

**Testimony**  
**House Bill 1004**  
**House Appropriations Committee, Human Resources Division**  
**Monday, January 12, 2015**  
**North Dakota Department of Health**

Good morning, Chairman Pollert and members of the Human Resources Division of the House Appropriations Committee. My name is Dr. Terry Dwelle, and I am the State Health Officer of the North Dakota Department of Health. I am here today to testify in support of House Bill 1004. I will be giving you a brief overview of the department and the status of public health in North Dakota. Following my testimony, our Deputy State Health Officer, Arvy Smith, will give an overview of the executive budget request that is the subject of this bill.

**Mission**

Our mission is “to protect and enhance the health and safety of all North Dakotans and the environment in which we live.” The budget request in House Bill 1004 moves us forward in meeting our mission.

**Department Overview**

While most people know in general that public health is important, they are not always sure what public health is or how it affects their lives. In fact, the efforts of public health professionals touch the lives of every North Dakotan every day:

- Our **Environmental Health** section monitors the quality of North Dakota’s air and water, ensuring that our environment provides us with a healthy basis for our lives
- Our **Health Resources** section ensures that health facilities are safely and adequately serving residents and patients, and that food and lodging establishments meet all necessary safety requirements
- Our **State Forensic Examiner** performs autopsies that provide families with information on their loved ones and give us valuable information for population studies
- Our division of **Disease Control** monitors infectious diseases, responds to outbreaks, educates the public, and manages state vaccination data. From hepatitis C to Ebola to tuberculosis, disease control detectives work hard to identify and contain disease outbreaks. Their efforts to educate the public and track down sources of illness help to protect us all.

- Our **Community Health** section manages programs that help North Dakotans quit smoking; receive breast, cervical and colorectal cancer screening; improve diet and exercise habits for management of chronic disease and improved quality of life; manage diabetes; care for children with special needs; maintain nutrition levels during pregnancy and the first years of a child's life; care for health needs of children; and reduce instances of suicide and domestic violence
- Our **Emergency Preparedness and Response** section ensures that our public health system is prepared and able to respond to emergencies, such as Ebola, floods, fires or tornados; that hospitals and health care facilities are prepared for emergencies; and that our ambulance services are meeting the needs of citizens and provide the best quality of care possible

### **Department Goals**

The department of health's strategic plan is guided by our overall mission. In order to accomplish our overall mission, we focus on the following major goals:

- Improve the health status of the people of North Dakota
- Improve access to and delivery of quality health care and wellness services
- Preserve and improve the quality of the environment
- Promote a state of emergency readiness and response

Some of our goals are considered cross-cutting goals, meaning they impact the department as a whole. These goals are

- Enhancing our capability to manage emerging activities, such as oil impact and flooding;
- Achieving strategic outcomes using all available resources; and
- Strengthening and sustaining stakeholder engagement and collaboration through the Healthy North Dakota Program.

Each of our goals is supported by a list of objectives and outcome performance measures that help us assess our progress toward our goals. In our submitted budget document, we report how we are performing on each objective.

Following on the next page is the department's strategic plan, which details our goals and objectives.



**CENTRAL CHALLENGE:  
Protect and Enhance the Health and  
Safety of All North Dakotans and  
the Environment in Which We Live**

April 4, 2014

**Improve the  
Health Status of  
the People of  
North Dakota**

Decrease  
Vaccine-Preventable  
Disease

Achieve Healthy  
Weights  
Throughout  
the Lifespan

Prevent and Reduce  
Chronic Diseases and  
Their Complications

Prevent and Reduce  
Intentional and  
Unintentional  
Injury

Prevent and Reduce  
Tobacco Use and Support  
Other Substance  
Abuse Prevention

Reduce Infectious  
and Toxic Disease  
Rates

**Improve Access  
to and Delivery  
of Quality  
Health Care and  
Wellness Services**

Promote and Maintain  
Statewide Emergency  
Medical Services

Enhance the Quality  
of Health Care

Improve Access to  
and Utilization of  
Health and Wellness  
Services

Improve Health  
Equity

**Preserve and  
Improve the  
Quality of the  
Environment**

Preserve  
and Improve  
Air Quality

Ensure  
Safe Public  
Drinking Water

Preserve and Improve  
Surface and Ground  
Water Quality

Manage  
Solid Waste

Ensure Safe Food  
and Lodging Services

**Promote a State  
of Emergency  
Readiness  
and Response**

Prepare Public Health  
and Medical Emergency  
Response Systems

Maintain Hazard  
Identification  
Systems

Maintain Emergency  
Communication and  
Alerting Systems

Coordinate Public  
Health and Medical  
Emergency Response

**Manage Emerging Public Health Challenges such as Oil Impact, Flooding and Other Events**

**Achieve Strategic Outcomes Using All Available Resources**

**Healthy North Dakota Strengthen and Sustain Stakeholder Engagement and Collaboration**

## **Recent Public Health Activity**

As state health officer, I'm proud of North Dakota's public health professionals at both the state and local levels who work hard every day to safeguard the health of all North Dakotans. Here are a few examples you may have heard about over the past two years.

- In the summer of 2013, an outbreak of hepatitis C was discovered in an elderly population in a long term care facility in Minot. An outbreak in this population is highly unusual. Once the outbreak was identified, our Department Operations Center and our incident command system were activated to manage the investigation. With assistance from the Centers for Disease Control and Prevention, our disease control detectives worked to try to identify the source of the outbreak, to stop transmission, and to identify all those who might be affected in order that they could receive appropriate treatment. We determined that the outbreak was not confined to one facility, and we continue to identify more cases associated with the outbreak. We worked with the affected facilities to review infection control practices in order to prevent further transmission of the disease. The fifty-first case of hepatitis C was recently identified and the investigation is ongoing. Though we may never know exactly how the disease was spread, we were able to narrow the likely causes of transmission and prevent further transmission.
- TENORM is technologically enhanced naturally occurring radioactive material, and it is a byproduct of oil production. TENORM comes to the surface during drilling operations and is concentrated in filter socks and oil production equipment. The current limit for TENORM disposal in the state is 5 picocuries per gram, and anything higher than that cannot be disposed of here and must be hauled out of state. Five picocuries per gram is about the equivalent of background radiation. Unscrupulous operators dumped filter socks illegally instead of disposing of them properly. The addition of filter sock containment bins on oil sites has decreased the amount of illegal dumping, but the issue of TENORM disposal remained. The department determined that safe TENORM disposal levels had never been determined from a scientific point of view. We contracted with Argonne National Laboratories to conduct a study on TENORM specific to North Dakota. Argonne's report was recently released, and indicated that the state could safely dispose of TENORM of up to 50 picocuries per gram under certain conditions. The department is recommending that level in a rule change that will be the subject of public hearings this month. Our transparency about this process and our reliance on sound science has

earned us support from several major newspapers across the state. Other states are now looking to North Dakota as a leader in this area.

