

FISCAL NOTE
Requested by Legislative Council
01/26/2015

Amendment to: SB 2067

- 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				\$8,750		
Expenditures						
Appropriations				\$8,750		

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

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

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

This bill would increase the maximum annual renewal fee that may be assessed by the board of podiatric medicine on an annual basis and in emergency situations.

- 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 one will have an impact on revenue and appropriation. NDCC 54-44-12 provides that all revenue received by professional boards shall be deposited into a bank selected by the board and that all moneys received are appropriated to the board.

The current statute provides for a maximum limit that the board of podiatric medicine may charge for its annual renewal of licensure fee. Fees relating to licensure are the board's only source of revenue.

This bill will increase the maximum fee amount that the board will be allowed to charge for its annual license renewal by \$500. As maximum limits are set to allow for discretion and for future needs, the board does not intend to increase the annual license renewal fee to the maximum. Further, the board is required to hold a meeting to determine the necessary increase based upon its budget and is also required to amend an administrative rule in order to implement the increase.

Section two will not have an impact on revenue or appropriation in the foreseeable future. This section provides for an additional increase above section one in order to aid in the repayment of a loan.

The amendment to this bill will increase the maximum fee amount the board will be allowed to charge for its annual license renewal fee by \$250.00.

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.*

NDCC 54-44-12 provides that all revenue received by professional boards shall be deposited into a bank selected by the board and that all moneys received are appropriated to the board.

The revenue will be deposited into the board's bank account with all of it being appropriated to the board.

The bill sets a maximum limit for its annual license renewal fee. The current maximum amount is \$500.00. The current annual license renewal fee is \$500.00. The board is seeking to increase the maximum limit to \$1,000.00.

The maximum revenue that can be generated by this increase is dependent upon the number of annual renewals processed. At this time, it is anticipated that the board will process 35 renewals in 2015. Therefore, the maximum amount of revenue this bill will generate in 2015 is approximately \$17,500.00. The least amount of revenue this bill will generate is \$0.00. The actual amount of revenue will be determined when the actual license renewal fee is established by the board. In all likelihood, the annual license renewal fee will be set somewhere in between these extremes. Although a new license renewal fee cannot be established by the board until and unless this bill is passed, it is anticipated based on the board's budget that the increase will fall somewhere between \$150.00 and \$250.00 which will generate annual revenue of approximately \$5,250.00 to \$8,750.00. Further, any such increase cannot be implemented until the administrative rule is amended.

The amendment will increase the maximum limit to \$750.00. With the amendment in place, the maximum amount of revenue this bill will generate in 2015 is approximately \$8,750.00.

- 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.*

This bill does not affect expenditures.

- 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.*

NDCC 54-44-12 provides that all revenue received by professional boards shall be deposited into a bank selected by the board and that all moneys received are appropriated to the board.

The revenue will be deposited into the board's bank account with all of it being appropriated to the board. Therefore, the appropriation will be increased in the same amount as revenue.

Name: JoDee S. Wiedmeier

Agency: North Dakota Board of Podiatric Medicine

Telephone: 701-390-7190

Date Prepared: 12/30/2014

FISCAL NOTE
Requested by Legislative Council
12/19/2014

Bill/Resolution No.: SB 2067

- 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	
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Expenditures						
Appropriations				\$17,500		

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Cities			
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Townships			

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This bill would increase the maximum annual renewal fee that may be assessed by the board of podiatric medicine on an annual basis and in emergency situations.

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This bill will increase the maximum fee amount that the board will be allowed to charge for its annual license renewal by \$500. As maximum limits are set to allow for discretion and for future needs, the board does not intend to increase the annual license renewal fee to the maximum. Further, the board is required to hold a meeting to determine the necessary increase based upon its budget and is also required to amend an administrative rule in order to implement the increase.

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Agency: North Dakota Board of Podiatric Medicine

Telephone: 701-390-7190

Date Prepared: 12/30/2014

2015 SENATE INDUSTRY, BUSINESS AND LABOR

SB 2067

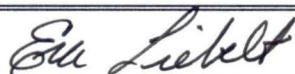
2015 SENATE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Roosevelt Park Room, State Capitol

SB 2067
1/19/2015
Job Number 22123

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to podiatrist license renewal

Minutes:

Attachments

Chairman Klein: Reconvened the committee.

JoDee S. Wiedmeier, Executive Director North Dakota Board of Podiatric Medicine:
Written Testimony Attached (1). (:37-6:30)

Senator Miller: Looking at your budget summary, you're running a deficit of about five thousand dollars, are you covering that through past savings?

JoDee S. Wiedmeier: Right.

Senator Miller: Steadily your legal fees have been increasing can you speak to that?

JoDee S. Wiedmeier: The last two years the attorney fees were due to disciplinary actions that the board brought against a podiatrist. (7:11-7:54)

Chairman Klein: Back in 1997 the fees were extremely low and you jumped five hundred at that point and because of legal action you ended up having the ability to raise other fees to cover your legal costs?

JoDee S. Wiedmeier: She said yes and that they temporarily raised the fee to cover a loan they took out to pay for their expenses.

Chairman Klein: Asked if they are audited by the state auditor.

JoDee S. Wiedmeier: She said yes and that the board got behind; they were audited in 2008 through 2013. In 2013 the legislature passed a new law that allows boards and commissions with fewer than fifty thousand dollars in income to file an annual report with the auditor's office. (11:55-12:35)

Stacy Moldenhauer, Attorney for North Dakota Board of Podiatric Medicine: Written Testimony Attached (2). Spoke to the legal expenses the board might incur. (13:14-16:20)

Chairman Klein: Asked if everyone was on board with the increase in fees.

