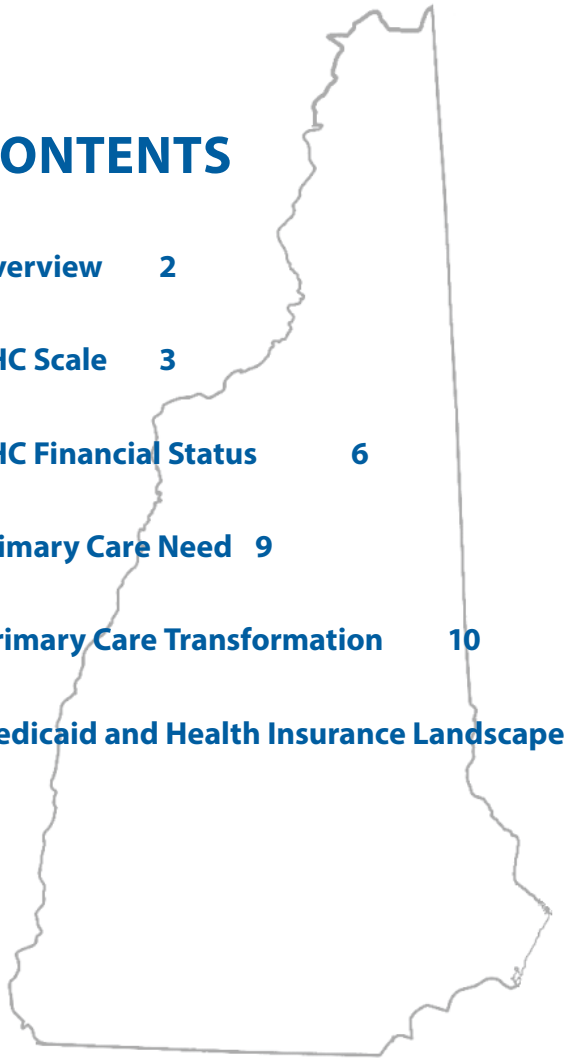
PRIMARY CARE DEVELOPMENT CORPORATION

COMMUNITY HEALTH CENTER GROWTH AND SUSTAINABILITY
STATE PROFILES

NEW HAMPSHIRE



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Supported by the RCHN Community Health Foundation

OVERVIEW

Market Share & Growth

- As of 2014, there were 13 CHCs operating 39 permanent clinical service delivery sites throughout the state of New Hampshire. The PCA in Vermont is the Bi-State Primary Care Association, which also represents Vermont. [1] [2]
- New Hampshire CHCs provided 279,977 visits to 67,194 patients in 2012. [3]
- The number of people served by CHCs increased by an average of 1.0% annually over the last three years for which full data is available (through 2012), compared to 4.1% average annual growth experienced by CHCs nationwide. [3]
- CHCs serve approximately 13% of New Hampshire's Medicaid population (US: 16%) and 5% of its overall population (US: 7%). CHCs in New Hampshire serve 16.9% of patients with incomes market penetration of <200% FPL individuals, compared with 15.9% nationally. [3]
- Medicaid enrollment, currently at 129,000, is projected to grow by an additional 50,000 people (39%) resulting from the recently passed expansion bill; the uninsured rate is projected to decrease from 9.1% to 6.7%. [4] [5]

Policy & Reimbursement

- New Hampshire spends slightly more than $6,700 per Medicaid enrollee annually– the 14th highest in the nation. [6]
- New Hampshire has implemented a hybrid Medicaid expansion under which low-income adults (up to 138% FPL) will receive subsidies to purchase private insurance. [7] Traditional Medicaid & CHIP eligibility limits are 75% FPL for parents of dependent children; 201% FPL for pregnant women and up to 323% FPL for children. [8]
- New Hampshire has a state-federal partnership for implementation of the ACA's health insurance exchange. [9] [10] Through the first enrollment period, individuals who have selected health plans through the exchange reached a total of 40,262, against a goal of 19,000. [11]
- CHCs are reimbursed under the Prospective Payment System (PPS) for services provided under Medicaid. [12] Most payments to CHCs are for a standardized clinic visit encounter, which is a face-to-face encounter between a patient and a physician, a physician assistant or a nurse practitioner for primary care services. [13]
- New Hampshire is participating in several CMS Innovation programs, including the "Prevention of Chronic Disease in Medicaid Demonstration," and has several FQHCs participating in the "FQHC Advanced Primary Care Demonstration"; additionally, New Hampshire has been awarded a State Innovation Model "Design Award." [14]

