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Salvatore Riccardi
Operator's Signature

10/6/03
Date

2003 HOUSE EDUCATION
HB 1468

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10/16/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES
BILL/RESOLUTION NO. HB 1468
House Education Committee

☐ Conference Committee

Hearing Date January 28, 2003

Tape Number	Side A	Side B	Meter #
1	x		3025-3618
Committee Clerk Signature <i>Linda Fichtner</i>			

Minutes: **Chairman Kelsch** opened hearing on HB 1468

Rep. Sandvig, District 21, Fargo, See Attached Testimony

I am the sponsor of this bill and would like to recommend a DO NOT PASS the reasons why are:

I wanted to go after the medical practitioners who were default n their loans. There is only one person and they are currently trying to collect on the loan.

Chairman Kelsch there was another bill that was withdrawn after the hearing, we will pass it our with a do not pass.

Chairman Kelsch I found this to be an interesting bill, only for ND residents in the state and how many who no longer live n the state?

Sandvig: No I didn't but I spoke with the US Department of Health Services.

Rep. Haas motioned a DO NOT PASS, seconded by **Rep. Mueller**

13-0-1, **Rep. Hawken** to carry the bill to the floor.

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Al Costa Richardson
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Date

Date:
Roll Call Vote #:

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1468

House HOUSE EDUCATION Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken DO NOT PASS

Motion Made By Haas Seconded By Mueller

Representatives	Yes	No	Representatives	Yes	No
Chairman Kelsch	✓				
Rep. Johnson	✓				
Rep. Nelson	✓				
Rep. Haas	✓				
Rep. Hawken	✓				
Rep. Herbel	✓				
Rep. Meier	✓				
Rep. Norland	✓				
Rep. Sitte	✓				
Rep. Hanson	✓				
Rep. Hunsakor	✓				
Rep. Mueller	✓				
Rep. Solberg	✓				
Rep. Williams	✓				

Total (Yes) 13 No 0

Absent 1

Floor Assignment Hawken -

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

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REPORT OF STANDING COMMITTEE (410)
January 28, 2003 3:46 p.m.

Module No: HR-16-1229
Carrier: Hawken
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1468: Education Committee (Rep. R. Kelsch, Chairman) recommends DO NOT PASS
(13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1468 was placed on the
Eleventh order on the calendar.

(2) DESK, (3) COMM

Page No. 1

HR-16-1229

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2003 TESTIMONY

HB 1468

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NORTH DAKOTA

Taxpayers foot the bill for Defaulted Health Care Providers

Do you know there are 17 defaulted health care providers in North Dakota costing taxpayers \$810,921 ?

These defaulters have failed to repay their DHHS educational loan or service scholarship obligations. Those excluded from participating in Medicare/Medicaid are listed on the reverse.

North Dakota Legislation addressing licensure penalties for defaulted health care providers:

- HB 1286 covers state educational loans only
- nothing pending addressing federal educational loan and service scholarship defaulters

Individuals who default on their federal educational commitments owe the Government a substantial monetary debt. More importantly, needy communities lose the services of essential clinicians when they fail to meet their service obligation. As these defaulters have received the substantial economic benefits of a health professions career education at taxpayer expense, it is imperative that they be required to honor their service/loan obligation.

DHHS is committed to reducing defaults and is pursuing actions against these defaulters. State legislatures are directly involved in approving health professionals for practice in their state. It is our hope that state licensure legislation will motivate defaulters to honor their commitments and will deter other participants from defaulting on their service/loan obligations.

Spin a Web with the Feds - let's work together to get your State's defaulters into repayment. Let's talk licensure!



US Dept of Health & Human Services (DHHS)
Health Resources & Services Administration
(301-443-4568) (301-594-4386)



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Defaulted Borrowers Web Page as of November 2001 North Dakota Defaulters
http://www.defaulteddocus.dhhs.gov

Last Name	First Name	City	Amount Due
Johansen	Kelly	Devils Lake	\$195,575 (218,000)
Armitage	Sherri	Edgeley	\$48,887

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Why State Legislatures Should Care about Health Care Defaulters

taxpayer Liability

As numerous Federal officials have publicly stated, these defaulters have created a taxpayer liability and there needs to be aggressive pursuit of individuals who default on their State and Federal obligations. Health care defaulters owe taxpayers more than \$694 million.

Public Outrage

Taxpayers are generally outraged when they realize they are being required to foot the educational bill for individuals who have reneged on the repayment obligation of a Federal or State loan or scholarship which gave them access to a career as a health professional.

Exclusion from Medicare/Medicaid

These defaulters have been excluded from participating in the Medicare and Medicaid programs and as such, they are unable to practice in many of the neediest and most underserved areas.

