

NORTH DAKOTA LEGISLATIVE COUNCIL

Minutes of the

HUMAN SERVICES COMMITTEE

Tuesday, July 1, 2008
Roughrider Room, State Capitol
Bismarck, North Dakota

Representative Jeff Delzer, Chairman, called the meeting to order at 9:00 a.m.

Members present: Representatives Jeff Delzer, Patrick R. Hatlestad, Curt Hofstad, James Kerzman, Gary Kreidt, Vonnie Pietsch, Chet Pollert, Clara Sue Price, Ken Svedjan, Robin Weisz; Senators JoNell A. Bakke, Dick Dever, Robert S. Erbele, Aaron Krauter, Judy Lee, Jim Pomeroy, John M. Warner

Members absent: Representatives Lee Kaldor, Jon Nelson

Others present: Representative Merle Boucher, member of the Legislative Council, was also in attendance.

See attached [appendix](#) for additional persons present.

It was moved by Senator Dever, seconded by Representative Kerzman, and carried on a voice vote that the minutes of the previous meeting be approved as distributed.

COST-BENEFIT ANALYSES OF HEALTH INSURANCE MANDATES

The Legislative Council staff presented a memorandum entitled [Previous Analyses of Health Insurance Mandates](#). The memorandum provides information on cost-benefit analyses that are required for legislative measures mandating health insurance coverage.

The Legislative Council staff said, pursuant to North Dakota Century Code Section 54-03-28, all legislative measures mandating health insurance coverage must be accompanied by a cost-benefit analysis. Before each legislative session, the Legislative Council is to contract with a private entity to provide the services after receiving recommendations from the Insurance Commissioner. During the 2005 legislative session, the Insurance Department paid a total of \$13,929 to have cost-benefit analyses completed on two legislative measures. The 2007 Legislative Assembly did not act upon any measure that required an analysis.

Representative Delzer asked the Legislative Council staff to provide information on amounts budgeted for health insurance analyses by the Insurance Department and Public Employees Retirement System.

Mr. Michael Fix, Director, Life and Health Division, Insurance Department, presented information regarding cost-benefit analyses services for the

2009 legislative session. He said the Insurance Department received proposals to provide these services from two private entities. He said the proposals were evaluated based on cost of services and qualifications of the company. Based on the evaluations, he said, the Insurance Department recommends the Legislative Council contract with Milliman, Inc., to provide cost-benefit analyses services during the 2009 legislative session. A copy of the information presented is on file in the Legislative Council office.

In response to a question from Representative Delzer, Mr. Fix said cost-benefit analyses would be received in four weeks or less from the time they are requested.

Representative Price expressed concern that sufficient time may not be available during the legislative session to properly perform an analysis.

Mr. Rod St. Aubyn, Blue Cross Blue Shield of North Dakota, commented regarding legislative measures that mandate health insurance coverage. He said to allow for a proper analysis, it may be beneficial for the Legislative Assembly to have an earlier deadline for the introduction of legislation that mandates health insurance coverage.

In response to a question from Representative Delzer, Mr. Allen H. Knudson, Legislative Budget Analyst and Auditor, Legislative Council, said the interim Employee Benefits Committee establishes a deadline for its consideration of bills affecting public employees' retirement and health insurance programs.

It was moved by Senator Krauter, seconded by Representative Price, and carried on a roll call vote to accept the Insurance Commissioner's recommendation of Milliman, Inc., as the entity to contract with for cost-benefit analyses during the 2009 legislative session. Representatives Delzer, Hatlestad, Hofstad, Kerzman, Kreidt, Pietsch, Pollert, Price, Svedjan, and Weisz and Senators Erbele, Bakke, Dever, Krauter, Lee, Pomeroy, and Warner voted "aye." No negative votes were cast.

Chairman Delzer said he would discuss the possibility of establishing earlier bill introduction deadlines for bills mandating health insurance coverage at the next Legislative Management Committee meeting.

DEPARTMENT OF HUMAN SERVICES' BUDGET INFORMATION

Ms. Brenda M. Weisz, Director, Fiscal Administration, Department of Human Services, presented information on the department's budget for the 2007-09 biennium. She said through March 2008 the temporary assistance for needy families (TANF) program has averaged 2,596 cases per month with each case receiving monthly average benefits of \$334. She said the department had budgeted for an average monthly caseload of 3,373.