Stacy Moldenhauer: Said all the podiatrists but one doctor responded favorably. (16:29-17:20)

Francisco Tello, DPM: Testified in opposition to the bill, handout of minutes from the North Dakota Board of Podiatric Medicine (3) and portion of a bill (4). He is unhappy with the way he was treated by the board of podiatry. (17:58-24:48)

Chairman Klein: Allowed both sides to speak to the issue of Francisco Tello, DPM lawsuit. (29:05-32:00)

Chairman Klein: Closed the hearing.

Also handed out was the written testimony from **Eric Hart, DPM, North Dakota Board of Podiatric Medicine** (5).

2015 SENATE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee

Roosevelt Park Room, State Capitol

SB 2067

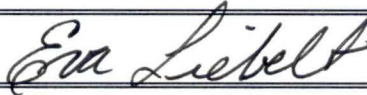
1/21/2015

Job Number 22304

☐ Subcommittee

☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to podiatrist license renewal

Minutes:

No Attachments

Chairman Klein: What we are doing here is really not an issue; we're not looking at scope of practice we are just looking at raising the fee. I am concerned about going from five hundred to one thousand. I think it is quite a jump and I know it's up to one thousand and they wouldn't have to come back. Of the thirty-three only three pay the fee out of their own pocket.

Senator Burckhard: Moved to change it down from 1000 to 750.

Senator Campbell: Seconded the motion.

Chairman Klein: Asked for discussion.

Senator Sinner: Said he doesn't know why they are in the business of deciding what someone needs to operate their budget. He would like to leave it at what they came in and suggested. He wanted to give them the authority to waive it or reduce it for an independent doctor.

Senator Murphy: He was thinking the same as Senator Sinner.

Senator Poolman: Said she spoke to the people that testified and addressed her concern that they were doubling what they were asking for. She told them they should be prepared that they may not do that.

Senator Miller: Said there is an increase of the fee to fifteen hundred dollars if they need to pay back a loan for litigation expense. They do have a current surplus budget fund balance of at least twenty to thirty thousand dollars. He thinks this is still too high

Chairman Klein: That is their opportunity should they fall into litigation to raise that money in case of an emergency. Is there any discussion on the proposed amendment changing

the one thousand to seven hundred and fifty dollars? The clerk will call the roll on the motion of Senator Burckhard to change one thousand to seven fifty on line ten, page one.

Roll Call Vote: Yes-5 No-2 Absent-0

Senator Miller: Moved a do pass as amended.

Senator Murphy: Seconded the motion.

Roll Call Vote: Yes-7 No-0 Absent: 0

Senator Klein will carry the bill.

15.8018.01001
Title.02000

Adopted by the Industry, Business and Labor
Committee

January 21, 2015

PROPOSED AMENDMENTS TO SENATE BILL NO. 2067

Page 1, line 10, replace "one thousand" with "seven hundred fifty"

Renumber accordingly

70
1/21/15

**2015 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2067**

Senate Industry, Business and Labor Committee

☐ Subcommittee

Amendment LC# or Description: 15.8018.01001

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 Senator Burckhard Seconded By Senator Campbell

Senators	Yes	No	Senators	Yes	No
Chairman Klein	x		Senator Murphy		x
Vice Chairman Campbell	x		Senator Sinner		x
Senator Burckhard	x				
Senator Miller	x				
Senator Poolman	x				

Total (Yes) 5 No 2

Absent 0

Floor Assignment _____

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

**2015 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2067**

Senate Industry, Business and Labor Committee

☐ Subcommittee

Amendment LC# or Description: 15.8018.01001

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 Senator Miller Seconded By Senator Murphy

Senators	Yes	No	Senators	Yes	No
Chairman Klein	x		Senator Murphy	x	
Vice Chairman Campbell	x		Senator Sinner	x	
Senator Burckhard	x				
Senator Miller	x				
Senator Poolman	x				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Senator Klein

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

REPORT OF STANDING COMMITTEE

SB 2067: Industry, Business and Labor Committee (Sen. Klein, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2067 was placed on the Sixth order on the calendar.

Page 1, line 10, replace "one thousand" with "seven hundred fifty"

Renumber accordingly

2015 HOUSE INDUSTRY, BUSINESS AND LABOR

SB 2067

2015 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee

Peace Garden Room, State Capitol

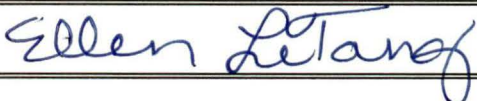
SB 2067

3/10/2015

24550

☐ Subcommittee

☐ Conference Committee



Explanation or reason for introduction of bill/resolution:

Podiatrist license renewal.

Minutes:

Attachment 1, 2, 3, 4

Chairman Keiser: Opens the hearing on 2067.

JoDee Wiedmeier~Executive Director North Dakota Board of Podiatric Medicine:
(Attachment 1).

6:30

Chairman Keiser: How are you paying for the loss?

Wiedmeier: We have a \$23,000 reserve but that is also used as our operating expenses also.

Representative Beadle: Has the number of licensee varied over the last few years?

Wiedmeier: We've stayed about the same.

Representative Devlin: You have too few members to be viable, particularly if you faced a lawsuit, I have some concerns about a lawsuit.

