New Hampshire Fiscal Policy Institute

10th Annual Budget and Policy Conference

WORKING HARD AND FALLING BEHIND:
THE HIGH COST OF LIVING IN NEW HAMPSHIRE

October 24 • Concord

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New Hampshire Bulletin

NH BUSINESS REVIEW

BUSINESSNH MAGAZINE

WORKING HARD AND FALLING BEHIND: THE HIGH COST OF HEALTH CARE IN NEW HAMPSHIRE

October 24 • Concord

Moderated by: Jess Williams, Policy Analyst at New Hampshire Fiscal Policy Institute

Our Panel of Experts

Deborah Fournier
UNH Institute of Health Policy and Practice

Jennifer Frizzell
NH Health Cost Initiative

Lucy Hodder
UNH Franklin Pierce School of Law

Kirk Williamson
Green Mountain Care Board

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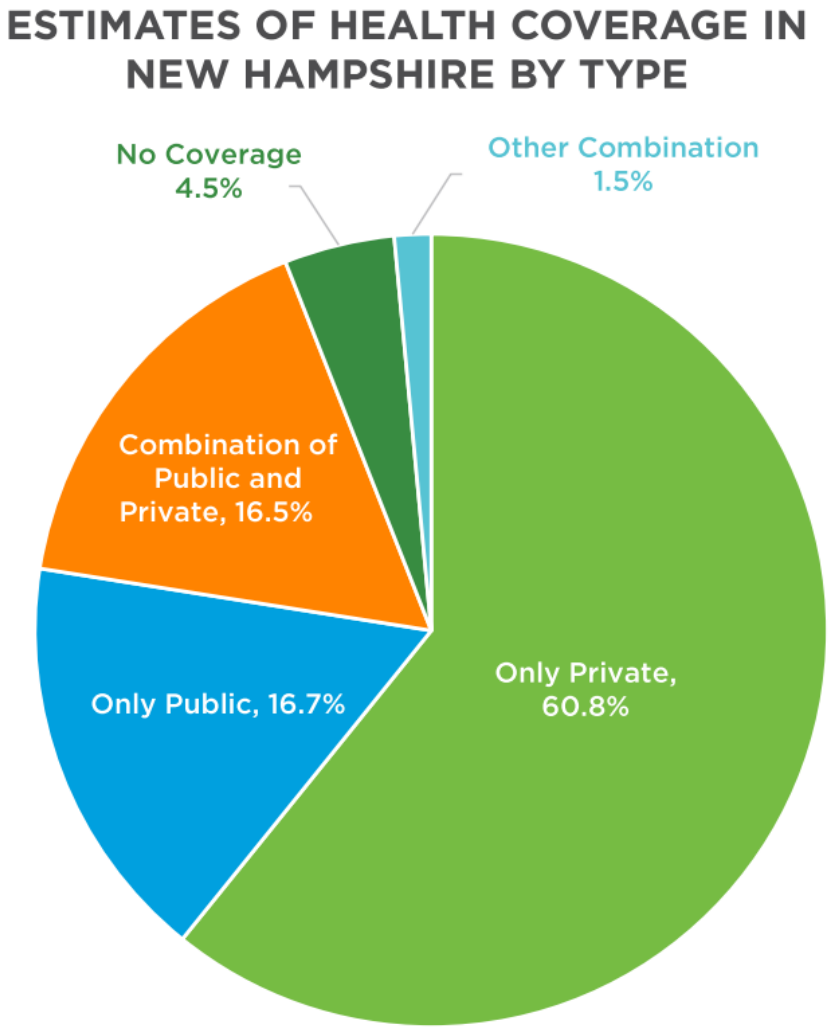
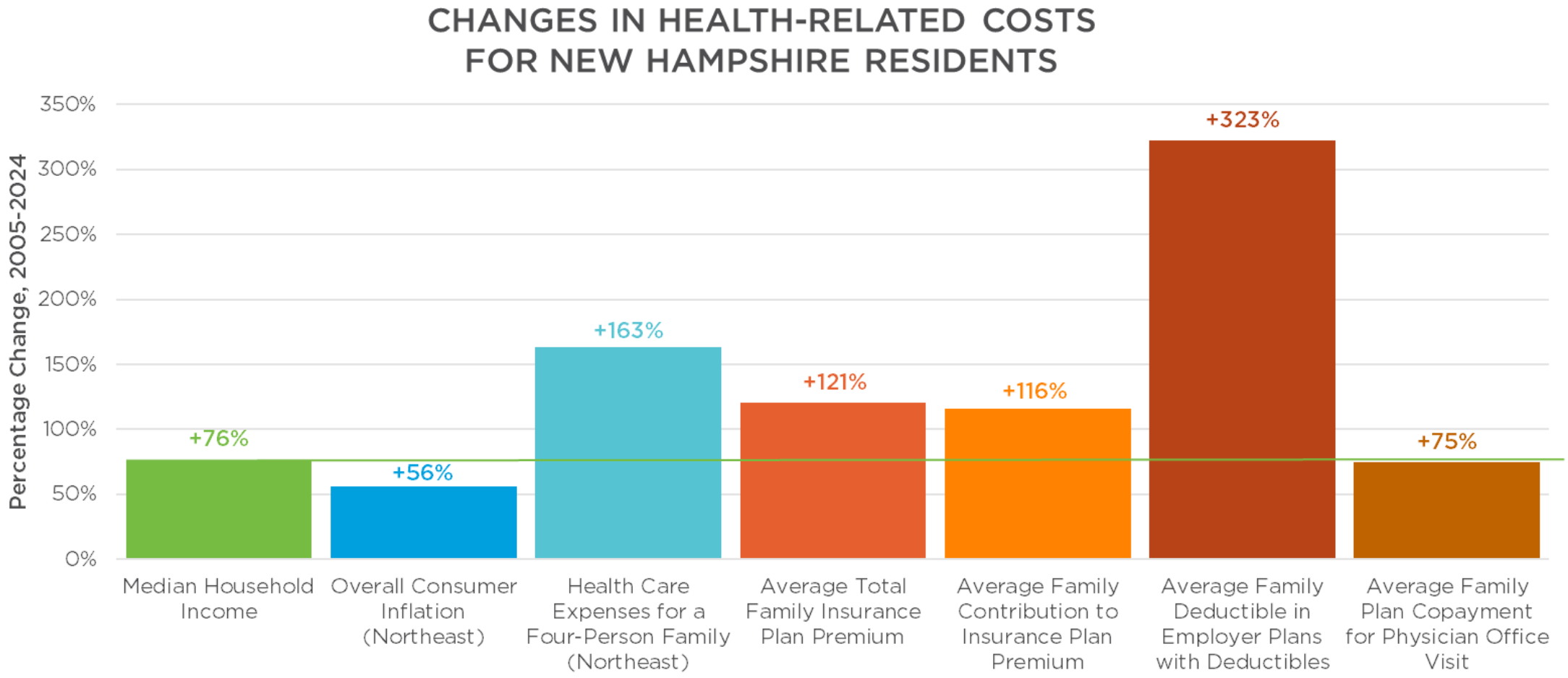
HEALTH CARE THROUGH THE NUMBERS

TWO-THIRDS OF POPULATION IS PRIVATELY INSURED; NEARLY 66K REMAIN UNINSURED



Source: U.S. Census Bureau, American Community Survey, 2024 1-Year Estimates

70 PERCENT OF GRANITE STATERS DELAYED OR FOREWENT CARE DUE TO COST IN 2024



All data specifically reflect New Hampshire figures or, where indicated for Consumer Price Index inflation data, for the Northeastern United States, including the six New England states, New York, New Jersey, and Pennsylvania.