- A syphilis outbreak in south central North Dakota was identified in 2014. We worked with local public health units, Indian Health Services and the Standing Rock Sioux tribe to coordinate testing, contact tracing and treatment to those affected by the outbreak. The strength of these partnerships has led to a sharp decrease in the levels of transmission of this disease.
- Tuberculosis (TB) continues to affect the Grand Forks community, and several other cases have been identified around the state, including one in New Town that was identified just this month. The department supports the efforts of local public health units to test for TB and provide the necessary education, treatment and support necessary to control this disease and prevent further transmission. Public education and consistent messages among state and local public health, private providers, and school officials ensured that parents and community members had access to important information they needed. Early identification of this outbreak and a thorough response helped to contain any further spread of the disease, and ensured proper treatment for those already infected.
- We have taken advantage of several opportunities to exercise our emergency preparedness and response plans and services. One instance involved the relocation of residents of the Baptist home in Bismarck. The other involved the recent opening of the new St. Joseph's hospital in Dickinson. Both moves allowed us to activate our response protocols and assist local public health as if the moves were emergency evacuations. Those opportunities allow us to better prepare for actual incidents that might require evacuation.
- There has been an increase in spills of oil, production fluid and other substances that have the potential to impact public health. In response to public concern, we now list all spills on our website. We adopted a policy of sending out news releases for spills over a certain size or those that affected the waters of the state. We also provide updates to the media regarding cleanup efforts. We continue cleanup efforts on the large Tioga spill that was caused by a leaking pipeline, along with other sites around the state. The number of spills and their complexity has provided a challenge to the environmental health section, but the addition of new staff positions will help alleviate the workload and ensure that all spills receive the proper attention from our department.

**Highlighted Accomplishments** – Over the last biennium, The North Dakota Department of Health:

- Received accreditation as HealthLead™ for workplace wellness

- Enrolled 4,100 people in NDQuits in FY 2014, which is 260 more people than were enrolled the previous year
- Screened 2,400 women for breast and/or cervical cancer through the Women's Way program
- Provided funding to 20 domestic violence/rape crisis agencies for intervention, shelter and other services in 2013 to 900 victims of sexual assault along with 4,800 new victims of domestic violence and 4,250 children impacted by domestic violence. Provided suicide prevention funding of \$850,000 to schools, tribes, and social service and medical agencies
- Provided 5,200 dental sealant applications and 1,800 fluoride varnishes to students at about 50 schools to protect against tooth decay
- Distributed nearly 600 cribs and provided education on safe infant sleeping practices to reduce injury and death
- Achieved an adolescent vaccination rate for Tdap of 95 percent and meningococcal vaccination rate of nearly 94 percent
- Investigated three major infectious disease outbreaks, including hepatitis C (51 cases to date), syphilis (34 cases to date), and tuberculosis (16 cases in 2014-15)
- Activated and staffed the Department Operations Center for 15 incidents and provided medical support for six community events
- Reduced response time and increased emergency capacity by placing equipment and supplies in eight response trailers around the state
- Distributed \$6.2 million in grants and CPR devices to ambulance services and hospitals
- Received the Lieutenant Governor's 2014 Gold Level Award for worksite wellness
- Maintained high compliance rates above national levels for all environmental health regulatory programs while responding to increased needs and 166 citizen complaints relating to environmental quality
- Reviewed and/or investigated approximately 2,806 oil or wastewater spill reports during 2014
- Placed 29 health professionals in shortage areas around the state through the medical and dental loan repayment program, a significant increase from the 18 positions that were supported in the last biennium
- Monitored individuals for Ebola symptoms, hosted educational video sessions for a variety of statewide partners, and prepared for possible Ebola diagnosis within the state

## **Public Health Future Concerns**

Any public health department must prepare for the future, and we are no different. Here are a few issues we think will continue to impact the health department into the future.

