health care professional's specialty;
  - b. The need for the health care professional's specialty within an area;
  - c. The health care professional's education and experience;
  - d. The health care professional's date of availability and anticipated term of availability; and
  - e. The health care professional's willingness to accept Medicare and Medicaid assignments, if applicable.
2. In selecting health care professionals for participation in the program the health council shall require that the individual:
  - a. Is physically present at and provides services on a full-time basis to an entity that meets the requirements of section 4; or
  - b.
    - (1) Is physically present at and provides services on at least a half-time basis to an entity that meets the requirements of section 4;
    - (2) Provides telehealth services to a second entity that meets the requirements of section 4; and
    - (3) Verifies that the services provided under paragraphs 1 and 2 of this subdivision are equal to the full-time requirement of subdivision a.
3. In selecting health care professionals for participation in a program, the health council may consider an individual's:

- a. Length of residency in this state; and
- b. Attendance at an in-state or an out-of-state institution of higher education.

## **SECTION 6.**

### **Student loan repayment program - Contract.**

1. The health council shall enter into a contract with a selected health care professional. The health council shall agree to provide student loan repayments on behalf of the selected health care professional subject to the requirements and limitations of this section.
  - a. For a physician:
    - (1) The loan repayment must be equal to twenty thousand dollars per year; and
    - (2) The matching funds must equal fifty percent of the amount required in paragraph 1.
  - b. For a clinical psychologist:
    - (1) The loan repayment must be equal to twelve thousand dollars per year; and
    - (2) The matching funds must equal twenty-five percent of the amount required in paragraph 1.
  - c. For an advanced practice registered nurse or a physician assistant:
    - (1) The loan repayment must be equal to four thousand dollars per year; and
    - (2) The matching funds must equal ten percent of the amount required in paragraph 1.
  - d. (1) For a behavioral health professional:
    - (a) The loan repayment must be equal to four thousand dollars per year; and
    - (b) The matching funds must equal ten percent of the amount required in subparagraph a.
  - (2) For purposes of this subdivision, a behavioral health professional means an individual who practices in the behavioral health field and is:
    - (a) A licensed addiction counselor;
    - (b) A licensed professional counselor;
    - (c) A licensed social worker;
    - (d) A registered nurse; or
    - (e) A specialty practice registered nurse.



- 4/5
2.
    - a. Payments under this section must be made on behalf of the health care professional directly to the Bank of North Dakota or to another participating lending institution.
    - b. Except as otherwise provided, payments under this section may be made only at the conclusion of each twelve month period of service.
    - c. Prorated payments may be made only if:
      - (1) The repayment of the loan requires less than a full annual payment;
      - (2) The health care professional is terminated or resigns from his or her position; or
      - (3) The health care professional is unable to complete a twelve month period of service due to the individual's death, a certifiable medical condition or disability, or a call to military service.
  3. Payments under this section terminate upon the earlier of:
    - a. The full repayment of the health care professional's student loan; or
    - b. The completion of five years as a participant in the student loan repayment program.
  4. The health council shall waive the requirements of this section that pertain to matching funds if the health care professional opens a new practice as a solo practitioner in a city that has fewer than fifteen thousand residents.

## **SECTION 7.**

### **Powers of the health council - Continuing appropriation.**

1. The health council may:
  - a. Receive and expend any gifts, grants, and other funds for the purposes of this program;
  - b. Participate in any federal programs providing for the repayment of student loans on behalf of health care professionals; and
  - c. Do all things necessary and proper for the administration of this chapter.
2. All moneys received by the health council under this section are appropriated to the health council on a continuing basis, to be used exclusively for the purposes of this chapter.

**SECTION 8. REPEAL.** Chapters 43-12.2 and 43-17.2 of the North Dakota Century Code are repealed.

**SECTION 9. APPLICATION.** This Act applies to loan repayment contracts entered into on or after August 1, 2015. Any loan repayment contract entered into before August 1, 2015, in accordance with chapter 43-12.2, is governed by chapter 43-12.2, as it existed on July 31, 2015. Any loan repayment contract entered into

5/5

before August 1, 2015, in accordance with chapter 43-17.2, is governed by chapter 43-17.2, as it existed on July 31, 2015."

Renumber accordingly

Date: 4-13-15  
Roll Call Vote #: 1

2015 HOUSE CONFERENCE COMMITTEE  
ROLL CALL VOTES

BILL/RESOLUTION NO. HB 1396 as (re) engrossed

House Human Services Committee

Action Taken ☐ HOUSE accede to Senate Amendments  
☐ HOUSE accede to Senate Amendments and further amend  
☐ SENATE recede from Senate amendments  
☒ SENATE recede from Senate amendments and amend as follows

☐ Unable to agree, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Rep. Fehr Seconded by: Sen. H. Anderson

Representatives	<u>4/3</u>	<u>4/13</u>		Yes	No		Senators	<u>4/3</u>	<u>4/13</u>		Yes	No
Rep. Hofstad	✓	✓		✓			Sen. Larsen	✓	✓		✓	
Rep. Fehr	✓	✓		✓			Sen. H. Anderson	✓	✓		✓	
Rep. Oversen	✓	✓		✓			Sen. A. Ness	✓	✓		✓	
Total Rep. Vote							Total Senate Vote					

Vote Count Yes: 6 No: 0 Absent: 0

House Carrier no carrier Senate Carrier no carrier

LC Number 15.0535 . 0300.3 of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Date: 4/14/2014  
Roll Call Vote #: 1

**2015 HOUSE CONFERENCE COMMITTEE  
ROLL CALL VOTES**

BILL/RESOLUTION NO. HB 1396

as (re) engrossed

House "Enter committee name" **Committee**

- Action Taken ☐ HOUSE accede to Senate Amendments  
☐ HOUSE accede to Senate Amendments and further amend  
☐ SENATE recede from Senate amendments  
☐ SENATE recede from Senate amendments and amend as follows
- ☐ **Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Rep. Oversen Seconded by: Sen. Warner

Representatives	4-14			Yes	No		Senators	4-14			Yes	No
Rep. Hofstad	X						Sen. Larsen	X				
Rep. Fehr	X						Sen. H. Anderson	X				
Rep. Oversen	X						Sen. Axness	X				
Total Rep. Vote							Total Senate Vote					

Vote Count Yes: \_\_\_\_\_ No: \_\_\_\_\_ Absent: \_\_\_\_\_

House Carrier \_\_\_\_\_ Senate Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment RECONSIDER ACTIONS

VOICE VOTE: MOTION CARRIED

Date: 4/14/2015  
Roll Call Vote #: 2

**2015 HOUSE CONFERENCE COMMITTEE  
ROLL CALL VOTES**

BILL/RESOLUTION NO. 1396 as (re) engrossed

**House Human Services Committee**

- Action Taken ☐ HOUSE accede to Senate Amendments  
☐ HOUSE accede to Senate Amendments and further amend  
☐ SENATE recede from Senate amendments  
☒ SENATE recede from Senate amendments and amend as follows
- ☐ Unable to agree, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Sen. Larsen Seconded by: Rep. Fehr

Representatives				Yes	No		Senators				Yes	No
Rep. Hofstad					x		Sen. Larsen				x	
Rep. Fehr				x			Sen. H. Anderson				x	
Rep. Oversen				x			Sen. Axness					x
Total Rep. Vote							Total Senate Vote					

Vote Count Yes: 4 No: 2 Absent: 0

House Carrier No carrier Senate Carrier No carrier

LC Number 15.0535 . 03000 of amendment

LC Number \_\_\_\_\_ . 05000 of engrossment

Emergency clause added or deleted

Statement of purpose of amendment LEAVE THE AMENDMENTS AS THEY ARE

**REPORT OF CONFERENCE COMMITTEE**

**HB 1396, as engrossed:** Your conference committee (Sens. Larsen, Anderson, Axness and Reps. Hofstad, Fehr, Oversen) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1017-1018, adopt amendments as follows, and place HB 1396 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1017 and 1018 of the House Journal and pages 767 and 768 of the Senate Journal and that Engrossed House Bill No. 1396 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide student loan repayment programs for health care professionals; to repeal chapters 43-12.2 and 43-17.2 of the North Dakota Century Code, relating to student loan repayment programs for health care professionals; to provide for a continuing appropriation; and to provide for an application.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1.**

**Student loan repayment programs - Health care professionals.**

The health council shall administer student loan repayment programs, as established by this chapter, for health care professionals willing to provide services in areas of this state that have a defined need for such services.

**SECTION 2.**

**Application process.**

The health council shall develop an application process for public and private entities seeking to fill health care needs and for health care professionals willing to provide necessary services in exchange for benefits under a student loan repayment program.

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**Public and private entities - Selection criteria - Matching funds.**

1. The health council shall establish criteria to be used in selecting public and private entities for participation in a program. The criteria must include:
  - a. The number of health care professionals, by specified field, already providing services in the area;
  - b. Access to health care services in the area; and
  - c. The level of support from the area.
2. The health council may consult with health care and social service providers, advocacy groups, governmental entities, and others in establishing criteria and evaluating needs based on the criteria.
3. An entity may not be selected for participation unless it contractually commits to provide matching funds equal to the amount required for a loan repayment program in accordance with section 6 of this Act.

**SECTION 4.**

**Public and private entities - Eligibility for participation - Priority.**

In selecting public and private entities for participation in a program the health council shall give priority to an entity that:

1. Meets the selection criteria;
2. Is located in an area that is statistically underserved; and
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  - e. The health care professional's willingness to accept Medicare and Medicaid assignments, if applicable.
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  - b. (1) Is physically present at and provides services on at least a half-time basis to an entity that meets the requirements of section 4;
    - (2) Provides telehealth services to a second entity that meets the requirements of section 4; and
    - (3) Verifies that the services provided under paragraphs 1 and 2 of this subdivision are equal to the full-time requirement of subdivision a.
3. In selecting health care professionals for participation in a program, the health council may consider an individual's:
  - a. Length of residency in this state; and
  - b. Attendance at an in-state or an out-of-state institution of higher education.

**SECTION 6.**

**Student loan repayment program - Contract.**

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    - (2) The matching funds must equal fifty percent of the amount required in paragraph 1.
  - b. For a clinical psychologist:
    - (1) The loan repayment must be equal to twelve thousand dollars per year; and
    - (2) The matching funds must equal twenty-five percent of the amount required in paragraph 1.
  - c. For an advanced practice registered nurse or a physician assistant:
    - (1) The loan repayment must be equal to four thousand dollars per year; and
    - (2) The matching funds must equal ten percent of the amount required in paragraph 1.
  - d. (1) For a behavioral health professional:
    - (a) The loan repayment must be equal to four thousand dollars per year; and
    - (b) The matching funds must equal ten percent of the amount required in subparagraph a.
  - (2) For purposes of this subdivision, a behavioral health professional means an individual who practices in the behavioral health field and is:
    - (a) A licensed addiction counselor;
    - (b) A licensed professional counselor;
    - (c) A licensed social worker;
    - (d) A registered nurse; or
    - (e) A specialty practice registered nurse.
2. a. Payments under this section must be made on behalf of the health care professional directly to the Bank of North Dakota or to another participating lending institution.
  - b. Except as otherwise provided, payments under this section may be made only at the conclusion of each twelve month period of service.