Wiedmeier: Since I've been on the board, it has not been considered by the board.

Chairman Keiser: 1997, the big issues on the table was, we attempted to move the podiatrist to a different board and all of the other boards said no thanks.

Representative Devlin: I agree but since then the integrated health system board has been set up. It might be more viable for some of the small groups.

Representative Lefor: I see your legal cost has grown, the increase you are asking for and you are showing loses, what was the thought process on the Senate side that took the \$8,000 increase away and amended it to \$750.

Wiedmeier: They were looking for a maximum limit so the board could determine what amount they might need and it was too much of an increase to allow the board to go that high.

Representative Lefor: If your legal continues to grow, you will be using the increase up. How do you feel about that?

Wiedmeier: The legal fees have increased and I would allow the attorney to answer that.

Representative Amerman: How large have your loans been in the past and how long?

Wiedmeier: During the 1997 time period, they took a loan out for \$30,000 and paid it off within 2 years.

Stacy Moldenhauer~Attorney for North Dakota Board of Podiatric Medicine: (Attachment 2).

15:05

Chairman Keiser: Have you had the legal discussion to join the other group?

Moldenhauer: No, the board would like to operate itself.

Representative Devlin: If the worst case scenario happened, who is responsible for the debt that is left?

Moldenhauer: We would take a loan out.

Representative Devlin: What if the board determined that you could no longer function as an existing board on your own, who would be responsible for the losses?

Moldenhauer: I'm not sure but I don't think the board can decide not to operate because it's a state agency.

Chairman Keiser: It would be the state of North Dakota that will be responsible for that debt. We gave temporary authority to charge more to pay the loan off. I assuming that anyone who would go into the collective board, there would be a risk analysis performed, have you looked at that?

Moldenhauer: No we have not.

Eric Hart~DPM: (Attachment 3). Eric handed out testimony from Karen Rinehart-DPM, who was unable to attend. (Attachment 4).

Representative Laning: When you inquired you members the fee increase, were you looking at the \$1,000 fee a year?

Hart: Yes.

Chairman Keiser: Anyone else here to testify in support for SB 2067, opposition, neutral. Closes the hearing, what are the wishes of the committee?

Representative Kasper: Moves a Do Pass.

Representative Boschee: Seconded.

Roll call was taken for a Do Pass on SB 2067 with 13 yes, 1 no, 1 absent and Representative M Nelson will carry the bill.

Date: Mar 10, 2015Roll Call Vote: 1

**2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2067**

House Industry, Business & Labor Committee☐ Subcommittee☐ Conference Committee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment☒ Do Pass☐ Do Not Pass☐ Without Committee Recommendation☐ As Amended☐ Rerefer to Appropriations

Other Actions:

☐ Reconsider☐ _____Motion Made By Rep Kasper Seconded By Rep Boschee

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	x		Representative Lefor	x	
Vice Chairman Sukut	x		Representative Louser	x	
Representative Beadle	x		Representative Ruby	x	
Representative Becker	x		Representative Amerman	x	
Representative Devlin		x	Representative Boschee	x	
Representative Frantsvog	Ab		Representative Hanson	x	
Representative Kasper	x		Representative M Nelson	x	
Representative Laning	x				

Total (Yes) 13 No 1Absent 1Floor Assignment Rep M Nelson

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

REPORT OF STANDING COMMITTEE

SB 2067, as engrossed: Industry, Business and Labor Committee (Rep. Keiser, Chairman) recommends DO PASS (13 YEAS, 1 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SB 2067 was placed on the Fourteenth order on the calendar.

2015 TESTIMONY

SB 2067

Senate Industry, Business, and Labor Committee**SB 2067****January 19, 2015****Testimony of JoDee S. Wiedmeier, Executive Director
North Dakota Board of Podiatric Medicine**

Chairman Klein and members of the Senate Industry, Business, and Labor Committee, my name is JoDee Wiedmeier, Executive Director of the North Dakota Board of Podiatric Medicine. By statute, the Board is responsible for regulating the practice of podiatry in North Dakota. On behalf of the board, which is composed of four podiatrists, one physician, and one public member from throughout the state, I speak in support of SB 2067.

SB 2067 seeks to increase the maximum limit the North Dakota Board of Podiatric Medicine may charge for its license renewal fee as set forth in N.D.C.C. 43-05-15. The board is self funding with its only source of income being the fees collected through its licensing of podiatrists. The vast majority, about 95% of this is generated through the annual license renewal fee. The rest is typically obtained through application fees, initial licensing and temporary licensing fees. There are a total of 35 podiatrists currently licensed in the state. Thirty three (33) hold an active license, one (1) holds a temporary license and one (1) is a resident holding a temporary permit. The board's annual license renewal fee is currently \$500.00. The board has not raised its annual renewal fee since 1997, except for a short temporary increase in fees in approximately 2001/2002 in order to pay back a loan pursuant to N.D.C.C. 43-05-16.8.

The board seeks to increase the maximum allowable limit from \$500.00 per year to \$1,000.00 per year. Specifically, the language requested is that the fee 'may not exceed one thousand dollars'. The board's intention is not to utilize the full allowable increase immediately. The reason the board is requesting an increase in the maximum allowable fee to \$1,000 is to provide the board with the discretion to evaluate its financial situation and increase the renewal fee to an appropriate amount. The board in all likelihood will vote to increase the renewal fee this year but that increase would not be to the maximum amount. However, we are still requesting the increase up to \$1,000 because it provides the board with flexibility and enough room so that the board will not have come to back to the legislature in the near future.