New Hampshire CHCs Compared to CHCs Nationwide

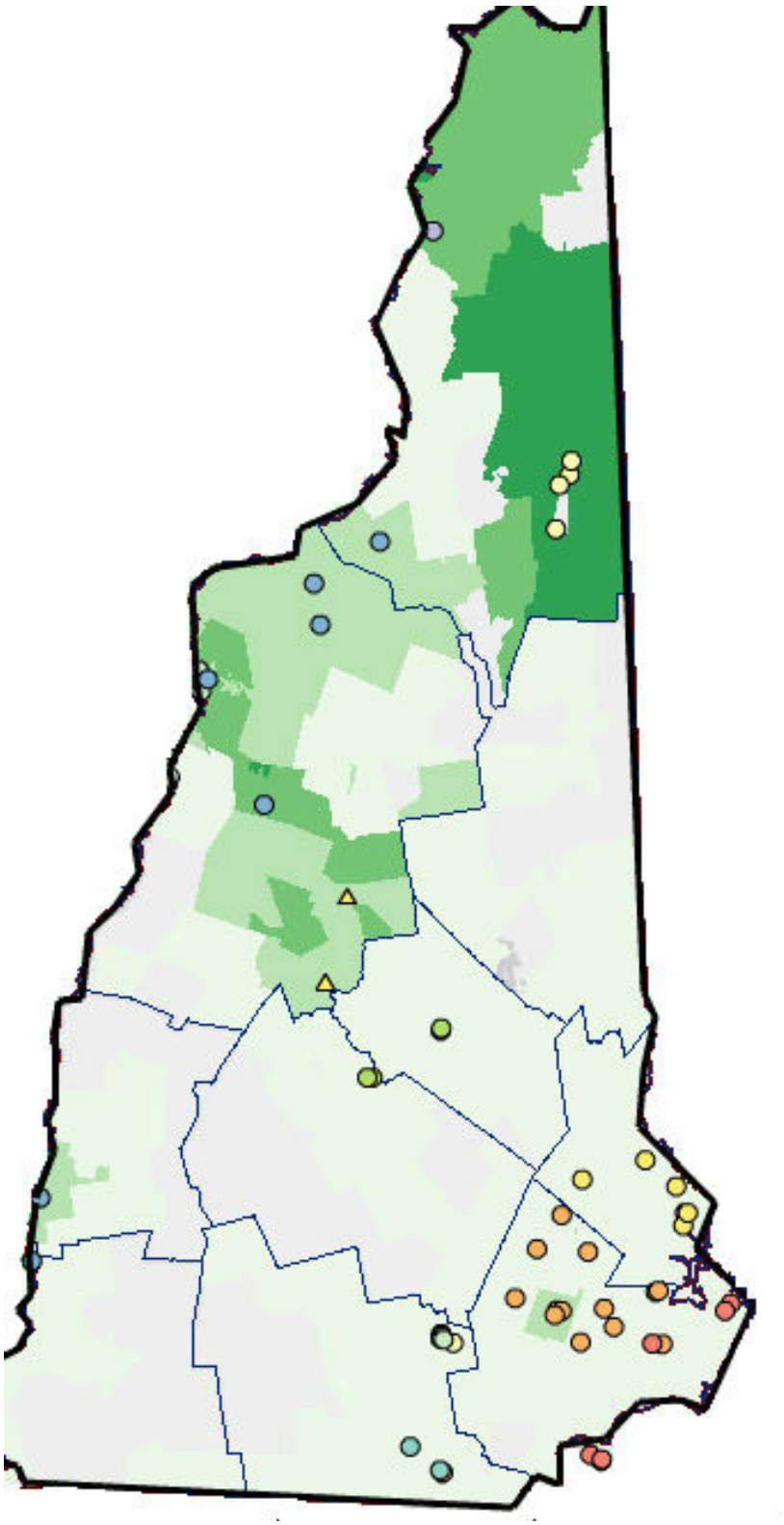
- Lower proportion of the total population served, including a lower proportion of Medicaid enrollees due to higher number of uninsured patients
- Substantially smaller than national average, providing only 40% as many visits per CHC
- Compound growth rate in total visits (2010-12) well below the national average, with growth at <1%

