

Senate Political Subdivision Committee
Senator Randy A. Burckhard, Chair
Jan. 29, 2021
SB 2241

Good morning, Chairman Burckhard and members of the committee. My name is Cole Johnson and I am the senior director for Sanford Health Bismarck construction and planning. Thank you for the opportunity to speak with you this morning.

I am here today to ask for your support of SB 2241.

As you might imagine, there are numerous factors that go into planning and constructing healthcare facilities. As one of the most regulated industries in the country, we have multiple federal, state and accreditation-related standards to meet as we work to coordinate design, review, contracting and construction. Add to the mix construction projects that take place in hospital that often operates at capacity and you can imagine the intricate balancing act required to complete projects in a timely manner without unnecessarily displacing patient care.

Interestingly, one of the most difficult pieces of our planning projects is trying to project the N.D. Department of Health Safety and Construction review timeline. The lack of expected review timelines creates challenges in scheduling and estimating projects, resulting in delayed projects, increased cost and delayed access to patient care.

For that reason, we support definitive review process timelines and recommend the following:

- Clarify the phrase “make a determination,” e.g. define it as initial review comments, not final approval for the plans.
- Clarify whether or not the receipt of the check is required for the application to be complete.

We do have some concern about how aggressive the timelines are and whether they are reasonably achievable by NDDoH. Sanford recognizes and appreciates efforts by NDDoH to improve the review process and we are committed to being a good partner to help make this happen.

Sanford also supports the addition of a third-party contractor to review construction and renovation plans. Recognizing there are times when NDDoH is working through several reviews and unable to process the queue of projects waiting, having the option to hire an outside entity to expedite the review process will be an important

tool for healthcare facilities going forward. Though it was announced by NDDoH last summer that this option is available, we have not yet been provided a fee structure. Our understanding is that we will be responsible to pay both the third-party review entity as well as the State; we would encourage the State to consider low State fees given North Dakota's review rates are already higher than other states in which we work.

For comparison, please consider the following average review times and fee structures for North Dakota, South Dakota and Minnesota:

- North Dakota
 - Projects Less than \$1 Million, within 60 days of receipt of complete application.
 - Projects Over \$1 Million, no required review timeline.
 - Fees range from 1% to .25% of project cost.
- South Dakota
 - Typical Review time 2-6 weeks.
 - No Fees for review.
- Minnesota
 - Typical review time 8-10 weeks.
 - Fees range from \$30 - \$4,800.
 - DLI review and fees also required.

Finally, we wish to be on record saying we look forward to NDDoH creating its innovation waiver review process. This requirement was approved during the 2019 legislative session (SB 2317) and has been delayed with good cause, but we would encourage the Department to consider drafting waiver rules as soon as possible. The COVID-19 public health emergency has delayed many construction projects and may also cause us to, at times, rethink how best to design care delivery facilities. When hospitals are able to resume construction and renovation schedules, there may be a surge of review requests and having the innovation waiver option would be one more tool to improve the overall process.

I would be happy to answer any questions. Thank you for your time and your consideration.

Cole Johnson,
Senior Director
Planning and Construction Division
Sanford Health Bismarck
Cole.Johnson@SanfordHealth.org
701-323-5780