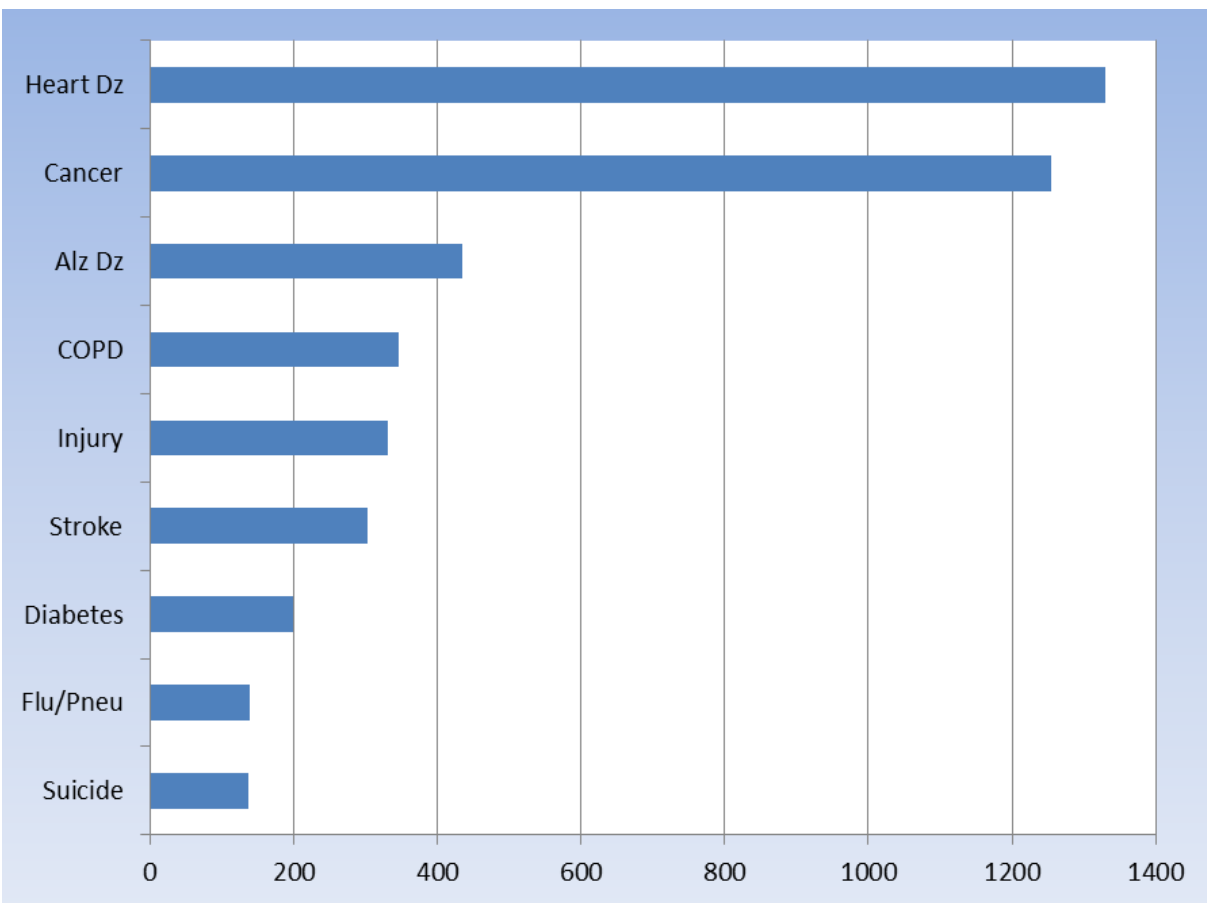
- Energy development in the western part of the state continues to challenge our Food and Lodging Division, which has seen a dramatic increase in licensing for food and housing establishments, including mobile food vendors. A recent audit pointed out issues with inspection reporting and made many useful recommendations, which we are implementing. One new improvement will be a database for inspections that will be accessible on our website.
- The Division of Emergency Medical Services and Trauma licenses and assists ambulance services across the state. These services have been struggling with a shortage of volunteers, which has resulted in the dissolution of at least one ambulance service. This is a serious issue in a rural state, and the DEMST is constantly looking for ways to sustain and improve these vital services. The Department of Health has played a vital role in coordination of the EMS system across the state, including providing grants and training to help sustain services at the local level.
- The rates of infectious diseases, particularly sexually-transmitted diseases, have risen across the state, reflecting a national trend. Providing services to populations in the western part of the state that tend to be more transient has been a challenge in the infectious disease, as well as other program areas.
- Our department relies in large part upon the federal government to provide funding for important public health programs. This funding can fluctuate in unpredictable ways, which makes some of our programs vulnerable. This is likely to continue to cause challenges for the department. Changes in federal programs, such as the implementation of the Affordable Care Act, also present challenges as we assess the impacts to existing programs and determine how to address future initiatives.

## Overview of Health Statistics

In order to address public health concerns, we need to know the status of health across the state. Specifically, public health is interested in the impact that events such as disease, accidental injury, and suicide might have on our population.

As a whole population, the six most common causes of death in North Dakota are heart disease, cancer, Alzheimer's disease, chronic obstructive pulmonary disease, injury and stroke.