	NH	US
Population Served (2012)		
Total patients served by CHCs	67,194	21,102,391
% of population served by CHCs	5.2%	6.8%
% of under 200% FPL served by CHCs	16.9%	15.9%
% of Medicaid Enrollees Served	13.2%	16.4%
CHC Characteristics and Volume		
Number of CHCs (2014)	13	1284
Total CHC Service Delivery Sites (2014)	41	9509
Average Sites per CHC (2014)	3.2	7.4
Annual Visits (Total) (2012)	279,977	83,766,153
Annual Visits per CHC (2012)	27,998	69,922
Annual Visits Per Patient (2012)	4.17	3.97
Visit Mix (% of Annual Visits by Service Type) (2012)		
Medical	86.0%	73.6%
Dental	5.5%	12.8%
Mental Health	4.8%	7.5%
Case Management/Enabling	3.7%	6.2%
Compound Annual Growth Rate (2010-2012)		
Total Patients	1.0%	4.1%
Total Annual Visits	0.5%	4.3%
Medical	0.1%	3.5%
Dental	10.4%	7.6%
Mental Health	7.8%	9.6%
Case Management/Enabling	-9.4%	1.6%

Note: All CHCs are Federally Qualifed Health Centers receiving Section 330 grants. Lookalikes not included.

Source: UDS Summary Data 2010-2012, 2014

Share of Population Served by New Hampshire CHCs [15]

