

**Testimony in Opposition to House Bill 1349**  
**House Judiciary Committee**  
**February 3, 2025**

Chairman Klemin and Members of the House Judiciary Committee, my name is Reier Thompson, and I am the President and CEO at Missouri Slope Lutheran Care Center here in Bismarck. Thank you for the opportunity to provide testimony in opposition to House Bill 1349. I strongly urge the committee to give this bill a **Do Not Pass** recommendation.

**The Consequences of HB 1349 on Skilled Nursing Facilities**

As a skilled nursing provider, I recognize the importance of fair compensation for patients who have suffered harm. However, HB 1349 significantly increases the cap on noneconomic damages in medical malpractice cases from \$500,000 to \$3 million, making North Dakota's cap the highest in the country. This drastic shift could have devastating consequences for the long term care sector, which is already struggling under financial constraints and workforce shortages.

Skilled nursing facilities operate with narrow margins while providing high-quality care to some of North Dakota's most vulnerable residents. Increasing liability costs through excessive noneconomic damage awards will have a ripple effect on our entire system. Medical malpractice insurance premiums will skyrocket, further straining facilities that are already facing reimbursement challenges, rising operating costs, and staffing shortages.

**Impact on Workforce and Access to Care**

The long term care workforce is in crisis. Skilled nursing facilities are already facing unprecedented challenges in recruiting and retaining nurses, CNAs, and other essential personnel. If liability costs rise as a result of this bill, it will further discourage professionals from entering or staying in the field, exacerbating an already dire workforce shortage.

Additionally, increased liability risks could lead to a reduction in services. Facilities may be forced to scale back specialized care programs, limit admissions, or even close entirely. This is particularly concerning for rural communities, where skilled nursing facilities serve as critical health care access points. If providers cannot afford to operate under these increased liability costs, North Dakota's elderly and disabled populations will face reduced access to quality long term care.

**The Importance of a Balanced Approach**

While ensuring fair compensation for patients is important, it is equally critical to maintain a balanced system that allows health care providers to remain financially stable and continue delivering care. North Dakota's current cap on noneconomic damages is already aligned with neighboring states such as Montana (\$250,000) and South Dakota (\$500,000). Raising it to \$3