Sources: U.S. Census Bureau, American Community Survey; U.S. Bureau of Labor Statistics; U.S. Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey

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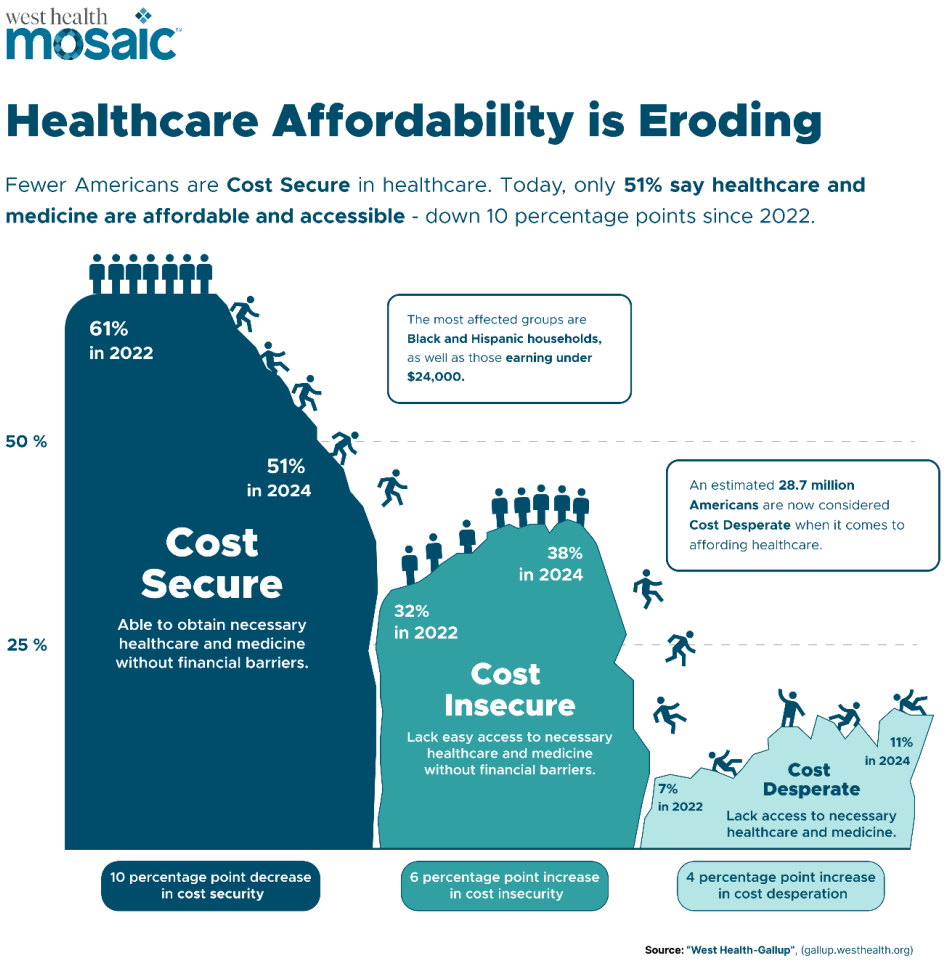
COST DRIVERS AND CHALLENGES IMPACTING HEALTH CARE ACCESSIBILITY

THE AFFORDABILITY CRISIS IS HERE:
Lucy Hodder

- Prices and use of healthcare services are predictably way up
- Healthcare cost burden, while predictable, ripples through communities
  - Impacts include: medical debt, reduced access, increased uncompensated care, and greater investment in emergency care



KEY COST DRIVERS IN THE HEALTH SYSTEM:

Lucy Hodder

- More, better, expensive health innovation
- Healthcare and hospital consolidation and reorganization resulting in higher costs
- We still pay ‘Fee-for-Service’ for care
- High cost and use of specialty drugs like GLP-1s
- Federal and some state policies limit access to affordable health insurance

CHALLENGES OCCUR ACROSS THE COUNTRY, NOT ONLY IN NEW HAMPSHIRE:

Deborah Fournier

- Drug manufacturers, pharmacy benefit managers, hospitals and insurance companies have collectively driven up the costs of accessing medical care
- The United States has the most expensive healthcare in the developed world
- In New Hampshire, this dynamic has impacted access to care, as more people are putting off needed services