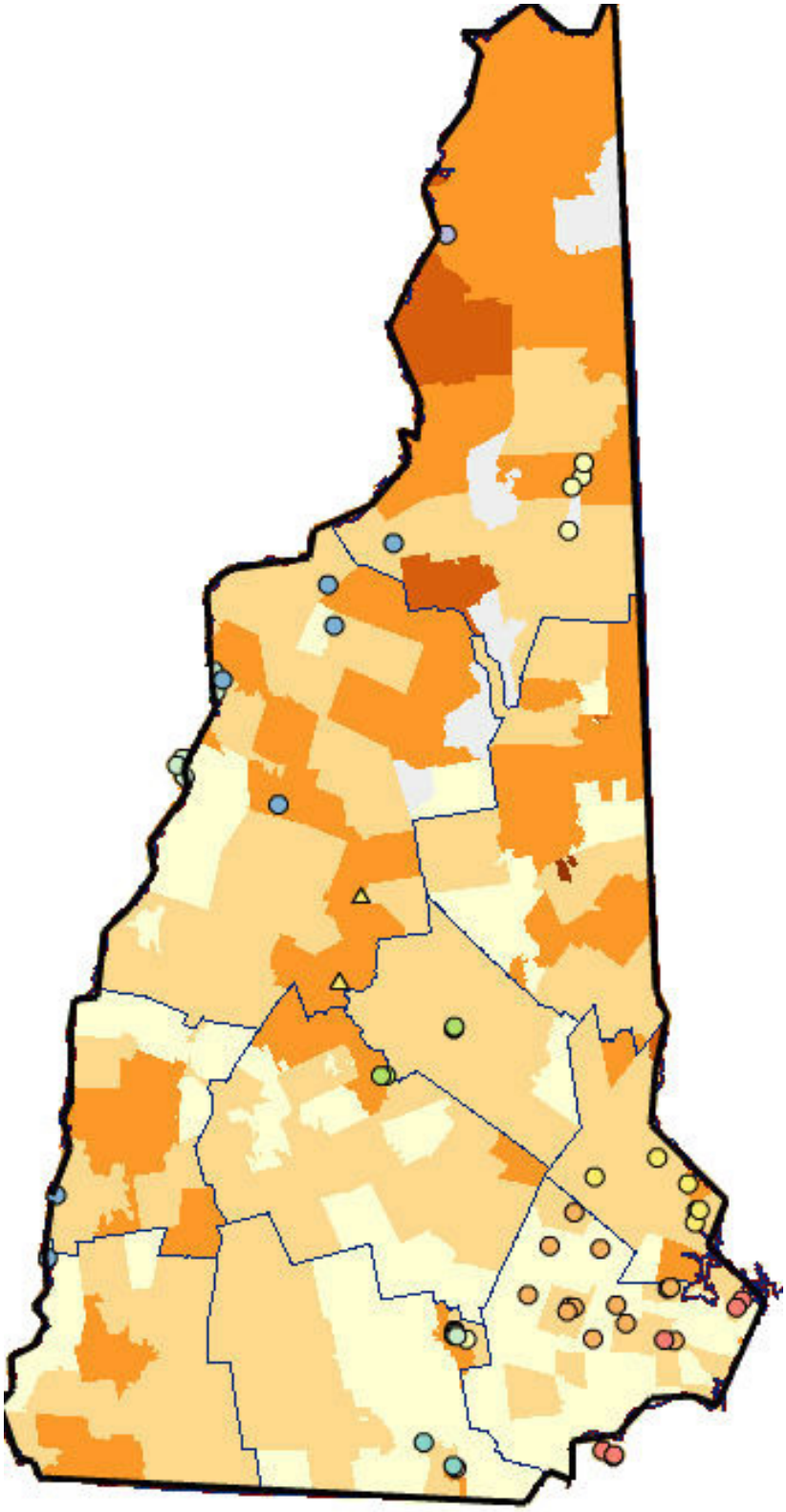


% of Total Population Served by CHCs

< 20%	60 - 80%
20 - 40%	> 80%
40 - 60%	

Colored circles represent CHC locations.
Unique color for each CHC network.

New Hampshire Low Income Population [15]



% of Low-income (Pop below 200% FPL)

< 15%	45 - 60%
15 - 30%	> 60%
30 - 45%	

Colored circles represent CHC locations.
Unique color for each CHC network.

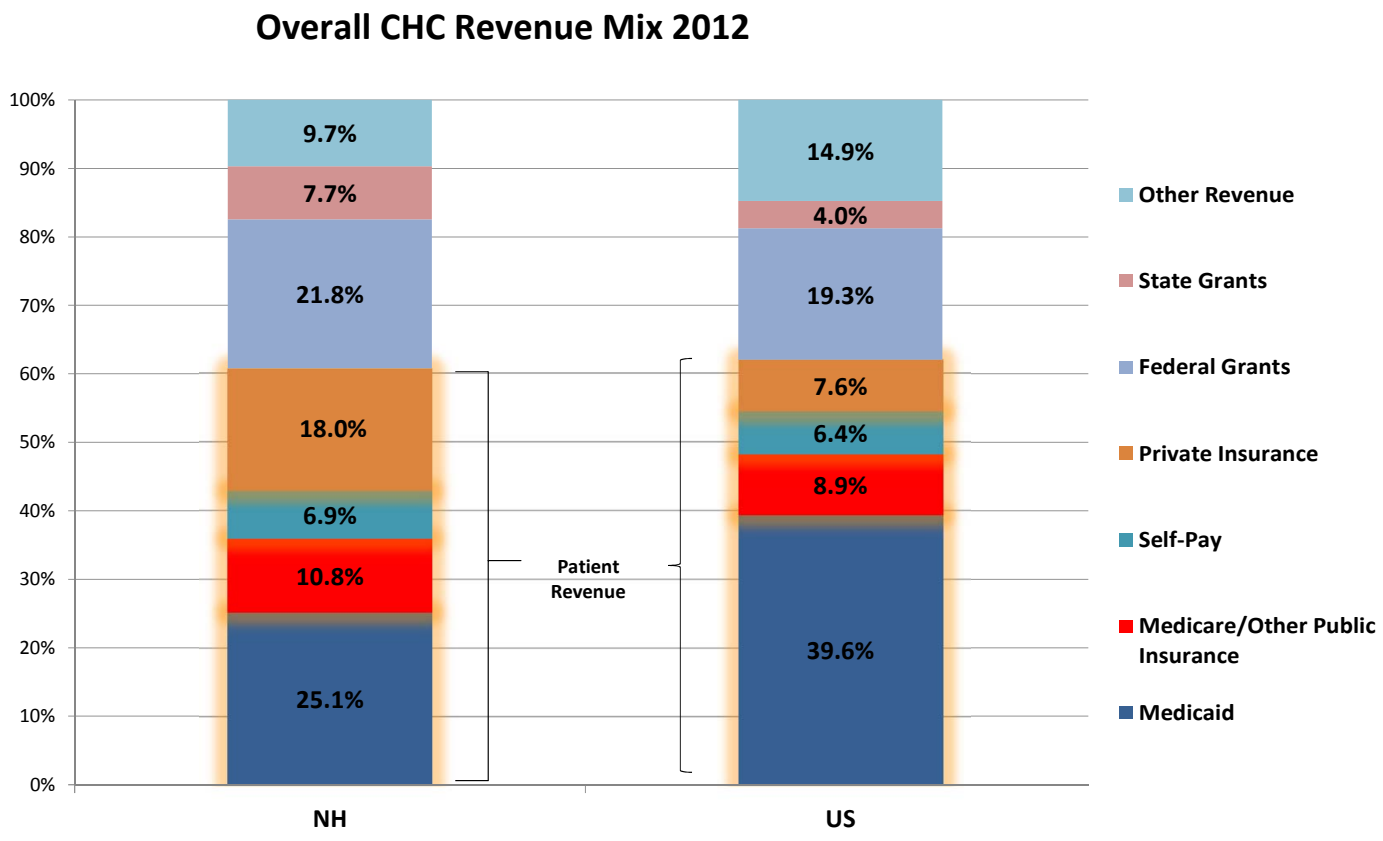
New Hampshire CHCs Compared to CHCs Nationwide, 2012