Direct Relation to Health Professional's Ability to Practice

Defaulters would not be practicing health professionals had programs not been available to help finance their education. While it is not possible to "repossess" the education which these programs allowed them to obtain, it is possible to "repossess" the results of that education, i.e., their ability to practice by suspending their licenses.

Deterrent Effect

It is our expectation that, once a system to take action against licenses of these defaulters is in place, the deterrent effect will be extremely effective. In other words, once these scholarship and loan recipients are aware that default can result in licensure suspension, they will take steps to avoid reaching that point.

Precedent for Simplified Approach In Other States

Maryland, New York, Georgia, and Texas have enacted legislation that takes a direct approach to suspending or revoking the licenses of scholarship and loan defaulters. Other states have a variety of legislative provisions addressing defaults, but they do not include Federal programs.



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Valerie Richardson
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**US Department of Health Human Services
Health Resources Services Administration
Defaulted Health Care Providers
as of August 2001**

Alabama	89	\$6,366,062	Nevada	50	\$2,791,271
Alaska	25	\$1,857,902	New Hampshire	21	\$1,272,339
Arizona	186	\$15,507,994	New Jersey	319	\$24,518,149
Arkansas	77	\$4,191,703	New Mexico	55	\$4,274,660
California	1,688	\$112,524,048	New York	726	\$59,948,048
Colorado	122	\$8,523,381	North Carolina	132	\$8,653,627
Connecticut	79	\$4,631,276	North Dakota	17	\$810,921
Delaware	18	\$1,407,184	Ohio	333	\$24,909,584
District of Columbia	85	\$8,438,553	Oklahoma	135	\$8,244,469
Florida	556	\$45,603,851	Oregon	85	\$4,674,214
Georgia	426	\$35,526,902	Pennsylvania	614	\$37,230,273
Hawaii	42	\$3,404,187	Puerto Rico	107	\$7,704,497
Idaho	29	\$2,895,264	Rhode Island	14	\$1,483,594
Illinois	381	\$30,514,152	South Carolina	71	\$7,308,311
Indiana	75	\$6,661,439	South Dakota	12	\$769,402
Iowa	84	\$5,317,967	Tennessee	175	\$14,911,485
Kansas	99	\$6,786,298	Texas	703	\$41,643,643
Kentucky	66	\$4,147,611	Utah	49	\$3,673,031
Louisiana	115	\$11,008,293	Vermont	12	\$1,368,905
Maine	28	\$2,150,988	Virgin Islands	7	\$282,701
Maryland	235	\$22,288,003	Virginia	138	\$12,171,885
Massachusetts	204	\$16,296,586	Washington	130	\$8,409,740
Michigan	310	\$25,889,386	West Virginia	31	\$3,376,931
Minnesota	108	\$4,877,210	Wisconsin	112	\$8,777,907
Mississippi	37	\$1,561,006	Wyoming	10	\$697,279
Missouri	197	\$13,090,404			
Montana	10	\$876,411			
Nebraska	25	\$1,340,928			
			Totals	9,454	\$693,591,467

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DEPARTMENT OF HEALTH & HUMAN SERVICES

Health Resources and Services
Administration

Rockville MD 20857

November 2001

Dear Colleague:

We recently exhibited at the National Conference of State Legislatures' Annual Meeting in San Antonio to share information with State legislators interested in enacting or amending legislation to discipline health care professionals who default on a Federal educational loan or service obligation. As you know, some states sanction the professional licenses of health care professionals who default on their student loans and service-conditional scholarships and loan repayment program obligations. The reason why some states have such legislation is to protect their constituent taxpayers from the financial burden incurred when Federal tax dollars are used to pay off the defaulted debt of health care professionals who had government-guaranteed loans. The scholarship and loan repayment programs are supported by the taxpayers, and legislation encourages participants to satisfy their obligation to provide primary health care to under-served and disadvantaged citizens.

In case you were not in San Antonio, we have enclosed the following background information:

- (1) State profile of current legislative status which includes a listing of health care defaulters in your state
- (2) Why Legislators Should Care about Defaulters
- (3) State Comparison Sheet

While the Federal government continues to aggressively pursue collection efforts, we believe your State can have a significant impact as professional licensing boards have the **ability to affect** licensure status. The individuals are hard-core defaulters who may only respond to strong local pressure, including revocation or suspension of their license to practice.

Thank you for your interest in this most important issue. If you have further questions, please contact Linda Redmond at 301-443-4568 or Lredmond@hrsa.gov.

Sincerely yours,

Pauline Cooper

Pauline Cooper, Chief
Legal and Compliance Branch
Office of Policy and Planning

Peter Martineau

Peter Martineau, Chief
Health Education Assistance
Loan Branch
Division of Health Careers Development

Enclosures

Val Costa Richford
Operator's Signature

10/16/03
Date