

House Bill No. 1012

House Appropriations Human
Resources Division

January 21, 2021

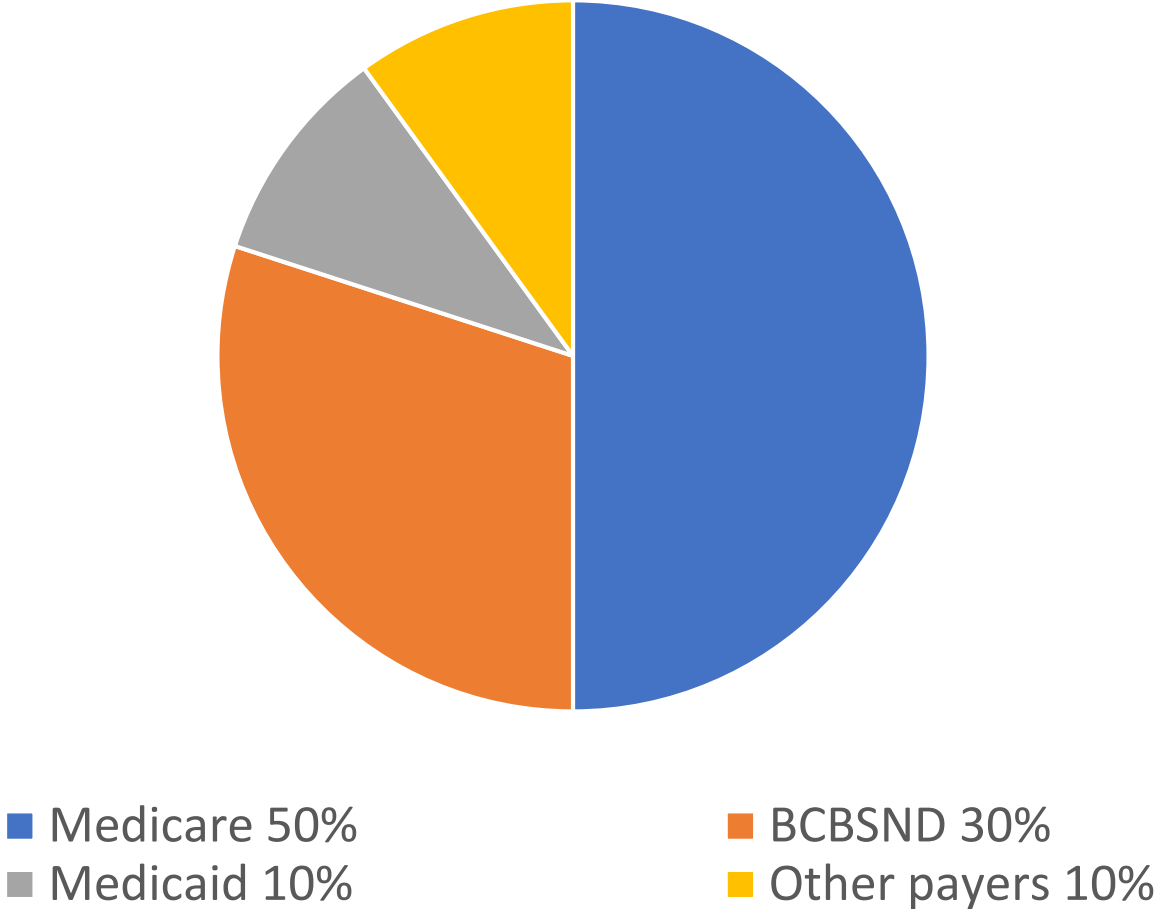
Tim Blasl | President



ND hospitals
strongly support
health care
access and
affordability

- Policy options we support
 - Reform health markets
 - Increase telehealth
 - Improve health care price transparency
 - Promote value-based care
 - Strength patient adherence to medications

ND Payer Mix – 90% Fixed



ND
specific
focus is
needed

- The study claims private insurers in ND went from paying 170% to 200% of Medicare rates.
- The study claims this is evidence that hospitals do negotiate rates with payers.
- The two major commercial insurers both confirmed that their rates are between 175 and 180% of Medicare.

What Drives Cost

- Study claims ND expenses highest in nation
- Half of our PPS hospitals have major patient populations from MN, which means the calculation assumed costs are all born by North Dakotans.
- Wages in ND increased at a high rate. Ex. oil activity, nursing shortage, recruitment challenges for professional services.
- The amount of health care used by patients (utilization) is the main driver of health care costs.

ND health insurance premiums are low

Hospitals operate within a budget of fixed payments.

Hospital margins are small - roughly 2%.

Hospitals do not get more reimbursement just because costs increase.



ND has among the lowest premiums in the country...

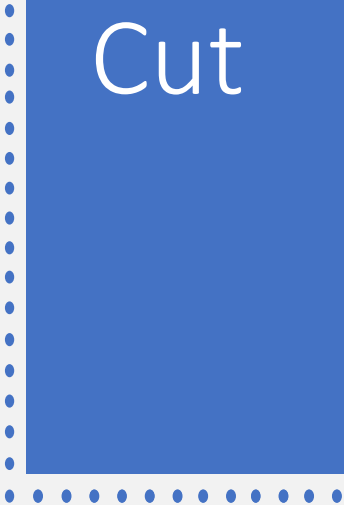


Which leads to low commercial provider rates



Medicaid Expansion Cut

- The report suggests reducing Medicaid Expansion rates - which would cut about \$400 million out of the healthcare system in the next four years.
- It fails to acknowledge that the expansion population is covered at a 90 percent federal matching rate.
- Traditional Medicaid rates don't cover the cost of providing health care services.
- Medicaid Expansion helps subsidize traditional Medicaid rates - even with the higher rates, providers overall still lose money when treating Medicaid patients.





QUESTIONS?

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