



SENATE FINANCE COMMITTEE

May 2, 2023

HB 1-A and HB 2 FN-A-L – Relative to the State Budget for State Fiscal Years 2024 and 2025

Testimony

Good afternoon, Mr. Chairman and members of the committee. My name is Steve Ahnen, president of the New Hampshire Hospital Association (NHHA), and I am here representing all 26 of our state's community hospitals as well as all specialty hospitals.

Development of the state budget is an important exercise in addressing key priorities in the State, and we appreciate the opportunity to share our thoughts with you as part of this process.

New Hampshire's hospitals and the health care heroes who work in them are driven by a mission to provide high quality health care and improve the health and well-being of the communities they serve. To their communities, the blue and white H promises health, healing and hope when it's needed most, and New Hampshire's hospitals remain committed to caring for their communities and ensuring access to quality, compassionate care.

Just two short months ago, we reached the 3-year anniversary of the first case of COVID-19 being diagnosed in New Hampshire. So much has changed since then as our health care system and those on the front lines have been challenged like never before. As we move into a new phase of the COVID-19 pandemic and recovery, there is much to celebrate as we reflect on the tremendous work and collaboration across the board that enabled our hospitals to ensure that they could care for their patients and communities who needed them more than ever before.

But we continue to face ongoing headwinds as we deal with many obstacles challenging our hospitals' fundamental mission to care for everyone including the most significant workforce crisis in our lifetime, high demand for acute inpatient health care services, increasing costs of supplies, labor and other essentials, an inability to discharge patients who are medically cleared

to move to their next level of care in a nursing home, skilled nursing facility or home care because of their own staffing challenges, the inability to timely transfer patients from our hospital emergency departments who are in psychiatric crisis, among many others.

Targeted Medicaid Rate Increases

A vibrant Medicaid program that supports the care of individuals is an incredibly important component of the health care system. Unfortunately, New Hampshire's Medicaid reimbursement rates rank as some of the lowest reimbursement rates in the country. That is continuing to contribute to the ongoing workforce challenges facing health care providers as they scramble to hire and retain the staff that they need to serve their patients. While that is true for many, we believe it is most pronounced for behavioral health providers as well as for nursing home providers, long-term services and supports and home care providers. We appreciate the 3.1% across-the-board increase to Medicaid rates that the Governor has proposed, but we believe the approach taken by the House to provide much more substantial targeted rate increases is what is needed. In an environment of limited resources, hospitals are willing to forgo a rate increase as part of the budget this year so that those funds can be targeted to those key areas of need: behavioral health and post-acute care providers such as nursing homes, long-term services and supports, as well as home care providers.

Higher reimbursement rates would create the stability and predictability those providers need to be able to hire and retain more staff to serve their patients/clients/residents. A more robust community mental health service system would better serve patients in the community so that they did not end up in crisis, thus avoiding a costly and lengthy stay in a hospital. And it would allow nursing homes, skilled nursing facilities as well as home and community-based service providers to be able to accept more patients who are currently stuck in the hospital waiting for placement in one of those settings once they are ready for discharge.

Workplace Violence Prevention and Health Care Workplace Safety Commission

The workplace violence prevention and health care workplace safety commission which was signed into law by the Governor last year is an important step forward in helping to address the unfortunate, but very real, incidences of violence in health care settings. This new commission is designed to bring together hospitals, urgent care centers and key stakeholders to establish data reporting requirements, better understand the causes of violence and identify best practices in preventing it in a protected environment. We look forward to working with the Senate to ensure this commission is implemented as quickly and efficiently as possible so that it can begin to do the important work it was created to do.

Granite Advantage Health Care Program

Included in the House-passed budget is a 2-year reauthorization of the Granite Advantage Health Care Program, otherwise known as Medicaid expansion. We strongly support the Medicaid expansion program and have been advocating for passage of SB 263, legislation that was sponsored by Senator Bradley, Senator Rosenwald and several other members of the Senate on a bipartisan basis. Hospitals support this program because it provides important health care coverage that includes the ability to be seen by a primary care doctor or in a health clinic, to

receive important primary and preventive, cost-effective management of chronic conditions, and life-saving mental health and substance use services. As a result of this coverage, these patients are able to receive the right care, at the right time, in the right place.

