

Senate Health and Human Services Committee

Cameron Lapine 271-2104

SB 401-FN, relative to Medicaid reimbursement rates for hospital birthing services.

Hearing Date: January 26, 2022

Time Opened: 9:03 a.m.

Time Closed: 9:21 a.m.

Members of the Committee Present: Senators Bradley, Gray, Avard, Sherman and Whitley

Members of the Committee Absent: None

Bill Analysis: This bill increases the Medicaid reimbursement rate for hospital birthing services.

Sponsors:

Sen. Bradley	Sen. Hennessey	Sen. Watters
Sen. Rosenwald	Sen. Sherman	Sen. Carson
Sen. Gray	Sen. Whitley	Sen. D'Allesandro
Sen. Perkins Kwoka	Sen. Ricciardi	Sen. Prentiss
Sen. Avard	Sen. Gannon	Sen. Cavanaugh
Sen. Kahn	Sen. Soucy	Rep. Umberger
Rep. Wallner	Rep. Tucker	

Who supports the bill: Henry Lipman and Tricia Tilley (DHHS), Paula Minnehan (NH Hospital Association), Rob Nutter (Littleton Regional Healthcare), Travis Boucher (Speare Memorial Hospital), Senator Jeb Bradley (Senate District 3), Senator David Watters (Senate District 4), Senator Rebecca Perkins Kwoka (Senate District 21), Senator Kevin Cavanaugh (Senate District 16), Senator Sharon Carson (Senate District 14), Senator Denise Ricciardi (Senate District 9), Senator Erin Hennessey (Senate District 1), Senator Cindy Rosenwald (Senate District 13), Senator Bill Gannon (Senate District 23), Senator Kevin Avard (Senate District 12), Dawn McPhee, Jarrett Stern, Steven Shaffer, Koren Superchi, Edward Duffy, Denise Russo, Elizabeth Fenner-Lukaitis, Mary Pelkey, Faith Minton, Susan Covert, Susan Bartlett, Philip Stockwell, Emily Karmen, Janet Lucas, Barbara Hirai, Senator Tom Sherman (Senate District 24), Linda Burnap, Bonnie Hill, Amy Erickson, Elizabeth Lewis, Lois Cote, Kit Lord, Kate Coon, Representative Michael Pedersen (Hillsborough County District 32), Paula Hurley, Denise Clark, Marie Straiton, Margaret Keeler, William Maddocks, Virginia Clifford, Courtney Tanner (Dartmouth-Hitchcock Health), Joanne Casino, Karen Campbell, Anne Hunnewell, Richard Hunnewell, Wiltrud Mott-Smith, Robert Dunn (Roman Catholic Bishop of Manchester), Karen Dewey, Michael Fraysse, and Margaret Henrichon.

Who opposes the bill: None.

Who is neutral on the bill: None.

Summary of testimony presented in support:

Senator Jeb Bradley

Senate District 3

- Senator Bradley said that SB 401-FN is a simple bill that increases the reimbursement rate for hospital birthing services.
- Senator Bradley said that there is no fiscal note because it is hard to assess the costs involved.
- Senator Bradley said that more and more hospitals are not providing, due to financial reasons, obstetric services, forcing families to travel farther, especially in the North Country that he represents, in order to get the birthing services that everyone should have access to.
- Senator Bradley said that Director Lipman would propose an amendment.
- Senator Bradley said that it goes without saying that the lack of obstetric care in rural areas with limited birthing services is an imposition on young families and pregnant women.

Henry Lipman and Tricia Tilley

**Director, Medicaid Services, and Director, Division of Public Health Services,
Department of Health and Human Services (DHHS)**