Ms. Weisz said the average monthly number of cases under the food stamp program is currently exceeding the anticipated number of cases. She said through March 2008 the average monthly caseload was 21,417. She said the department had budgeted for an average monthly caseload of 20,205. A copy of the information is on file in the Legislative Council office.

In response to a question from Representative Delzer, Ms. Weisz said funding for the food stamp program is from federal funds. She said the department may need to seek Emergency Commission approval for additional appropriation authority if the program expenses continue to exceed budgeted amounts.

In response to a question from Representative Hofstad, Ms. Weisz said eligibility criteria for the food stamp program is determined at the federal level.

In response to a question from Senator Krauter, Ms. Weisz said inpatient hospital service costs for the medical assistance program are more than anticipated. She said through the first 33.3 percent of the biennium, 41.1 percent of the biennial appropriation for the program has been used.

In response to a question from Representative Delzer, Ms. Weisz said she would provide information to the committee regarding transfers of long-term care beds in the state.

In response to a question from Representative Delzer, Ms. Weisz said there are approximately 121 clients residing at the Developmental Center. She said she would provide the committee information regarding the number of clients that have been transferred from the Developmental Center to the community in recent months.

Ms. Weisz provided the committee with the following schedule detailing budgeted and actual amounts for the subsidized adoption program from July 2007 through May 2008:

	Budget	Actual
Monthly average cases	871	875
Monthly average cost	\$636	\$653

Ms. Weisz said using updated projections, the subsidized adoption program will have a current biennium general fund shortfall of \$153,115.

In response to a question from Senator Lee, Ms. Weisz said payments to providers in the

subsidized adoption program are similar to costs that would be incurred if a child was not in the program.

In response to a question from Representative Delzer, Ms. Weisz said the Department of Human Services currently anticipates 2007-09 biennium general fund turnback of \$2.7 million.

Dr. Brendan Joyce, Administrator, Pharmacy Services, Department of Human Services, provided information regarding Medicaid prescription drug spending. He provided the following schedule detailing the monthly amount spent on Medicaid prescription drugs since August 2007:

	Total Spent	State Funding	Federal Funding
August 2007	\$2,048,817	\$722,871	\$1,325,946
September 2007	2,053,939	724,637	1,329,302
October 2007	1,054,847	382,876	671,971
November 2007	1,005,170	364,415	640,755
December 2007	2,348,423	851,401	1,497,022
January 2008	1,766,019	660,311	1,105,708
February 2008	787,178	285,433	501,745
March 2008	2,020,809	732,546	1,288,263
April 2008	1,865,931	676,458	1,189,473
May 2008	1,284,795	465,757	819,038
Total	\$16,235,928	\$5,866,705	\$10,369,223

In response to a question from Representative Delzer, Dr. Joyce said the department is spending less on prescription drugs than what was anticipated. He said the availability of new generic medications is reducing the cost of providing prescription drugs.

Ms. Jennifer Witham, Director, Information Technology, Department of Human Services, provided information regarding the status of the Medicaid management information system computer project. She said the detailed system design is anticipated to be completed by October 2008. She presented the following table providing an overview of the project budget and funds spent through April 2008:

	Total Budget	Funds Spent	Funds Remaining
General fund	\$3,643,133	\$360,302	\$3,282,831
Federal funds	55,218,418	10,531,805	44,686,613
Other funds	3,667,820	1,007,597	2,660,223
Total	\$62,529,371	\$11,899,704	\$50,629,667

A copy of the information presented is on file in the Legislative Council office.

In response to a question from Representative Weisz, Ms. Witham said the project may be slightly behind schedule. She said she would provide more information regarding any project delays at the next committee meeting.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES STUDY

Ms. Carol Cartledge, Director of Public Assistance, Department of Human Services, presented information regarding options for postsecondary education opportunities for TANF clients. If a postsecondary program was available, she said,

approximately 640 TANF clients statewide would be eligible to participate.

Ms. Cartledge said two options exist for providing TANF clients with funding for postsecondary education opportunities. The first option is to continue the current practice of clients applying for student grants and loans. In addition, she said, TANF clients can currently receive up to \$1,000 in assistance per year for tuition and books. She said the second option is to use TANF funds to pay for all tuition and books. She said the average estimated cost for a student's tuition, fees, and books for one year is \$6,530. If all eligible TANF clients were to participate in a postsecondary education program, she said, the total estimated cost would be approximately \$4,179,200 per year.

