

**Testimony
of
Marlene Krein
Mercy Hospital of Devils Lake, North Dakota
before the
U.S. Senate
Committee on Indian Affairs
on
“Contract Health Services in Indian Country”
June 26, 2008**

History of Mercy Hospital of Devils Lake, North Dakota

The Sisters of Mercy arrived in Devils Lake in 1895. Rev. Vincent Wehrle, O.S.B., had purchased the old public school and moved it across from the church. Farmers from around the county helped by digging and hauling stones to secure its foundation. The old school was renovated into a hospital with two wards and eleven private rooms. The hospital was named in honor of Wehrle – St. Vincent de Paul Hospital. Bishop Shanley dedicated the building on October 20, 1895, and the first patient was admitted on November 3, 1895.

As the town grew, it was soon evident the size of the hospital was inadequate. The Sisters purchased eighty acres of land on the highest point in northeastern Devils Lake, and built a new hospital. The cornerstone of Mercy Hospital was laid in June of 1902, and the first patient was admitted on June 6, 1902. The new hospital had three wards and twenty five private rooms.

Through the years Mercy Hospital has re-invented itself to meet the changing needs of the times in health care. In 1974 Mercy Hospital was a 115 bed acute care hospital, in 1992 Mercy Hospital right-sized to 50 acute care beds, and on January 9, 2008, became a 25 bed Critical Access Hospital, with a very active Emergency Department, seeing more than 950 patients per month.

Just as the Sisters served the community, 106 years later we hold that commitment in trust. As a Catholic Health Initiatives hospital, we honor the mission the Sisters and CHI have entrusted to us.

Mercy Hospital Emergency Department and Spirit Lake Nation

Mercy Hospital of Devils Lake, North Dakota is a 25 bed CAH located in an agriculturally based market. We serve a primary service population of approximately 15,000 people. Approximately twenty-five percent of the primary service population is Native Americans. This segment of the population presents special, significant, underfunded service requirements.

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Mercy Hospital has a high Medicaid payor mix related to a large local indigent population, and has faced long term non payment issues with Indian Health Services for the ED. Fort Totten has an I.H.S. clinic with limited hours of service with no after hours care available on week days, weekends, holidays and when providers are not present. Because the clinic hours are limited, the people of the Spirit Lake Nation often choose to use the Mercy Hospital ED, not only for trauma care, but their primary care. The burden to Mercy Hospital, however, is significant because I.H.S. pays only for Priority One care in the ED. We understand this and because of this non payment, a significant portion of total reported charity is rendered annually to this group of patients. We write off approximately \$200,000 a quarter for ED care for I.H.S.

On January 1, 2008, Mercy Hospital assumed responsibility of staffing the ED 24/7 when the physicians from the clinic in Devils Lake stated they would no longer cover the ED during their office hours. This increased our ED costs considerably to about \$1 Million per year, increasing the burden of unpaid ED services provided.

I had the privilege of speaking before the Committee on Indian Affairs field hearing in North Dakota on August 4, 2000. At that time I.H.S. was not adequately funded, and service to the Native Americans in our ED was about 40% of our total volume.

In 2000 Mercy Hospital ED had 8,466 visits a year, and in 2007 the ED visits had increased to 11,123. To date in 2008 we see as many patients, with small increases.

Solutions

I have been an employee of Mercy Hospital for 35 years, and the CEO since 1984. In the beginning of my tenure, when the bills were not paid, I turned to Senator Burdick to ask for help. As the years went by the unpaid dollars increased, and I then turned to Senator Dorgan and Senator Conrad. I do understand that I.H.S. does not pay for anything except Priority One in the ED. But, that leaves me in a difficult position, with the limited hours of the I.H.S. clinic being open. When there is a need, the people of the Spirit Lake Nation have nowhere to go except to the Mercy Hospital ED. We serve them because we are called to from our heritage, and Government regulations.

(See attached report of Mercy Hospital Uncompensated Services to Native Americans 2001-2007)

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A few years ago I decided I needed to be a part of the solution, not a part of the problem, and began meetings. I have met with people at the I.H.S. Spirit Lake Health Center, Spirit Lake Tribal Council, the I.H.S. Aberdeen Area Office, and over the years I have had numerous meetings in Washington, D.C., as well.

At one time the I.H.S. clinic was looking into staying open longer hours, their budget was several million because they would need to hire an entire new staff of physicians, nurses, lab and x-ray technologists, etc.

The issues remain, and every time there is a suggestion, there is a roadblock by I.H.S. or the Government.

