

Maine Hospital Association

Northern New England HFMA Legislative Update

Steven Michaud, President
October 31, 2023



The Post-Pandemic World—The Big Five (And They're All Related)

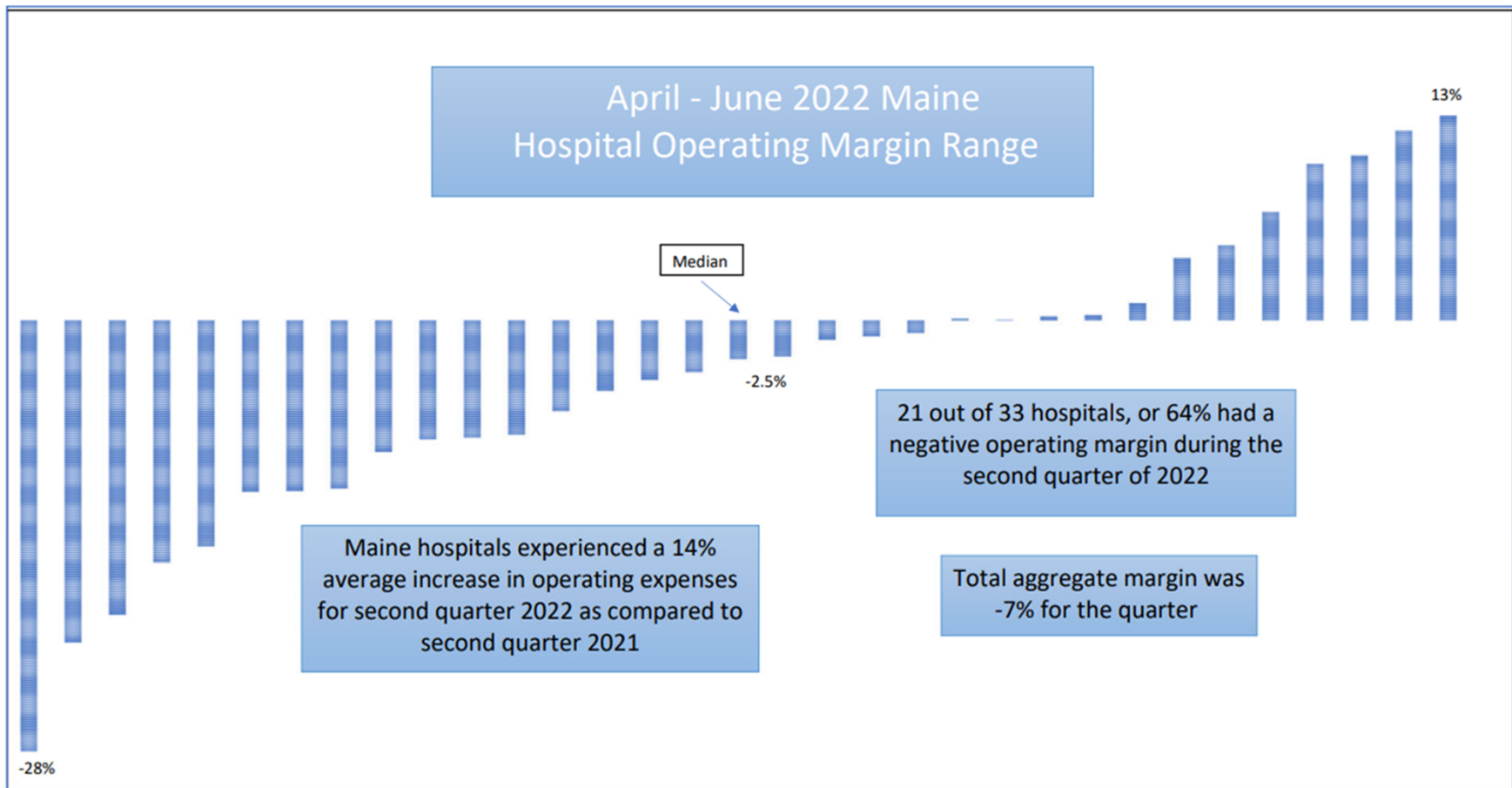
1. Workforce
2. Violence
3. Boarding – ED and otherwise
4. Financial Deterioration
5. Commercial Payer Behavior