Ms. Cartledge said the TANF program can be used to address areas of worker shortage in North Dakota. She said successful welfare-to-work programs emphasize employment and provide a wide range of services that include a strong education and training component. She said through the job opportunities and basic skills program, the department has the ability to match TANF clients with various career options. A copy of the information presented is on file in the Legislative Council office.

In response to a question from Representative Price, Ms. Cartledge said an exemption or waiver from federal regulations is not available for conducting pilot projects under the TANF program.

In response to a question from Representative Weisz, Ms. Cartledge said additional benefits are available for TANF clients who are participating in a postsecondary education program. She said clients are eligible to receive assistance with transportation, child care, tuition, fees, and books.

In response to a question from Representative Svedjan, Ms. Cartledge said the current TANF program is focused on clients participating in work activities rather than education programs.

Mr. Wayne Kutzer, State Director, Department of Career and Technical Education, provided information regarding short-term training programs and workforce credentialing available to individuals. He said short-term training programs currently being provided by area career and technical education centers include the certified nurse assistant and welding programs. He said it is difficult to deliver short-term adult training programs due to the minimal demand for a similar program at many locations. He said schools are often unable to enroll an adequate number of students to justify the cost of the program.

In response to a question from Representative Delzer, Mr. Kutzer said information technology certifications must be completed through specific education providers. He said a state-administered certification program may not be recognized by private businesses.

Dr. Marsha Krotseng, Vice Chancellor for Strategic Planning and Executive Director of the College Technical Education Council, North Dakota University

System, provided information regarding short-term training programs of the University System. She said many higher education institutions have programs and certifications available, including dental, peace officer, and welding programs. She said some programs are offered in an online format to ensure individuals in all parts of the state have access to complete the program.

In response to a question from Senator Bakke, Dr. Krotseng said some institutions are offering programs to meet the workforce demands of the oil industry. She said Bismarck State College offers several energy programs and Williston State College has begun a petroleum institute.

In response to a question from Representative Boucher, Ms. Cartledge said the TANF job opportunities and basic skills program provides intensive case management services. She said job coaching is provided to assist clients in maintaining their employment.

IMMUNIZATION PROGRAM TRANSITION

The Legislative Council staff presented a memorandum entitled [Federal "317" Vaccine Allocation and Human Papilloma Virus Vaccines](#). The Legislative Council staff said the State Department of Health receives an annual allocation of vaccine under the federal "317" program. The Department of Health uses the allocation to order vaccines at its discretion.

The Legislative Council staff said 2007 legislative session information was reviewed to identify any legislative intent relating to the use of state funds for human papilloma virus (HPV) vaccines. No specific legislative intent sections were included in related legislation. However, during House Human Services Committee discussion of 2007 House Bill No. 1435, a comment was made that the funds provided in the bill were not to be used for HPV vaccines.

Mr. Randy Miller, Immunization Program Business Manager, State Department of Health, provided an update on the immunization program transition. He said minor adjustments are being made by Blue Cross Blue Shield of North Dakota and the University of North Dakota School of Medicine and Health Sciences to meet the billing process requirements of local public health units. He said two local public health units are interfacing their immunization computer systems with the North Dakota immunization information system. He said testing of the interfaces will begin in July 2008.

Mr. Miller said the State Department of Health will continue to monitor the number of patients not receiving vaccines due to philosophical reasons or high-deductible insurance policies. He said the department will also evaluate program administrative fees and the needs of local public health units. He said 2007 House Bill No. 1435 included an appropriation of \$2 million from the general fund for the immunization transition. He provided the following information regarding the status of expenditures relating to the transition:

Funds spent through April 2008	
Meningococcal vaccine	\$233,888
Chickenpox vaccine	432,387
Grants to local public health units for vaccine startup inventory for insured patients	327,080
University of North Dakota project startup costs	23,786
Travel and postage	1,489
Estimated remaining expenses	
Blue Cross Blue Shield of North Dakota project costs	47,988
Additional startup costs for local public health units (refrigerators, sensaphones, software, and training)	200,126
Total actual and estimated remaining expenses	\$1,266,744

A copy of the information presented is on file in the Legislative Council office.

In response to a question from Representative Delzer, Mr. Miller said any unspent funds relating to the immunization program transition will remain in the general fund.

In response to a question from Representative Delzer, Ms. Molly Sander, Immunization Program Director, State Department of Health, said the use of "317" vaccine allocation on HPV vaccines did not affect the amount of funds spent as part of the immunization transition. She said the target population for the "317" HPV vaccine is uninsured women at family planning clinics and American Indian women at Indian Health Service clinics.