I have no where else to go, except to you, for help. It is my responsibility to ensure that Mercy Hospital remains open to serve the people of the Lake Region, which certainly includes members of the Spirit Lake Nation. We have a close relationship with many of the tribal members as they were born at our hospital, and through the years they have put their trust in us. We appreciate this and consider it an honor. We also know a solution must be found so that we can continue to serve.

Conclusion

I believe we can all agree there is a problem with expected care and payment. It may be my pragmatism, but I believe we, you and I, the Government and Mercy Hospital, have a shared responsibility to see that the people of the Spirit Lake Nation have access to health care 24/7, and that Mercy Hospital is compensated.

After considerable thought, recalling all the avenues I have tried, I believe it is necessary for I.H.S. to contract with Mercy Hospital for \$500,000 per year for after hours care. The needs of the Spirit Lake Nation and Mercy Hospital would be met, and Mercy Hospital would still be providing their share of charity care.

Thank you for hearing my story, and for any assistance you can provide.

Mercy Hospital										
Uncompensated Services to										
Native Americans										
Trend by Service Line										
REPORT AS OF JUNE 30, 2007										
		6/30/2001		6/30/2002		6/30/2003		6/30/2004		6/30/2005
SERVICE	CLAIM	UNPAID	CLAIM	UNPAID	CLAIM	UNPAID	CLAIM	UNPAID	CLAIM	UNPAID
CATEGORY	COUNT	BALANCE	COUNT	BALANCE	COUNT	BALANCE	COUNT	BALANCE	COUNT	BALANCE
INPATIENT										
ICU	1	4,552			0	0	3	18,711	0	0
MED/SURG	11	61,413	6	23,164	14	83,308	12	56,948	12	72,483
PEDIATRIC		0		0		0	0	0	0	0
NEWBORN	8	7,087	15	16,483	14	15,526	5	7,006	7	9,998
OBGYN	1	2,939	10	30,520	7	18,827	4	15,824	3	10,290
MONITORED BED					0	0	1	12,081	1	8,050
OUTPATIENT										
Miscellaneous	3	532	7	469	6	2,065	7	441	4	1,410
Surgery					0	0	4	16,425	1	5,097
Observation	5	11,755	2	5,340	8	17,736	6	13,850	6	22,093
Emergency Room	630	185,838	651	201,172	659	266,704	683	314,145	623	330,417
Lab General	0	0	2	78	3	198	0	0	1	112
Imaging Services	9	3,951	21	5,333	23	10,713	8	2,451	9	4,894
Endoscopy	1	775	0	0	3	2,422			1	794
Physical Therapy	4	1,440	2	355	1	279			1	578
Other									0	0
HHA/HOSPICE	2	192							0	0
Total Inpatient	21	75,991	31	70,166	35	117,661	25	110,570	23	100,821
Total Outpatient	654	204,483	685	212,747	703	300,117	708	347,312	646	365,395
Grand Total	675	280,474	716	282,913	738	417,777	733	457,882	669	466,216
AVERAGE										

Mercy Hospital						
Uncompensated Services to						
Native Americans						
Trend by Service Line						
REPORT AS OF JUNE 30, 2007						
		6/30/2006		6/30/2007	TOTAL	TOTAL
SERVICE	CLAIM	UNPAID	CLAIM	UNPAID	PR FY	PR FY
CATEGORY	COUNT	BALANCE	COUNT	BALANCE	COUNT	BALANCE
INPATIENT						
ICU			4	11,744	8	35,007
MED/SURG	14	79,931	32	136,650	101	513,897
PEDIATRIC	1	3,705	0	0	1	3,705
NEWBORN	8	12,101	9	8,906	66	77,106
OBGYN	4	18,852	5	19,758	34	117,009
MONITORED BED	1	3,362	7	13,689	10	37,183
OUTPATIENT						
Miscellaneous	5	367	13	1,970	45	7,254
Surgery			8	8,500	13	30,022
Observation	4	13,318	6	20,690	37	104,782
Emergency Room	815	440,043	1,566	645,131	5627	2,383,449
Lab General	1	190	4	818	11	1,396
Imaging Services	32	20,528	120	30,218	222	78,088
Endoscopy	2	2,381	12	3,689	19	10,061
Physical Therapy			5	7,221	13	9,873
Other			2	204	2	204
HHA/HOSPICE					2	192
					0	
Total Inpatient	28	117,951	57	190,747	220	783,907
Total Outpatient	859	476,826	1736	718,441	5991	2,625,129
Grand Total	887	594,777	1793	909,188	6211	3,409,036
AVERAGE						