Maine Hospital Financial Status

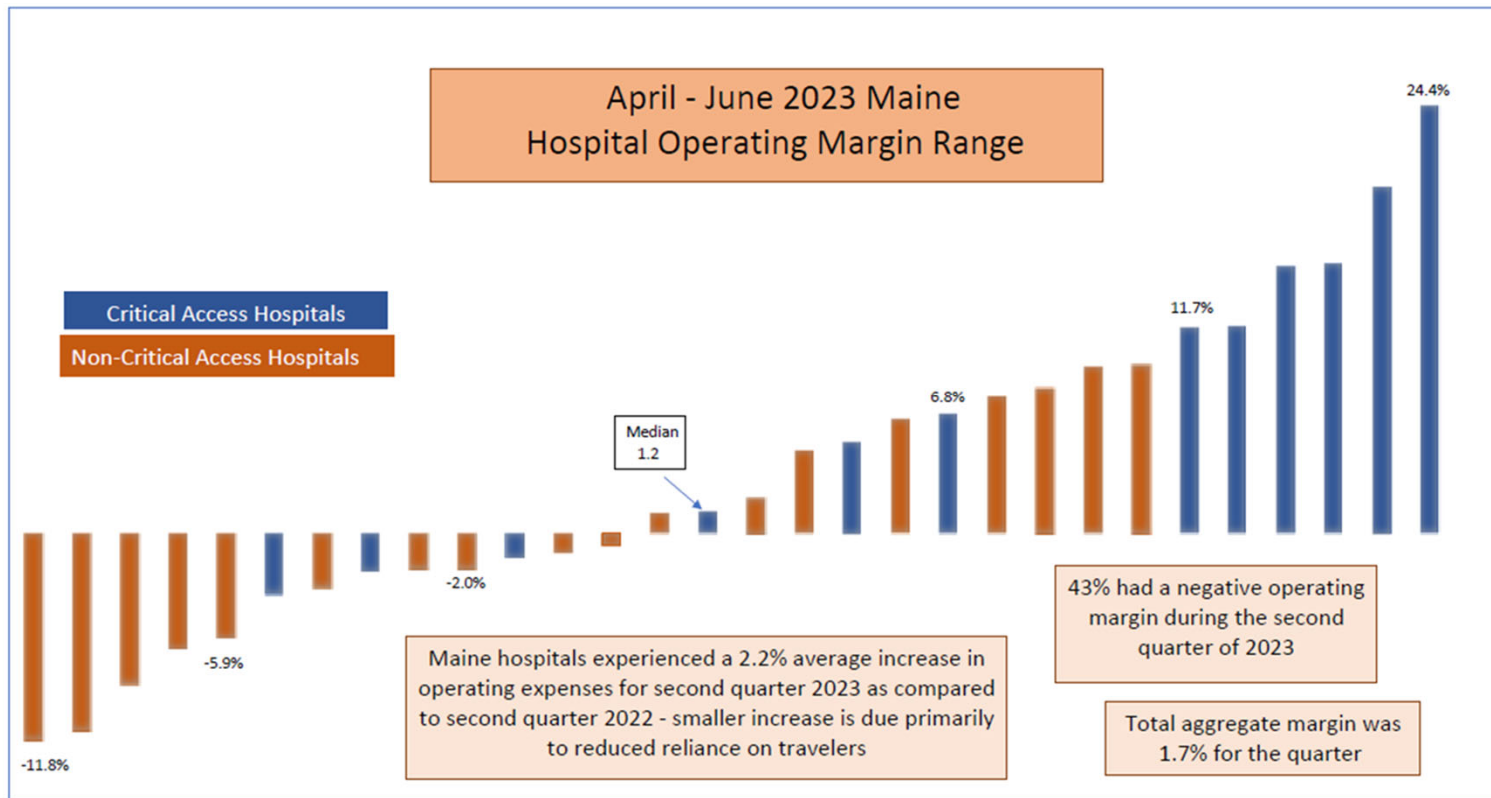
- Hospital financial condition has stabilized but is weak
- The primary concerns are lack of workforce, inflation and unreimbursed expenses