- Similar proportion of revenue from patient services
- Significantly lower portion of patient revenues from Medicaid
- Much higher proportion of revenues from private insurance
- Slightly higher reliance on federal and state grants

	NH	US
CHC Revenue Mix		
Patient Revenue	60.8%	62.9%
Medicaid	25.1%	39.6%
Medicare/Other Public Insurance	10.8%	8.9%
Self-Pay	6.9%	6.4%
Private Insurance	18.0%	7.6%
Federal Grants	21.8%	19.3%
State Grants	7.7%	4.0%
Other Revenue	9.7%	14.9%

Note: All CHCs are Federally Qualifed Health Centers receiving Section 330 grants. Lookalikes not included.

Source: UDS Summary Data 2010-2012, 2014



Source: UDS Summary Data 2012

CHC FINANCIAL STATUS

New Hampshire CHCs as a Group, 2009-2011

- Median Total Assets increased by 77%
- Unrestricted Net Assets grew by 89%
- Median Days Cash on Hand decreased by 22%, from 19 to 14 days, well below the 30-day benchmark

NH Financial Performance 2009- 2011					
	Statewide CHC Medians			% Change	Benchmark
	2009	2010	2011		
Growth					
Total Assets ($)	$2,678,262	$3,271,243	$4,743,590	77%	N/A
Total Revenues ($)	$6,158,960	$6,680,404	$9,059,721	47%	N/A
Profitability					
Total Margin (%)	1.6%	6.0%	5.5%	250%	N/A
Unrestricted Net Assets ($)	$431,058	$871,735	$813,154	89%	N/A
Liquidity					
Days Cash on Hand	19	22	15	-22%	>30 Days
Days in Accounts Receivable	26	25	20	-23%	<60 Days

Note: CHC 990s have limitations, and certain indicators could not be accurately analyzed as a result. For a more complete picture of CHC financials, audited financial statements should be consulted.

