



2021 SB 2241
House Human Services Committee
Representative Robin Weisz, Chairman
March 10, 2021

Chairman Weisz and members of the House Human Services Committee, I am Melissa Hauer, General Counsel for the North Dakota Hospital Association (NDHA). I testify in support of Engrossed Senate Bill 2241 and ask that you give it a Do Pass recommendation.

NDHA supports the changes proposed in the bill to help further streamline the review process of health facilities construction and renovation projects by the North Dakota Department of Health. As you may remember, the legislature passed 2019 Senate Bill no. 2317 which made changes to the construction and review process and required an interim study, which was conducted by the Health Care Committee. The changes were made because of the difficulty some health facilities had in securing reviews of their construction and review projects in a timely manner. That bill required the Department to make a determination on a construction or renovation project of no more than one million dollars within 60 days of receipt of a complete application and gave the Department the ability to approve a request for a waiver of a state law or rule relating to an innovative construction or renovation project if the lack of compliance would not adversely affect health or safety.

I want to acknowledge the work of the legislature to provide additional resources and flexibilities to the Department to deal with an increasing workload in this area. I also want to acknowledge the work that the Department has done to try to improve the process, including contracting with outside firms to perform the construction and renovation reviews and working closely with hospitals. We always feel that there is an open door to communicate about projects or questions that we may have, and we want that collaboration to continue.

The bill before you today will build on the work done last session to improve the process. It distinguishes between large and small construction projects and provide review timelines for each. An initial determination by the Department on a health facility construction or renovation project of no more than one million dollars would need to be completed within 28 days, and of more than one million but no more than four million dollars within 42 days, and of more than four million dollars within 56 days, of receipt of a complete application. The bill provides that, following that initial determination, the Department must make any follow up determination on the project within 14 days of receipt of the licensed provider's response to the initial determination.

The bill also allows the option for the licensed provider to have a third party review the construction and renovation plans. The licensed provider will be required to negotiate and approve the price for those review services. The Department would then contract with the third party and the licensed provider would pay the Department for the review services.

Hospitals support this effort to continue improvement of the construction and renovation review process. We will continue to work closely with the Department to improve the process and work out concerns regarding delays in project approvals. We think the bill strikes a good balance between ensuring that we have safe and compliant health facilities as well as timely construction and renovation plan reviews.

In summary, we support the bill as noted and ask that you give it a Do Pass recommendation.

I would be happy to respond to any questions you may have. Thank you.

Respectfully Submitted,

Melissa Hauer, General Counsel/VP
North Dakota Hospital Association