Operating Margins

Operating Margins – 2022 (Q2)



Operating Margins – 2023 (Q2)



Operating Margins – Maine 2022

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Bridgton Hospital	7.27%	4.05%	-0.27%	1.81%	-3.12%	-4.05%	4.04%	9.64%	15.90%
Calais Community Hospital	-9.02%	-5.23%	-3.49%	-6.58%	-2.28%	-3.24%	13.48%	5.61%	N/A
Cary Medical Center	3.63%	3.17%	-1.00%	-1.35%	1.41%	1.28%	1.31%	4.51%	0.00%
Central Maine Medical Center	1.76%	2.95%	-1.84%	-3.18%	-3.15%	-4.83%	-2.63%	-4.53%	-5.70%
Coastal Healthcare Alliance*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-0.28%
Down East Community Hospital	-5.35%	-0.57%	2.00%	1.60%	0.27%	4.11%	5.27%	15.84%	N/A
Franklin Memorial Hospital	-4.20%	-0.69%	-6.21%	-6.38%	-7.18%	-12.02%	-0.03%	0.38%	-2.95%
Houlton Regional Hospital	-1.73%	-1.46%	-2.40%	-1.07%	-0.79%	-1.20%	0.14%	7.72%	5.80%
LincolnHealth	-1.26%	2.47%	0.52%	3.39%	3.58%	2.62%	-1.76%	5.76%	4.52%
Maine Medical Center	3.50%	3.51%	4.73%	4.60%	4.60%	4.60%	0.26%	3.93%	-1.78%
MaineGeneral Medical Center	-3.61%	-6.15%	0.05%	-4.26%	0.42%	1.23%	-1.48%	-1.14%	0.90%
Mid Coast Hospital	2.54%	1.91%	0.60%	1.65%	0.36%	2.83%	-8.64%	2.12%	-9.71%
Millinocket Regional Hospital	-9.04%	-3.12%	-2.90%	-4.66%	-20.89%	-6.54%	-1.16%	10.47%	1.90%
Mount Desert Island Hospital	-2.43%	1.12%	0.51%	3.93%	2.96%	0.85%	2.40%	10.28%	10.50%
Northern Light A.R. Gould Hospital	-3.14%	0.14%	-10.44%	0.94%	2.56%	-0.38%	-0.39%	-2.22%	-7.10%
Northern Light Acadia Hospital	2.30%	4.68%	6.33%	19.82%	5.90%	15.56%	10.50%	10.71%	6.10%
Northern Light Blue Hill Hospital	5.27%	6.46%	2.72%	2.34%	10.86%	4.50%	7.06%	13.24%	15.90%
Northern Light C. A. Dean Hospital	-1.59%	-1.20%	-10.93%	6.26%	11.00%	10.02%	6.31%	18.60%	3.30%
Northern Light Eastern Maine Medical Center	2.50%	5.49%	3.83%	3.25%	1.01%	5.18%	-4.00%	5.16%	-8.00%
Northern Light Inland Hospital	-2.31%	0.31%	-0.80%	1.20%	-4.00%	-7.69%	-3.97%	2.73%	-10.90%
Northern Light Maine Coast Hospital	-6.52%	-9.68%	-7.43%	-7.52%	-5.58%	2.26%	-6.66%	-1.03%	3.30%
Northern Light Mayo Hospital	-1.88%	-0.02%	-3.27%	-3.60%	-2.96%	-5.94%	-8.13%	7.82%	8.00%
Northern Light Mercy Hospital	1.15%	-10.22%	-7.92%	-1.85%	0.69%	5.28%	-5.31%	3.42%	-5.10%
Northern Light Sebecook Hospital	6.49%	3.31%	3.95%	10.40%	13.83%	10.00%	6.77%	17.68%	17.70%
Northern Maine Medical Center	0.50%	1.50%	0.40%	13.30%	0.70%	0.82%	2.50%	4.29%	-3.54%
Penobscot Valley Hospital	-3.90%	-5.24%	-9.84%	-8.72%	-5.44%	-1.93%	8.04%	8.12%	-9.80%
Redington-Fairview General Hospital	-3.65%	-3.65%	0.01%	0.12%	0.17%	2.63%	2.26%	3.48%	1.80%
Rumford Hospital	0.94%	-1.23%	-2.44%	-0.29%	-4.22%	-2.30%	6.33%	6.32%	9.90%
Southern Maine Health Care	N/A	-3.41%	-2.83%	-0.17%	-2.26%	1.83%	-7.07%	7.49%	-4.53%
Spring Harbor Hospital/Maine Behavioral Healthcare	0.41%	0.43%	-1.63%	2.26%	1.48%	1.43%	-2.08%	-5.84%	-16.22%
St. Joseph Hospital	8.97%	1.33%	2.20%	0.63%	-9.42%	0.72%	-0.33%	-0.25%	-5.40%
St. Mary's Regional Medical Center	-1.67%	-1.68%	1.01%	-0.52%	-11.93%	-0.41%	-6.06%	-3.63%	TBD
Stephens Memorial Hospital	6.38%	4.95%	2.54%	2.10%	2.18%	4.20%	6.45%	13.20%	13.81%
York Hospital	-1.91%	-0.51%	-1.45%	-1.60%	-1.17%	-3.89%	-8.33%	3.09%	-1.20%