- c. Prorated payments may be made only if:
  - (1) The repayment of the loan requires less than a full annual payment;
  - (2) The health care professional is terminated or resigns from his or her position; or
  - (3) The health care professional is unable to complete a twelve month period of service due to the individual's death, a certifiable medical condition or disability, or a call to military service.
- 3. Payments under this section terminate upon the earlier of:
  - a. The full repayment of the health care professional's student loan; or
  - b. The completion of five years as a participant in the student loan repayment program.
- 4. The health council shall waive the requirements of this section that pertain to matching funds if the health care professional opens a new practice as a solo practitioner in a city that has fewer than fifteen thousand residents.

#### **SECTION 7.**

##### **Powers of the health council - Continuing appropriation.**

- 1. The health council may:
  - a. Receive and expend any gifts, grants, and other funds for the purposes of this program;
  - b. Participate in any federal programs providing for the repayment of student loans on behalf of health care professionals; and
  - c. Do all things necessary and proper for the administration of this chapter.
- 2. All moneys received by the health council under this section are appropriated to the health council on a continuing basis, to be used exclusively for the purposes of this chapter.

**SECTION 8. REPEAL.** Chapters 43-12.2 and 43-17.2 of the North Dakota Century Code are repealed.

**SECTION 9. APPLICATION.** This Act applies to loan repayment contracts entered into on or after August 1, 2015. Any loan repayment contract entered into before August 1, 2015, in accordance with chapter 43-12.2, is governed by chapter 43-12.2, as it existed on July 31, 2015. Any loan repayment contract entered into before August 1, 2015, in accordance with chapter 43-17.2, is governed by chapter 43-17.2, as it existed on July 31, 2015."

Renumber accordingly

Engrossed HB 1396 was placed on the Seventh order of business on the calendar.

**2015 TESTIMONY**

**HB 1396**

#1

HB1396  
REPRESENTATIVE Gary R. Sukut

District 1

2-3-15

MR. CHAIRMAN AND COMMITTEE MEMBERS, I APPEAR TODAY TO INTRODUCE HB1396.

THE FOLLOWING CHANGES ARE MADE TO BE COMPETITIVE WITH OUR NEIGHBORING STATES IN THE RECRUITMENT OF PHYSICIANS:

- 1) PAGE 1, SECTION 1 - WE HAVE ADDED HEALTH PROFESSIONALS - MODELED AFTER THE SOUTH DAKOTA PROGRAM - 3 YEAR PROGRAM - MAXIMUM LOAN REPAYMENT \$10,000
- 2) SECTION 2 - PHYSICIAN LOAN REPAYMENT PROGRAM -
  - a. INCREASE THE AMOUNT FROM \$45,000 TO \$100,000
  - b. INCLUDE A 25% MATCH FROM THE COMMUNITY(NEIGHBORING STATE REQUIRE NO COMMUNITY MATCH)
  - c. EXTEND THE TIME TO 5 YEARS WITH A GRADUATED PAYMENT SCHEDULE(MODELED AFTER MONTANA'S)
- 3) PAGE 7 - ELIMINATE THE BREACH OF CONTRACT SECTION

MR. CHAIRMAN AND COMMITTEE MEMBERS WE HOPE YOU WILL GIVE HB1396 FAVORABLE CONSIDERATION.

THANK YOU MR. CHAIRMAN AND COMMITTEE MEMBERS.

15.0535.02001  
Title.

*23-15*

Prepared by the Legislative Council staff for  
Representative Sukut  
January 29, 2015

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1396

Page 1, line 3, remove "43-17.2-06,"

Page 4, line 17, overstrike "Enforce any contract under the program"

Page 4, line 17, remove the underscored semicolon

Page 4, line 18, overstrike "9."

Page 4, line 19, overstrike "10." and insert immediately thereafter "9."

Page 4, line 21, overstrike "11." and insert immediately thereafter "10."

Page 4, line 22, overstrike "12." and insert immediately thereafter "11."

Page 4, line 23, overstrike "13." and insert immediately thereafter "12."

Page 6, remove lines 28 and 29

Page 7, remove lines 1 through 13

Page 7, line 17, replace "required of" with "to which"

Page 7, line 18, after "physician" insert "is asked to commit"

Renumber accordingly



North Dakota Hospital Association

**Vision**

*The North Dakota Hospital Association will take an active leadership role in major Healthcare issues.*

**Mission**

*The North Dakota Hospital Association exists to advance the health status of persons served by the membership.*

**Testimony: HB 1396  
Student Loan Repayment Grants  
For Health Professionals  
House Human Services Committee  
February 3, 2015**

Good morning Chairman Weisz and Members of the House Human Service Committee. I am Jerry E. Jurena, President of the North Dakota Hospital Association. I am here today in support of HB 1396 and ask that you give this bill a **Do Pass**.

The number one issue of the hospitals in the State of North Dakota this year is a lack of an adequate workforce. We do not have enough licensed professionals to provide all the health care that is demanded of the health care providers. We are at a crisis.

Hospitals are experiencing a shortage of nurses, technicians, therapists and physicians. The crisis is universal; it is not based on the location of the hospital or the size of the hospital.

Hospitals are collaborating on hiring practices that work as well as those that do not work. Bonuses and benefits have been used as enticements. The hospitals are going to out of state agencies to fill vacant positions and some have contracted with agencies to bring licensed professionals from other countries.

HB 1396 has the potential of helping to fill some of the vacancies. In order to solve this problem it will take a variety of ideas and a multitude of organizations working collectively. This is just one concept that we believe has the potential of helping.

With me today are a number of hospital Administrators that want to share their frustration in trying to find staff.

Again the location and size of the hospital is not a factor in this crisis.

I ask that you give this HB 1396 a **Do Pass**. Thank you.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Jerry E. Jurena", is written over the typed name and title.

Jerry E. Jurena, President  
North Dakota Hospital Association

## Mercy Medical Center

TESTIMONY  
HB 1396  
2-3-15

Good Morning.

Thank you for the opportunity to speak with you today regarding House Bill 1396. As the President of CHI-Mercy Medical Center in Williston, we are on the front lines trying to meet the rapidly changing health care needs in our region. Our mission drives us to do everything we can to meet these needs, and that is exactly what we have been doing. In the past 5 years we have recruited nearly 20 full time providers to Williston which has enabled us to significantly expand the services we offer, and we anticipate further expansion as our population grows. However, the biggest challenge we face on a daily basis is the reality that there are not enough qualified health care workers in the workforce to meet the patient care needs.

This Bill is about making North Dakota competitive with the surrounding States in terms of funding for loan repayment for not only physicians, but other clinical staff as well. Our physician needs model indicates that our market will need more than 25 additional full-time primary care providers over the next 5 years. It is important to note that we were in a medically underserved area prior to the population explosion, and we have not kept up with the growth. If you were to move to Williston today and seek to establish a primary care provider, your first available appointment is likely to be more than 2 months out. Each day our clinic turns away more than 50 requests for service, which leads to excessive ER visits or long delays in treatment.

It is important to note that we have had at least 2 national search firms recruiting for primary care providers for the past 5 years, and in that time we have recruited only one Family Practice provider into our clinic, and they moved away after one year. Over those same years we have added multiple PAs and NPs along with Pediatricians, OB/GYNs, and various specialists, but the shortage of family physicians is extreme. Our starting offer in terms of wages has increased from \$200k to \$250k, but we are yet to find individuals willing to relocate to our community.

We believe that by increasing the State's loan repayment offer for a new physician from \$45,000 to \$100,000, and restructuring the program from a one-time payment to one paid in installments will provide the support we need in this vital work. But it doesn't stop with physicians. House Bill 1396 also addresses the critical staffing shortages in other patient care areas.

Mercy currently employs approximately 450 individuals, and at any given point in time we have at least 50 vacant positions. On average 2/3 of our vacancies are in direct patient care positions, and this does not include providers. Recruiting and retaining high quality staff is a top priority in our organization, but there are major challenges not only in northwest North Dakota, but across the state. We struggle to even get applicants for many of our positions, with the most consistent needs in the following:

- Clinic nurses
- Labor and Delivery RNs
- Surgical staff (RN and surgery tech)
- Lab Technicians
- ICU RNs
- Emergency Room RNs
- Pharmacists

Quite simply, if it were not for international staff, we would not be taking care of patients today. By this summer we will have 50 full-time international RNs, 2 pharmacists and 9 lab techs. This solution would not be our first choice, but it has allowed us to minimize the number of staff coming from staffing agencies, reducing our cost and improving quality. The provision in this bill to extend loan repayment grants to other clinical staff also mirrors what is currently offered in the other frontier states that we compete with for staff. By offering \$10,000 in loan repayment for new employees, we believe that there will be an increased willingness for out-of-state applicants to move into our communities where they are desperately needed.

Finally, we request that the loan repayment program be fully funded so that we can effectively guarantee these funds when we are out recruiting. It reflects poorly on both us, and the Office of Rural Health when we have to ask applicants to wait and see if there will be funds available.

Thank you for your time, and I would be happy to answer any questions you may have.

Matt Grimshaw, President

CHI-Mercy Medical Center





**Testimony In Support of House Bill 1396**  
**House Human Services Committee**  
**February 3, 2015**

Chairman Weisz and members of the House Human Services Committee, I thank you for the opportunity to provide testimony in support of House Bill 1396. My name is Daniel Kelly, and I am the Chief Executive Officer of the McKenzie County Healthcare Systems, Inc. in Watford City, North Dakota.

The McKenzie County Healthcare Systems, Inc. consists of the Critical Access Hospital, Skilled Nursing Facility, Basic Care Facility, Assisted Living Facility, Rural Health Clinic and the Connie Wold Wellness Center.

Healthcare systems in general and the McKenzie County Healthcare System specifically are facing many operational challenges. I will briefly address three of these which are relevant to this bill.

**Staffing Recruitment and Retention**-We are experiencing an increase in open positions principally in dietary, housekeeping, maintenance and certified nurse aid and R.N. positions. As of today we have 31 open positions.

**Increased Staffing Expense**-To maintain quality healthcare we have used "traveler staff." Our January Human Resources report notes that for that one month at the hospital alone we incurred traveler staff expense of \$22,026.50.

**Increased Emergency Room Provider Costs**-Due to an inability to recruit primary care physicians we cover the emergency room with contracted emergency room physicians. In December the cost for emergency room physician coverage was \$119,897.48.

Many of the openings we have today we had six months or in some cases even twelve months ago. We simply are unable to recruit for the open positions we have.

House Bill 1396 seems to be a reasonable tool to assist not only in staff recruitment but retention.

I would be happy to explain any of these items further or to answer any questions the committee may have.

Daniel Kelly, CEO  
McKenzie County Healthcare Systems, Inc.  
516 North Main Street  
Watford City, North Dakota 58854  
(701) 842-3000  
Email: dkelly@mchsnd.org

Testimony: HB 1396  
House ~~Human Services~~ Committee Committee

2-3-15

Weisz

H. HUMAN SERVICES

Chairman and members of the Committee, my name is Dan Hannaher and I am Legislative Affairs Director at Sanford Health.

