

## JMHCC shares vision with community

Jacobson Memorial Hospital Care Center (JMHCC) shared operational details, unveiled its new strategic plan, spoke about the hospital's recent transformation and outlined the path forward during a community update Feb. 5 in Elgin.

Approximately 150 people attended the meeting to learn more about the hospital's future path after JMHCC shared the financial challenges it faces.

"This isn't really about health care. It's about a community. This hospital is the community. It's about a community coming together," board member Matt Hager said. "We need you to use the hospital."

"We need you to call your neighbors. We need you to call your friends, and we need you to tell them about how the hospital has made a decision to transform into an organization that can support you and your health care for the long term, not just the short term," Hager said.

"My vision is that with the strength of our outstanding team, we will achieve our goal in becoming the five-star hospital we all want to be. We are not focused on the past. We are committed to building a strong and successful future. I ask each and every one of you to support the JMHCC team as we work each day to fulfill our mission and pursue our vision. Together, we will move forward with purpose and unity for the benefit of all of those that we serve," said Administrator Kristin Heid, who stepped into the leadership role in November 2025 after serving as COO.

## JMHCC's impact

JMHCC is a 30-bed critical access hospital with clinics in Elgin, Richardton and Glen Ullin serving a larger span than most rural hospitals in the state. It is the largest employer in Grant County, with 130 employees and a yearly \$11.2 million economic impact.

"It's the driver of our economy in Grant County outside of agriculture," said Aaron Levorsen, branch manager of First International Bank & Trust.

But JMHCC is more than just the numbers, Chairman Ron Bartz pointed out.

"Our local hospital and clinics are more than brick and mortar. It has been a place where babies have been born, taken their first breath, where broken bones have been mended, where chronic illness has been managed and where comfort is given during some of life's hardest moments. It is where our neighbors care for our neighbors. When emergencies happen, we do not want to wonder how long it is going to take for somebody to get here. We want to know that skilled professionals, familiar faces and trusted care are right here in our town and ready when we need them the most. Our clinic and hospital doesn't just serve patients. They strengthen our entire community. They create jobs, attract families, support local businesses and ensure that our older residents can age with dignity in our community," Bartz said. "The hospital quietly touches every one of our lives, whether we realize it or not."

Dennis Sabin, a board member who was injured in a farm accident, shared his gratitude for all those involved.

"My heart is also full of pride," he said. "I often think of what courage it took by members of our whole community years ago to build this facility. I see that same courage happening in our community right now as we head into the future."

Physician Assistant Morris Duffy shared a message from the team of seven providers.

"At JMH, we choose quality. We choose to know the patients by name, understand their families, their histories, their goals and not just their diagnosis," he said. "Financial difficulties have not meant clinical weakness. I can tell you with confidence that the team is capable, engaged and committed to providing the care this community deserves."

## So, what happened?

JMHCC has faced financial challenges created during a "perfect storm" of external and internal pressures, Hager said.

Over the last several years, rural health care facilities across the nation have faced unpredictable challenges. Declining insurance reimbursement rates and rising operational costs placed increasing strain on hospitals, he outlined.

In 2022, JMHCC began transitioning to new financial systems required to modernize patient care, billing and revenue cycle operations. The initial \$750,000 investment required to convert the systems and the length of time to implement changes created significant, long-lasting impacts to operations. To

remedy the situation, the hospital started outsourcing billing and revenue cycle operations to offsite contractors. From 2023-24, multiple required updates to already new systems coupled with ineffective contractors and consultants started to prevent billing operations from turning appointments into revenue, Hager said.

“We are still today seeing the lasting effects of that one muscle movement of changing those financial systems,” he said.

Operating costs climbed to \$12.9 million per year, with revenues at \$12.1 million a year.

The hospital now has \$2.6 million in debt to vendors and a \$1.2 million line of credit at a local bank.

Hager also spoke about the board’s responsibility in governing.

“It’s about the process of understanding governing responsibilities, understanding fiduciary responsibilities. It’s about the accountability of seeing what’s happening and saying, ‘Hey, we need to stop this at this point,’” Hager said.

The board is now committed to bringing outside resources for training and education, he said.

#### What’s being done?

With the recent passage of emergency funding legislation, JMHCC now moves to the next step in securing its financial future.

Senate Bill 2403, passed during the Legislature’s special session, authorizes the Bank of North Dakota to extend a \$5 million low-interest emergency operating loan to local nonprofit hospitals located in cities with a population of fewer than 2,500. An application must be submitted by March 31, and the applicant must provide certain financial information.

“The Legislature believed in Elgin, in Grant County, in health care in the region here. So, now it’s up to us. How do we respond to their confidence and faith in us?” Levorsen said.

As JMHCC moves forward with the application process, the legislation is just one piece of the puzzle.

The board conducted an independent financial assessment and leveraged resources and advisors outside the facility.

“The board understands that we need to leverage those resources to empower decision making throughout the organization,” Hager said.

That independent financial assessment also determined the hospital was not fully taking advantage of certain revenue-generating programs, such as the federal 340B program, which is a federal drug pricing program.

“What we’ve learned recently in our financial assessment is that it is usually a very productive revenue stream for rural hospitals all across America,” Hager said. Procedural fixes, such as fully utilizing the 340B program, is now projected to earn the hospital \$1.2 million in revenue in 2026, he pointed out.

JMHCC has already implemented phase one of its rightsizing measures, yielding \$847,000 in annual savings. With the bridge loan in place, JMHCC will reduce annual operating expenses from \$12.9 million to \$12.1 million by May, Hager said. The hospital is expected to reach a positive cashflow by December, with experts working on that piece.

And a strategic plan creates a new vision, with a focus on high-quality care and financial sustainability, Hager said.

“The mission, the vision and those strategic priorities will drive everything that is done in the hospital. An entire focus is being put toward that strategic plan. Having a plan is a key part of the process moving toward victory,” he said.

JMHCC also awaits more information on the Rural Health Transformation Program, which has four initiatives: workforce, preventive care and healthy eating, bringing health care closer to home and technology. Funding through the program will not simply be allocated, but it will be a reimbursement program akin to a grant program.

“We would have to have the capital to move forward with some of these initiatives,” Hager said.

“That’s why giving right now is so important.”

“We have great people that every day roll their sleeves up in the best interest of people that need the care,” board member Dave Marion said. “We’re patient centered. That’s what we do. That’s our rah-rah, but it’s the truth. … This board of directors is way stronger than it ever has been.”