*Pen Bay Medical Center & Waldo County General Hospital merged to form Coastal Healthcare Alliance in 2022

Color Code:

Operating Margins < 0
Operating Margins 0 - 4.99%
Operating Margins 5%+

Source:
Maine Health Data Organization
Audited Financial Statements

Hospitals with **negative** operating margins:

- 2016 - **19** hospitals
 - Median Margin = **(0.54%)**
- 2018 - **15** hospitals
 - Median Margin = 0.39%
- 2020 - **17** hospitals
 - Median Margin 0.73%
- 2022 - **17** hospitals
 - Median Margin **(2.2%)**

Reward for Saving the World?

Legislature 2023-24

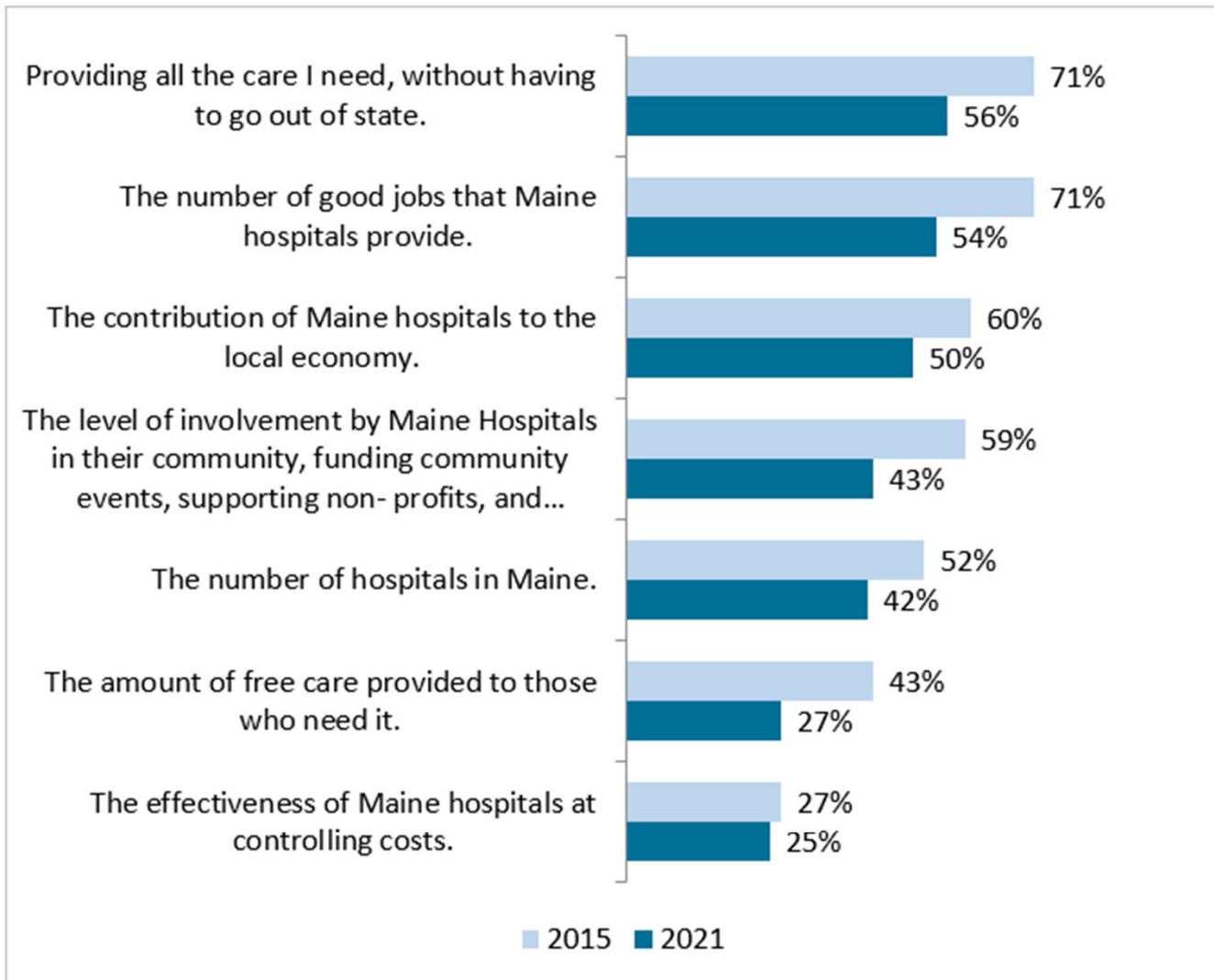
1. Staffing Ratios
2. Facility Fee Ban
3. Commercial Payers
4. Guns - New