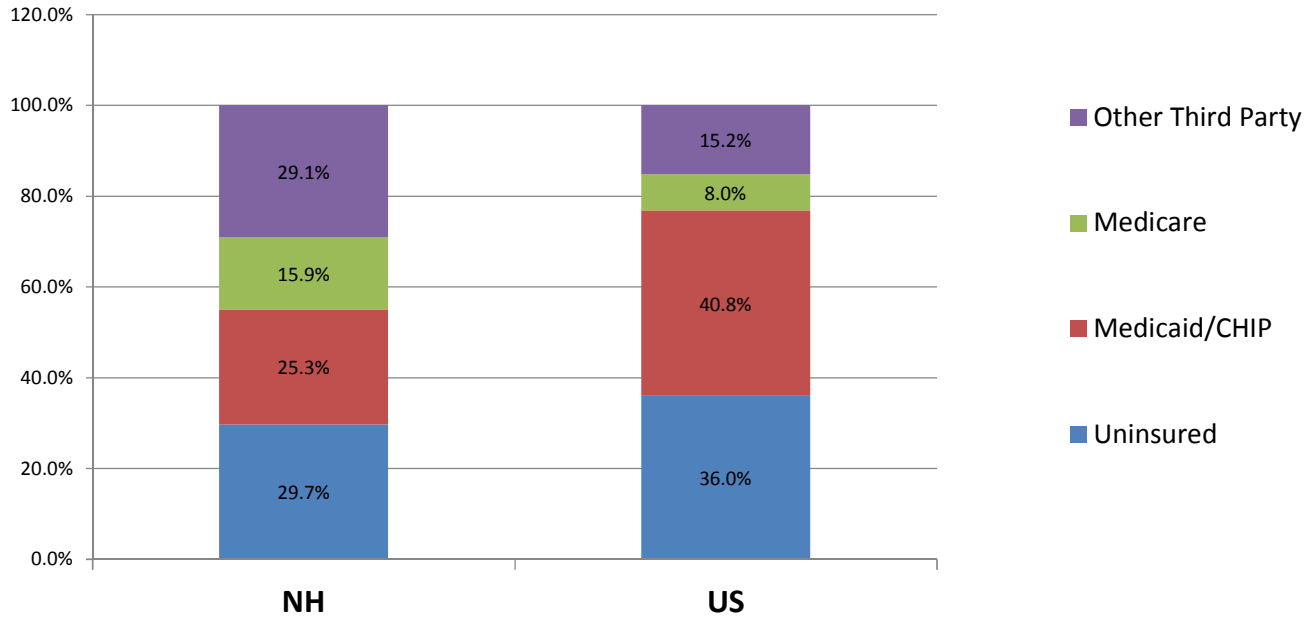
New Hampshire CHCs Visit Mix Compared to CHCs Nationwide [16]

- Proportion of patients living at or near poverty level is well below national average
- Lower proportion of visits are from the uninsured and Medicaid population
- Much higher reliance on Medicare and commercial payers

	NH	US
CHC Visit Mix - 2012		
Income Status		
Patients at or below 200% poverty level	81.4%	92.6%
Patients at or below 100% poverty level	52.4%	71.9%
Coverage Status		
Uninsured	29.7%	36.0%
Medicaid/CHIP	25.3%	40.8%
Medicare	15.9%	8.0%
Other Third Party	29.1%	15.2%

Source: UDS Summary Data 2012

CHC Visit Mix by Payer - 2012



Source: UDS Summary Data 2012

PRIMARY CARE NEED

Statewide Primary Care & Prevention Clinical Indicators

- Better than national average on most primary care & prevention indicators
- 19% lower proportion of adults affected by diabetes
- Ranked #5 in America's Health Rankings®

Statewide Primary Care Shortage & Workforce Indicators

- Significantly lower proportion of population is underserved for primary care.
- Underserved population for dental also significantly below national average.

	NH	US
Primary Care & Prevention Clinical Indicators		
% births to women with late/no prenatal care	3.1%	5.3%
% low birthweights	6.8%	8.1%
% adults diagnosed with diabetes	7.5%	9.3%
Adult diabetes deaths per 100,000	16.1	20.8
Adult heart disease deaths per 100,000	152.7	179.1
Avoidable Hospitalizations per 1,000	56.0	66.6
America's Health Ranking (United Health Foundation)	5	NA
Primary Care Shortage and Workforce Indicators		
Estimated underserved population for primary care	18,976	35,057,608
% of total population	1.5%	11.3%
Estimated PCPs needed to achieve target PCP:Population	5	7067
Estimated underserved population for dental	12,707	31,707,007
% of total population	1.0%	10.2%
Estimated dental providers needed to achieve target Practitioner:Population ratio	3	6531

Source: Kaiser State Health Facts 2012

PRIMARY CARE TRANSFORMATION

Patient Centered Medical Home [3] [17]

- 55% of New Hampshire's CHCs have achieved PCMH recognition or certification as of 12/31/13, as compared to 44% nationally.
- New Hampshire's NH Citizens Health Initiative has convened a multi-payer, multi-stakeholder medical home project since January 2008. [18]
- Medicaid helped design the program; it did not join as a payer but has made significant investments in care transformation.

