MINUTES

MONTANA SENATE
55th LEGISLATURE - REGULAR SESSION

COMMITTEE ON PUBLIC HEALTH, WELFARE, & SAFETY

Call to Order: By **CHAIRMAN STEVE BENEDICT**, on January 17, 1997, at 1:00 PM, in Room 410

ROLL CALL

Members Present:
Sen. Steve Benedict, Chairman (R)
Sen. James H. "Jim" Burnett, Vice Chairman (R)
Sen. Larry L. Baer (R)
Sen. Chris Christiaens (D)
Sen. Bob DePratu (R)
Sen. Dorothy Eck (D)
Sen. Sharon Estrada (R)
Sen. Eve Franklin (D)
Sen. Fred Thomas (R)

Members Excused: None

Members Absent: None

Staff Present: Susan Fox, Legislative Services Division
Karolyn Simpson, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:
Hearing(s) & Date(s) Posted: SB 126, 1/10/97
Executive Action: SB 8

{Tape: 1; Side: A; Approx. Time Count: 1:00 PM}

HEARING ON SB 126

Sponsor: **SENATOR LINDA NELSON, SD 49, Medicine Lake**

Proponents: **Rod Sundsted, Montana University System**
Dick Brown, Montana Hospital Association
Tom Mitchell, Clark Fork Valley Hospital
Nancy Ellery, Department of Health and Human Services
Kip Smith, Montana Primary Care Association
Tom Cherry, self
Barbara Booher, Montana Nurses Association

Opponents: None

Opening Statement by Sponsor:
SENATOR LINDA NELSON, SD 49, Medicine Lake, said SB 126 is at the request of the Board of Regents and its intent is to increase the payment for qualified rural physicians. The Montana Rural Physician Program was offered by the 1991 Legislature and its primary purpose is to encourage primary care physicians to practice in medically under-served areas in rural Montana. The Rural Physician Incentive trust fund was established to pay the educational debts of physicians who practice in areas of the state that are medically under-served. The program currently pays up to $30,000.00 towards educational loans of health professionals and payments are made directly to the lending institution. SB 126 will increase amount this to $45,000.00 and spread it over a 5-year period. In 1994, the federal government listed 18 Montana communities or counties as health professional shortage areas, and 23 other counties have specific towns and areas designated as shortage areas. The intent of the program is for the incentive fund to be used for rural areas who have difficulty attracting and maintaining enough physicians to serve their areas. These communities have less than 8,000 people and hospitals with less than 50 beds. This program was started in 1992, and since then, 21 physicians have applied for funds.

Students receiving funds under the WAMI (Washington, Alaska, Montana, and Idaho Cooperative) and WICHE (Western Interstate Commission for Higher Education) programs for medicine, or osteopathic medicine, must pay an annual fee, of approximately $1,850.00 per year to this program and this money is deposited into the rural physician incentive trust fund.

Proponents' Testimony:
Ron Sundsted, Associate Commissioner for Fiscal Affairs, University System, had a handout of updates, program enactment, and current participation. **(EXHIBIT 1)** One of the reasons for increasing the amount, they did a survey of clinics and hospitals to find out how the program could be improved, and the main response was the amount should be increased. A survey of the graduating physicians under the WAMI program showed their current debt was $68,000.00, which indicates increasing the amount somewhat would be beneficial to rural areas in attracting physicians. The reasons for spacing the payments out over several years is for better retention, as physicians develop roots in the community. To date, six physicians have gone all the way through and completed repayment, and each have remained in the area to which they were recruited.

He referred to the fiscal note, saying there are sufficient funds, and even with increased participation as a result of increasing the amount, and with the current physicians in the program, there is enough money to cover this, and no state money goes into this program.

Dick Brown, Senior Vice President, Montana Hospital Association, said there is a need to increase the amount of money in this program. **(EXHIBIT 2)**

Tom Mitchell, Chief Executive Officer, Clark Fork Valley Hospital, Plains, said four years ago, they had only one family practice physician on the active staff, trying to serve the community of about 8,000 people. They weren't able to offer obstetric services, so pregnant women had to travel at least 75 miles on a 2-lane highway, many times at night for care. Now they have five family practice physicians serving the county, own and operate six primary care clinics throughout the county, serving several communities. Obstetrical services were reinstituted in March, 1996. Most of this is due to their ability to recruit and attract family practice physicians to a rural area. A family practice physician who does obstetrics and willing to live in a rural area, is the hardest physician to find. The average physician coming out of medical school, interested in working in a rural area, is basically impoverished and arrive $100-150,000.00 of debt in school loans. Rural hospitals and communities must have an attractive incentive to offer them because they will also be working for 30-40% less than if they were in a metropolitan area. Retention prospects improve the longer a physician stays in a community, as their children attend local schools and they settle into the community

Nancy Ellery, Administrator, Health Policy and Services Division, Department of Health and Human Services, said they support SB 126. **(EXHIBIT 3)**

Kip Smith, Associate Director, Montana Primary Care Association, works with health care providers throughout the state who serve the medically under-served residents in Montana, primarily the rural health clinics and health centers, migrant health program, urban Indian tribal programs, plus small rural communities. They support SB 126 because it is an important programs for the rural communities that are trying to recruit and retain providers.