If the bill passes, the board will then be authorized to consider the increase and will do so at its next board meeting. The board will review its income and expenses, budgeting needs now and in the future in order to determine what increase is necessary. The renewal fee is also set forth in the administrative code and therefore, before the any increase can take affect the board will also need amend its administrative rules. This amendment process includes public notice and a public hearing.

In regard to the board's finances, I have attached a table to my testimony that provides a summary of information on the board's budget for the past five years. You can see by this table that the board's operating budget is very small. The board's average income in the past five years has been about \$18,000.00 and its expenses have averaged just over \$22,000.00. (This average for expenses does not include the year 2010 because was a very atypical year). The board does it's

very best to keep expenses low, use its resources wisely, and to operate as efficiently as it can. For example, there is no 'brick and motor' office. The board is administered out of my home office. The board leases a storage unit to secure its older records and supplies and spends only about \$10.00 a month for a phone line. The bulk of the board's expenses are for legal fees, board meeting expenses, and my fee as the executive director. The legal fees vary greatly from year to year depending on necessity. The board members receive a per diem of only \$50.00 a day for preparation and attendance at board meetings. Some of them, in light of the board's financial situation, have even declined their per diem.

The balance in the board's bank account is currently about \$27,800.00 with very little additional income expected until December of 2015 when the annual license renewal fees are collected.

I also did some research on podiatric license renewal fees in other states. I found renewal fees to be between \$150.00 to \$650.00; however, I also found that it is pretty hard to do an accurate comparison between state boards. Some boards are self-funding, some are not, and some belong under an umbrella agency with other financial income available. Most podiatric boards have more licensees than North Dakota, some significantly more, which allows the cost to be spread out over more individuals. Some renewal fees were collected annually, some biannually. I also noticed that some of the states with lower renewal fees were matched with much higher application fees and these boards also charged for other services like providing written license verifications, corporate registrations and renewals, and roster fees. For example, WY has about 30 licensed podiatrists, charges \$400.00 for its annual renewal fee, but also charges

\$800.00 for its application fee. In comparison, North Dakota only charges \$300.00 for its application fee.

The second section of this bill proposes to increase the amount the board can charge above the maximum allowable annual renewal fee when it is necessary to repay a loan under N.D.C.C. 43-05-16.8. The proposed increase is from \$1,000.00 to \$1,500.00. This increase is proposed to coincide with the increase in the maximum allowed annual license renewal fee set forth in N.D.C.C. 43-05-15, as these statutes go hand in hand.

In summary, no one relishes raising fees, and this board is no exception, especially since the podiatrists sitting on the board will also be required to pay the increase. As a self regulating profession, the board needs to be financially viable and healthy to fulfill its duty to license and regulate podiatrists in North Dakota and therefore, the board requests a 'do pass' recommendation from this committee.

Thank you. I would be happy to try to answer questions.

North Dakota Board of Podiatric Medicine

Budget Summary

		2010	2011	2012	2013	2014
Income:						
	Application Fees	450.00	150.00	600.00	1200.00	900.00
	Licensure/Renewal Fees	18,500.00	15,650.00	14,620.58	18,677.90	18,388.51
	Other Income	0.00	0.00	10.00	0.00	41.00
Total Income		18,950.00	15,800.00	15,230.58	19,877.90	19,329.51
Expenses:						
	Audit	(26.38)	(2,250.00)	-	(4,000.00)	-
	Annual Financial Report	-	-	-	-	(75.00)
	Background Checks		(40.00)	(171.08)	(161.58)	(97.00)
	Board Meeting: Expense	-	(422.17)	(191.26)	(106.15)	(154.87)
	Board Meeting: Member Compensation	-	(2,258.24)	(1,187.25)	(866.52)	(871.04)
	Computer	(31.79)	(37.09)	(41.99)	(52.99)	(52.99)
	Data Bank Query	-	-	-	(9.50)	(9.50)
	Executive Director	(6,250.00)	(11,000.00)	(12,000.00)	(12,350.00)	(12,600.00)
	HIPDB Query	(19.00)	(4.75)	(14.25)	(19.00)	-
	NPDB Query	(19.00)	(4.75)	(14.25)	(19.00)	-
	Insurance	(750.00)	(250.09)	(250.09)	(254.12)	(254.12)
	Investigative Expense	-	(1,500.00)	(54.77)	-	-
	Legal	(608.75)	(3,901.44)	(4,210.25)	(6,168.38)	(9,584.85)
	Office Supplies	(193.80)	(467.66)	(165.18)	(114.97)	(6.54)
	Postage	(392.99)	(125.70)	(61.60)	(78.77)	(55.73)
	Secretary	(1,500.00)	-	-	-	-
	Storage Rental	(219.00)	(467.25)	(409.50)	(450.00)	(480.00)
	Utilities: Phone	(84.74)	(95.81)	(77.40)	(81.71)	(131.42)
	Web Page	(328.59)	(241.22)	-	(220.42)	-
Total Expenses		(10,424.04)	(23,066.17)	(18,848.87)	(24,953.11)	(24,373.06)
Profit/Loss		\$8,525.96	(\$7,266.17)	(3,618.29)	(5,075.21)	(5,043.55)

Updated 12/31/2014

Senate Industry, Business & Labor Committee**Senate Bill 2067****January 19, 2015****Testimony of Stacy Moldenhauer, Attorney for
North Dakota Board of Podiatric Medicine**

Chairman Klein and members of the Senate Industry Business and Labor Committee, my name is Stacy Moldenhauer, and I am here on behalf of the North Dakota Board of Podiatric Medicine. By statute, the Board is responsible for regulating the practice of podiatric medicine in the State of North Dakota.