Senator Lee expressed concern about parents who do not vaccinate their children. She said even though North Dakota is in the highest category for childhood immunizations, the state needs to continue to provide an effective immunization program.

In response to a question from Senator Warner, Ms. Sander said the State Department of Health supplies certain vaccines to populations incarcerated in state facilities. She said incarcerated populations are considered high risk for various diseases.

Senator Lee said the state should not limit the provision of HPV vaccines. She said all persons who request the vaccine should be able to receive it.

The committee recessed for lunch at 11:35 a.m. and reconvened at 1:00 p.m.

VARIOUS COMMITTEE RESPONSIBILITIES

Dr. Patricia Moulton, Assistant Professor, University of North Dakota School of Medicine and Health Sciences, provided information regarding the supply and demand of nurses in the state. She said there is currently a minor shortage of registered nurses in the state but supply is expected to meet demand by 2009. She said the future supply of nurses is expected to increase due to larger enrollments in nursing education programs. She said concern exists regarding the limited availability of nurses in rural areas of the state.

The Legislative Council staff presented a memorandum entitled [Mental Health America of North Dakota's 2-1-1 Program](#). The memorandum provides information regarding the history, budget, accessibility, and participation of the 2-1-1 program.

The Legislative Council staff said the 2-1-1 dialing code is a universally recognized number used to connect telephone callers with appropriate government and community-based organizations. The Public Service Commission authorized Mental Health America of North Dakota to use the dialing code for its referral program. In addition, the Public Service Commission authorized Mental Health America of North Dakota to subcontract with the Fargo FirstLink program to allow FirstLink to receive 2-1-1 calls that originate in Cass County, North Dakota, and Clay County, Minnesota. During 2007 a total of 15,809 calls were received by Mental Health America of North Dakota and Fargo FirstLink.

Senator Lee suggested the committee receive information regarding current contracts that exist with the 2-1-1 program and charges for entities to be included in the 2-1-1 service provider listing.

Mr. Erik Elkins, Assistant Director, Medical Services Division, Department of Human Services, provided information regarding the status of medical assistance recipient's access to dental services. He said the department met with the North Dakota Dental Association for the purpose of seeking input regarding the allocation of funds appropriated in 2007 House Bill No. 1246. He said dental providers raised concerns regarding patients who fail to appear for their appointment and the level of reimbursement for services provided. A copy of the information presented is on file in the Legislative Council office.

Dr. Joyce provided an update on the activity status of the Drug Use Review Board. He said the board will prepare a final report for submission to the committee prior to October 2008. He provided the committee with several board meeting excerpts. A copy of the information presented is on file in the Legislative Council office.

In response to a question from Representative Delzer, Dr. Joyce said the Drug Use Review Board is required to meet quarterly but has recently been meeting more frequently.

The Legislative Council staff presented a memorandum entitled [Duties and History of the Drug Use Review Board](#). The memorandum provides information regarding the history and policies of the Drug Use Review Board.

The Legislative Council staff said federal regulations require each state establish a drug use review program to assure prescriptions distributed under the Medicaid program are appropriate, medically necessary, and not likely to result in adverse medical results. Membership of the North Dakota Drug Use Review Board is included in statute and consists of doctors, pharmacists, pharmacy industry representatives, and consumer advocates. The board is to make recommendations regarding

drugs to be placed in a prior authorization status and to conduct an annual review of all drugs in a prior authorization status.

Representative Delzer expressed concern over a Drug Use Review Board policy that limits the distribution of information to board members. He said direct access to board members should be allowed.

Chairman Delzer asked the Legislative Council staff to provide information to the committee regarding policies or guidelines of state boards and commissions relating to the distribution of information to members.

Representative Price said individuals and organizations should be allowed to provide input directly to members of the Drug Utilization Review Board.

COMMITTEE DISCUSSION AND STAFF DIRECTIVES

Chairman Delzer asked the Legislative Council staff to provide information regarding state programs and funding relating to the 2-1-1 program, including the number of calls received for each program.

Representative Kreidt suggested the committee receive information from the State Board of Nursing regarding the implementation of background checks pursuant to 2007 Senate Bill No. 2260. Chairman Delzer said the report is not currently part of the committee study plan. He said he would request permission from the chairman of the Legislative Council to receive the report.

There being no further business, Chairman Delzer adjourned the meeting at 2:00 p.m.

Brady A. Larson
Fiscal Analyst

Allen H. Knudson
Legislative Budget Analyst and Auditor

ATTACH:1