Number of Deaths, by Leading Causes of Death  
North Dakota, 2013



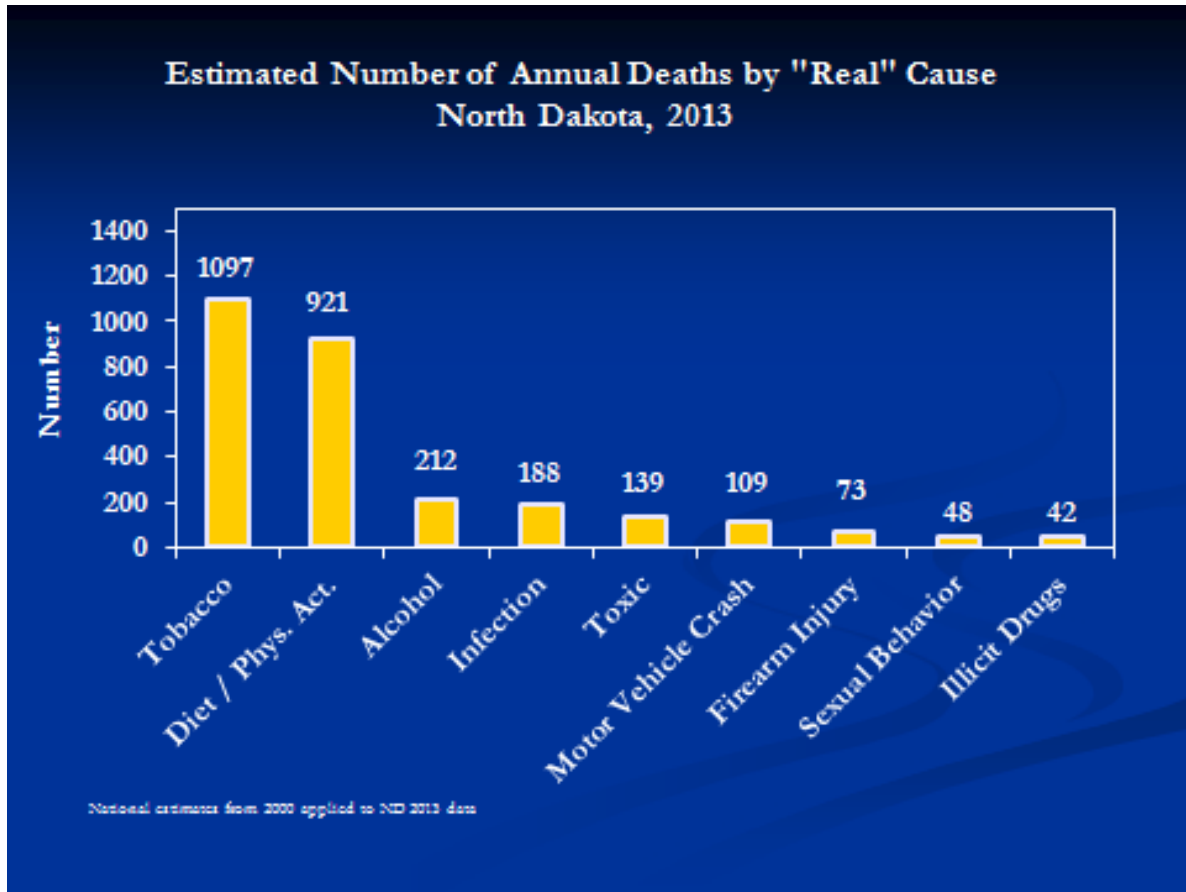


Communities are comprised of individuals across the age spectrum. The chart on this page shows the leading causes of death in North Dakota by age. This information is important in developing appropriate health-related strategies for policymakers, clinicians and public health professionals to improve the health and wellness of all North Dakota citizens.

Unintentional injury accounts for the greatest number of deaths to people between the ages of 1 and 44. Suicide is the number two cause of death between the ages of 15 and 34. The diseases listed on the first graph, heart disease and cancer, don't become common killers until the middle of life, raising to the number one and two slots at 45 years and older.

LEADING CAUSES OF DEATH BY AGE									
NORTH DAKOTA, 2012-2013									
<1	Age 1 to 4	Age 5 to 9	Age 10 to 14	Age 15 to 24	Age 25 to 34	Age 35 to 44	Age 45 to 54	Age 55 to 64	Age 65 +
PRE-MATURITY 24	UNINT. INJURY 9	UNINT. INJURY 2	UNINT. INJURY 3	UNINT. INJURY 73	UNINT. INJURY 80	UNINT. INJURY 83	CANCER 156	HEART 252	HEART 2245
ANOMALY 21	ANOMALY 3	CANCER 1	HOMICIDE 2	SUICIDE 59	SUICIDE 45	SUICIDE 42	HEART 124	CANCER 430	CANCER 1841
SIDS 13	CANCER 1	ANOMALY 1	ANOMALY 1	CANCER 7	HEART 24	HEART 35	UNINT. INJURY 93	COPD 53	ALZHEIMER'S 856
PREG COMP 13			SUICIDE 1	HOMICIDE 6	CANCER 10	CANCER 35	CIRRHOISIS 53	UNINT. INJURY 70	STROKE 593
RESP NB 11				HEART 2	CIRRHOISIS 4	CIRRHOISIS 23	SUICIDE 45	CIRRHOISIS 53	COPD 591
UNINT. INJURY 6				DIABETES 2	STROKE 2	DIABETES 14	DIABETES 27	DIABETES 41	DIABETES 300

Public Health's primary mission is the prevention of the risk factors and behaviors that cause death and disease in North Dakota across the entire age spectrum of the whole population. The next slide shows the underlying risk factors that lead to disease in North Dakota. As you can see, tobacco remains the number one risk factor associated with various cancers and cardiovascular disease, followed closely by poor diets and lack of physical activity, which are associated with diabetes, heart disease, stroke and some cancer.



Governor Dalrymple emphasized in his state of the state address that none of our responsibilities as a state is more important than caring for our people, particularly our seniors, our veterans and our most vulnerable citizens. He also indicated his strong financial support for nursing homes and other service providers. I would like to briefly discuss how the Department of Health supports some of those strategic goals.

In the broad field of health care, the two primary systems are the system of public health and the system of clinical health. Clinical health professionals are primarily trained to diagnose and treat individuals with disease and in clinical settings are valuable partners with public health to encourage health and wellness behaviors of individual patients and families. Public health professionals work at the prevention end of the spectrum by influencing behavior that leads to disease. Both systems are important and can benefit from additional collaboration and partnership. The health department encourages that collaboration and those partnerships as a means of enlisting clinical health professionals for support in the fight against development of disease and other health problems.

On the public health side, one of our major strategies to change risky behaviors is to focus on comprehensive wellness at worksites and schools, with schools being viewed as a specialized workplace. Comprehensive worksite wellness has been shown to decrease health care costs by 26 percent, decrease workers' compensation expenses by 32 percent, decrease absenteeism by 26 percent and decrease presenteeism. Presenteeism is when workers or students are present, but due to illness or a medical condition, are not able to be truly attentive and productive. For every dollar invested in comprehensive worksite wellness, there is a \$5.81 return for the workplace.

If we can change risky behaviors in worksites and schools in North Dakota, we will impact a significant portion of our population. Consistent messages for parents at their workplaces and for students in schools will reinforce and encourage healthy behaviors in our society. Healthy students are in a better position to learn, which will positively impact their lives, including their ability to find adequate employment in the workforce.

Health is much broader than just the physical absence of disease. It also includes the emotional, social, spiritual and economic well-being of individuals and families. We have an incredibly bright economic future in this state. We must provide the necessary infrastructure to adequately support the well-being

of families and communities as they are challenged and blessed with economic development.