As the Committee can see, Senate Bill 2067 is requesting section 43-05-15 be amended to increase the maximum limit the Board may charge podiatrists practicing in the State of North Dakota for their renewal fee. The Board is requesting that the statute be amended to state that "the license fee may be increased in accordance with the number of years licensed and practicing in North Dakota, but may not exceed one thousand dollars." Currently the maximum fee the Board may charge for a renewal fee is \$500. I know some of you may be thinking wow we are asking to double the amount. However, I think it is important to point out that we are asking for the discretion to increase it up to \$1,000. The Board's intent is not increase the renewal fee to \$1,000 rather we believe the Board will likely vote to increase the fee a couple of hundred dollars. However, the Board would like to discretion to be able to do further increases down the road without having to come back to the legislature each time and therefore, that is the reason we are requesting the maximum amount be one

thousand dollars.

Second, I think it is very important to point out that the Board has not increased its renewal fee since 1997 except for a brief period in the early 2000s to pay back a litigation loan. The cost of doing business has greatly increased since 1997, yet the Board's renewal fees have not. The Board is self-funded and over 90% of the income the Board receives to operate comes from the renewal fees. Therefore, it is necessary to increase the renewal fees as the cost of doing business has certainly increased since 1997.

Finally, if the committee looks at budget for the past five years of the Board, which is attached to Ms. Wiedmeier's testimony, the committee will see that the Board operates as cheaply as possible. The one area that the Board really cannot control and varies greatly from year to year is the legal expenses. The reason this expense is so unpredictable is because the Board has no idea how many podiatrists it will need to discipline or investigate each year. We prosecuted a podiatrist last year and it cost over \$10,000 to prosecute that one podiatrist by the time you included the legal fees and also the fees for the administrative law judge. The Board has to front those costs even if the podiatrist is required to reimburse the Board, which does not always happen. Therefore, the increase in the renewal fees is necessary to allow the Board to continue to regulate the practice of podiatric medicine in the State of North Dakota. With that, I will close by saying thank you for your time and attention and I would be happy to try and answer any question you may have.

Thank you.

Dr. Uglem moved to proceed into executive session in order to discuss the current complaints against podiatrists that contain confidential patient data and to consult with the board's attorney regarding the same. Dr. Koester seconded and the motion passed unanimously. The board entered Executive Session at 12:00 p.m. CDT.

Regular board meeting resumed at 1:05 p.m. CDT.

It was noted that three complaints were reviewed by the board during the executive session. Two complaints were found to warrant no further action and were dismissed. One complaint was found to warrant further action and was referred to counsel to proceed with a formal complaint.

Dr. Uglem provided an update on Sanford's residency program. The application for approval of the residency program is almost ready to be submitted to the Council of Teaching Hospitals. They are hoping for approval by March, 2014. The program will start by hosting one resident a year. This may increase as time passes.

The board discussed and determined that it will not approve CME credit for self study for ABPS certification or recertification.

Ms. Wiedmeier provided proposed revisions to two of the board's policies. The board's Background Checks policy is proposed to be amended to include language requiring the applicant to obtain criminal background results and provide the same to the board for states with closed record statutes or for such states where the board cannot obtain such information. Dr. Kilwein moved to revise the board's background check policy as written. Ms. Kunz seconded the motion and the motion passed unanimously. The Internal Check Cashing Policy was proposed to be amended to include language regarding electronic funds transfers (EFTs) as well as checks. Dr. Kilwein moved to revise the board's Internal Check Issuance policy as written. Ms. Kunz seconded the motion and the motion passed unanimously.

The board's 2013 proposed budget was discussed. Again, it was noted that the board is has a budget deficit. It was noted that the board is still playing catch up some items and the fact that the board no longer have the expenses relating to a full audit should assist in reducing expenses in the coming year. Further, it was noted that there has been a drop in the number of licensed podiatrists in the last few years, but the numbers are beginning to increase. It was noted that the board may need to think about increasing renewal fees. The fees are currently at the statutory maximum.

Discussion was had regarding Ms. Wiedmeier's independent contractor's fee. It was noted that she has not received an increase since she started with the board. Ms. Kunz made a motion to increase Ms. Wiedmeier's contract fee by 5% annually, commencing immediately and for the contract to be reviewed annually. Dr. Moen seconded the motion. Motion passed unanimously.

receiving, directly or indirectly, any fee, commission, rebate, or other compensation for services not actually or personally rendered, except for the lawful distribution of compensation or fees within a professional partnership, corporation, or association.

- p. Engaging in abusive or fraudulent billing practices.
 - q. Habitual use of, or becoming addicted or habituated to, alcohol or drugs.
 - r. Prescribing, administering, or distributing a drug for other than medically accepted therapeutic purposes, experimental, or investigative purposes authorized by a state or federal agency.
 - s. Engaging in sexual misconduct, sexual abuse, or exploitation with or of a patient; conduct that may reasonably be interpreted by the patient as sexual; or in verbal behavior which is seductive or sexually demeaning to a patient.
 - t. The failure to furnish the board or representatives information legally requested by the board.
 - u. A continued pattern of inappropriate care as a podiatrist.
 - v. The practice of podiatric medicine under a false or assumed name other than a partnership name containing the names of one or more of the licensed partners.
 - w. Maintaining a professional office in conjunction or relation with any business not engaged in the practice of the medical sciences.
 - (x.) Treating any disease, sickness, illness, malady, or defect that is outside the scope of the practice of podiatric medicine.
2. In disciplinary actions alleging a violation of subdivision c or d of subsection 1, a copy of the judgment or proceeding under the seal of the clerk of court or of the administrative agency that entered the judgment or proceeding is admissible into evidence without further authentication and constitutes prima facie evidence of the contents of that judgment or proceeding.
 3. The board shall keep a record of all of its proceedings in the matter of suspending, revoking, or refusing licenses or permits together with the evidence offered.