I rise to express the support of Sanford Health for HB 1396, relating to student loan repayment grants for health professionals.

While I echo the testimony provided by the Critical Access Hospitals, please be assured that the severe workforce shortages experienced in rural parts of our state are mirrored in the large hospital settings as well. And providing an incentive such as this loan repayment program is a valuable tool for the recruitment of our professionals.

Rather than provide you with the statistics of job vacancies, wage indexes, and recruitment initiatives, let me simply say this. Our hospitals in Bismarck and Fargo last night were at capacity. We had no room left for patients in most areas based on the staffing levels available. A little over a week ago there were three straight days where no Behavioral Health beds were available anywhere in the state. None.

The workforce needs of health care in North Dakota are in crisis. HB 1396 is one sound step in alleviating that crisis, and we urge you to support its passage.

Thank you, I'm happy to answer any questions.

Testimony to the  
**House Human Services Committee**

February 3, 2015

By Leland Tong – Clinic Administrator  
Great Plains Women's Health Center

RE: House Bill 1396

Chairman Weisz, Vice Chairman Hofstad and members of the House Human Services Committee my name is Leland Tong and I am the Clinic Administrator for Great Plains Women's Health Center in Williston. Great Plains Women's Health Center is a five physician, private-practice, OBGYN clinic and I am here to testify in support of HB 1396.

Recruiting physicians into rural communities is a challenge. It requires an understanding of the supply and demand dynamics of the physician market and a willingness to tailor the recruitment package to the specialty and the national demand for that specialty. Even if the prospective physician is from the area, the rural hospital or clinic has to be competitive with other offers the candidate may receive from other parts of the country.

The state community matching physician loan program is one of the elements a rural clinic or hospital can use to build a competitive employment package. We used the program in 2011 for this very purpose. One of the physicians we hired that year had medical school loans. We made her aware of the program and committed to provide the matching funds. It gave us an extra tool in our recruitment package to successfully hire the physician. We were thankful that the program existed but at the time we felt that if some changes were made to the program its usefulness could be enhanced. Some of these program elements include the size of the loan repayment, length of service requirement and the match component.

According to the Association of American Medical Colleges, the median debt load for a 2014 medical school graduate is \$180,000. By raising the maximum loan repayment to \$100,000 we can begin to compete with loan repayment programs in surrounding states and make a sizable dent in the loan burden for these physicians.

We are also pleased to see the community match reduced to 25%. This is helpful for our clinic because the overall cost of recruiting a physician into our area is close to \$75,000 including search firm fees, interviewing costs, starting bonus and moving expenses. By allowing us to leverage our dollars into a larger loan repayment program we can make an offer that will be competitive regionally and nationally.

We also like the new features of spreading those payments over five years and making the payments directly to the physician's lending institution. Expanding the program from two years to five provides a longer period of employment stability for the clinic or hospital and improves our ability to retain that doctor long term. Likewise, graduating the loan payments over the five year period provides a power financial incentive to physician to practice in that community. Making those loan payments directly to the lending institution also ensures that the program funds are used for their intended purpose.

Another important change in this bill is the deletion of the repayment penalty. Five years is a long time to commit to any program, community, clinic or hospital. A lot can happen in the business relationship between the doctor and the organization or in the ability of the physician's family to adjust to living in a rural area. Many physician candidates may think twice about value

of participating in this program or find that having to pay back twice the loan amount is too big of a risk if things don't work out. Because the payments to the physician's lending institution are made after the physician has already served the area's population for the six month time period; it is our opinion that service element of the program has been fulfilled. Therefore, if a physician is unable to participate in the full five years of the program they should not be penalized for the time of service they have provided to the community.

The bill not only helps the physician recruitment efforts, it takes a bold step in addressing a growing but not well known need for other health professionals in our state. With the mounting demand for health services, the need for nurses, technicians and other health professionals is also increasing.

Having a loan repayment program that covers these individuals will enhance our ability to attract nurses, medical assistants and sonographers to our area.

While the existing state-community matching physician loan repayment program is a tool that communities and healthcare facilities can use to recruit physicians to physician shortage areas; HB 1396 makes some changes to the program that I believe will enhance the ability of healthcare facilities such as ours to recruit physicians.

It is for these reasons that I support this bill. Are there any questions?

#1

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1396

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide student loan repayment programs for health care professionals; to repeal chapters 43-12.2 and 43-17.2 of the North Dakota Century Code, relating to loan repayment programs for nurse practitioners, physician assistants, certified nurse midwives, and physicians; to provide for a continuing appropriation; and to provide for the application.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1.**

**Student loan repayment programs - Health care professionals.**

The health council shall administer student loan repayment programs, as established by this chapter, for healthcare professionals willing to provide services in cities that have a defined need for such services.

**SECTION 2.**

**Application process.**

The health council shall develop an application process for cities seeking to fill health care needs and for healthcare professionals willing to provide necessary services in exchange for benefits under a student loan repayment program.

**SECTION 3.**

**Cities - Selection criteria - Matching funds.**

1. The health council shall establish criteria to be used in selecting cities for participation in a program. The criteria must include:
  - a. The number of healthcare professionals, by specified field, already providing services in the city;
  - b. Access to healthcare services in the city and the surrounding area;  
and
  - c. The level of support from the city and the surrounding area.
2. The health council may consult with public and private sector entities in establishing criteria and evaluating needs based on such criteria.
3. A city may not be selected for participation unless it contractually commits to provide matching funds equal to the amount required for a loan repayment program in accordance with section 6 of this Act.

**SECTION 4.**

### **Cities - Eligibility for participation - Priority.**

In selecting cities for participation in a program, the health council shall give priority, in descending order, to those cities that meet the selection criteria and:

1. Have fewer than fifteen thousand residents;
2.
  - a. Have at least fifteen thousand residents, but fewer than thirty thousand residents; and
  - b. Do not belong to a metropolitan statistical area; or
3. Have at least thirty thousand residents.

### **SECTION 5.**

#### **Healthcare professionals - Selection criteria.**

1. The health council shall establish criteria to be used in selecting healthcare professionals for participation in a student loan repayment program. The criteria must include:
  - a. The healthcare professional's specialty;
  - b. The need for the healthcare professional's specialty within a city;
  - c. The healthcare professional's education and experience;
  - d. The health care professional's date of availability and anticipated term of availability; and
  - e. The health care professional's willingness to accept medicare and Medicaid assignments, if applicable.
2. The health council shall give priority to healthcare professionals who graduated from an institution of higher education in this state.

### **SECTION 6.**

#### **Student loan repayment program - Contract.**

1. The health council shall enter into a contract with a selected health care professional. The health council shall agree to provide student loan repayments on behalf of the selected health care professional subject to the requirements and limitations of this section.
  - a. For a physician:
    - (1) The loan repayment must be equal to twenty thousand dollars per year; and
    - (2) The matching funds must equal fifty percent of the amount required in paragraph 1.
  - b. For a clinical psychologist:
    - (1) The loan repayment must be equal to twelve thousand dollars per year; and

- (2) The matching funds must equal twenty-five percent of the amount required in paragraph 1.
  - c. For a nurse practitioner, physician assistant, or certified nurse midwife:
    - (1) The loan repayment must be equal to four thousand dollars per year; and
    - (2) The matching funds must equal ten percent of the amount required in paragraph 1.
  - d. (1) For a behavioral health professional:
    - (a) The loan repayment must be equal to four thousand dollars per year; and
    - (b) The matching funds must equal ten percent of the amount required in paragraph 1.
  - (2) For purposes of this subdivision, a behavioral health professional means an individual who practices in the behavioral health field and is:
      - (a) An advanced practice registered nurse;
      - (b) A licensed addiction counselor;
      - (c) A licensed practical nurse;
      - (d) A licensed professional counselor;
      - (e) A licensed social worker;
      - (f) A registered nurse; or
      - (g) A specialty practice registered nurse.
- 2.
  - a. Payments under this section must be made on behalf of the health care professional directly to the Bank of North Dakota or to another participating lending institution.
  - b. Except as otherwise provided, payments under this section may be made only at the conclusion of each twelve month period of service.
  - c. Prorated payments may be made only if:
    - (1) The repayment of the loan requires less than a full annual payment;
    - (2) The health care professional is terminated or resigns from his or her position; or
    - (3) The health care professional is unable to complete a twelve month period of service due to the individual's death, a certifiable medical condition or disability, or a call to military service.
- 3. Payments under this section terminate upon the earlier of:

- a. The full repayment of the health care professional's student loan; or
- b. The completion of five years as a participant in the student loan repayment program.

## **SECTION 7.**

### **Powers of the health council.**

1. The health council may:
  - a. Receive and expend any gifts, grants, and other funds for the purposes of this program;
  - b. Participate in any federal programs providing for the repayment of student loans on behalf of health care professionals; and
  - c. Do all things necessary and proper for the administration of this chapter.
2. All moneys received by the health council under this section are appropriated to the health council on a continuing basis, to be used exclusively for the purposes of this Act.

**SECTION 8. REPEAL.** Chapters 43-12.2 and 43-17.2 of the North Dakota Century Code are repealed.

**SECTION 9. APPLICATION.** This Act applies to loan repayment contracts entered into on or after August 1, 2015.

1. Any nurse practitioner, physician assistant, or certified nurse midwife loan repayment contract entered into before August 1, 2015, is governed by chapter 43-12.2, as it existed on July 31, 2015.
2. Any physician loan repayment contract entered into before August 1, 2015, is governed by chapter 43-17.2, as it existed on July 31, 2015."

Renumber accordingly



#1

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1396

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide student loan repayment programs for health care professionals; to repeal chapters 43-12.2 and 43-17.2 of the North Dakota Century Code, relating to loan repayment programs for nurse practitioners, physician assistants, certified nurse midwives, and physicians; to provide for a continuing appropriation; and to provide for the application.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1.**

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The health council shall develop an application process for cities seeking to fill health care needs and for healthcare professionals willing to provide necessary services in exchange for benefits under a student loan repayment program.

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  - a. The number of healthcare professionals, by specified field, already providing services in the city;
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and
  - c. The level of support from the city and the surrounding area.
2. The health council may consult with public and private sector entities in establishing criteria and evaluating needs based on such criteria.
3. A city may not be selected for participation unless it contractually commits to provide matching funds equal to the amount required for a loan repayment program in accordance with section 6 of this Act.

**SECTION 4.**

### **Cities - Eligibility for participation - Priority.**

In selecting cities for participation in a program, the health council shall give priority, in descending order, to those cities that meet the selection criteria, or to a practice with a focus on an underserved population and:

1. Have fewer than fifteen thousand residents;
2.
  - a. Have at least fifteen thousand residents, but fewer than thirty thousand residents; and
  - b. Do not belong to a metropolitan statistical area; or
3. Have at least thirty thousand residents.