## **Conclusion**

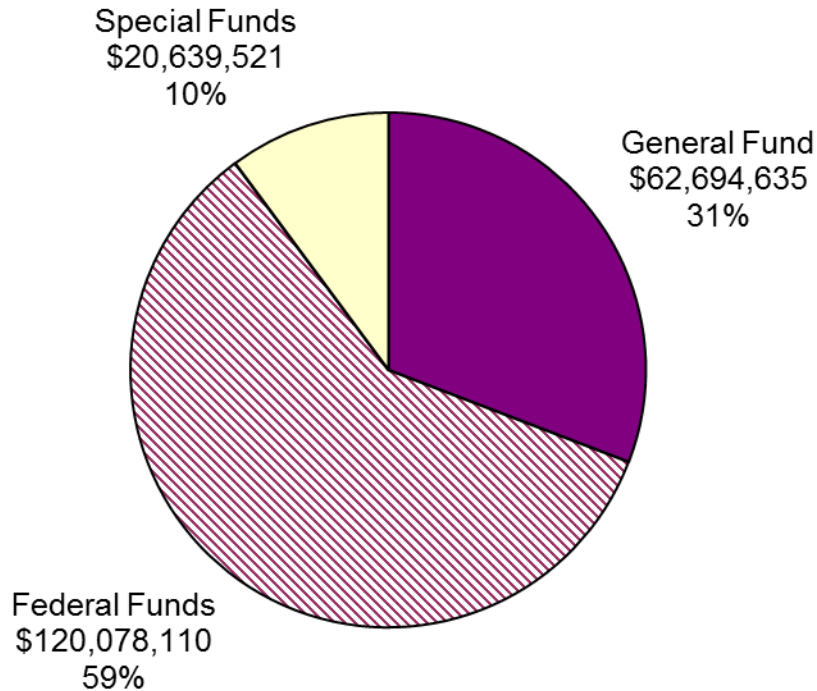
I wanted to take the opportunity to thank you for providing funding and seeing the importance of our work in public health. With the uncertainty of federal funding, we have come to rely more on the state to take care of its own, the people of the state. The support of Governor Dalrymple and the Legislative Assembly has allowed us to continue our work towards better health for all North Dakotans.

I'd like to ask Arvy Smith to continue with information about the budget of the Department of Health. Several other members of the department's staff also are here to respond to any questions you might have.

## **Budget Overview**

Chairman Pollert and members of the committee I am Arvy Smith, Deputy State Health Officer for the Department of Health. The total budget for the North Dakota Department of Health recommended by the governor for the 2015-17 biennium and included in House Bill 1004 is \$203,412,266.

## Total 2015-17 Budget by Funding Source



**Total \$203,412,266**

The recommended general fund budget is \$62,694,635 (31%) of the executive budget. That is equivalent to \$42 per capita per year. Federal funds are recommended at \$120,078,110 (59%), and special funds at \$20,639,521 (10%).

A comparison by funding source and FTE of the department's 2013-15 appropriation, the 2015-17 base budget request (which is the legislative appropriation adjusted for one-time expenses, economic stimulus funding, the salary equity adjustment and other items), and the 2015-17 executive recommendation as presented in House Bill 1004 is as follows:

	<b>2013-15</b>	<b>2015-17</b>	<b>HB 1004</b>	<b>Inc/(Dec)</b>
	<b>Legislative</b>	<b>Base Budget</b>	<b>2015-17</b>	<b>Exec Rec to</b>
	<b>Appropriation</b>	<b>Request</b>	<b>Executive Rec</b>	<b>Leg Approp</b>
General	46,001,508	45,556,803	62,694,635	16,693,127
Federal	120,309,143	116,763,623	120,078,110	(231,033)
Special	19,259,291	18,507,317	20,639,521	1,380,230
Total	185,569,942	180,827,743	203,412,266	17,842,324
<b>FTEs</b>	<b>354.00</b>	<b>354.00</b>	<b>373.00</b>	<b>19.00</b>

There are several changes to general funding which will be discussed in detail later. The federal funding decrease represents a net of increases and decreases in federal grants, most notably a \$4.5 million reduction to the Women, Infants and Children food payments. The special fund increase reflects an increase in the use of fees to pay for expenses in the environmental health section offset by a decrease in use of special funding in the emergency preparedness and response section for the cardiac system of care funded by the Helmsley Foundation. FTE increases are related to oil impact and to an increase in the number of food and lodging inspections required. Additional detail will be provided regarding budget changes later in my testimony.

The department pursues its goals and objectives through six departmental sections – Community Health, Emergency Preparedness and Response, Health Resources, Medical Services, Environmental Health and Administrative Support. Each section is composed of several divisions that house the individual programs that carry out the work of the section. A copy of our organizational chart can be found at Appendix A. Prepared comments describing all of the sections, divisions and programs are available upon request.

The Community Health and the Environmental Health sections make up 63 percent of our total budget. The Environmental Health section employs almost half of our employees. Our administrative overhead is only 3.32 percent of our total budget.

A comparison of our overhead rates for the last several biennia is as follows:

<u>2007-09</u>	<u>2009-11</u>	<u>2011-13</u>	<u>2013-15</u>	<u>2015-17</u>
2.63%	2.78%	3.57%	3.33%	3.32%

Our overhead costs to administer around 100 different programs have remained low. These rates have held steady over the last several biennia.

Department goals are also pursued through a network of 28 local public health units and many other local entities that provide a varying array of public health services. Some of the local public health units are multi-county, some are city/county and others are single-county health units. Other local entities providing public health services include domestic violence entities, family planning entities, Women, Infant and Children (WIC) sites and natural resource entities. Grants and contracts amounting to \$79.5 million or 39 percent of our budget are passed through to the local public health units and other local entities to provide public health services. Approximately \$20.9 million goes to local public health units, and \$25.1 million goes to other local entities. The remaining \$33.5 million goes to state agencies, medical providers, tribal units and various other entities.

**Budget By Line Item**

The executive budget for the Department of Health by line item is as follows:

	<b>2013-15</b>	<b>HB 1004</b>	
	<b>Legislative</b>	<b>2015-17</b>	<b>Percent</b>
	<b>Appropriation</b>	<b>Executive Rec</b>	<b>of Budget</b>
Salaries and Wages	56,980,799	67,315,887	33.1%
Operating Expenses	38,395,014	46,841,297	23.0%
Capital Assets	2,224,288	3,622,810	1.8%
Grants	57,610,729	59,006,090	29.0%
Tobacco Prevention & Control	5,544,251	6,426,182	3.2%
WIC Food Payments	24,659,861	20,200,000	9.9%
Federal Stimulus Funds	155,000	0	0.0%
<b>Total</b>	<b>185,569,942</b>	<b>203,412,266</b>	<b>100%</b>

**Salaries and Wages**

Salaries and wages make up \$67,315,887 or 33 percent of our budget. The majority of the increase to the salaries line item is the recommended salary package, the amount necessary to continue the second year of the 2013-15 biennium increases and the new FTE related to oil impact and food and lodging inspections.