43-05-16.1. Forms of disciplinary action - Dates - Automatic suspensions - Reissuance.

When the board finds, pursuant to chapter 28-32, that a podiatrist has violated this chapter or a rule of the board, the board may do one or more of the following:

1. Revoke the license or permit.
2. Suspend the license or permit.
3. Institute probation with or without any of the following terms:
 - a. Impose limitations or conditions on the podiatrist's practice of podiatric medicine.
 - b. Impose retraining or rehabilitation requirements.
 - c. Require practice under supervision.
 - d. Condition the continued practice on demonstration of knowledge or skills by an appropriate examination or other review of skill and competence.
4. Impose a civil penalty not exceeding ten thousand dollars for each violation, the amount of the civil penalty fixed so as to deprive the podiatrist of any economic advantage gained by the violation or to reimburse the board for attorney's fees and the cost of the investigation and proceeding.
5. Order the podiatrist to provide unremunerated professional service under supervision at a designated public hospital, nursing home, clinic, or other health care facility or institution.
6. Reprimand the podiatrist.
7. Censure the podiatrist.
8. Send the podiatrist a letter of concern.

43-05-16.2. Suspension or revocation of license.

1. In addition to any other remedy provided by law, the board may, without a hearing, temporarily suspend the license or permit of a podiatrist if the board finds as a matter of probable cause based on verified evidence that the podiatrist has violated this

Senate Industry, Business, and Labor Committee

SB 2067

January 19, 2015

Written Comments from Eric Hart, DPM

Chairman Klein and members of the Senate Industry, Business, and Labor Committee, my name is Eric Hart, DPM. I am a practicing podiatrist at Sanford in Bismarck and I am a board member of the North Dakota Board of Podiatric Medicine. I apologize for not being able to appear in person today; however, I would like to offer some comments in support of SB 2067.

The board is seeking to increase the maximum fee it is allowed to charge for its annual license renewal fee. Personally, I would rather not have to raise fees but the board cannot function in a deficit and the fees collected do not meet current expenditures. The board has been trying to operate within its budget, but some expenditures, such as legal fees can vary greatly and are to some degree beyond the control of the board. Regardless of the specifics, if the board is doing its job, legal costs will arise and the board cannot function with so tight of a budget that one or two legal expenses puts us in a deficit.

A large portion of the board's budget is for the Executive Director who administers all of the board's business. The board hired an executive director in 2010 when the board was at a very low point and in fact, was practically non-functioning. It was very apparent at that time that the board could not continue trying to administer itself and hired JoDee. Administrative duties are generally done poorly when done as a "side job" for those of us that are already spread

very thin with work, family, church, community, and other responsibilities. I feel that our administrative costs are essential.

It is hard to compare our fees to other state podiatry board's fees as boards differ so much in structure and in what fees they charge, number of licensees, and where they fall in their state government's budget. Overall, our renewal fees are not the lowest in the United States, but they are not the highest either.

The board has been diligent in its use of the fees it collects and it I believe this can be seen by the fact that the board has not raised its fees since 1997. But the time for an increase may be here. I think I can speak for the whole board when I say that we all strive to serve the citizens of North Dakota and the profession of podiatry well.

I would respectfully request a 'do pass' recommendation from this committee. Thank you for your time and attention to my comments. Please feel free to contact me if you have any questions.

Eric Hart, DPM

eric.hart@sanfordhealth.org

701.989.4422

House Industry, Business, and Labor Committee

SB 2067

March 10, 2015

Testimony of JoDee S. Wiedmeier, Executive Director
North Dakota Board of Podiatric Medicine

Chairman Keiser and members of the House Industry, Business, and Labor Committee, my name is JoDee Wiedmeier, Executive Director of the North Dakota Board of Podiatric Medicine. By statute, the Board is responsible for regulating the practice of podiatry in North Dakota. On behalf of the board, which is composed of four podiatrists, one physician, and one public member from throughout the state, I speak in support of SB 2067.

SB 2067 seeks to increase the maximum limit the North Dakota Board of Podiatric Medicine may charge for its license renewal fee as set forth in N.D.C.C. 43-05-15. The board is self funding with its only source of income being the fees collected through its licensing of podiatrists. The vast majority, about 95% of this is generated through the annual license renewal fee. The rest is typically obtained through application fees, initial licensing and temporary licensing fees. There are a total of 35 podiatrists currently licensed in the state. Thirty three (33) hold an active license, one (1) holds a temporary license and one (1) is a resident holding a temporary permit. The board's annual license renewal fee is currently \$500.00. The board has not raised its annual renewal fee since 1997, except for a short temporary increase in fees in approximately 2001/2002 in order to pay back a loan pursuant to N.D.C.C. 43-05-16.8.