Electronic Health Record Adoption [19]

- New Hampshire is ahead of national average EHR availability at state CHC sites (90% in New Hampshire compared to 79% in the U.S.)
- New Hampshire's CHCs are well ahead of national average in reporting notifiable diseases electronically (70% in New Hampshire compared to 45% Nationally)
- New Hampshire performs better than national average in 11 of the 12 EHR functionality categories.

Medicaid Policies – Highlights

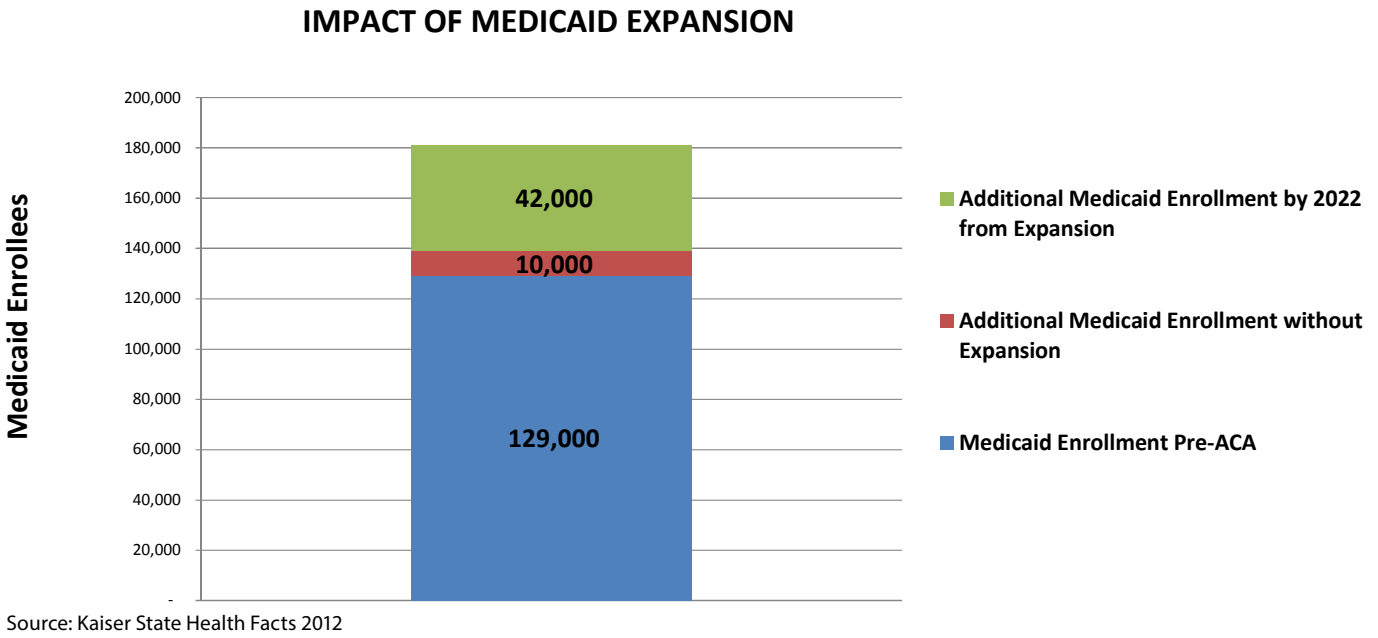
- Higher per-enrollee Medicaid spending than the national average
- Medicaid enrollment, at 9.9% of the population, is substantially below national enrollment, which stands at 16.9%
- On March 27, 2014, Governor Hassan signed legislation, effective July 1, 2014, to extend Medicaid coverage to about 50,000 low-income adults by using federal funds to pay for private insurance

	NH	US
Medicaid Policies		
Medicaid Payments Per Enrollee	$6,748	$5,563
Federal Medical Assistance Percentage (FMAP)	50.0%	50.0%
Health Insurance & Medicaid Expansion		
Implementing Medicaid Expansion	Open Debate	
Health Insurance Exchange	Partnership	
Total Uninsured	138,000	53,277,000
% of Uninsured Individuals (all ages)	10.6%	17.2%
Medicaid Enrollment Pre-ACA	129,000	52,410,000
% of Total Population	9.9%	16.9%
Additional Enrollment with ACA but no Medicaid Expansion	10,000	5,659,000
Additional Enrollment with ACA and Medicaid Expansion	52,000	21,280,000
% Growth in Medicaid Enrollment from ACA + Expansion	40.3%	40.6%
Estimated Number Remaining Uninsured After ACA	73,000	27,930,000
Estimated % Uninsured After ACA (2020)	4.8%	8.7%

Source: Kaiser State Health Facts 2012, Urban Institute HIPSM 2012

Health Insurance & Medicaid Expansion – Highlights

- Health Insurance Exchange is known as "Covering New Hampshire."
- Proportion of residents who are uninsured is expected to decrease by from 9.1% to 6.7% as a result with the Medicaid Pilot Expansion Model.



