



Testimony in Opposition to HB1349

Submitted by R. Wayne Reid, MBA

Chief Executive Officer, Langdon Prairie Health

Chairman and Members of the Committee,

Thank you for the opportunity to provide testimony regarding HB1349. My name is Wayne Reid, and I serve as the Chief Executive Officer of Langdon Prairie Health, a Critical Access Hospital in Langdon, North Dakota. I appreciate the intent behind this legislation; however, I must express my strong opposition to HB1349 due to the devastating impact it would have on rural healthcare access, affordability, and sustainability in our state.

HB1349 proposes to raise the cap on non-economic damages from \$500,000 to \$1,500,000 in 2026 and further increase it to \$2,500,000 in 2028. This 400% increase alone would be a significant financial burden, but the removal of language ensuring a single cap per claim exacerbates the risk. Under this bill, if only four individuals were named in a lawsuit, our facility could face \$10,000,000 in non-economic damages—an unsustainable liability for a small, rural hospital like ours, which operates with just \$13 million in total patient revenue.

The consequences of such a change are well documented. A 2019 National Institutes of Health (NIH) study identified a clear correlation between increased non-economic damage caps and rising healthcare costs. The study further highlighted how these increases lead to defensive medicine practices, a decreased physician workforce, and higher overall healthcare spending. In a time when healthcare providers are being asked to contain costs and maximize efficiency, HB1349 would directly contribute to rising costs for North Dakotans while simultaneously jeopardizing their access to care.

Further, a comparative look at neighboring states demonstrates the importance of maintaining a reasonable cap. South Dakota currently upholds the same \$500,000 cap as North Dakota, while Montana enforces a more conservative cap of \$250,000. Implementing the dramatic increases outlined in HB1349 would place North Dakota at a severe competitive disadvantage in attracting and retaining physicians, particularly in rural areas already facing provider shortages.

We have already seen how excessive malpractice insurance costs have contributed to the decline of obstetric services across the country, particularly in rural communities. The passage of HB1349 could lead to similar reductions in acute care services, further straining the already



fragile rural healthcare system. Worse yet, hospitals could face closure due to either skyrocketing insurance premiums or an inability to secure insurance coverage altogether.

I deeply appreciate this committee's dedication to improving healthcare for all North Dakotans. However, I urge you to consider the unintended consequences of HB1349. The financial instability this bill would impose on hospitals, especially in rural areas, could lead to diminished services, higher costs, and even hospital closures—leaving North Dakotans with fewer healthcare options when they need them most.

I respectfully request that you oppose HB1349 to protect the viability of rural healthcare in North Dakota. Thank you for your time and consideration. I am happy to answer any questions you may have.

Sincerely,

R. Wayne Reid, MBA

Chief Executive Officer

Langdon Prairie Health – Langdon, ND

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