The Granite Advantage Health Care Program has helped to reduce the number of uninsured patients seeking care in hospital emergency departments. Since the inception of the program, hospitals statewide have seen a:

- 63% reduction in the number of uninsured patients seeking care in the emergency department;
- 58% reduction in the number of uninsured inpatient admissions; and
- 49% reduction in the number of uninsured outpatient visits.

**Source: NHHA Membership, 23 Hospitals Reporting*

This has resulted in a significant drop in the amount of uncompensated care attributable to those without insurance. In SFY 2014, when New Hampshire's first Medicaid expansion program was implemented, hospitals reported \$173 million in uncompensated care costs attributable to uninsured patients. As a result of Medicaid expansion, those uncompensated care costs have *dropped dramatically* to \$69 million in SFY 2021, a direct reflection of the additional health insurance coverage provided by the Granite Advantage Health Care Program. That reduction in uncompensated care costs benefits everyone in New Hampshire by reducing the "hidden tax" that gets shifted to those with private health insurance to cover the cost of care provided to those without insurance.

For all these reasons, the Granite Advantage should be a staple within New Hampshire's Medicaid program and we believe that reauthorizing Granite Advantage for only 2 years is not appropriate, most notably that it will not provide the kind of stability and predictability that beneficiaries, providers and health plans need for a successful program.

Workforce

Workforce challenges continue to be one of our most pressing challenges, as it is in virtually every other employment sector. We urge you to support the funding in the House-passed version of HB1 and 2 for the Community College System. Funds are targeted to areas of acute need in New Hampshire and will open doors of opportunity for New Hampshire residents who need it most, as well as address specific pain points in our economy and workforce pipeline.

For the healthcare sector specifically, funds directed to the CCSNH will help set NH high school students on educational and career paths to fill high-need jobs in our hospitals and other healthcare facilities across the state, will enable upskilling of current employees, and will support career-changers who wish to train for healthcare careers. CCSNH colleges offer programs that meet a wide array of positions in healthcare: registered nurses, licensed practical nurses, licensed nursing assistants, phlebotomists, radiation therapists, medical assistants, medical lab technicians, orthopedic technology professionals, physical therapist assistants, mammography/medical sonography technicians, surgical techs, paramedic first responders, and more. These front-line health care positions are what hospitals and other health care providers

struggle to fill, and CCSNH's role in training a local workforce is an invaluable tool to help our member institutions meet the demands of patient care.

Behavioral Health

For more than a decade, New Hampshire's mental health system has been unable to meet the growing demand from patients experiencing a mental health crisis. When an individual is suffering from an acute psychiatric crisis and is deemed to be a danger to themselves or others, New Hampshire law is very clear: when an involuntary emergency admission (IEA) is certified by a qualified clinician, that patient becomes part of the state's mental health system and is to be transferred immediately to a specialized location known as a designated receiving facility (DRF) where they can receive the care and due process that they need and deserve. Unfortunately, due to an inadequate number of available DRF beds in New Hampshire for both adults and children, these patients are required to wait days, sometimes weeks, in hospital emergency departments across the state until they are transferred to the appropriate setting for their care.

Multiple court rulings in both federal and state court over the past several years have agreed that the state is failing its obligations to our most vulnerable patients by not transferring them immediately to the specialized setting to receive the care that they need and deserve. In the most recent ruling on February 23, 2023, the federal court ruled in favor of New Hampshire's hospitals and said that the State of New Hampshire must comply with its statutory requirements to transfer IEA patients immediately upon receipt of an IEA certification.

Over the past year, New Hampshire Hospital has closed two 24-bed units due to staffing shortages. Those units were further damaged due to the frigid, cold weather we experienced earlier this winter. We urge the Senate to include funding to open those units as quickly as possible and to work with an outside staffing agency to secure the staff necessary to safely and effectively open those beds. In addition, bringing on line additional capacity at Hampstead Hospital will be important to serving kids and adolescents who are in need of inpatient psychiatric care.

Much has been done over the past several years to address the behavioral health crisis, and we appreciate and applaud those efforts. Unfortunately, we still have more work to do to ensure patients in an acute psychiatric crisis can get the specialized care they need, when and where they need it. We look forward to working with you and others to do just that.

Thank you for the opportunity to share our views on a number of our key priorities for the budget and I would be happy to respond to any questions you might have.