Salary levels have been a major issue for the Department of Health. In some areas our turnover rate is over 20 percent and we continue to face recruitment and retention issues for certain positions, particularly while North Dakota’s economy is so strong. Department of Health salaries have not been equitable with other state agency salaries for similar jobs in comparable classifications. In addition, many of our classifications – including environmental engineers,

epidemiologists, chemists and human service program administrators – are paid significantly less than their counterparts in other states and in the private sector.

The new employee classification system as a result of the Hay Study caused severe salary compression issues. Although we have made some progress in this area we are still experiencing compression issues. The governor included \$5,904,265 with 3,499,197 from the general fund in our budget to address compression, allow performance increases and pay for health insurance premium increases. In addition the department received \$1,559,659 for equity adjustment for targeted high turnover, hard-to-fill positions.

#### Operating Expenses

Our operating budget of \$46,841,297 makes up 23 percent of our budget. The increase in the operating budget is a result of travel and other operating expenses related to new FTEs, the new environmental health management information system and other increases in contracts.

#### Capital Assets

Capital assets of \$3,622,810 make up only 2 percent of our total budget. The bond payment on our laboratory, the state morgue and a storage building, and equipment costing more than \$5,000 make up a majority of this line item. The increase is related to several large pieces of laboratory equipment for oil impact activities and digital x-ray equipment for the morgue.

#### Grants

Grants, which are provided to many local entities across the state, are at \$59,006,090 and make up 29 percent of our budget. The majority of grants are in the Community Health, Emergency Preparedness and Response, and Environmental Health Sections. At a departmental level, grants are up slightly but this is the net result of several increases and decreases that will be explained later in the testimony.

#### Special Line Items

There are three special line items included in the executive recommendation. Tobacco Prevention and Control is at \$6,426,182, or 3 percent of our budget. This is up by 16 percent due to increased tobacco settlement funding available and a previously projected increase in federal funding. Note that subsequent to budget submission, we have learned that this federal grant will likely decrease by as much as \$600,000 per year over the next several years.



Special Supplemental Nutrition Program for Women, Infants and Children (WIC) Food Payments make up \$20,200,000 or 10 percent of our budget. This is an 18 percent decrease reflecting the current usage of the program. This line item includes only the actual food payments. Administration by the local WIC sites is included in the grants line item.

The third special line item, which was for federal economic stimulus funds, is eliminated due to final expenditure of that funding source on the immunization interoperability project.

### **2015-17 Budget**

The 2015-17 executive budget provides additional funding to address public health needs in our state and meet our mission to protect and enhance the health and safety of North Dakotans.

#### Environmental Health Oil Impact \$6,997,130 (14 FTE)

Significant increases in workload have resulted from the increased energy development in the western part of the state. Many of the caseloads for inspection, permitting, monitoring, complaint investigation and enforcement activities to minimize the environmental impact and protect the public from environmental hazards have skyrocketed. Some examples include 1) air quality industrial construction permits have increased from an average of 20 per year to more than 80 per year, 2) oil well permit registrations have risen from approximately 3,000 per year to 7,400 per year, 3) Safe Drinking Water Act violations have risen from 73 a year to 332 in oil-impacted counties, 4) the number of water and wastewater projects submitted for review/approval have increased from 179 in 2010 to 384 in 2014, 5) industrial/oilfield special waste has increased from 10,000 tons in 2001 to an estimated 2,100,000 tons in 2014. There are many more examples. At the close of my testimony we will present you with additional details on the environmental activity in the western part of the state.

To address these needs, the governor's budget provides funding and FTE for the environmental health section as follows:

14 FTE	\$2,039,377
Associated operating expenses	\$456,934
Legal Fees	\$270,000
EH Management Information System	\$3,340,819
Equipment	\$840,000

Grants	<u>\$50,000</u>
Total	\$6,997,130 (\$3,997,650 general)

We are able to access just under \$3 million in federal and special funding (from radiation fees) to assist in paying for some of this expense. The one-time general fund portion of this is \$303,400.

Immunizations    \$755,953

In order to continue to provide free vaccines for children at the local public health units, we need an additional \$576,853. The current \$2.5 million included in the base budget is not sufficient to pay for the vaccine in the current biennium. We have asked for \$470,900 in the deficiency bill (SB 2023) to be able to pay for the costs in the current biennium. The increase is due to the increasing cost of vaccines and new immunization recommendations. An additional \$179,100 is included for a school module in the North Dakota Immunization Information System (NDIIS) to improve compliance with school immunization requirements and simplify processes for parents, schools and providers. Currently, about 10 percent of children entering kindergarten are not up-to-date for required immunizations. This system will save many hours of entering and tracking vaccinations in a separate system. The one-time general fund portion of this request is \$179,100.

Infectious Disease    \$550,000

During the current biennium, the Division of Disease Control has been responsible for identifying, responding to and managing three large infectious disease outbreaks including a large tuberculosis outbreak in Grand Forks County, a hepatitis C outbreak in Ward County, and a syphilis outbreak in Sioux County. In addition, they are now participating in activities to prepare the state to respond to an Ebola case should one occur in the state and to monitor individuals coming into the country from Ebola infected countries. Some of the burden of these activities falls on local public health units. Due to budget constraints, we are able to provide only limited support to local entities. This funding establishes a \$500,000 catastrophic fund to respond to infectious diseases wherever they occur in the state. An additional \$50,000 is included for centralized tuberculosis medication distribution.

Medical Examiner Services    \$224,000

From 2004 to 2012, the number of autopsies performed by the Medical Examiner's Office has steadily increased. Accreditation standards indicate that one forensic examiner should perform only 225 to 250 autopsies per year. To

address this, the governor recommends \$640,000 to contract with University of North Dakota Medical School to perform all autopsies for selected counties on the eastern part of the state, which total approximately 160 per year. \$480,000 has been included in the base budget and an additional \$160,000 was added by the governor. An additional \$44,000 is provided for equipment to replace the original portable X-Ray machine. Also \$20,000 is provided to modify the Electronic Vital Event Registration System (EVERS) to receive and review death records electronically. The one-time general fund portion of this request is \$64,000.

