

Testimony
Health Care Reform Review Committee
April 11, 2012

Chairman Keiser and members of the Health Care Reform Review Committee, I am Shelly Peterson, President of the North Dakota Long Term Care Association. Thank you for the opportunity to present some brief comments regarding the impact of the energy boom on long term care facilities, staff and residents. I thought it would more beneficial to hear directly from two facilities, thus my comments will be brief and Dan Kelly, CEO of McKenzie County Health Care Systems and Kurt Stoner, Administrator of Bethel Lutheran Nursing and Rehabilitation Center will provide more extensive comments.

The energy boom in western North Dakota is causing significant impact on long term care facilities, a tour and meeting with facilities in November 2011 revealed the following:

The top three challenges are:

1. Lack of staff/competitive wages
2. Lack of affordable housing
3. Lack of day care. (No one to take care of children should facilities be successful finding an adult mother or father to work).

Staffing

In the June 30, 2011 cost report nursing facilities spent over \$6 million on contract agency staff. When you don't have sufficient staff of your own, your options include stopping admissions, move residents out to another nursing facility or contract with an independent agency for temporary staff to fill shifts. This is after you have first begged your own staff to work overtime and pay them time and a half and incentive pay. But staff are getting tired and need a break. All nursing facilities in northwestern North Dakota use contract staff, out of necessity. In one facility, 80% of their CNA's are contract staff (November 2011) and in another 50% of all of their nursing staff (CNA, LPN and RN) are contract. Statewide, 44 of 84 nursing facilities use contract nursing staff.

Contract staff are usually double to triple the cost of your own staff. Contract staff also need housing as they are usually individuals living in another community. Sometimes the only way to secure housing for contract staff is to provide them a long term care bed within your facility.

We anticipate contract nursing reported in the June 2012 cost report will increase substantially from the 2011 number of \$6 million. One nursing facility increased staff wages \$3.00 per hour to try and retain staff. This is far in excess of the 3% provided by the legislature. But they felt that was their only option to stay open.

Our Association is currently discussing the plight and challenges of long term care facilities operating in the energy boom, collecting data on the impact and plan to work with other health care/long term care providers to offer solutions that can address the staffing, housing and day care issues facing long term care facilities in northwestern North Dakota.

Right now we haven't arrived at the right solutions, we just know we need your help and look forward to working with you to find the best answers.

At this time, I would like to introduce Dan Kelly and Kurt Stoner to present their perspective on operating a long term care/health system in the center of the energy boom.

Shelly Peterson, President
North Dakota Long Term Care Association
1900 North 11th Street • Bismarck, ND 58501 • (701) 222-0660
Cell (701) 220-1992 • www.ndltca.org • E-mail: shelly@ndltca.org