- Director Lipman provided the Committee with a map showing hospitals with and without obstetric services and highlighting maternal care deserts.
- Director Lipman referenced news articles referencing closures of obstetric units.
- Director Lipman said that the large geographic gaps in obstetric care are an issue for families trying to birth children within the state.
- Director Lipman said that there have been 10 closures of obstetric units since 2000, with three occurring since 2018, and three to five more are currently at risk.
- Director Lipman said that there are only five obstetric units that are considered “high volume: - Concord Hospital, Wentworth-Douglas, Dartmouth-Hitchcock, and two in Manchester.
- Director Lipman said that it is easier to preserve rural access than to try to reestablish services once they’ve stopped.
- Director Lipman said that, per 1000, New Hampshire ranks 49th in terms in births across the nation. He said that this is an economic development concern as well.
- Director Tilley said that there are maternity deserts where there are significant geographic patches without access to birthing facilities, which includes reductions in pre- and post-natal care, leading to a higher risk for poor outcomes. She said that there is an increase in births in unplanned places, included settings as dramatic as the side of a road or less dramatic, but still less-than-ideal, places like emergency departments. She said that the area north of Spear Memorial Hospital is very limited in the care

available. Director Tilley said that, especially with weather, this is a significant concern.

- Director Tilley said that there has also been an increase in the numbers of voluntary cesarian sections. She said that elective, not-medically-necessary cesarian sections have risks and costs involved. Director Tilley said that New Hampshire normally does fairly well in mom-and-baby outcomes but she is seeing a shift in the trend.
- Director Lipman said that the Medicaid rates involved are important, as 26% of the total births in New Hampshire are Medicaid births. He said that that rate increases to nearly 50% in the maternal desert areas – but there are other, non-Medicaid supports needed in the system.
- Director Lipman said that he finished the fiscal note as he was traveling to the State House and the total cost is \$4.8 million, with \$2.4 million from the General Fund, to cover the DRGs that Medicaid pays for. He said that SB 401-FN works with SB 407-FN and SB 408-FN.
- Director Lipman said that there is work needed to refine SB 401-FN. He said that if nothing is done, everything will fall apart.
- Senator Whitley asked if, when combined with SB 407-FN and SB 408-FN, New Hampshire could see some reopening of facilities and services rather than just staving off closures.
 - Director Lipman said that collaborations are occurring on this issue and that the delivery system needs to be asked to perform differently. He said that a lot of work has been done to digitize certain aspects of care but births inherently have a physical aspect to them. He said that it is worthwhile to look at the money in Medicaid but there are larger questions about New Hampshire’s demographics. He said that he has talked with Commissioner Taylor Caswell from the Department of Business and Economic Affairs and encouraged the Committee to engaged with Commissioner Caswell. Director Lipman said that if the birthing center in Littleton closes, the demographics of the North Country will be gone.
- Senator Whitley said she was encouraged by Commissioner Caswell being involved and suggested using the Governor’s Office for Economic Relief and Recovery (GOFERR) to develop an American Rescue Plan (ARP) funds request. She volunteered herself, Senator Prentiss, and Senator Bradley to be part of a solutions-oriented work group.
 - Director Lipman said that he was unsure of using ARP funds and said that it was not the only funding source he and Commissioner Caswell identified. He said that there are disparities that Medicaid alone cannot hold the system up against.
- Senator Bradley said that his understanding was that Director Lipman was going to work within DHHS and come back to the Committee with a more broad, wider-reaching proposal.
 - Director Lipman said that he would, as well as make recommendations for specific targeted investments.
- Senator Bradley asked when the deadline for bills with a fiscal note to be acted upon is.
 - Committee staff informed Senator Bradley that the deadline is March 17th, 2022.
- Senator Bradley said that Director Lipman’s proposal to broaden out SB 401-FN’s scope may be nongermane and require a second public hearing.

Paula Minnehan

Senior Vice President, State Government Relations, New Hampshire Hospital Association

- Ms. Minnehan referenced her written testimony.
- Ms. Minnehan said that 16 out of 26 acute care hospitals provide obstetric care and only five of the critical access hospitals continue to have labor and delivery units. She said that ten hospitals do not offer obstetric care (eight critical access hospitals and two larger hospitals, Parkland Medical Center in Derry and Concord Hospital – Laconia).
- Ms. Minnehan said that SB 401-FN attempts to address the reimbursement rates involved. She said that the cost to provide the services is greater than the amount of the reimbursement but those that currently offer the services are appreciative of the increase.
- Senator Bradley said that Littleton Regional Healthcare and Speare Memorial Hospital support SB 401-FN.

Summary of testimony presented in opposition: None.

Neutral Information Presented: None.

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Date Hearing Report completed: January 27, 2022