Food and Lodging Staffing \$792,016 (5 FTE)

Additional staff are being requested to address not only the increased regulatory work associated with oil activity, but also to address recommendations of a recent programmatic audit conducted by the State Auditor's Office.

Approximately 250 new food and lodging establishments have been licensed and inspected in the last two years, most from oil impacted counties. Pre-operational inspections on new establishments are more time consuming than routine inspections. Enforcement action on unlicensed and non-compliant licensed facilities has steadily increased over the last couple of years as well. The audit recommended that the division comply with Food and Drug Administration (FDA) guidelines regarding staffing levels and implementing a risk-based inspection system. According to the FDA standard, low risk food operations should be inspected once per year while the highest risk operations should be inspected four times per year. This results in an additional 1,600 more inspections per year. Also according to FDA, one full time employee should perform between 280 and 320 inspections per year. Currently each full time employee conducts over 500 inspections each year.

Suicide Prevention \$500,000

Funding for suicide prevention is increased \$500,000 to fortify efforts for youth and underserved populations. Funding will be used to increase suicide prevention education and training across the state to professionals who provide services to the 10 to 24 year old population, develop and distribute new media materials, increase suicide prevention in medical facilities, and provide better referral resources to physicians.

Loan Repayment Programs \$712,500

Additional funding is provided to expand the current loan repayment programs and to establish a new behavioral health loan repayment program. Funding will add two physicians each year, one midlevel practitioner each year, one dentist

and five behavioral health professionals each year, one psychologist and four social workers, addiction counselors, professional counselors, psychology nurse practitioners, registered nurses or licensed practical nurses working in the behavioral health field. The need for these providers is demonstrated through the Health Professional Shortage Area federal designation. Ninety-two percent of the state is designated as a Primary Care Health Professional Shortage Area while 94 percent is designated as a mental health shortage area and 33 percent is designated as an oral health shortage area. Loan repayment is an incentive that has proven to be helpful in recruiting health care providers to serve in rural and underserved areas of the state. Of 23 physicians that have completed their program obligation, 19, or 83percent, remained at the same practice site one year following completion of the loan repayment program and all have remained in North Dakota.

State Medical Cache      \$989,000

The state medical cache, currently valued at \$11.4 million, contains public health and medical supplies, equipment and pharmaceuticals that are used for emergency response by local and state public health and private medical responders. Those responders include public health units, hospitals, clinics, long term care facilities, laboratories, emergency medical services providers and others. Additional needs have been identified as a result of actual responses to emergencies, drills and exercises, and planning efforts. The state medical cache currently has sufficient public health and medical supplies and durable medical equipment to care for 1,500 patients for one week. Due to events such as the 2009, 2010 and 2011 flooding, the natural gas pipeline explosion that affected many of the medical facilities on the eastern side of the state, train derailments and warehouse fires in 2014, we recognized that capacities needed to be increased to care for at least 3,000 people. Items include disposable medical supplies such as bandaging, linens, oxygen, laceration trays, catheters, intravenous starter sets, defibrillator pads, alcohol swabs, glucose strips, syringes, lifts, stretchers and wheelchairs. Hospitals do not have sufficient quantities of supplies and equipment to meet this need and delivery from the federal government would typically not be available for 72 hours. The funding allows for \$959,000 in health and medical shelter supplies and \$30,000 for conversion of two additional school busses into stretcher/wheelchair coaches for patient transfer. The entire amount is a one-time general fund expense.

Salary Equity      \$1,559,659

Continued oilfield, municipal and industrial development has resulted in the need for environmental professionals in the private sector, creating job

opportunities for trained environmental staff such as those in the Environmental Health Section of the department. As a result, the section is losing employees with five to ten years of experience, resulting in increased staff workloads related to recruiting, hiring and training new employees. We are experiencing turnover rates of over 20 percent in some areas. In addition, although there has been some improvement, compression still exists as a result of implementing the Hay classification system. As directed by Office of Management and Budget, the salary equity package will be targeted at hard-to-fill professions and will not be given across the board.

Local Public Health State Aid \$1,000,000

An additional \$1,000,000 is provided to local public health units for a total of \$5,000,000 to support their injury prevention strategies and response to environmental health needs across the state. Public health threats may include food borne outbreaks, water supply contamination or natural disasters such as floods and tornados. Local public health unit budgets continue to be tight due to decreasing federal pass-through funding from the state, hold-even or slightly decreasing federal funding which makes it difficult for LPHUs to fund inflation, and other rising costs.

Emergency Medical Services Assistance Fund \$1,600,000

Funding for emergency medical services grants is increased from \$6,400,000 to \$8,000,000. Rural ambulance services are experiencing a shrinking volunteer workforce, increasing populations, increases in medical severity of patients, increases in uncompensated care, and increases in the cost of equipment. Since there is no mandate for EMS in the state, there is no one entity charged with the financial support of ambulance services. Most ambulance services do not generate enough revenue to cover expenses. The grants are used to offset operating expenses such as staffing, on-call pay, supplies and other operational expenses.

Domestic Violence/Rape Crisis \$500,000

An additional \$500,000 is recommended for grants to the 20 domestic violence/rape crisis centers to provide prevention and intervention services to victims of domestic violence and sexual assault. Current funding is at \$2,050,000. There has been an increase in the numbers of incidents and victims that are being reported by local crisis centers in the past two years by centers in Williston, Dickinson, Minot, Stanley and Beulah. However, agencies across the state are feeling the impact of the increased populations and affordable housing shortages. Lack of local resources is also an issue. Victims seeking services

have more complex needs than in the past. Advocates provide the initial crisis response to victims seeking assistance at the centers, which includes counseling, filing protection orders, making arrangements to get victims back to another state, assisting with immigrant status, short-time emergency shelter, referrals for treatment of mental health needs, substance abuse and trauma care. When victims are able to take the next steps to survivorship advocates assist victims seeking affordable housing and jobs or educational opportunities. The additional funding would help agencies hire additional advocates, offer competitive wages and pay for increasing shelter costs.

