



## HOUSE FINANCE COMMITTEE

March 18, 2019

**HB 1-A and HB 2 FN-A-L – Relative to the State Budget for State Fiscal Years 2020 and 2021**

### Testimony

Good afternoon, Madam Chair 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.

I am pleased to be here today to share our thoughts with you as you begin the challenging job of developing the state budget for the next biennium. We look forward to working with members of the Legislature on both sides of the aisle and on both sides of the State House as this process moves forward in the weeks and months to come.

State funding for the Medicaid program has been the source of significant controversy and debate over the past several years. It is absolutely essential that we have a vibrant, robust and effective Medicaid program that helps to ensure recipients are getting the right care, at the right time, and in the right place. Resolution of the longstanding challenges during the last session over the Medicaid Enhancement Tax (MET) and the Medicaid Disproportionate Share Hospital (DSH) payment program was an important step forward to creating stability in the Medicaid program for patients, providers and the State of New Hampshire. The provisions in HB 1 put forward by Governor Sununu are consistent with that settlement agreement and it is important that they remain as part of the budget as it works its way through the Legislature.

While we understand a budget is designed to address key priorities in the State, there is no more urgent and pressing priority than addressing the behavioral health crisis facing New Hampshire. We appreciate the tremendous amount of work and effort that is being done in this area, but it is imperative that this budget as well as other legislative and regulatory efforts

collectively design a plan forward and articulate how it will be funded and carried out in the months and years ahead.

The crisis facing our behavioral health system is a crisis across the full continuum of care and services for those suffering a mental health issue. Today there are often 30-40 patients on average in an acute psychiatric crisis who are forced to wait days, sometimes weeks, in hospital emergency departments (ED's) across the state to access services in the appropriate setting for their care, the waitlist is truly a symptom of a broader, systemic problem. We simply do not have adequate resources across our entire system to care for those with a mental health issue.

Any plan that is focused on solving the totality of the behavioral health crisis must have a clear focus on addressing the challenge of patients waiting in ED's today, tomorrow, next week and next year. It needs to be part of a comprehensive solution that, in addition to increased inpatient capacity to solve the ED boarding crisis, increases for community-based services are crucial so that patients can access care and treatment before their condition becomes a crisis, as well as after discharge so that they are able to live and function in the community with the supports necessary to maintain a healthy life.

The new 10-Year Mental Health Plan provides a comprehensive framework for addressing the current crisis, but it will only be successful if we are all able to come together to ensure it is implemented, funded and maintained over the coming months and years so that those suffering from a mental illness are able to get the care they so desperately need and deserve.

Several provisions have been proposed by the Governor, the Department, as well as the Legislature to address the behavioral health crisis and reflect several of the recommendations of the 10-year Mental Health Plan , including:

--Establishing sustainable reimbursement rates for designated receiving facilities (DRF), as well as making available capital funds for renovations of existing facilities to establish DRF beds;

--Increasing capacity at New Hampshire Hospital by moving the 24-bed children's unit out of the State hospital to a more appropriate setting and adequately funding the operational costs in the budget of up to 48 additional adult inpatient beds at New Hampshire Hospital;

--Pursuing the forensic hospital RFI to completion and including construction and operational costs in the budget to move patients out of the Secure Psychiatric Unit (SPU) and allow New Hampshire Hospital to align its patient populations to best meet the needs of New Hampshire's citizens;

--Requiring all payors, including NH Medicaid, Medicaid MCOs and commercial insurance carriers, to provide appropriate reimbursement for services provided when one of their members must stay in a hospital emergency department while they await transfer to a more appropriate setting;

- Increasing transitional housing beds for patients after discharge from an inpatient setting;
- Creating a statewide mobile crisis network which has the additional competency of supporting child assessments and evaluations;
- Creating a statewide system of behavioral health urgent care centers that provide an alternative to ED boarding and inpatient admissions;
- Partnering with stakeholders, including hospitals and community mental health centers, to make the appropriate investments to build a behavioral health care workforce that is sufficient to support the health care needs of those suffering a mental health condition;
- Committing to increase Medicaid behavioral health care rates from that they are now in New Hampshire, roughly 58% of the national average;
- Developing a plan to achieve mental health parity from private insurers; and
- Creating a “command and control” structure for the State of New Hampshire to truly coordinate care of patients in an acute psychiatric crisis and better manage existing resources to ensure these patients are able to get the right care, at the right time, in the right place.

Many of these provisions are part of the budget or as part of separate legislation moving through the Legislature. SB 11 was recently approved by the Senate in a unanimous vote that the NHHA strongly supported because it:

- Increases DRF rates and provides for capital funds to renovate existing facilities to establish new DRF beds;
- Requires all payors to reimburse hospitals for boarding in the ED one of their members in an acute psychiatric crisis while they await transfer to the appropriate setting for their care;
- Establishes additional supported housing units in New Hampshire; and
- Establishes either an additional mobile crisis team or a second urgent care behavioral health center in the State.

All of these provisions are incredibly important and we are appreciative of the bipartisan efforts to bring this bill forward. But it is essential that the increased DRF rates established under SB 11 are funded throughout the biennium as part of the budget so that these new inpatient resources are available and sustainable over time.

And it will be important to identify and fund the operational costs of standing up additional adult beds at New Hampshire Hospital as both the kids and forensic patients are transitioned to alternative facilities.

We cannot expect to solve the behavioral health crisis facing New Hampshire if we are not willing to make the appropriate investments today and into the future.

Other provisions of Concern:

- In the midst of an ongoing workforce crisis, we cannot support provisions in the HB-2 that would repeal the statutory provisions providing for direct and indirect graduate medical education payments to hospitals. Those payment provisions have been suspended for the past several years due to budgetary challenges and while we would like to see them restored at some point in the future, it makes absolutely no sense to repeal them altogether. Training for the next generation of health care providers is an absolutely essential function that must go on and these payments are an important investment in the future health care workforce. We encourage you to eliminate provisions repealing direct and indirect graduate medical education payments under the Medicaid program and, at a minimum, continue their suspension.
- In addition, we cannot support the provision eliminating catastrophic aid payments to hospitals under the Medicaid program. This payment provision, which was designed to help reimburse hospitals for extremely high cost medical cases, has also been suspended for the past several years due to budgetary challenges. Again, we would urge the Legislature to, at a minimum, continue the suspension of the Medicaid catastrophic aid payments to hospitals.
- We would like to note our support for the provision in HB-2 to add a representative of the New Hampshire Hospital Association to the Governor's Commission on Alcohol and Drug Abuse Prevention, Treatment, and Recovery. Hospitals are key partners with the State and other stakeholders in addressing the ongoing challenges of alcohol, opioids and other drugs on our citizens and believe that voice will be an important one on that Commission.
- And, lastly, we would strongly encourage the creation of a dedicated fund for the voluntary contributions made by hospitals over the next five years so that they cannot be used for any purpose other than supporting the work of the Governor's Commission on Alcohol and Drug Abuse Prevention, Treatment, and Recovery. Hospitals are proud to stand with the State in combating the ongoing opioid epidemic, and we believe that a dedicated fund for these voluntary contributions is an important step to ensuring they cannot be used for any other purpose than was agreed upon. There is currently no provision in HB-1 or HB-2 to accomplish this purpose, but we would be happy to work with you to do so.

Thank you, Madam Chair, and members of the committee. Thank you for the opportunity to share a number of our key priorities for the budget and I would be happy to respond to any questions you might have.