Vaagen, Leslie - STechClerk9 - SAPPHR

From:	Hegland, Ty <Ty.Hegland@uhsinc.com>
Sent:	Sunday, March 30, 2025 11:52 AM
To:	Vaagen, Leslie - STechClerk9 - SAPPHR
Subject:	HB 2012 Testimony
Importance:	High

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Members of the Senate Appropriations Human Services Committee,

My name is Ty Hegland and I serve as CEO of Prairie St. John's. I write in support of HB 2012, but also ask for serious consideration be given to four key areas.

Prairie St. John's has a 40 year history of being the cornerstone of behavioral healthcare in North Dakota. In 2024, we received over 12,000 referrals for services spanning the entire state of North Dakota, as well as every state in the union. In order to carry out our services, we operate a 132 bed acute psychiatric hospital, 48 beds of supportive housing for PHP patients, 10 beds of supporting housing for our IOP patients, and three clinics (Adult Outpatient, Child & Adolescent Outpatient, and Assessment).

As a hospital, we do not have the ability to turn away patients who walk through our doors or whom are referred from emergency rooms throughout the region. Though this can put severe pressure on our financial capabilities, we are proud to treat the most complex patients from the most complex health systems in the region.

In 2024, we experience two significant issues that affected our care. First, the acuity of our patients went up significantly. Not only has the severity of our patient's mental health diseases, but so has their medical complexity. Second, we've felt the crushing pressures of inflation and unfunded care on our system. Inflation on staffing costs, utilities, and pharma has had a significant impact on our bottom line. Equally there has been a sharp increase in unfunded care from North Dakota patients, resulting in a significant increase in charity care.

As we look to the future, we want to be able to grow to meet the demand of our state's patients, but in order to do so we need serious consideration towards four things:

1. Strong support of the Grants/Contracts section of the DHHS budget. These resources give DHHS the ability to meet emerging needs like our partnership with Southeast Human Services to meet the needs of the several acute patients in this region.

2. Adjourning early to ensure there is time to adjust state support if the federal government makes significant cuts to the Medicaid/Medicaid Expansion programs.

3. Fiscal restraint with a new state hospital. We are pro-new state hospital, but not at over $2,000,000 per bed. We built a new acute psychiatric hospital in 2023 and did so at $385,000 per bed. Every dollar for brick-and-mortar for state entities are dollars took out of the system that could be leveraged for more services in the private sector.

4. Predictable funding streams which allow us to meet the needs of North Dakotans. The continued volatility of the SUD Voucher and lack of Gero Psych services in this state are a result of not having sustainable funding streams. How do we work as private-public partners so we can strategically grow to meet the needs of the state, while not breaking financially burdening the state? Medicaid plan amendments and waivers leverage dollars in the most fiscally responsible way and without them we will never have enough private providers to meet the needs of our citizens.

We ask that you take these items into consideration and reach out to me personally if you have any questions.

Ty Hegland
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