The board was initially seeking to increase the maximum allowable limit from \$500.00 per year to \$1,000.00 per year. Specifically, the language requested was that the fee 'may not exceed one thousand dollars'. The board initially requested the increase to \$1,000 to provide the board with flexibility in setting the fee and enough room so that the board will not have come to back to the legislature in the near future. However, the Senate Industry, Business and Labor Committee amended the bill to reduce the maximum limit to \$750.00 per year and the bill was passed by the Senate with this amendment. The board understands the committees concerns and remains in support of SB 2067, as amended.

If the bill passes, the board will then be authorized to consider the increase and will do so at its next board meeting. The board will review its income and expenses, budgeting needs now and in the future in order to determine what increase is necessary. The renewal fee is also set forth in the administrative code and therefore, before the any increase can take affect the board will also need amend its administrative rules. This amendment process includes public notice and a public hearing.

In regard to the board's finances, I have attached a table to my testimony that provides a summary of information on the board's budget for the past five years. You can see by this table that the board's operating budget is very small. The board's average income in the past five years has been about \$18,000.00 and its expenses have averaged just over \$22,000.00. (This average for expenses does not include the year 2010 because was a very atypical year). The board does it's very best to keep expenses low, use its resources wisely, and to operate as

efficiently as it can. For example, there is no 'brick and motor' office. The board is administered out of my home office. The board leases a storage unit to secure its older records and supplies and spends only about \$10.00 a month for a phone line. The bulk of the board's expenses are for legal fees, board meeting expenses, and my fee as the executive director. The legal fees vary greatly from year to year depending on necessity. The board members receive a per diem of only \$50.00 a day for preparation and attendance at board meetings. Some of them, in light of the board's financial situation, have even declined their per diem.

The balance in the board's bank account is currently about \$23,474.00 with very little additional income expected until December of 2015 when the annual license renewal fees are collected.

I also did some research on podiatric license renewal fees in other states. I found renewal fees to be between \$150.00 to \$650.00; however, I also found that it is pretty hard to do an accurate comparison between state boards. Some boards are self-funding, some are not, and some belong under an umbrella agency with other financial income available. Most podiatric boards have more licensees than North Dakota, some significantly more, which allows the cost to be spread out over more individuals. Some renewal fees were collected annually, some biannually. I also noticed that some of the states with lower renewal fees were matched with much higher application fees and these boards also charged for other services like providing written license verifications, corporate registrations and renewals, and roster fees. For example, WY has about 30 licensed podiatrists, charges \$400.00 for its annual renewal fee, but also charges \$800.00 for its application fee. In comparison, North Dakota only charges

\$300.00 for its application fee.

The second section of this bill proposes to increase the amount the board can charge above the maximum allowable annual renewal fee when it is necessary to repay a loan under N.D.C.C. 43-05-16.8. The proposed increase is from \$1,000.00 to \$1,500.00. This increase is proposed to coincide with the increase in the maximum allowed annual license renewal fee set forth in N.D.C.C. 43-05-15, as these statutes go hand in hand.

In summary, no one relishes raising fees, and this board is no exception, especially since the podiatrists sitting on the board will also be required to pay the increase. As a self regulating profession, the board needs to be financially viable and healthy to fulfill its duty to license and regulate podiatrists in North Dakota and therefore, the board requests a 'do pass' recommendation from this committee.

Thank you. I would be happy to try to answer questions.

North Dakota Board of Podiatric Medicine

Budget Summary

		2010	2011	2012	2013	2014
Income:						
	Application Fees	450.00	150.00	600.00	1200.00	900.00
	Licensure/Renewal Fees	18,500.00	15,650.00	14,620.58	18,677.90	18,388.51
	Other Income	0.00	0.00	10.00	0.00	41.00
Total Income		18,950.00	15,800.00	15,230.58	19,877.90	19,329.51
Expenses:						
	Audit	(26.38)	(2,250.00)	-	(4,000.00)	-
	Annual Financial Report	-	-	-	-	(75.00)
	Background Checks		(40.00)	(171.08)	(161.58)	(97.00)
	Board Meeting: Expense	-	(422.17)	(191.26)	(106.15)	(154.87)
	Board Meeting: Member Compensation	-	(2,258.24)	(1,187.25)	(866.52)	(871.04)
	Computer	(31.79)	(37.09)	(41.99)	(52.99)	(52.99)
	Data Bank Query	-	-	-	(9.50)	(9.50)
	Executive Director	(6,250.00)	(11,000.00)	(12,000.00)	(12,350.00)	(12,600.00)
	HIPDB Query	(19.00)	(4.75)	(14.25)	(19.00)	-
	NPDB Query	(19.00)	(4.75)	(14.25)	(19.00)	-
	Insurance	(750.00)	(250.09)	(250.09)	(254.12)	(254.12)
	Investigative Expense	-	(1,500.00)	(54.77)	-	-
	Legal	(608.75)	(3,901.44)	(4,210.25)	(6,168.38)	(9,584.85)
	Office Supplies	(193.80)	(467.66)	(165.18)	(114.97)	(6.54)
	Postage	(392.99)	(125.70)	(61.60)	(78.77)	(55.73)
	Secretary	(1,500.00)	-	-	-	-
	Storage Rental	(219.00)	(467.25)	(409.50)	(450.00)	(480.00)
	Utilities: Phone	(84.74)	(95.81)	(77.40)	(81.71)	(131.42)
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Total Expenses		(10,424.04)	(23,066.17)	(18,848.87)	(24,953.11)	(24,373.06)
Profit/Loss		\$8,525.96	(\$7,266.17)	(3,618.29)	(5,075.21)	(5,043.55)

Updated 12/31/2014

House Industry, Business and Labor Committee

Senate Bill 2067

March 10, 2015

Testimony of Stacy Moldenhauer, Attorney for North Dakota Board of Podiatric Medicine

Chairman Keiser and members of the House Industry Business and Labor Committee, my name is Stacy Moldenhauer, and I am here on behalf of the North Dakota Board of Podiatric Medicine. By statute, the Board is responsible for regulating the practice of podiatric medicine in the State of North Dakota.

