

Governor's comments fail to recognize importance of hospitals to their communities

The economic conditions facing the State of New Hampshire and our hospitals continue to be the most challenging in recent history and hospitals understand that fact very well. We couldn't be more disappointed in [Governor Lynch's comments](#) about hospitals in his budget address.

Hospitals provide essential services to their communities. The hospital is a source of strength and vitality that serves as an economic engine by attracting businesses and families to live and work there. The investments that have been made over the last several years and that are being planned in the future are designed to provide high quality, state of the art health care to the patients and communities our hospitals serve, including upgrades to a number of our state's smaller, rural hospitals that had not been renovated for decades. Those investments have had a significant economic impact at a time when jobs and investments were being reduced, scaled back or eliminated. The governor's call to place a moratorium on new hospital projects is unfortunate and not realistic as hospitals struggle to advance projects, such as information and clinical technology, which will improve patient care.

Over the past several years, private physician practices have been struggling financially and have sought support from their community hospital in order to continue to serve their patients. Despite the significant financial investment that this requires, hospitals have made a commitment to ensure that patients continue to have access to care in their community by employing those physicians. Even though New Hampshire's Medicaid payments do not cover the costs of providing these services, hospitals and doctors will continue to serve all in their community who need services, regardless of their ability to pay.

The governor's statement that hospitals made over \$200 million is incorrect, as evidenced by a [recent survey](#) showing that more hospitals are operating at a deficit, meaning they are losing money. More and more patients are showing up at hospital emergency rooms without insurance or the ability to pay their portion of the bill. In 2009, hospitals provided over \$490 million in bad debt and charity care. This is exacerbated by the fact that the State of New Hampshire has shifted the cost of providing care to Medicaid patients on to the hospitals by paying substantially less than the cost of actually providing services to those patients. In fact, New Hampshire's Medicaid reimbursement rates to providers are practically the lowest in the nation, and the governor's budget will only make matters worse.

The governor's proposal to siphon \$20 million from the funds that would otherwise go to support hospitals which provide care to Medicaid patients and those without insurance will only drive up the cost of care in our state. The Medicaid disproportionate share (DSH) program has long been misused as a means of balancing the State budget and, unfortunately, this proposal will only continue to do so.

Governor Lynch targeted executive compensation in his remarks, but failed to reflect the demands that are placed on the leaders of today's hospitals. Compensation at not for profit hospitals is set by board members made up of community leaders who look at a variety of factors, including the need to sustain the human and financial resources necessary to meet community needs 24 hours a day, 365 days a year. Board members follow a rigorous process to ensure that the community's resources are being invested to meet those needs.

New Hampshire is facing a significant budget challenge, one that will require the involvement of all stakeholders to solve. The governor's remarks are unfortunate and they do not help to foster an environment to solve the challenges that we face.

We will continue to work with all stakeholders, including the governor and the Legislature, as the process moves forward to ensure that the budget ultimately adopted is responsible and adequately supports New Hampshire's citizens, our hospitals and their mission of caring for all those in need.