Tom Cherry, representing self, said loan repayment continues to be the state of the art in this business to getting primary care physicians, right out of training, interested in discussing rural locations. A more accurate debt load for physicians just out of training is closer to $100,000.00 as opposed to the $68,000.00 quoted in earlier testimony. The lower figure is more typical of this area due to the WAMI and WICHE programs due to the subsidies. He recommends Do Pass on SB 126.

Barbara Booher, Executive Director, Montana Nurses Association, said SB 126 is an example of what works well. This program attracts health care providers to the rural communities and this is also a struggle for advanced practice registered nurses who can serve at a mid-level role and provide necessary services. They support SB 126.

Opponents' Testimony: None

Questions From Committee Members and Responses:
SENATOR CHRIS CHRISTIAENS asked how communities qualify to get funding for this program.

Dick Brown said there are guidelines from the 1991 legislation, and the definition is "medically under-served." The committee that works on this program looks at hospitals under 50 beds. There have been a couple of hospitals in the 50 bed range who have made application, but because of number of physicians in those communities, they don't have any problem attracting physicians and these requests have been denied. They concentrate on the more rural, smaller communities because hospitals with 50 beds or more have a much easier time recruiting.

SENATOR LARRY BAER, said it's his understanding the funding for this program is special revenue from medical students in the WICHE and WAMI programs, so is essentially self-supporting from the doctors themselves, and asked if that was correct.

Dick Brown said that is correct.

SENATOR BOB DePRATU asked if communities without hospitals are eligible to get someone in if they have a primary care facility, but may be more than 40 miles to the nearest hospital.

Ron Sundsted, said he thinks they can but must be sponsored by either a clinic or a hospital.

SENATOR DOROTHY ECK said we do have a computerized system of response through AHEC (Area Health Education Committee) where people write in who are looking for a doctor and doctors looking for a location.

Closing by Sponsor:
SENATOR NELSON, said being from a rural community like Medicine Lake, she can vouch for the need for this program and it has helped the facilities in her area. There is a need to spread these payments over a period of years, because they're sometimes reluctant to come to rural communities, but the friendliness and warmth in that community, and relative freedom from crime, they decide it's a good community to be in, which may offset the cultural advantages of urban areas.

EXECUTIVE ACTION ON SB 8

Amendments:
CHAIRMAN BENEDICT said there are two sets of amendments. One from Beth Baker at the Department of Justice **(EXHIBIT 4)** and one from the sponsor, **SENATOR DON HARGROVE. (EXHIBIT 5)**

Motion: **SENATOR SHARON ESTRADA moved SB 8 DO PASS.**

Motion/Vote: **SENATOR FRED THOMAS moved SENATOR HARGROVE'S AMENDMENTS TO SB 8 BE ADOPTED. THE MOTION CARRIED UNANIMOUSLY.**

Motion: **SENATOR ESTRADA moved THE JUSTICE DEPARTMENT AMENDMENTS to SB 8 DO PASS.**

Discussion:
SENATOR THOMAS asked if these amendments conflict with **SENATOR HARGROVE'S** amendments. **Susan Fox** said she didn't think they did, but the subsections would have to be renumbered accordingly.

CHAIRMAN BENEDICT said his thought on the amendments is the Department of Justice is making its job easier for themselves but creating a lot of consternation for those who will have to administer this act, because it renders illegal 80-90% of the cold medicines found on the shelves of most pharmacies. They're trying to include pseudoephedrine which is contained in most of the cold medications on the shelves, and they're doing that because it much easier to detect pseudoephedrine when testing.

SENATOR ESTRADA withdrew the motion for the Justice Department amendments.

SENATOR ECK said she still has a question. There was testimony that many products do not contain pure ephedrine, but have added ingredients.

{Tape: 1; Side: A; Approx. Time Count: 1:29 PM; Comments: remaining 5 minutes lost due to power cord accidentally pulled from socket.}

SENATOR EVE FRANKLIN said the cost issue related to testing at the lab is not clear.

Motion: **SENATOR BAER moved SB 8 DO PASS AS AMENDED.**

Discussion:
SENATOR CHRISTIAENS said the cost of the reagents for testing is a factor. Some of these reagents are very costly and their shelf life can be as little as 30 days.

CHAIRMAN BENEDICT said the motion for Do Pass as amended for the Department of Justice amendments should be withdrawn.

SENATOR BAER withdrew his Do Pass As Amended motion on SB 8, until a fiscal note has been requested.

CHAIRMAN BENEDICT said the committee would wait on Executive Action until there is a fiscal note.

SENATOR ECK said she would like to get information as to what other states have done with the ephedrine and pseudoephedrine issue.

CHAIRMAN BENEDICT assigned **SENATOR ECK** to research the issue and bring the information back to the committee.

ADJOURNMENT

Adjournment: 1:34 PM

SEN. STEVE BENEDICT, Chairman

KAROLYN SIMPSON, Secretary

SB/KS