



North Dakota House of Representatives  
Human Services Committee- January 20, 2025

RE: Testimony in Support of HB 1339

Dear Chairman Ruby and members of the Human Services Committee,

My name is Brock Sherva, and it is my honor and privilege to serve as CEO of Northwood Deaconess Health Center (NDHC) in Northwood, ND. NDHC strives to provide full service, high quality health care to the communities we serve. I am a lifelong user of the amazing services provided by NDHC, being a 5<sup>th</sup> generation resident of Northwood myself.

I am testifying in support of HB 1339, which adds hospital owned ambulance services to the list of exempt entities from having to be a part of a rural ambulance service taxing district.

Rural ambulance service taxing districts fail to consider the complexity of how the ambulance service operates when it's a part of a health system. Hospital-owned ambulance services operate under the direct oversight of the hospital's board of directors. The board is responsible for creating and approving budgets for all areas of the hospital, including its ambulance service. Creating a separate rural taxing district creates unnecessary duplication of budgeting and oversight, without any apparent benefit increase for the taxpayers.

One argument I have heard against an exemption for hospital owned services is that hospital boards are not elected by the taxpayers, but are receiving taxpayer funding. I can only speak from NDHC's unique situation, but the opposition is correct that our hospital board is not elected by the citizens in our county. That being said, the citizens of our county did vote on the current levied amount that supports EMS services in Grand Forks county. Our finances are audited annually and are available for any taxpayer, commissioner, or county auditor to request as required by our 501c3 nonprofit status. I question why hospitals would need to be treated any differently than other non-profit organizations that receive levied dollars. For example, in Grand Forks county, the Community Violence Intervention Center and Grand Forks Regional Economic Development both receive levied dollars but have boards that are not appointed by the taxpayers. Their levied funds flow from the state to the county commission, then to the organization, just like ours do today. Locally, our Northwood Economic Foundation and Northwood Cemetery Association have levied dollars that go to the city and are then distributed to the organizations. Both of those non-profit corporations also have boards that are not elected by the taxpayers. I feel strongly that there are adequate checks and balances already in place- the taxpayers voted to approve the levy, the county receives and distributes the levy with the ability to request financials from the organizations, and the hospitals utilize the funds to help offset the loss of operating an ambulance service while providing a service to the taxpayers.

In addition to the duplication of oversight, more concerning is the lack of clarity around how the district will contract with the hospital-owned ambulance service. Hospitals will continue to take on all the risk of staffing, capital improvements, and liability insurance without any assurances that the district would provide adequate funding to cover the expenses. Many counties, like Grand Forks county, already have funding mechanisms in

place for emergency medical services. By creating a taxing district, current funding is put into limbo and will be subject to annual changes and potential cuts.

As stated above, rural ambulance service districts fail to take into consideration the complexity of the overall emergency services of the hospital. NDHC's ambulance service transferred me when I was 8 years old to receive additional care for an exacerbated case of croup, they responded to my father's fatal car accident, and they saved my grandfather's life when he was suffering a stroke. In all three of these instances, a nurse from NDHC's emergency department was onboard the ambulance to provide additional assistance and support to EMS staff. How can we begin to calculate the cost of that in a contract with the service district?

I fail to see how the rural ambulance service districts enhance NDHC's ability to provide ambulance services, and more importantly, enhance patient experience and care received. Hospital owned ambulance services have consistently stepped up to take on additional coverage when needed, and being exempt from rural ambulance taxing districts would not change this. This exemption would still allow a hospital to be a part of a district if that is best for patient care, it simply removes the mandate of having be a part of one.

Thank you for your consideration in supporting this legislation and thank you for all that you do for our great state. If you have any questions, please don't hesitate to contact me.

Respectfully,

A handwritten signature in black ink, appearing to read "Brock Sherva". The signature is fluid and cursive, with a long horizontal stroke at the end.

Brock Sherva, Administrator/CEO

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