Oil Development: Perspectives from the Healthcare Industry

Overview

- While oil activity has resulted in revenues which benefit the State of North Dakota as well as counties in the oil patch not everything associated with this heightened activity is positive.
- All of the items in this report must be considered against the backdrop of the appreciable growth in population occurring in McKenzie County.
- We do not advocate curtailing oil activity but rather determining a means of “fixing” the identified concerns. This is the “North Dakota Way.”

Areas Impacted

- The healthcare ecosystem is impacted in multiple areas:
  - Staff Recruitment and Retention
  - Increased Staffing Expense
  - Housing
  - Increased Clinic Visits
  - Utilization of Emergency Services
  - Emergency Room Provider Cost
  - Increased Communicable Diseases
  - Significant Rise in Bad Debt
  - Day Care
Staff Recruitment and Retention

• The interplay amongst various impacts is interesting.
  – We have high staff turnover which decreases the thoroughness of the training that new staff receive.
  – The pool of employees to choose from has declined.
  – Our starting wages are not competitive in our community.

Increased Staffing Expense

We have increased Emergency Room, Clinic visits and Outpatient procedures.
  – We added staff which increases our operating costs.
  – While we have increased operating costs, these areas have been the primary source of our increase in bad debt.

Housing

• A two bedroom apartment in Watford City can easily rent to $2,500.00.
• An employee making $14.00 per hour cannot afford this market based rent.
We are experiencing a significant rise in communicable disease. Beyond that we have seen a notable increase in:
- Substance Abuse
- Domestic Issues
- Emergency Room related incidents

### Bad Debt

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<th>FY 2011</th>
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Thank You

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