#### Women's Way Services \$500,000

In building our department's base budget and looking at caseloads, priorities, and Affordable Care Act impacts, we felt compelled to use special funding from the Community Health Trust Fund which had previously been used for Women's Way indirect costs, to fund the Behavioral Risk Factor Surveillance System (BRFSS). Data from BRFSS, which is the main public health survey conducted across the nation, is used by staff to draft grant proposals. BRFSS has experienced significant federal funding cuts. The cuts were severe enough to jeopardize the validity of the survey, as the number of individuals surveyed would have to be cut substantially in order to fit within the funding provided. Our department felt that funding BRFSS had to be a top priority, since this information helps us obtain federal and special grant funding which we are so heavily dependent upon.

On the other hand, Women's Way screening caseloads have decreased because many clients are now eligible for either expanded Medicaid or the Marketplace health insurance exchange. Yet under federal rules at the time the budget was put together, only 40 percent of funding could be used for indirect costs (costs of recruiting, case management, navigation) and 60 percent had to be used for direct screening costs. In our optional package we requested restoration of the Women's Way funding that we cut in order to fund BRFSS. A bill in Congress to remove the 40/60% rule had passed the House and has now in fact passed both houses. This should free up federal funding so that more funding can be provided to local public health units for recruiting women into the program. At the time the Governor's recommendation was made, the rule had not yet passed, so they chose to restore the Women's Way funding we had cut to fund BRFSS.

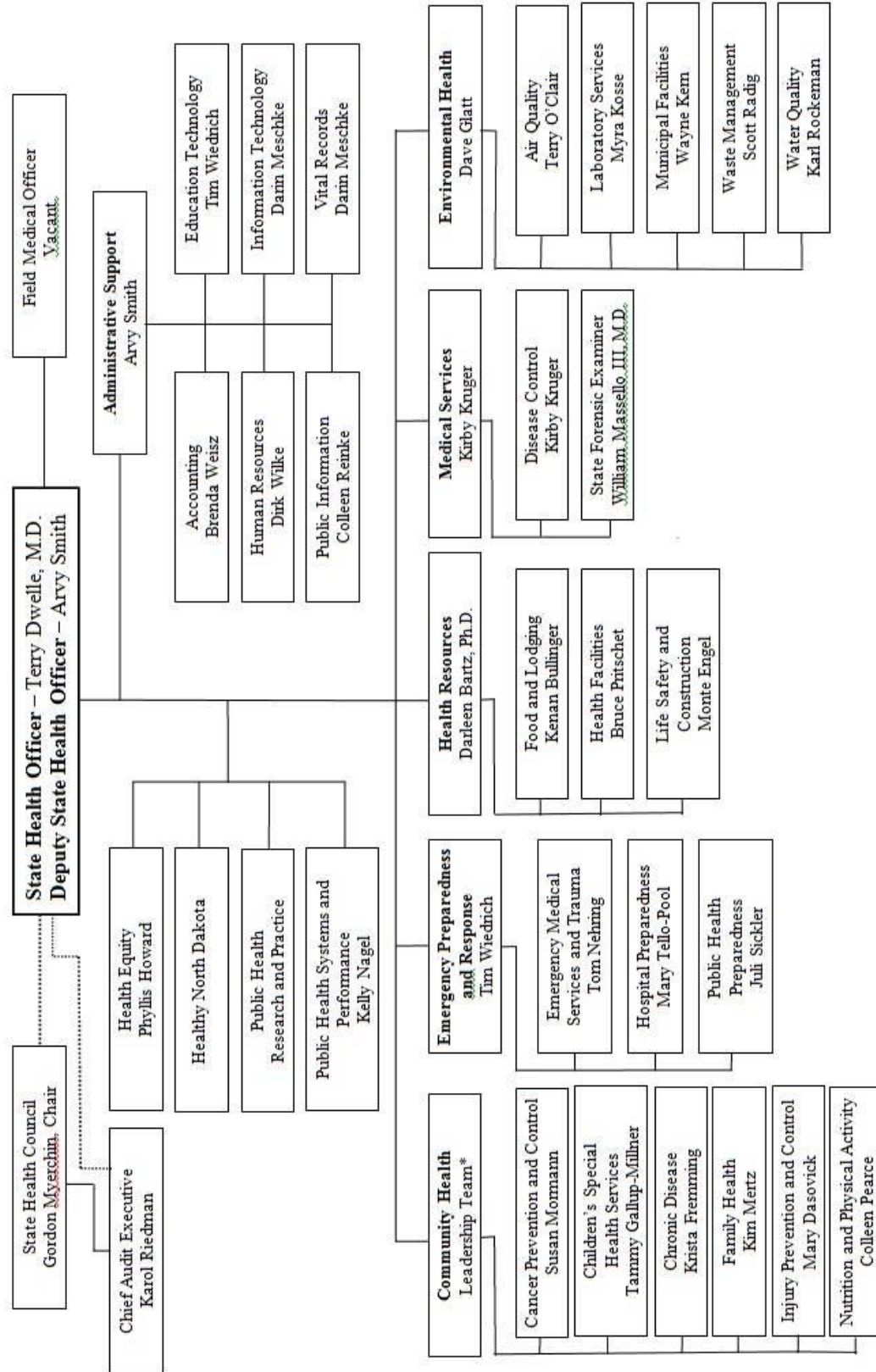
### Federal Funding Issues

As indicated earlier, almost 60 percent of the Department of Health budget comes from the federal government in the form of approximately 80 federal grants. The status of our federal funding is often uncertain. With that uncertainty, we prepared our budget by assuming that federal grant amounts will hold even, unless we were certain otherwise. We recognize that as we proceed through the next biennium we will have to make adjustments to our budget, operations and possibly staffing as the federal funding picture becomes clearer.

### Conclusion

The budget before you for the Department of Health addresses many important community public health needs. It provides much needed funding to deal with impacts of energy development in the west, it provides much needed medical resources in the form of professional loan repayments, state medical cache and emergency medical services grants, and by providing additional resources to the local public health units, it allows us to systematically work together to meet our public health goals.

Chairman Pollert, members of the Committee, this concludes the department's testimony on House Bill 1004. I will now invite Dave Glatt, Environmental Health Section Chief to present to you a report regarding the environmental impacts in the western part of the state. After that our staff and I are available to respond to any questions you may have.



\*The six division directors share responsibility for management of the Community Health Section.