LACK OF SYSTEM TRANSPARENCY AND OVERSIGHT:

Deborah Fournier

- NH Health Cost, where people can compare estimates of prices for services
  - Limitations: does not reflect consumer cost under insurance policy, or account for the consumer's available provider network
  - Approximately $13B in health expenditures per year
- All Payer Claims Database, that collects medical and pharmacy claims across insurance carriers
  - Limitations: self-funded plans not reflected
  - Only about 50 percent of commercial market reflected in data

U.S. PAYS SOME OF THE HIGHEST PRICES FOR PRESCRIPTION DRUGS:

Kirk Williamson

- Government-regulated monopolies allow for a drug pricing system that is filled with market failures, which can be organized in three key ways:
  - Patent abuses and anticompetitive behaviors
  - Market distortions supported by perverse incentives and lack of transparency
  - High launch prices and unjustified price increases affecting both public and private payers
- Brand name drugs nearly three times higher than other OECD countries (38 relatively wealthy or economically large countries); annual spending expected to reach $863B by 2028
- Between 2005-2015, 75 percent of new patents were for existing drugs already on market
- GLP-1s are a good example of this cost-driver dynamic

COST DRIVERS AND IMPACT ON COMMUNITY:

Jennifer Frizzell

- Escalating out-of-pockets costs
  - Increased cost sharing and deductibles cause patients and families to avoid care
- Medical debt
  - Growing number of Granite Staters experiencing financial burden, including bankruptcy
- Diminishing access to primary care, mental health care, and maternity care
  - Underinvestment, workforce shortages, and consolidation are all responsible
- Fragility of safety net providers
  - Community Health Centers and Community Mental Health Centers can't fill the gaps

POSSIBLE SOLUTIONS TO ADDRESS CHALLENGES AND HIGH COSTS

KEY STRATEGIES TO LOWER COSTS AND IMPROVE ACCESS:

Lucy Hodder

- Collaboration and Accountability
  - Plan for tough times ahead, and share accountability together
  - Ensure accountability especially during and after mergers
  - Expand employer assistance programs to address needs
- Consumer Protection
  - Help providers and consumers navigate insurance plan prior authorizations and denials that limit care
  - Create dashboards to measure cost impacts and require transparent policies to address root causes
  - Focus on policies that impact the social drivers and determinants of health

MORE OVERSIGHT AND ACCOUNTABILITY HELPS, BUT IS NOT THE FULL PICTURE:

Deborah Fournier

- Cost growth benchmarks to collect and report total health expenditures, regardless of spending source
- Benchmarks can inform data-driven discussions, but in and of itself doesn't provide financial relief or price regulation
- No currently operating benchmark sets a negative trend target
- Even if NH had a 0 percent cost growth benchmark and met it each year, this still would not provide financial relief or limit price increase

POSSIBLE PRESCRIPTION DRUG PRICE REFORM:

Kirk Williamson

- Support and expand Medicare negotiation
- Increase transparency across the supply chain
- Leverage data to target affordability policies

KEY STRATEGIES TO LOWER COSTS AND IMPROVE ACCESS:

Jennifer Frizzell

- Expand consumer assistance and patient navigator services
- Establish a “watchdog” agency or oversight board for analysis and accountability
- Increased investment in primary care, mental health, and maternal health

MORE IMMEDIATE SOLUTIONS ARE IMPORTANT AS WE WORK TOWARDS LONG-TERM GOALS:

Lucy, Deborah, Kirk, Jennifer

- Act swiftly to demand collaborative accountability
- Support programs that immediately help consumers navigate benefits
- Ensure continued planning and oversight, and establish goals for meeting long-term solutions
- Support safety net providers
- Follow 2026 legislation around medial debt; pharmacy benefit manager transparency and statewide drug discount card
- Support business and community engagement partnerships
- Attend Healthcare Consumer Protection Advisory Commission (HCPAC) public meetings

AUDIENCE Q&A

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