As the Committee can see, Senate Bill 2067 is requesting section 43-05-15 be amended to increase the maximum limit the Board may charge podiatrists practicing in the State of North Dakota for their renewal fee. The Board originally requested that the statute be amended to state that "the license fee may be increased in accordance with the number of years licensed and practicing in North Dakota, but may not exceed one thousand dollars." The Senate Industry, Business and Labor Committee amended the bill to reduce the maximum that could be charged for a renewal fee to \$750. The Board is in support of the Senate Industry, Business and Labor Committee's amendment.

I think it is very important to point out that the Board has not increased its renewal fee since 1997 except for a brief period in the early 2000s to pay back a litigation loan. The cost of doing business has greatly increased since 1997, yet the Board's renewal fees have not. The Board is self-funded and over 90% of the income the Board receives to operate comes from the renewal fees. Therefore, it

is necessary to increase the renewal fees as the cost of doing business has certainly increased since 1997.

Finally, if the committee looks at budget for the past five years of the Board, which is attached to Ms. Wiedmeier's testimony, the committee will see that the Board operates as cheaply as possible. The one area that the Board really cannot control and varies greatly from year to year is the legal expenses. The reason this expense is so unpredictable is because the Board has no idea how many podiatrists it will need to discipline or investigate each year. We prosecuted a podiatrist last year and it cost over \$10,000 to prosecute that one podiatrist by the time you included the legal fees and also the fees for the administrative law judge. The Board has to front those costs even if the podiatrist is required to reimburse the Board, which does not always happen. Therefore, the increase in the renewal fees is necessary to allow the Board to continue to regulate the practice of podiatric medicine in the State of North Dakota. With that, I will close by saying thank you for your time and attention and I would be happy to try and answer any question you may have.

Thank you.

House Industry, Business, and Labor Committee

SB 2067

March 10, 2015

Testimony of Eric Hart, DPM

Board Member, North Dakota Board of Podiatric Medicine

Chairman Keiser and members of the House Industry, Business, and Labor Committee, my name is Eric Hart, DPM. I am a practicing podiatrist at Sanford in Bismarck and I am a board member of the North Dakota Board of Podiatric Medicine.

The board is seeking to increase the maximum fee it is allowed to charge for its annual license renewal fee. Personally, I would rather not have to raise fees but the board cannot function in a deficit and the fees collected do not meet current expenditures. The board has been trying to operate within its budget, but some expenditures, such as legal fees can vary greatly and are to some degree beyond the control of the board. Regardless of the specifics, if the board is doing its job, legal costs will arise and the board cannot function with so tight of a budget that one or two legal expenses puts us in a deficit.

In addition, a large portion of the board's budget is for the Executive Director who administers all of the board's business. The board hired an executive director in 2010 when the board was at a very low point and in fact, was practically non-functioning. It was very apparent at that time that the board could not continue trying to administer itself and hired JoDee. Administrative duties are generally done poorly when done as a "side job" for those of us that

are already spread very thin with work, family, church, community, and other responsibilities. I feel that our administrative costs are essential.

It is hard to compare our fees to other state podiatry board's fees as boards differ so much in structure and in what fees they charge, number of licensees, and where they fall in their state government's budget. Overall, our renewal fees are not the lowest in the United States, but they are not the highest either.

The board has been diligent in its use of the fees it collects and ~~it~~ I believe this can be seen by the fact that the board has not raised its fees since 1997. But the time for an increase may be here. As a regulatory board, we do strive to serve the citizens of North Dakota and the profession of podiatry well and in order to do so must be financial viable.

The board has also notified all of its licensed podiatrists of the proposed fee increase. There was only one licensee that objected to the increase. No other podiatrists, that I am aware of, registered an objection to the fee increase. I believe the podiatrists in North Dakota understand the necessity of the increase. And, further understand that the board must remain viable so that podiatry can continue as a self-regulated profession.

I would respectfully request a 'do pass' recommendation from this committee.

I would be happy to answer any questions you may have.

House Industry, Business and Labor Committee

SB 2067

March 10, 2015

Written Comments – Karen Rinehart, DPM

Chairman Keiser and members of the House Industry, Business, and Labor Committee, my name is Karen Rinehart, DPM. I am a practicing podiatrist in Bismarck, North Dakota. I am unable to appear in person today; however, I would like to offer some comments in support of SB 2067.

I run a private practice and am responsible for the payment of my licensing fees on a yearly basis. While no one likes fees to be raised, I understand the necessity of it. If we, the podiatrists across the state, want to continue to license and regulate our own profession, we need to keep this board viable. The only way to do that is to provide the board with the necessary operating funds. I believe the board is using its resources wisely in the course of performing its duty to the public and the profession of Podiatry.

Thus, I encourage the committee to give SB 2067 a do pass recommendation. If the committee would have any questions, I can be reached at Foot Care Associates, 701-250-8637, ndfootdoc@hotmail.com.

Thank you for your consideration.