Source: Kaiser State Health Facts 2012

New Hampshire Medicaid Spending

New Hampshire spends slightly more than $6,700 per Medicaid enrollee annually – the 14th highest in the nation for all health care services provided. [1]

Medicaid spending, from all sources, represents about one-quarter of the New Hampshire state budget. [5] Increased Medicaid enrollment was the driving factor for increased total spending in the past several years.[19] [20]

There are no premiums, enrollment fees or cost-sharing required for Medicaid or CHIP enrollees in New Hampshire. [21]

Medicaid Coverage & Administration

The New Hampshire Medicaid program is administered within the Department of Health and Human Services (DHHS). [22] New Hampshire's Medicaid program is a managed care model for all its services except dental care, in a risk-based capitated financing structure. [21] In March, 2014, New Hampshire adopted an alternative Medicaid Expansion plan that will provide health insurance to 50,000 low-income adults during a two-and-a-half year pilot program. The plan will involve the use of private insurance paid for with federal Medicaid expansion money to provide coverage. [23] The plan will cover adults earning less than 138% of the federal poverty level. [21]

Because the process for implementing the "private option" can be lengthy—with drafting the waiver and putting it up for public comment—the state will move forward with expanded coverage in the meantime. Beginning July 1, newly eligible adults will begin receiving coverage through the existing Medicaid managed care plan, and will later be transitioned onto the private market. [23]

The state anticipates that some, if not all, of the Medicaid managed care plans will become plans on the private market, which could have a significant positive impact on competition in the New Hampshire exchange, as there is currently only one insurer participating. [23]

Medicaid and CHIP Income Eligibility Limits as % of FPL

	Children Ages 0-19	Pregnant Woman	Parents of Dependent Children	Non-Disabled Adults
2013	300%	185%	47%	N/A
2014	323%	201%	138%	138%

*There is some variability in eligibility limits for children in 2013 under Medicaid based on age; however, the eligibility level chosen reflects the year's CHIP eligibility and/or highest eligibility level under Medicaid.

Source: Kaiser State Health Facts 2012

New Hampshire CHC Reimbursement Policies

CHCs are reimbursed under the Prospective Payment System (PPS) for services provided under Medicaid. [13]

CHCs are reimbursed for a standardized clinic visit encounter, which is a face-to-face encounter between a patient and a physician, a physician assistant or a nurse practitioner for primary care services. Behavioral health can be billed as a separate encounter, but not dental. [15]

Collaboration with CMS [24]

New Hampshire is collaborating with the Centers for Medicare and Medicaid Services (CMS) Innovation Center on a number of programs intended to develop and test service delivery models. The models typically provide incentive payments to participating providers, and include:

- **FQHC Advanced Primary Care Demonstration** – Select FQHC Grantees will receive funding to demonstrate how the patient-centered medical home (PCMH) model improves quality of care, promote better health, and lower costs. There are 6 grantees and 12 total health centers participating in the demonstration.
- **Medicaid Incentives for the Prevention of Chronic Disease** – which provides grants to states to utilize incentives to beneficiaries who participate in prevention programs that demonstrate changes in health risk and outcomes, including adoption of healthy behaviors.
- **State Innovation Mode**l -- New Hampshire was one of 16 states to receive Model Design funding to produce a State Health Care Innovation Plan.

New Hampshire's plan will lay out a framework for aligning consumer access across delivery system "silos," payer support for outcomes-based long term care services, and global accountability for cost-effectiveness and outcomes. A central tenet of the transformation activities will target opportunities for improved coordination across systems for individuals who are either in need of or at-risk for needing long-term support services. This population will be targeted due to the complex health needs and the cross-cutting nature of the services and payments needed to coordinate their care.

Notes

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