### **SECTION 5.**

#### **Healthcare professionals - Selection criteria.**

1. The health council shall establish criteria to be used in selecting healthcare professionals for participation in a student loan repayment program. The criteria must include:
  - a. The healthcare professional's specialty;
  - b. The need for the healthcare professional's specialty within a city;
  - c. The healthcare professional's education and experience;
  - d. The health care professional's date of availability and anticipated term of availability; and
  - e. The health care professional's willingness to accept medicare and Medicaid assignments, if applicable.
2. The health council shall give priority to healthcare professionals who graduated from an institution of higher education in this state.

### **SECTION 6.**

#### **Student loan repayment program - Contract.**

1. The health council shall enter into a contract with a selected health care professional. The health council shall agree to provide student loan repayments on behalf of the selected health care professional subject to the requirements and limitations of this section.
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    - (1) The loan repayment must be equal to twenty thousand dollars per year; and
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- (1) The loan repayment must be equal to twelve thousand dollars per year; and
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  - c. For a nurse practitioner, physician assistant, or certified nurse midwife:
    - (1) The loan repayment must be equal to four thousand dollars per year; and
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  - d. (1) For a behavioral health professional:
    - (a) The loan repayment must be equal to four thousand dollars per year; and
    - (b) The matching funds must equal ten percent of the amount required in paragraph 1.
  - (2) For purposes of this subdivision, a behavioral health professional means an individual who practices in the behavioral health field and is:
    - (a) An advanced practice registered nurse;
    - (b) A licensed addition counselor;
    - (c) A licensed practical nurse;
    - (d) A licensed professional counselor;
    - (e) A licensed social worker;
    - (f) A registered nurse; or
    - (g) A specialty practice registered nurse.
2. a. Payments under this section must be made on behalf of the health care professional directly to the Bank of North Dakota or to another participating lending institution.
  - b. Except as otherwise provided, payments under this section may be made only at the conclusion of each twelve month period of service.
  - c. Prorated payments may be made only if:
    - (1) The repayment of the loan requires less than a full annual payment;
    - (2) The health care professional is terminated or resigns from his or her position; or
    - (3) The health care professional is unable to complete a twelve month period of service due to the individual's death, a certifiable medical condition or disability, or a call to military service.

3. Payments under this section terminate upon the earlier of:
  - a. The full repayment of the health care professional's student loan; or
  - b. The completion of five years as a participant in the student loan repayment program.

## **SECTION 7.**

### **Powers of the health council.**

1. The health council may:
  - a. Receive and expend any gifts, grants, and other funds for the purposes of this program;
  - b. Participate in any federal programs providing for the repayment of student loans on behalf of health care professionals; and
  - c. Do all things necessary and proper for the administration of this chapter.
2. All moneys received by the health council under this section are appropriated to the health council on a continuing basis, to be used exclusively for the purposes of this Act.

**SECTION 8. REPEAL.** Chapters 43-12.2 and 43-17.2 of the North Dakota Century Code are repealed.

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2. Any physician loan repayment contract entered into before August 1, 2015, is governed by chapter 43-17.2, as it existed on July 31, 2015."

Renumber accordingly

HB1396

03/09/2015

Attach #1

J#24470

email: Cheryl Rising

From: Cheryl Rising [mailto:cdrising@earthlink.net]

Sent: Saturday, March 07, 2015 4:44 PM

To: Lee, Judy E.; Larsen, Oley L.; Anderson, Jr., Howard C.; Dever, Dick D.; Axness, Tyler; Warner, John M.

Cc: Billie Madler

Subject: regarding HB 1396

Madam Chairman Senator Lee and committee members:

I am Cheryl Rising, FNP and legislative liaison for the North Dakota Nurse Practitioner Association (NDNPA). NDNPA is in support of HB 1396 a bill for an act to provide student loan repayment programs for health care professionals.

On page 9 line 31 and page 10 it addresses loan repayment for the nurse practitioner and midwife. I am unable to be there in person to support this. Please contact me for any questions.

Cheryl Rising, FNP  
701-527-2583

**Testimony on HB 1396  
Rep Alan Fehr, District 36**

Attach #2  
HB 1396  
03/09/15  
J#24470

Madam Chairman and members of the Senate Human Services Committee, I am Representative Alan Fehr of District 36.

I am here to support HB 1396 and to suggest two amendments.

HB 1396 is the result of merging two bills that related to student loan repayment programs for health care professionals. Our intent was to create a more standardized framework for medical and behavior health professionals, with the hope that funding would be restored. The bill standardizes the repayment over 5 years, specifies maximum amounts for provider categories, and directs payments to be made at the conclusion of each year of service, not paid in advance. The repayment program is under the Health Council of the Dept of Health.

There are two areas of concern that I am asking you to amend.

First, the bill as written requires matching funds for all repayment categories. This was based on the idea that communities should have "some skin in the game." While this sounds good in principal, the reality is that the matching fund is paid by the employer, a foundation associated with the employer, or possibly community development funds.

The net effect of requiring matching funds is that this policy favors larger employers. It is very difficult for very small employers to come up with these funds, especially someone wanting to start a solo practice in a small community. Furthermore, solo or small group behavior health practitioners are not able to be established as nonprofit organizations, making it unlikely that they could be the beneficiaries of any community or public funding.

By design, requiring the community match restricts the participation by small group or solo practitioners. My suggestion is that you consider removing the community match for psychologists and behavior health professionals, which is on page 3, line 12 and 21.

A second consideration for amendment is to include Behavior Analysts. When we heard and debated this bill in the House, no one asked or mentioned Behavior Analysts. After the bill was passed, I was contacted and, upon further inquiry, learned that there is a shortage of Behavior Analysts and agencies have difficulty hiring them. My understanding is that you will hear further testimony on the need to include Behavior Analysts in this bill.

I would encourage you to add Behavior Analysts to the list of behavior health professionals at the bottom of page 3.

Thank you for your consideration. I would be happy to answer any questions.

Attach #3  
HB1396  
03/09/15  
J#24470

**Testimony  
House Bill 1396  
Senate Human Services Committee  
Monday, March 9, 2015; 9:00 a.m.  
North Dakota Department of Health**

Good morning Chairman Lee and members of the Senate Human Services Committee. My name is **Brenda Weisz**, representing the North Dakota Department of Health (NDDoH) as Director of the Accounting Division. I am here today to provide information on House Bill (HB) 1396.

HB1396 repeals chapters 43-12.2 and 43-17.2 of the North Dakota Century Code (NDCC) related to the existing physician and midlevel practitioner (including nurse practitioners, physician assistants and certified nurse midwives) loan repayment programs and creates a new loan repayment program for health care professionals, which incorporates physicians, clinical psychologists, midlevel practitioners, and behavioral health professionals. The bill also establishes the amount of loan repayment provided, the number of years of commitment in order to receive loan repayment, and the community match requirement for each profession. These components are outlined in the table below:

<b>Profession</b>	<b>Amt from State</b>	<b>Yrs of Commitment *</b>	<b>Community Match</b>
Physician	\$100,000	5 years	50% - \$50,000
Clinical Psychologist	\$60,000	5 years	25% - \$15,000
Midlevel Practitioner	\$20,000	5 years	10% - \$2,000
Behavior Health Professional	\$20,000	5 years	10% - \$2,000

\* The total amount of the loan repayment will be prorated over the number of years of service actually provided if the recipient does not provide service for the full five years.

In comparison, the physician loan repayment program currently provides loan repayment of \$90,000 (when including the community match) for a two year service commitment, while HB 1396 provides only \$60,000 for a two year commitment. The current midlevel practitioner loan repayment program provides loan repayment of \$30,000 (with community match) for a two year service commitment, while HB 1396 provides \$8,800 for a two year commitment. We are unsure if this change in legislation will provide adequate incentive for new

applicants, particularly with regard to midlevel practitioners whose total payment will be reduced from \$30,000 for two years of service to \$22,000 for five years of service.

The original House Bill 1004 (Department of Health appropriation bill) included \$495,000 for a behavioral health loan repayment program. HB 1115 would have created a new chapter of the NDCC to establish a state loan repayment program for clinical psychologists and other behavioral health professionals. The program would have provided a maximum loan repayment of \$90,000 to be paid over a two year period for a clinical psychologist and a maximum loan repayment of \$60,000 to be paid over a two year period for other behavioral health professionals.

HB 1115 did not pass the House of Representatives. Additionally, the funding of \$495,000 was not included in the House version of HB 1004. Instead the funding included in HB 1004 for new loan repayments initially intended for physicians and midlevel practitioners will now be spread over four professions rather than two. By spreading the loan repayments out over five years rather than two and reducing the amount available for midlevel practitioners, the funding provided in the House version of HB 1004 can accommodate the professional loan repayments under HB 1396 for the 2015-17 biennium.

Attachment A outlines the number of proposed applicants that may be funded under the requirements of HB 1396 within the appropriation contained in the House version of HB 1004.

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



New Funding for Physician / Midlevel Practioners to be spread in Amended HB 1396

Attachment A

2015-17 Executive Budget					
General Funds		517,500			
Special Funds		0			
Total		517,500			

2015-17 Executive Budget					2017-2019	
					Obligation from 2015 -	
					17 Biennium	New Slots
<u>Physician, Psychologist, Midlevel Practioners</u>						
		FY 2016	Pmt Date	FY 2017	Pmt Date	
<u>Behavioral Health - LSW, Licensed Prof. Couns.</u>						
<u>Addiction Couns., RN, LPNs</u>						
FY 16	#1 Physician	22,500		22,500		40,000
	#2	22,500		22,500		40,000
	#3	22,500		22,500		40,000
	#4	22,500		22,500		40,000
	#5	22,500		22,500		40,000
	#6	22,500		22,500		
	#1 Psychologists					24,000
	#2					24,000
	#3					24,000
	#1 Midlevel Practioners	7,500		7,500		8,000
	#2	7,500		7,500		8,000
	#3	7,500		7,500		8,000
	#4	7,500		7,500		8,000
	#5	7,500		7,500		8,000
	#1 Behavioral Health					8,000
	#2					8,000
	#3					8,000
	#4					8,000
	#5					8,000
FY 17	#1 Physician			20,000		40,000 20,000
	#2			20,000		40,000 20,000
	#3			20,000		40,000 20,000
	#4			20,000		40,000 20,000
	#5			20,000		40,000 20,000
	#1 Psychologists			12,000		24,000 12,000
	#2			12,000		24,000 12,000
	#3			12,000		24,000 12,000
	#1 Midlevel Practioners			4,000		8,000 4,000
	#2			4,000		8,000 4,000
	#3			4,000		8,000 4,000
	#4			4,000		8,000 4,000
	#1 Behavioral Health			4,000		8,000 4,000
	#2			4,000		8,000 4,000
	#3			4,000		8,000 4,000
	#4			4,000		8,000 4,000
	#5			4,000		8,000 4,000
	Subtotal	\$172,500		\$344,500		
<b>NEW LOANS TOTAL</b>						
					344,000	516,000
					517,000	860,000

**Senate Bill 1396 – Reverend Larry Giese, LMFT**  
**American Association for Marriage & Family Therapy-ND Chapter**  
**Senate Human Services Committee**  
**Chairman Judy Lee**  
**March 9, 2015**

Attach#4  
HB1396  
03/09/15  
J#24470

Good morning Chairman Lee and members of the Senate Human Services Committee. I am **Reverend Larry Giese**, a licensed marriage and family therapist (LMFT) and Administrator of the North Dakota Marriage & Family Therapy Board. Today I appear as a member of the North Dakota Division of the American Association of Licensed Marriage and Family Therapists.

