



North Dakota Hospital Association

**Vision**

*The North Dakota Hospital Association will take an active leadership role in major Healthcare issues.*

**Mission**

*The North Dakota Hospital Association exists to advance the health status of persons served by the membership.*

## **Legislative Management's Interim Health Services Committee**

Chair Senator Judy Lee

Wednesday October 26, 2011

Senator Lee and members of the Interim Health Services Committee; I am Jerry Jurena, President of the North Dakota Hospital Association.

I have been asked to address five (5) areas of concern.

**Health care needs of the state:** There are three (3) areas of concern: reimbursement, professional staffing and regulations which add to the cost of health care but not the quality of health care provided. I will address reimbursement later. Professional staffing specifically physician staffing is an issue that I believe the legislature can and should assist in. Hospitals across the state need Family Practice, Internal Medicine and Mental Health Physicians. There is an overwhelming shortage that is and will continue to affect the availability/access of health care and the delivery of quality health care. We need to create a process where there are additional openings for residence in these three (3) specialties. We also need to create an incentive for Physicians to stay in North Dakota once their residency has been completed. Tax dollars are used to offset the cost of an education to many medical students and then they are lost to other states upon completion of their education. This is a problem for both rural and urban.

With the oil expansion in the western part of the state there is even a greater need for primary care physicians and mental health specialist to cover the influx of people coming to work in the state. The influx of people is inundating the health care system with increased needs and the communities are lagging behind with their infrastructure. Preventive health services are lost in the process or non-existent creating additional stress on the health care system.

Regulations have and will continue to be a problem. Each time a new regulation is created or mandated Hospitals have to comply and that usually means the addition of staff; the staff is not for the patient but to meet the new regulation, compliance and

documentation of. This is an issue created by both federal and state legislative actions of government.

**Options to address the health care needs in the state:** The first option is to do nothing. The consequences would be disastrous for the communities and the state as a whole. The cost of health care would go through the roof. Private insurers would be paying out of state rates. Medicaid would be transferring patients out of state, again to higher rates and now adding transfer costs. Health care would be delayed and comorbidities would increase adding to the increase in health care costs.

Therefore the only option is to address the needs that are present. The most pressing need is to increase the number of physician slots in residency programs within the state. Then create incentives to keep physicians in the state after their residency.

**The future of the delivery of health care services in the state:** Create opportunities or options for Critical Access Hospitals (CHA) to use mid-levels to provide primary care in rural areas.

Provide incentives for tertiary hospitals to expand the use of telemedicine by connecting a strong referral/support service in the larger hospitals with mid-levels in remote areas, Critical Access Hospitals. We need to look at the current delivery of health care within the state; we need to consider what can be done as opposed to why we cannot do it differently. Providing health care in the same fashion we did twenty (20) years ago will not survive going forward. We currently have within the state: e-emergency care, e-pharmacy and e-mental health, we need to expand e-health services.

**The role of technology innovations and telemedicine in providing health care services in the state:** I believe telemedicine will continue to grow. As primary care providers and specialists become harder to place in rural areas we will be forced to look at alternatives to maintain access to rural health care. At this point e-health is a viable option and will therefore continue to grow.

**The effects of the level of reimbursement on the recruitment and retention of physicians in the state:** Crucial. The level of reimbursement from Medicare, Medicaid and commercial insurance is critical. Hospitals in North Dakota employ a majority of the physicians in the state. I have been told 80% of the hospitals employ 80% of the physicians. Hospitals contract with physicians based on level of services, volume and past reimbursement. If reimbursement goes down the hospital is at risk as is the viability of the hospital. If the hospital cannot cover its costs the net result is; access is lost to quality health care in the area, jobs are gone and the cost of health care will go up.

In order to be competitive hospitals must be reimbursed their cost to provide services. If we cannot cover our costs we will not be able to attract qualified physicians. Health care will be put in a spiral downwards.

Medicaid is critical to urban and rural hospitals alike as the margins are very thin at all levels of care.

Thank you

A handwritten signature in black ink, appearing to read "Jerry E. Jurena". The signature is stylized with large, sweeping loops and a trailing flourish.

Jerry E. Jurena  
North Dakota Hospital Association