Federal

- Narrow Margins = Chaos
- Government funding—Israel—Ukraine
- Site Neutral

HOSPITAL RATINGS

How do you rate Maine hospitals on each of the following aspects: (% Rating Excellent or Very Good) (n=505)



Summary

Compared to 2015, fewer respondents believed that Maine hospitals provide all the care they need, provide good jobs, are involved in the community, and provide the right amount of free care to those who need it. As in 2015, respondents were the least likely to agree that hospitals are effective at controlling costs.

Note that the COVID-19 pandemic likely impacted how the public perceives hospitals, so results between 2015 and 2023 may not be directly comparable.

Notably down.

HEALTHCARE COSTS

Is the following a reason for the rising hospital costs in Maine today? (% Major Reason) (n=505)

	2015	2023
High salaries for hospital administrators	49%	→ 53%
→ Too many people using the emergency room unnecessarily	63%	46%
Too many government regulations	49%	44%
→ Too many people with unhealthy lifestyles that lead to more medical treatment	67%	43%
Expensive buildings and equipment	37%	→ 41%
It is too hard for patients to find out the cost of a recommended treatment	35%	36%
Behavioral health patients filling up emergency departments	-	36%
Expense of travelling nurses and doctors	-	34%
People getting more expensive tests and services than they really need	49%	33%
→ The cost of free care for people who don't have health insurance	57%	32%
Doctors do not share cost information when outlining treatment options	43%	30%
High doctors' salaries	27%	27%
Most people with health insurance having little incentive to look for lower-priced doctors and services	-	23%
Costs added due to union organizing	-	17%

Summary

Compared to 2015, more adults believe that high salaries for hospital administrators is a major reason for rising hospital costs in Maine.

No longer blame the public.