North Dakota suffers from a lack of mental health professionals. The problem has been studied and solutions have been crafted by expert consultants and legislative interim committees. LMFTs stand ready and able to help fill shortages of mental health services for many North Dakotans. We ask that this bill be amended to include LMFTs among the mental health professionals who can apply for student loan repayment assistance to further that end.

Our statutes define the practice of marriage and family therapy as “the diagnosis and treatment of mental and emotional disorders, whether cognitive, affective, or behavioral, within the context of marriage and family systems. Marriage and family therapy involves the professional application of psychotherapeutic and family systems theories and techniques in the delivery of services to individuals, couples, and families for the purpose of treating such diagnosed nervous and mental disorders. [See NDCC Subsection 43-53-01(5).]

LMFTs are required to study human development and behavior, personality theory, human sexuality, psychopathology including the diagnosis of mental illness, and behavioral pathology. [See ND Admin. Code Subsection 111-02-02(2)(a).]

The Senate Human Services Committee and the Senate amended Senate Bills 2047 and 2049 to remove specific references to LMFTs and other mental health professionals and instead entrusted the definition to the North Dakota Department of Human Services for definition through rules. We respectfully request that this Committee consider specifically adding LMFTs to the loan repayment program, or allow the health counsel to define mental health professionals in a manner similar to NDDHS in SB 2047 & 2049.

Thank you for your consideration and I would be happy to answer any questions.



Attach #5  
03/09/2015  
HB 1396  
J#24470

March 9, 2015

Dear Chairman Lee,

On behalf of the North Dakota Occupational Therapy Association, I am writing to you regarding Bill 1396.

Occupational therapy practitioners are an important part of a mental health treatment team. We provide behavioral health treatment and prevention services for children, youth, the aging, and those with severe and persistent mental illness. Our unique and complimentary role with this population is our focus on function and independence. Examples of services occupational therapists provide to individuals with behavioral health needs include:

- Evaluating and adapting the environment at home, work, school, and other environments to promote an individual's optimal functioning
- Facilitating the development of skills needed for independent living such as using community resources, managing one's home, managing time, managing medication, and being safe at home and in the community
- Providing training in activities of daily living (e.g., hygiene and grooming)
- Consulting with employers regarding appropriate accommodations as required by the Americans with Disabilities Act
- Conducting functional evaluations and ongoing monitoring for successful job placement
- Providing guidance and consultation to persons in all employment settings, including supportive employment
- Providing evaluation and treatment for sensory processing deficits (AOTA, Community Mental Health Fact Sheet, 2014)

In North Dakota, occupational therapy practitioners are employed in inpatient, outpatient, residential, and human services centers across the state. Federally, SAMHSA has included occupational therapists as one discipline in new Certified Community Behavioral Health Clinics. We are asking that bill be amended to include occupational therapy as a discipline eligible for loan reimbursement in behavioral health.

Thank you for your time.

Elizabeth Seifert

North Dakota Occupational Therapy Association



**Vision**

*The North Dakota Hospital Association will take an active leadership role in major Healthcare issues.*

**Mission**

*The North Dakota Hospital Association exists to advance the health status of persons served by the membership.*

HB 1396  
Attach #6  
03/09/15  
J#24470

**Testimony: HB 1396  
Loan Repayment Programs  
For Health Professionals  
Senate Human Services Committee  
March 9, 2015**

Good morning Chairman Lee and Members of the Senate Human Service Committee. I am Jerry E. Jurena, President of the North Dakota Hospital Association. I am here today in support of HB 1396 and ask that you give this bill a **Do Pass**.

The number one issue of the hospitals in the State of North Dakota this year is a lack of an adequate workforce. The hospitals do not have enough licensed professionals to provide all the health care that is demanded of the health care providers. The hospitals are at a crisis.

Hospitals are experiencing a shortage of nurses, technicians, therapists and physicians. The crisis is universal; it is not based on the location of the hospital or the size of the hospital.

Hospitals are collaborating on hiring practices that work as well as those that do not work. Bonuses and benefits have been used as enticements. The hospitals are going to out of state agencies to fill vacant positions and some have contracted with agencies to bring licensed professionals from other countries.

HB 1396 has the potential of helping to fill some of the vacancies. In order to solve this problem it will take a variety of ideas and a multitude of organizations working collectively. This is just one concept that I believe has the potential of helping.

With me today is Matt Grimshaw the hospital administrator from Williston and I have written testimony from Dan Kelly hospital administrator from Watford City to share their frustration in trying to find staff.

Again the location and size of the hospital is not a factor in this crisis.

I ask that you give this HB 1396 a **Do Pass**. Thank you.

Respectfully Submitted,



Jerry E. Jurena, President  
North Dakota Hospital Association

**Testimony In Support of House Bill 1396**  
**Senate Human Services Committee**  
**March 9, 2015**

Attach #7  
HB 1396  
03/09/15  
J# 24490

Chairman Lee and members of the Senate Human Services Committee, I regret being able to be present today but thank you for the opportunity to provide written testimony in support of House Bill 1396. My name is Daniel Kelly, and I am the Chief Executive Officer of the McKenzie County Healthcare Systems, Inc.

The McKenzie County Healthcare Systems, Inc. consists of the Critical Access Hospital, Skilled Nursing Facility, Basic Care Facility, Assisted Living Facility, Rural Health Clinic and the Connie Wold Wellness Center.

Healthcare systems in general and the McKenzie County Healthcare System specifically are facing many operational challenges. I will briefly address three of these which are relevant to this bill.

**Staffing Recruitment and Retention**-We are experiencing an increase in open positions principally in dietary, housekeeping, maintenance and certified nurse aid and R.N. positions. As of today we have 31 open positions.

**Increased Staffing Expense**-To maintain quality healthcare we have used "traveler staff." Our January Human Resources report notes that for that one month at the hospital alone we incurred traveler staff expense of \$22,026.50.

**Increased Emergency Room Provider Costs**-Due to an inability to recruit primary care physicians we cover the emergency room with contracted emergency room physicians. In December the cost for emergency room physician coverage was \$119,897.48.

Many of the openings we have today we had six months or in some cases even twelve months ago. We simply are unable to recruit for the open positions we have.

House Bill 1396 seems to be a reasonable tool to assist not only in staff recruitment but retention.

I would be happy to explain any of these items further or to answer any questions the committee may have.

Daniel Kelly, CEO  
McKenzie County Healthcare Systems, Inc.  
516 North Main Street  
Watford City, North Dakota 58854  
(701) 842-3000  
Email: dkelly@mchsnd.org



## Mercy Medical Center

Attach # 8  
HB1396  
03/09/2015  
J# 24470

March 9, 2015

Good Morning,

Thank you for the opportunity to testify in support of House Bill 1396. As the President of CHI-Mercy Medical Center in Williston, we do everything we can to meet the growing health care needs of our region, and that is exactly what we have been doing. In the past 5 years we have recruited nearly 20 full time providers to Williston which has enabled us to significantly expand the services we offer, and we anticipate further expansion as our population grows. However, the biggest challenge we face on a daily basis is the reality that there are not enough qualified health care workers in the workforce to meet the patient care needs.

This Bill is about making North Dakota competitive with the surrounding States in terms of funding for loan repayment for not only physicians, but certain other clinical staff as well. Our physician needs model indicates that our market will need more than 25 additional full-time primary care providers over the next 5 years, along with an additional 10 specialists in various areas. It is important to note that we were in a medically underserved area prior to the population explosion, and we have not been able to keep up with the growth. If you were to move to Williston today and seek to establish a primary care provider, your first available appointment is likely to be about 2 months out. Each day our clinic turns away more than 50 requests for service, which leads to excessive ER visits or long delays in treatment.

To explain the work we have been doing, you should know that we have had at least 2 national search firms recruiting for primary care providers for the past 5 years, and in that time we have recruited only one Family Practice provider into our clinic, and they moved away after one year. Over those same years we have added multiple PAs and NPs along with Pediatricians, OB/GYNs, and various specialists, but the shortage of family physicians is extreme. Our starting offer in terms of wages has increased from \$200k to \$250k, but we are yet to find family physicians willing to relocate to our community.

We believe that by increasing the State's loan repayment offer for a new physician from \$45,000 to \$100,000, and restructuring the program from a one-time payment to one paid in installments will provide the support we need in this vital work. I do want you to understand that our needs do not stop with physicians, but in the process of getting out of committee, language to expand our State's loan repayment program to other critical patient care areas was removed.

Mercy currently employs approximately 450 individuals, and at any given point in time we have at least 50 vacant positions. On average 2/3 of our vacancies are in direct patient care positions, and this does not include providers. Recruiting and retaining high quality staff is a top priority in our organization, but there are major challenges not only in northwest North Dakota, but across the state.

Quite simply, if it were not for international staff, we would not be taking care of patients today. By this summer we will have 50 full-time international RNs, 2 pharmacists and 9 lab techs. This solution would not be our first choice, but it has allowed us to minimize the number of staff coming from staffing agencies, reducing our cost and improving quality. The original provision in the bill to extend loan repayment grants to other clinical staff also mirrors what is currently offered in the other frontier states that we compete with for staff. If there is any way to reconsider those needs, we would certainly appreciate it, but we also support the current Bill as a step in the right direction.

I would like to point out that there is some language in this Bill pertaining to cities in Section 3 that we find confusing because we don't know how that process will work in practice.

Finally, we request that the loan repayment program be fully funded so that we can effectively guarantee these funds when we are out recruiting. It reflects poorly on both us, and the Office of Rural Health when we have to ask applicants to wait and see if there will be funds available.

Thank you for your time, and I would be happy to answer any questions you may have.

Matt Grimshaw, President

CHI-Mercy Medical Center



Testimony to the  
**Senate Human Services Committee**

March 9, 2015

By Leland Tong – Clinic Administrator  
Great Plains Women's Health Center

Attach #9  
HB1396  
03/09/2015  
J# 24470

RE: House Bill 1396

Chairman Lee and members of the Senate Human Services Committee my name is Leland Tong and I am the Clinic Administrator for Great Plains Women's Health Center in Williston. Great Plains Women's Health Center is a five physician, private-practice, OBGYN clinic and I am here to testify in support of HB 1396.

Recruiting physicians into rural communities is a challenge. It requires an understanding of the supply and demand dynamics of the physician market and a willingness to tailor the recruitment package to the specialty and the national demand for that specialty. Even if the prospective physician is from the area, the rural hospital or clinic has to be competitive with other offers the candidate may receive from other parts of the country.

The state community matching physician loan program is one of the elements a rural clinic or hospital can use to build a competitive employment package. We used the program in 2011 for this very purpose. One of the physicians we hired that year had medical school loans and we made her aware of the program and committed to provide the matching funds. It gave us an extra tool in our recruitment package to successfully hire the physician. We were thankful that the program existed but at the time we felt that if some changes were made to the program its usefulness could be enhanced. Some of these program elements include the size of the loan repayment, length of service requirement and the match component.

