

Media FAQ

Why are North Country Health Services (NCHS) and Sanford Bemidji Clinic joining forces?

NCHS and Sanford Bemidji Clinic will be in a stronger position to grow the health care system and meet the needs of the community for decades to come. We will be positioned to thrive in the current health care environment with strong financial stability.

Is Sanford purchasing NCHS? What is the purchase price?

This is not a sale. By integrating the two organizations, at least \$75 million will be invested in the community in facilities, recruitment and technology over the next ten years. Initially, \$5 million of this investment will be provided to the NCHS Foundation.

How will this integrated health system benefit the patients?

This health care system will offer patients greater access to expanded services and care. There are plans to expand our capabilities in heart, cancer, orthopedics & sports medicine and women's health.

Was this decision related to health care reform?

Health care reform is a factor. The current national emphasis on health care reform calls for action like this collaboration. Integrated systems are the preferred model for reform because they provide high quality care at a lower cost.

Is bigger really better?

It makes sense to join together in order to achieve efficiencies and economies of scale that support cost-effective medical care. Under new reform models, health systems must be of a significant size to succeed. Size is needed to bear financial risk, have access to capital, actively manage the delivery of care, invest in IT and other high-impact technologies as well as increase participation in research and development. Integrated health systems are proven leaders in safe, high quality care that is cost-effective.

How will this impact the employees at both NCHS and Sanford Bemidji Clinic?

We are committed to ensure stability and to create opportunities for our employees. It is our belief that an integrated health care system will stimulate growth, provide more jobs as well as enhance our ability to both attract and retain world-class talent. NCHS employees will **not** be required to re-apply for their jobs with Sanford. All NCHS employees will retain their previous employment status, wages and benefits upon transition. As integration occurs, changes will happen gradually that will align our structures and systems with those of Sanford Health.

What changes will employees see?

March 1st marks the last step in affiliation but only the first in integration. The full integration of the system will continue as an on-going process over many months. Changes will occur gradually depending on organizational priority.

What efficiencies are expected to be gained from this partnership?

A fully integrated clinic and hospital in Bemidji will increase efficiencies and economies of scale through standardization of equipment and services, which will lead to improved coordinated patient care.

Will any employees be losing their jobs?

One of the proposed benefits of a combined organization is growth, not just in size, but in jobs. As an outcome, there will be gained synergies and efficiencies, but we expect that new jobs and opportunities will outnumber any jobs that might be duplicative.

What will be the governance structure of the new health system?

Existing NCHS Board Members will comprise the new Sanford Bemidji Board of Directors, utilizing the same corporate structure as other Sanford entities such as Sanford USD Medical Center and Sanford Fargo Medical Center.

Does this new health system have a new name and logo?

The new integrated organization will be called Sanford Bemidji. Sanford Bemidji consists of Sanford Bemidji Medical Center and Sanford Bemidji Clinic. It will operate under the legal name of Sanford Health of Northern Minnesota based in Bemidji. Sanford Bemidji will serve as the regional hub for Sanford Health in northern Minnesota.

Will this result in consolidation of services?

Services are expected to be organized and expanded to deliver the best care for patients. Many of the details will be discovered as we begin to work together as one system.

Will Sanford Health Plan be offered in Bemidji?

The Sanford Health Plan is currently the second largest commercial health insurer in South Dakota, covering more than 65,000 lives. Recently it was introduced in North Dakota and it is currently available in southwest Minnesota. Work is being done so we can offer both group and individual policies in northern Minnesota in the future. This is subject to regulatory approvals. In the meantime, Sanford Health Plan is available to all Sanford Health employees.

How will Mr. Sanford's gift be used in this new health system?

Mr. Sanford's gift of \$400 million is being used for clearly defined Sanford Health Initiatives: The Sanford Project – a quest to cure Type 1 diabetes, Sanford Children's Clinic development around the world and a multitude of other research development projects. His most recent gift of \$100 million will be used for advancement of breast cancer research and treatment. These initiatives will be part of the new integrated health system (including NCHS).