

**The View from New Hampshire**  
**The Imperative of Linking Health Care Reform to Economic and Job Growth**  
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**I. The Role Of Health Care As A Political Issue**

**A. Galvanizer**

1. Sometimes for candidates – my own experience
2. Sometimes for activists whose own personal experiences teach them about our system's shortcomings
3. Sometimes for elected officials as a function of constituent representation
4. Sometimes for businesses – especially small ones—when cost becomes untenable

**B. Critical Campaign Issue – Usually When Above Factors Come Together At One Time**

1. NH 2004 Gubernatorial Election – SB 110, which had repealed community rating for small businesses, became such an issue, because it hit very small businesses very hard.
2. 2008 Democratic Primary – Before the Meltdown—content of competing health care plans was a big deal – and Democrats very clear that if elected, they would work to make major changes to system

**II. The NH Health Care Experience And Its Relationship to the NH Primary As Incubator and Megaphone**

**A. NH Demographics and Health Care Experience**

1. NH has 1.3 million people
2. We are predominately Caucasian, older (about the 6<sup>th</sup> oldest state in the country), well educated, healthy and wealthy (highest median income in the country according to 2010 census)
3. We have enormous in-migration – of highly educated people who decide to come to NH for economic and quality of life issues
4. 90% of population has health insurance (including Medicaid)
5. 26 major hospitals, 2 of which are for profit, most of which are in Southern Tier, competing heavily for well-insured patients in relatively small geographic area

6. 4 major insurers—Anthem being by far the largest with about 60% of the market
7. North Country a whole different demographic and a whole different health care experience – just barely keeping critical access services open
8. Some of the most expensive healthcare costs in the country as reflected in cost of market basket of services
9. 70% variation in cost for same procedure across the state, not all of which is explained by geographic location, patient mix or severity etc.
10. DSH payments leveraged through a bed tax that is returned to hospital from which it came, regardless of degree of uncompensated care provided (referred to as “Mediscam” in NH)—which the feds have told us we have to stop doing

**B. State Policy Has Been Driven By Concerns of The Insured Or Those Used To Being Insured and Those Who Provide Insurance**

1. Repealed SB 110 in 2005 (still Republican legislative majority) and created quasi-community rating with high risk pool, which was further revised in 2007-08
2. Consumer protections expanded during Democratic majority in 2007-08 and 2009-10
  - Young adult coverage
  - Ex-spouse coverage
  - Early Intervention “mandate”/consumer protection
  - ABA Autism Therapy
  - Partial payment for hearing aids

All fought by the statewide Chamber of Commerce as premium cost drivers

3. Cost/Pricing Transparency
  - Dept. of Insurance website on comparative pricing
  - All payers claims database
  - Recent focus on quantifying cost shift (causing Chamber to speak out against budget cuts that will affect Medicaid reimbursement)
  - Premiums rising at really exponential rate especially for small businesses – 75% to 100% increases not uncommon
  - SB 505 – Health Care Cost Commission and Hospital rate setting proposal (2010)
  - SB 392—Premium increases approval through public health process (2010)

- Loss Ratio Requirements
4. Home of Dartmouth and UNH Health Policy Shops, ACO's and Medical Home Pilots

### **III. Federal Health Reform In the “Live Free Or Die” State**

- A. New Hampshire’s Particular Anti-Tax/Anti-Government Ethos: Never Underestimate The Importance Of Cultural Identity**
- B. Although 16,000 NH Small Businesses Likely Eligible For The ACA Tax Credit, The Public Seems To Have Little To No Understanding Of The Economic Value Of The ACA**
- C. Population That Has Health Insurance Is Fearful Of What It Might Lose – Most People Don’t Use Their Insurance A Lot And Assume Consumer Protections That Don’t Exist**
  1. Especially true of people whose employers are self-insured and therefore regulated under ERISA
  2. Especially true of self-employed who pay for their own insurance and manage
- D. Almost All Of The Communication About The ACA Has Been About What It Does For Different Constituencies Rather Than The Economy And The Deficit**
  1. Uninsured
  2. Seniors
  3. Those with “bad” plans
  4. Those with preexisting conditions
- E. Jobs And The Economy Continue To Be Dominate Concerns, Even In NH With 5.2% Unemployment Rate And Arguably The Fastest Recovering Economy In The Country**
  1. So how do we connect ACA to economic growth and deficit reduction?
  2. If at least a subset of Americans believe that tax cuts (or at least refraining from tax increases) will create jobs, why isn’t the notion that reducing health care costs, providing health care tax credits equally compelling?
  3. Have we tried to explain too much? (When you’re explaining, you’re losing in politics)

4. ACA very unpopular with current Republican majority in State House – Executive Council is attempting to scuttle ACA grant for setting up Exchange, House and Senate have voted to instruct AG to join lawsuit
5. How can we connect ACA to cost reduction, economic growth, and economic competitiveness?