According to the Association of American Medical Colleges, the median debt load for a 2014 medical school graduate is \$180,000. By raising the maximum loan repayment to \$100,000 we can begin to compete with loan repayment programs in surrounding states and make a sizable dent in the loan burden for these physicians.

We are also pleased to see the community match reduced to 50%. This is helpful for our clinic because the overall cost of recruiting a physician into our area is close to \$75,000 including search firm fees, interviewing costs, starting bonus and moving expenses. By allowing us to leverage our dollars into a larger loan repayment program we can make an offer that will be competitive regionally and nationally.

We also like the new features of spreading those payments over five years and making the payments directly to the physician's lending institution. Expanding the program from two years to five provides a longer period of employment stability for the clinic or hospital and improves our ability to retain that doctor long term. Making those loan payments directly to the lending institution also ensures that the program funds are used for their intended purpose.

Another important change in this bill is the deletion of the repayment penalty. Five years is a long time to commit to any program, community, clinic or hospital. A lot can happen in the business relationship between the doctor and the organization or in the ability of the physician's family to adjust to living in a rural area. Many physician candidates may think twice about the value of participating in this program or find that having to pay back twice the loan amount is too big of a risk if things don't work out. Because the payments to the physician's lending institution

9.2

are made after the physician has already served each 12 month time period; it is our opinion that service element of the program has been fulfilled. Therefore, if a physician is unable to participate in the full five years of the program they should not be penalized for the time of service they have provided to the community.

The bill not only helps the physician recruitment efforts, it takes a step in addressing a growing need for other health professionals in our state. With the mounting demand for health services, the need for nurses and other health professionals is also increasing. Having a loan repayment program that covers these individuals will enhance our ability to attract them to our area.

While the existing state-community matching physician loan repayment program is a tool that communities and healthcare facilities can use to recruit physicians to physician shortage areas; HB 1396 makes some changes to the program that I believe will enhance the ability of healthcare facilities such as ours to recruit physicians.

It is for these reasons that we support this bill. Are there any questions?

*Attach #10*  
*HB 1396*  
*03/09/2015*  
*J# 24470*

**Testimony**  
**Engrossed House Bill 1396 – Department of Human Services**  
**Senate Human Services Committee**  
**Judy Lee, Chairman**  
**March 9, 2015**

Chairman Lee, members of the Senate Human Services Committee, I am Dr. Andy McLean, Medical Director of the Department of Human Services (Department). I am here to provide a perspective from the Department regarding Engrossed House Bill 1396 in the form of feedback from the field, for consideration as you review this bill. The primary issues for consideration are: 1) other contracting entities beside "cities," 2) tele-behavioral health, and 3) requirement for a five-year contract.

Engrossed House Bill 1396 appears to enhance recruitment of "healthcare professionals willing to provide services in cities that have a defined need for such services." Having grown up in the family of a small town physician, I recognize the need for such recruitment. However, limiting the contractor to a "city" may limit both the type of practitioner providing service, as well as the method of provision of service. As the proposed language reads, the Department would be unable to be a matching contributor for state-sponsored loan repayment, as we are not a "city."

It is difficult to discern from the language of the bill whether the program is intended to require a healthcare professional to provide care "in person," i.e., onsite with the participating entity. If changes were made to allow other entities, like the Department, to participate in the state-sponsored loan repayment, a requirement that care be provided "in person" would likely prevent the Department from participating as we are not always providing care "in person."

There has been significant interest and commitment within our state regarding meeting behavioral health needs. While it is possible, psychiatrists are unlikely to be recruited to small communities. However, with telemedicine technology, behavioral health providers may be able to provide a substantial amount of care to those communities. Our department has been looking to enhance tele-behavioral health care in underserved areas, and has been in dialogue with soon-to-be-graduating psychiatry residents and fellows. As previous testimony this session has shown, for recent graduates, expeditious loan repayment is often the number one factor in job selection.

Additionally, section 7 of Engrossed House Bill 1396 allows the health council to participate in federal programs providing for the repayment of student loans on behalf of health care professionals. It has been the Department's experience that some Federal programs for loan repayment, such as the National Health Service Corps, have significant limitations on the number of telemedicine hours an applicant can provide. While this has made sense from a primary care recruitment standpoint, it is actually limiting the recruitment of psychiatrists to our state.

Other feedback received from prospective applicants is concern regarding the change to a five-year commitment to the student loan repayment program.

Thank you for the opportunity to testify. I would be happy to answer any questions.

Attach #1 (Pm)  
HB 1396  
03/09/15  
J# 24526

CHAPTER 43-12.2  
MEDICAL PERSONNEL LOAN REPAYMENT PROGRAM

43-12.2-01. State-community matching loan repayment program for nurse practitioners, physician assistants, and certified nurse midwives.

1. The North Dakota state-community matching loan repayment program for nurse practitioners, physician assistants, and certified nurse midwives is established as provided by this chapter.
2. The purpose of the program is to increase the number of nurse practitioners, physician assistants, and certified nurse midwives practicing in North Dakota communities with defined health professional need.
3. Under the program, loan repayments may be made to a recipient for educational expenses incurred while the recipient was attending an accredited program, located in the United States or Canada, for the preparation of nurse practitioners, physician assistants, or certified nurse midwives.
4. Loan repayment funds consist of a fifty percent match from the state and a fifty percent match from the selected community.
5. Each recipient is limited to a thirty thousand dollar maximum loan repayment to be paid over two years.
6. The state health council may select any number of recipients and communities each year as participants in the program subject to the availability of funding.

43-12.2-02. Powers of state health council.

The state health council may:

1. Determine eligibility and qualifications of an applicant to receive loan repayment according to section 43-12.2-03.
2. Identify communities with health professional need and establish a priority ranking for program participation of the selected communities.
3. Determine the amount of the loan repayment an applicant may receive within the parameters of this chapter. This determination must include an investigation of the outstanding education loans incurred by the applicant.
4. Determine the condition of loan repayment to an applicant.
5. Enter into a two-year nonrenewable loan repayment program contract with the applicant and the selected community to provide repayment of education loans in exchange for the nurse practitioner, physician assistant, or certified nurse midwife agreeing to practice in the selected community.
6. Receive and use funds appropriated for the program.
7. Receive and use funds paid by the selected communities for repayment of education loans for nurse practitioners, physician assistants, or certified nurse midwives who apply and qualify for assistance under the program.
8. Enforce any contract under the program.
9. Cancel a contract for reasonable cause.
10. Participate in federal programs supporting repayment of loans to eligible participants, and agree to the conditions of the federal programs.
11. Create a loan repayment application packet.
12. Accept property from any entity.
13. Work with the university of North Dakota's center for rural health in implementing this chapter.

43-12.2-03. Nurse practitioner, physician assistant, and certified nurse midwife selection criteria - Eligibility for loan repayment.

1. The state health council shall establish criteria to apply to an applicant for a loan repayment. The criteria must include:
  - a. The extent to which an applicant's training is needed in a selected community as determined by the state health council.

- b. The applicant's commitment to serve in a community with defined health professional need.
  - c. The applicant's achieving a match with a selected community.
  - d. The availability of the applicant for service, with the highest consideration being given to an applicant who is available for service at the earliest date.
  - e. The applicant's professional competence and conduct.
  - f. The willingness of the applicant's employing or supervising physician to accept medicare and medicaid assignment.
2. The state health council shall give priority for program participation to an applicant who:
    - a. Is enrolled in or has graduated from an accredited program located in this state; or
    - b. Is a North Dakota resident who is enrolled in or has graduated from an accredited program in another state or Canada.
  3. A nurse practitioner, physician assistant, or certified nurse midwife who receives loan repayment under this chapter:
    - a. Must be a graduate of an accredited program, located in the United States or Canada, for the preparation of nurse practitioners, physician assistants, or certified nurse midwives;
    - b. Must be licensed or registered to practice as a nurse practitioner, physician assistant, or certified nurse midwife in this state;
    - c. Shall submit an application to participate in the loan repayment program; and
    - d. Must have entered into an agreement with a selected community to provide full-time services for a minimum of two years at the selected community if the applicant receives a loan repayment program contract.

#### 43-12.2-04. Community selection criteria.

1. The state health council shall apply at least the following criteria for selecting a community with defined health professional need:
  - a. The ratio of physicians and mid-level health care practitioners to population in the community.
  - b. Access by the residents of the community to health care within the community and in the surrounding area.
  - c. Assessment of the expected number of clinic visits within the community per year.
  - d. The mix of health care providers within the community.
  - e. Indications of community support for mid-level health care practitioner utilization within the community.
2. The state health council shall give priority for participation to a community that:
  - a. Demonstrates a need for primary health care; or
  - b. Has a population of not more than fifteen thousand persons.
3. In selecting a community with health professional need, the state health council may consult public and private associations and organizations and make an onsite visit to a community for assessment.

#### 43-12.2-05. Eligible loans.

The state health council may provide for loan repayment to a recipient of any education loan. The council may not provide for repayment of any loan that is in default at the time of the application. The amount of repayment must be related to the applicant's outstanding education loans. No applicant may receive repayment in an amount greater than the total outstanding balance on the applicant's education loans together with applicable interest. Loan payments may not be used to satisfy other service obligations under similar programs.

#### 43-12.2-06. Breach of loan repayment contract.

A recipient of loan repayment under this chapter who breaches the loan repayment program contract by failing to begin or complete the obligated service is liable for twice the total

uncredited amount of all loan repayment that was contracted on a prorated monthly basis. The recipient who breached the loan repayment program contract shall pay the health council, within one year from the date of the breach of the loan repayment program contract, damages the state is entitled to recover. Damages recoverable for breach of contract include all interest, costs, and expenses incurred in collection, including attorney's fees. Damages collected under this section must be prorated among the state and the involved community. The state share must be deposited in the general fund. For compelling reasons, the health council may agree to and accept a lesser measure of damages for breach of a loan repayment program contract.

43-12.2-07. Release from contract obligation.

An applicant is released from the applicant's obligated service, without penalty, if the obligated service has been completed; the applicant is unable to complete the term of the contract because of permanent physical disability; the applicant dies; or the applicant proves extreme hardship or other good cause, to be determined by the council. A decision by the health council not to release an applicant from the applicant's obligated service without penalty is reviewable by the district court.

43-12.2-08. Term of obligated service.

The length of the term of obligated service of a recipient of a loan repayment under this chapter is two years.

43-12.2-09. Payment.

No payment may be made under this chapter until the nurse practitioner, physician assistant, or certified nurse midwife has practiced at least three months on a full-time basis in a selected community with health professional need. Any arrangement made by the state health council for loan repayment in accordance with this chapter must provide that any loan repayment for a year of obligated service be made no later than the end of the fiscal year in which the nurse practitioner, physician assistant, or certified nurse midwife completes the year of obligated service.