Thank you





NNE HFMA Fall State Legislative Update: Vermont

10/31/23

Act 167 Hospital Transformation

Fall

Provider and community engagement meetings to determine community needs and where services should be offered in the state

Winter

Mathematica and Oliver Wyman will look at data and develop recommendations

Spring

Recommendations will be presented to hospitals, communities, and the legislature

Challenges

- Timing: late in the legislative session with no time to dedicate resources for change
 - Ticonderoga, NY: \$17M to convert hospital to primary care campus
- Workforce: demoralized providers will leave

AHEAD Model & Hospital Global Budgets

CMS presented its AHEAD model comprised of:

- Total cost of care for the state
- Hospital global budgets
 - Vermont can develop its own global budget methodology
- Enhanced primary care and integration of mental health into primary care

Outstanding questions:

- Where does intensive mental health care and post-acute and long term care fit in?
- How does the governance/regulatory structure work?
- What do the numbers look like?

Notice of funding opportunity slated for mid-November

Building Workforce

- Physician licensure modernization
- Nurse apprentice licensure
- Continuing to address workplace violence



Addressing Capacity Challenges

- Mental health 2-year plan
 - Year 1
 - Gap analysis in process vs. statute
 - Work with judiciary and department of mental health to address process changes
 - Year 2
 - Legislative changes
- Support for long term care

***New Hampshire Hospital Association
Legislative Update***

NNE HFMA Legislative Update Webinar
October 31, 2023

Steve Ahnen, President
New Hampshire Hospital Association



New Hampshire Update

Key Issues

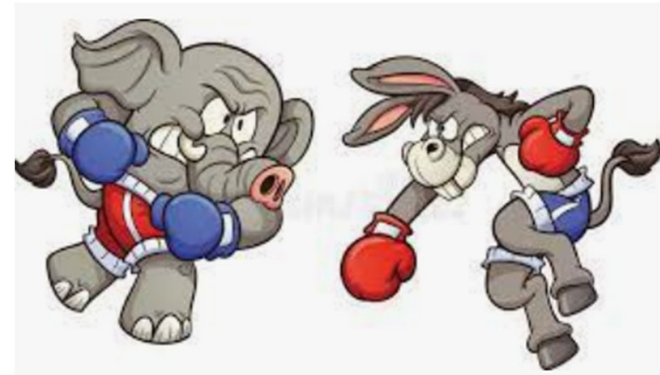
- 2023 Legislative Session Wrap-up
- 2024 Legislative Preview
- Campaign '24



New Hampshire Update

2023 Legislative Session

- When we met earlier this year, this line from my update seems awfully prophetic in hindsight:
 - *“Many familiar battle lines, but opportunities for bipartisanship remain”*



- Razor thin GOP majority in the House (198-R, 196-D, 3-I, 3 vacancies) required a more bipartisan legislative approach

New Hampshire Update

- State Budget for SFY 24-25(HB 1/HB 2)

- Medicaid Expansion – NH Granite Act Program – 7 years
- Provider rate increases (for LTC Services Behavioral Health)
- HC Workplace Violence Prevention C Dept. of Labor



- Workplace safety (SB 58), allowing for a warrantless arrest when a patient harms or threatens a health care worker in a health care facility

- Improve provider credentialing procedures (SB 72)

New Hampshire Update

- **OPLC Licensing –streamlining board processes**
 - HB 409, relative to the organization of the office of professional licensure
 - HB 655, relative to the office of professional licensure and certification
 - HB 426, relative to the regulation of pharmacists-in-charge and pharmacies
- **Workforce**
 - SB 149, relative to nurse agencies

New Hampshire Update

- 2024 Legislative Session getting underway
 - Retained bills: SB 82, relative to prompt payments
- LSRs (Legislative Service Requests) flooding in
 - NHHA has flagged over 200 potential bills to follow
- NHHA Focus for 2024
 - Prior Authorization reform
 - Reauthorization of MET/DSH agreement

New Hampshire Update

Campaign 2024 Picking up Pace

- GOP field has grown...and is now shrinking
- Democratic field...much the same



- President Biden will not appear on the ballot in New Hampshire



- Minnesota Congressman Dean Phillips jumps in the race
- Robert Kennedy, Jr. leaves the Democratic primary and launches an independent bid for the White House
- No Labels



New Hampshire Update

- THANK YOU!
- We continue to be inspired by the tremendous work that all of you are continue to do day in and day out to take care of your patients and staff during these challenging times...and honored to be your partners in supporting those efforts.
- Stay safe, be well.



Questions?

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