*Attach #2 (Pm)*  
*HB 1396*  
*03/09/15*  
*J#24526*

**CHAPTER 43-17.2**  
**PHYSICIAN LOAN REPAYMENT PROGRAM**

**43-17.2-01. State-community matching physician loan repayment program.**

1. The North Dakota state-community matching physician loan repayment program is established as provided by this chapter.
2. The purpose of the program is to increase the number of physicians practicing medicine in North Dakota communities with defined health professional medical need.
3. Under the program, loan repayments may be made to a recipient for educational expenses incurred while the recipient was attending an accredited four-year allopathic or osteopathic medical school located in the United States, its possessions, territories, or Canada and approved by the state board of medical examiners or by an accrediting body approved by the board.
4. Each recipient is limited to a forty-five thousand dollar maximum loan repayment from the state to be paid over two years. The loan repayment from the selected community must be in an amount that equals or exceeds the amount of loan repayment provided by the state. The selected community may negotiate a period of service longer than two years.
5. The state health council may select any number of recipients and communities each year as participants in the program subject to the availability of funding.

**43-17.2-02. Powers of state health council.**

The state health council may:

1. Determine eligibility and qualifications of an applicant to receive loan repayment in accordance with section 43-17.2-03.
2. Identify communities with health professional medical need and establish a priority ranking for program participation of the selected communities.
3. Determine the amount of the loan repayment an applicant may receive within the parameters of this chapter. This determination must include an investigation of the outstanding education loans incurred by the applicant.
4. Determine the condition of loan repayment to an applicant.
5. Enter into a two-year nonrenewable loan repayment program contract with the applicant and the selected community to provide repayment of education loans in exchange for the physician agreeing to practice medicine in the selected community.
6. Receive and use funds appropriated for the program.
7. Receive and use funds paid by the selected communities for repayment of education loans for physicians who apply and qualify for assistance under the program.
8. Enforce any contract under the program.
9. Cancel a contract for reasonable cause.
10. Participate in federal programs supporting repayment of loans to eligible physicians, and agree to the conditions of the federal programs.
11. Create a loan repayment application packet.
12. Accept property from any entity.
13. Work with the university of North Dakota's center for rural health in implementing this chapter.

**43-17.2-03. Physician selection criteria - Eligibility for loan repayment.**

1. The state health council shall establish criteria to apply to an applicant for a loan repayment. The criteria must include:
  - a. The extent to which an applicant's training is in a medical specialty determined by the state health council to be needed in a selected community.
  - b. The applicant's commitment to serve in a community with defined health professional medical need.
  - c. The applicant's achieving a match with a selected community.



- d. The availability of the applicant for service, with the highest consideration being given to an applicant who is available for service at the earliest date.
- e. The applicant's professional competence and conduct.
- f. The applicant's willingness to accept medicare and medicaid assignment.
- 2. The state health council shall give priority for program participation to an applicant who:
  - a. Graduated from the university of North Dakota school of medicine and health sciences and is enrolled in or has completed a university of North Dakota school of medicine and health sciences postgraduate residency training program;
  - b. Graduated from an accredited out-of-state medical or osteopathic college and is enrolled in or has completed a university of North Dakota school of medicine and health sciences postgraduate residency training program; or
  - c. Graduated from the university of North Dakota school of medicine and health sciences and is enrolled in or has completed an accredited out-of-state postgraduate residency training program in a specialty training program not available in this state.
- 3. A physician who receives loan repayment under this chapter:
  - a. Must be a graduate of an accredited four-year allopathic or osteopathic medical school located in the United States, its possessions, territories, or Canada and approved by the state board of medical examiners or by an accrediting body approved by the board;
  - b. Must have a full and unrestricted license to practice medicine in this state;
  - c. Shall submit an application to participate in the loan repayment program; and
  - d. Must have entered into an agreement with a selected community to provide full-time medical services for a minimum of two years at the selected community if the applicant receives a loan repayment program contract.

#### **43-17.2-04. Community selection criteria.**

- 1. The state health council shall apply at least the following criteria for selecting a community with defined health professional medical need:
  - a. The ratio of physicians to population in the community.
  - b. Access by the residents of the community to medical care within the community and in the surrounding area.
  - c. Assessment of the expected number of physician visits within the community per year.
  - d. The mix of physician specialties within the community.
  - e. Indications of community support for more physicians within the community.
- 2. The state health council shall give priority for participation to a community that:
  - a. Demonstrates a need for primary care physicians or for a physician trained in the specialty of psychiatry; or
  - b. Has a population of not more than fifteen thousand persons.
- 3. In selecting a community with health professional medical need, the state health council may consult public and private associations and organizations and make an onsite visit to a community for assessment.

#### **43-17.2-05. Eligible loans.**

The state health council may provide for loan repayment to a recipient of any education loan. The council may not provide for repayment of any loan that is in default at the time of the application. The amount of repayment must be related to the applicant's outstanding education loans. No applicant may receive repayment in an amount greater than the total outstanding balance on the applicant's education loans together with applicable interest. Loan payments may not be used to satisfy other service obligations under similar programs.

**43-17.2-06. Breach of loan repayment contract.**

A recipient of loan repayment under this chapter who breaches the loan repayment program contract by failing to begin or complete the obligated service is liable for twice the total uncredited amount of all loan repayment that was contracted on a prorated monthly basis. Any damages the state is entitled to recover under this chapter must be paid to the health council within one year from the date of the breach of the loan repayment program contract. Amounts not paid within the one-year period may be subject to collection through deductions in medicaid payments or other collection methods. Damages recoverable for breach of contract include all interest, costs, and expenses incurred in collection, including attorney's fees. Damages collected under this section must be prorated among the state and the involved community. The state share must be deposited in the general fund. For compelling reasons, the health council may agree to and accept a lesser measure of damages for breach of a loan repayment program contract.

**43-17.2-07. Release from contract obligation.**

An applicant is released from the applicant's obligated service, without penalty, if the obligated service has been completed; the applicant is unable to complete the term of the contract because of permanent physical disability; the applicant dies; or the applicant proves extreme hardship or other good cause, to be determined by the council. A decision by the health council not to release an applicant from the applicant's obligated service without penalty is reviewable by the district court.

**43-17.2-08. Term of obligated service.**

The length of the term of obligated service of a recipient of a loan repayment under this chapter is a minimum of two years.

**43-17.2-09. Payment.**

No payment may be made under this chapter until the physician has practiced at least six months on a full-time basis in a selected community with health professional medical need. Any arrangement made by the state health council for loan repayment in accordance with this chapter must provide that any loan repayment for a year of obligated service be made no later than the end of the fiscal year in which the physician completes the year of obligated service.

March 10, 2015

Attach #1  
HB1396

03/10/15

J#24609

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1396

Page 1, line 2, after "to" insert "student"

Page 1, line 3, remove "nurse practitioners, physician assistants, certified nurse midwives, and"

Page 1, line 4, replace "physicians" with "health care professionals"

Page 1, line 9, replace "cities" with "areas of this state"

Page 1, line 13, replace "cities" with "public and private entities"

Page 1, line 17, replace "Cities" with "**Public and private entities**"

Page 1, line 18, replace "cities" with "public and private entities"

Page 1, line 21, replace "city" with "area"

Page 1, line 22, remove "city and the surrounding"

Page 1, line 23, remove "city and the surrounding"

Page 2, line 1, replace "public and private sector entities" with "health care and social service providers, advocacy groups, governmental entities, and others."

Page 2, line 3, replace "A city" with "An entity"

Page 2, line 7, replace "Cities" with "**Public and private entities**"

Page 2, line 8, replace "cities" with "public and private entities"

Page 2, line 8, remove ", in"

Page 2, replace lines 9 through 15 with "to entities that:

1. Meet the selection criteria; and
2. Are located in or able to provide telemedicine services to areas that are:
  - a. Statistically underserved; and
  - b. Located outside of a metropolitan statistical area"

Page 2, line 22, replace "a city" with "an area"

Page 2, replace lines 28 and 29 with:

- "2. In selecting health care professionals for participation in a program, the health council may consider an individual's:
  - a. Length of residency in this state; and
  - b. Attendance at an in-state or an out-of-state institution of higher education."

Page 3, line 14, replace "a nurse practitioner." with "an advanced practice nurse or a"

1.2

Page 3, line 14, remove ", or certified nurse midwife"

Page 3, line 26, replace "addition" with "addiction"

Page 3, remove line 27

Page 3, line 28, replace "(d)" with "(c)"

Page 3, line 29, replace "(e)" with "(d)"

Page 3, line 30, replace "(f)" with "(e)"

Page 3, line 31, replace "(g)" with "(f)"

Page 4, line 31, remove "nurse practitioner, physician assistant, or certified nurse midwife"

Page 5, line 1, after the second comma insert "in accordance with chapter 43-12.2,"

Page 5, line 2, remove "physician"

Page 5, line 3, after the first comma insert "in accordance with chapter 43-17.2,"

Renumber accordingly

Sixty-fourth  
Legislative Assembly  
of North Dakota

ENGROSSED HOUSE BILL NO. 1396

Attach # 2  
HB1396  
03/10/15  
JH 24609

Introduced by

Representatives Sukut, Damschen, Fehr, Hatlestad, Lefor, Rohr

Senator Bekkedahl

1 A BILL for an Act to provide student loan repayment programs for health care professionals; to  
2 repeal chapters 43-12.2 and 43-17.2 of the North Dakota Century Code, relating to student loan  
3 repayment programs for ~~nurse-practitioners, physician assistants, certified nurse midwives, and~~  
4 ~~physicians~~ health care professionals; to provide for a continuing appropriation; and to provide for  
5 an application.

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

7 SECTION 1.

8 Student loan repayment programs - Health care professionals.

9 The health council shall administer student loan repayment programs, as established by  
10 this chapter, for healthcare professionals willing to provide services in ~~cities~~ areas of this state  
11 that have a defined need for such services.

12 SECTION 2.

13 Application process.

14 The health council shall develop an application process for ~~cities~~ public and private entities  
15 seeking to fill health care needs and for healthcare professionals willing to provide necessary  
16 services in exchange for benefits under a student loan repayment program.

17 SECTION 3.

18 ~~Cities~~ Public and private entities - Selection criteria - Matching funds.

- 19 1. The health council shall establish criteria to be used in selecting ~~cities~~ public and  
20 private entities for participation in a program. The criteria must include:  
21 a. The number of healthcare professionals, by specified field, already providing  
22 services in the ~~city~~ area;  
23 b. Access to healthcare services in the ~~city and the surrounding~~ area; and  
24 c. The level of support from the ~~city and the surrounding~~ area.

- 1        2.    The health council may consult with ~~public and private sector entities~~ health care and  
2        social service providers, advocacy groups, governmental entities, and others, in  
3        establishing criteria and evaluating needs based on the criteria.  
4        3.    ~~A city~~An entity may not be selected for participation unless it contractually commits to  
5        provide matching funds equal to the amount required for a loan repayment program in  
6        accordance with section 6 of this Act.

7    **SECTION 4.**

8        **CitiesPublic and private entities - Eligibility for participation - Priority.**

9        In selecting ~~cities~~public and private entities for participation in a program, the health council  
10       shall give priority, ~~in descending order, to those cities that meet the selection criteria, or to a~~  
11       ~~practice with a focus on an underserved population and:~~

- 12       ~~1. Have fewer than fifteen thousand residents;~~  
13       ~~2. a. Have at least fifteen thousand residents, but fewer than thirty thousand residents;~~  
14       ~~and~~  
15       ~~b. Do not belong to a metropolitan statistical area; or~~  
16       ~~3. Have at least thirty thousand residents to entities that:~~  
17       1. Meet the selection criteria; and  
18       2. Are located in or able to provide telemedicine services to areas that are:  
19       a. Statistically underserved; and  
20       b. Located outside of a metropolitan statistical area.

21    **SECTION 5.**

22       **Healthcare professionals - Selection criteria.**

- 23       1.    The health council shall establish criteria to be used in selecting healthcare  
24       professionals for participation in a student loan repayment program. The criteria must  
25       include:  
26       a. The healthcare professional's specialty;  
27       b. The need for the healthcare professional's specialty within ~~a city~~an area;  
28       c. The healthcare professional's education and experience;  
29       d. The health care professional's date of availability and anticipated term of  
30       availability; and



e. The health care professional's willingness to accept medicare and Medicaid assignments, if applicable.

~~2. The health council shall give priority to healthcare professionals who graduated from an institution of higher education in this state.~~

2. In selecting health care professionals for participation in a program, the health council may consider an individual's:

a. Length of residency in this state; and

b. Attendance at an in-state or an out-of-state institution of higher education.

## SECTION 6.

### **Student loan repayment program - Contract.**

1. The health council shall enter into a contract with a selected health care professional. The health council shall agree to provide student loan repayments on behalf of the selected health care professional subject to the requirements and limitations of this section.

a. For a physician:

(1) The loan repayment must be equal to twenty thousand dollars per year; and

(2) The matching funds must equal fifty percent of the amount required in paragraph 1.

b. For a clinical psychologist:

(1) The loan repayment must be equal to twelve thousand dollars per year; and

(2) The matching funds must equal twenty-five percent of the amount required in paragraph 1.

c. For ~~a nurse practitioner,~~ an advanced practice nurse or a physician assistant, ~~or certified nurse-midwife:~~

(1) The loan repayment must be equal to four thousand dollars per year; and

(2) The matching funds must equal ten percent of the amount required in paragraph 1.

d. (1) For a behavioral health professional:

(a) The loan repayment must be equal to four thousand dollars per year; and

1                   (b) The matching funds must equal ten percent of the amount required in  
2                   paragraph 1.

3           (2) For purposes of this subdivision, a behavioral health professional means an  
4           individual who practices in the behavioral health field and is:

5                   (a) An advanced practice registered nurse;

6                   (b) A licensed ~~addition~~addiction counselor;

7                   ~~(c) A licensed practical nurse;~~

8                   ~~(d)~~(c) A licensed professional counselor;

9                   ~~(e)~~(d) A licensed social worker;

10                  ~~(f)~~(e) A registered nurse; or

11                  ~~(g)~~(f) A specialty practice registered nurse.

12       2.   a. Payments under this section must be made on behalf of the health care  
13           professional directly to the Bank of North Dakota or to another participating  
14           lending institution.

15       b. Except as otherwise provided, payments under this section may be made only at  
16           the conclusion of each twelve month period of service.

17       c. Prorated payments may be made only if:  
18           (1) The repayment of the loan requires less than a full annual payment;  
19           (2) The health care professional is terminated or resigns from his or her  
20           position; or  
21           (3) The health care professional is unable to complete a twelve month period of  
22           service due to the individual's death, a certifiable medical condition or  
23           disability, or a call to military service.

24       3. Payments under this section terminate upon the earlier of:

25           a. The full repayment of the health care professional's student loan; or

26           b. The completion of five years as a participant in the student loan repayment  
27           program.

## 28       **SECTION 7.**

### 29       **Powers of the health council - Continuing appropriation.**

30       1. The health council may:



- 1           a. Receive and expend any gifts, grants, and other funds for the purposes of this
- 2           program;
- 3           b. Participate in any federal programs providing for the repayment of student loans
- 4           on behalf of health care professionals; and
- 5           c. Do all things necessary and proper for the administration of this chapter.
- 6        2. All moneys received by the health council under this section are appropriated to the
- 7        health council on a continuing basis, to be used exclusively for the purposes of this
- 8        Act.

9        **SECTION 8. REPEAL.** Chapters 43-12.2 and 43-17.2 of the North Dakota Century Code  
10 are repealed.

11       **SECTION 9. APPLICATION.** This Act applies to loan repayment contracts entered into on  
12 or after August 1, 2015. Any ~~nurse-practitioner, physician assistant, or certified nurse-midwife~~  
13 loan repayment contract entered into before August 1, 2015, in accordance with chapter  
14 43-12.2, is governed by chapter 43-12.2, as it existed on July 31, 2015. Any ~~physician~~ loan  
15 repayment contract entered into before August 1, 2015, in accordance with chapter 43-17.2, is  
16 governed by chapter 43-17.2, as it existed on July 31, 2015.

Attach #3  
HB1396

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1396 03/10/15

Page 1, line 14, after "services" insert ", including providing medical behavioral health services via telecommunication and information technologies," J# 24609

Renumber accordingly

Dr. Andy McLean

4-13-15

April 7, 2015

#1

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1396

That the Senate recede from its amendments as printed on pages 1017 and 1018 of the House Journal and pages 767 and 768 of the Senate Journal and that Engrossed House Bill No. 1396 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide student loan repayment programs for health care professionals; to repeal chapters 43-12.2 and 43-17.2 of the North Dakota Century Code, relating to student loan repayment programs for health care professionals; to provide for a continuing appropriation; and to provide for an application.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1.**

**Student loan repayment programs - Health care professionals.**

The health council shall administer student loan repayment programs, as established by this chapter, for health care professionals willing to provide services in areas of this state that have a defined need for such services.

**SECTION 2.**

**Application process.**

The health council shall develop an application process for public and private entities seeking to fill health care needs and for health care professionals willing to provide necessary services in exchange for benefits under a student loan repayment program.

**SECTION 3.**

**Public and private entities - Selection criteria - Matching funds.**

1. The health council shall establish criteria to be used in selecting public and private entities for participation in a program. The criteria must include:
  - a. The number of health care professionals, by specified field, already providing services in the area;
  - b. Access to health care services in the area; and
  - c. The level of support from the area.
2. The health council may consult with health care and social service providers, advocacy groups, governmental entities, and others in establishing criteria and evaluating needs based on the criteria.

3. An entity may not be selected for participation unless it contractually commits to provide matching funds equal to the amount required for a loan repayment program in accordance with section 6 of this Act.

#### **SECTION 4.**

##### **Public and private entities - Eligibility for participation - Priority.**

In selecting public and private entities for participation in a program the health council shall give priority to an entity that:

1. Meets the selection criteria;
2. Is located in an area that is statistically underserved; and
3. Is located at least twenty miles [32.18 kilometers] outside the boundary of a city having more than forty thousand residents.

#### **SECTION 5.**

##### **Health care professionals - Selection criteria.**

1. The health council shall establish criteria to be used in selecting health care professionals for participation in a student loan repayment program. The criteria must include:
  - a. The health care professional's specialty;
  - b. The need for the health care professional's specialty within an area;
  - c. The health care professional's education and experience;
  - d. The health care professional's date of availability and anticipated term of availability; and
  - e. The health care professional's willingness to accept Medicare and Medicaid assignments, if applicable.
2. In selecting health care professionals for participation in the program the health council shall require that the individual:
  - a. Is physically present at and provides services on a full-time basis to an entity that meets the requirements of section 4; or
  - b.
    - (1) Is physically present at and provides services on at least a half-time basis to an entity that meets the requirements of section 4;
    - (2) Provides telehealth services to a second entity that meets the requirements of section 4; and
    - (3) Verifies that the services provided under paragraphs 1 and 2 of this subdivision are equal to the full-time requirement of subdivision a.
3. In selecting health care professionals for participation in a program, the health council may consider an individual's:

- a. Length of residency in this state; and
- b. Attendance at an in-state or an out-of-state institution of higher education.

## **SECTION 6.**

### **Student loan repayment program - Contract.**

- 1. The health council shall enter into a contract with a selected health care professional. The health council shall agree to provide student loan repayments on behalf of the selected health care professional subject to the requirements and limitations of this section.
  - a. For a physician:
    - (1) The loan repayment must be equal to twenty thousand dollars per year; and
    - (2) The matching funds must equal fifty percent of the amount required in paragraph 1.
  - b. For a clinical psychologist:
    - (1) The loan repayment must be equal to twelve thousand dollars per year; and
    - (2) The matching funds must equal twenty-five percent of the amount required in paragraph 1.
  - c. For an advanced practice registered nurse or a physician assistant:
    - (1) The loan repayment must be equal to four thousand dollars per year; and
    - (2) The matching funds must equal ten percent of the amount required in paragraph 1.
  - d. (1) For a behavioral health professional:
    - (a) The loan repayment must be equal to four thousand dollars per year; and
    - (b) The matching funds must equal ten percent of the amount required in subparagraph a.
  - (2) For purposes of this subdivision, a behavioral health professional means an individual who practices in the behavioral health field and is:
    - (a) A licensed addiction counselor;
    - (b) A licensed professional counselor;
    - (c) A licensed social worker;
    - (d) A registered nurse; or
    - (e) A specialty practice registered nurse.



2.
  - a. Payments under this section must be made on behalf of the health care professional directly to the Bank of North Dakota or to another participating lending institution.
  - b. Except as otherwise provided, payments under this section may be made only at the conclusion of each twelve month period of service.
  - c. Prorated payments may be made only if:
    - (1) The repayment of the loan requires less than a full annual payment;
    - (2) The health care professional is terminated or resigns from his or her position; or
    - (3) The health care professional is unable to complete a twelve month period of service due to the individual's death, a certifiable medical condition or disability, or a call to military service.
3. Payments under this section terminate upon the earlier of:
  - a. The full repayment of the health care professional's student loan; or
  - b. The completion of five years as a participant in the student loan repayment program.
4. The health council shall waive the requirements of this section that pertain to matching funds if the health care professional opens a new practice as a solo practitioner in a city that has fewer than fifteen thousand residents.

#### **SECTION 7.**

##### **Powers of the health council - Continuing appropriation.**

1. The health council may:
  - a. Receive and expend any gifts, grants, and other funds for the purposes of this program;
  - b. Participate in any federal programs providing for the repayment of student loans on behalf of health care professionals; and
  - c. Do all things necessary and proper for the administration of this chapter.
2. All moneys received by the health council under this section are appropriated to the health council on a continuing basis, to be used exclusively for the purposes of this chapter.

**SECTION 8. REPEAL.** Chapters 43-12.2 and 43-17.2 of the North Dakota Century Code are repealed.

**SECTION 9. APPLICATION.** This Act applies to loan repayment contracts entered into on or after August 1, 2015. Any loan repayment contract entered into before August 1, 2015, in accordance with chapter 43-12.2, is governed by chapter 43-12.2, as it existed on July 31, 2015. Any loan repayment contract entered into before

August 1, 2015, in accordance with chapter 43-17.2, is governed by chapter 43-17.2,  
as it existed on July 31, 2015."

Renumber accordingly