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A Direct Pay Pathway for New Hampshire

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Overview

When it comes to healthcare, New Hampshire is a state with strengths, challenges, and opportunities. By taking advantage of new policy opportunities that allow for direct payment of care, New Hampshire can address some of its healthcare challenges without jeopardizing the components that perform well.

Strengths

New Hampshire is home to many high-quality medical facilities and talented medical professionals. In a composite scoring of clinical care taking into account measures such as preventive screening, immunizations, and hospital readmissions, New Hampshire ranks 11th best in the nation.¹ Furthermore, Granite Staters are relatively healthy compared to Americans in other states. Across a set of health outcomes variables including physical health, mental health, and percentage of individuals age 65 and older in high health status, New Hampshire residents ranks 6th healthiest in the nation.² In these areas, there is much to be pleased with.

Despite some strengths, however, there are areas of concern for healthcare in New Hampshire. Two things that people almost universally want from their healthcare system are for medical services to be *available* when they need them, and for those services care to come at a reasonable *price*. New Hampshire has challenges to face in both of those important areas.

Challenges

New Hampshire is comparatively thin on healthcare facility capacity. With barely more than 2 hospital beds per 1,000 population, New Hampshire ranks 37th in the nation in terms of available hospital beds.³ With 1.9 ICU beds per 10,000 population, New Hampshire ranks 45th in intensive care unit capacity.⁴ Low bed supply has made the state especially vulnerable during the COVID-19 pandemic, leading to long waiting times in emergency departments, deferred surgeries and procedures in regular hospital floors, and backlogs for patients in rehabilitation and long-term care.^{5,6,7} Availability of outpatient procedures is

¹ "[New Hampshire Summary 2021](#)" America's Health Rankings. United Health Foundation. Accessed December 12, 2021.

² Ibid.

³ "[State Health Facts: Total Hospitals Beds](#)" Kaiser Family Foundation. Accessed December 13, 2021.

⁴ "[State Health Facts: ICU Beds](#)" Kaiser Family Foundation. Accessed December 13, 2021.

⁵ Rosenbluth, T. "[NH Hospitals are cracking— what is the state doing to help?](#)" Concord Monitor. December 4, 2021.

⁶ Timmins, A. "[‘The picture is getting pretty dark’: NH hospitals buckle under weight of COVID surge](#)" Seacoastonline. December 6, 2021.

⁷ Callery, T. "[Long-term care patients linger in New Hampshire hospitals because of shortage of beds, staff](#)" WMUR. November 12, 2021.

another area of risk for the state. New Hampshire is not in the top quintile for ambulatory surgery center capacity, either when measured by population or as a ratio of the number of hospitals in the state. Ambulatory surgery centers and other types of outpatient facilities provide important, cost-effective care. In a pandemic, these facilities help further by reducing the resource strain on hospitals and lessening the hazards of deferred care.

The other continued challenge for New Hampshire is something that all states face—high healthcare costs. Although individuals purchasing health insurance on New Hampshire’s federally-facilitated health insurance marketplace can do so relatively inexpensively (7th cheapest in the nation), that option is only open to about 3 percent of the state population (approximately 44,000 people out of 1.36 million).⁸ Far more Granite Staters—more than 56 percent of the state population—purchase health insurance through their employers. Employer-sponsored insurance in New Hampshire is expensive, with an average annual premium for individual coverage of \$7,255 (11th most expensive state in the country), and an average annual premium for family coverage of \$20,078.⁹ Expensive health insurance drives up the cost of living, making the state an overall less attractive place for people to live.

Exploring New Policy Opportunities

The Saint Anselm Center for Ethics in Society is embarking on an examination of how new policy ideas can help New Hampshire meet its healthcare challenges and adapt to changing conditions while also preserving its strengths. This work will explore how the state can allow facilities to flourish and meet the demand for various healthcare services, as well as how patients can be better positioned to seek out the care they need (whether primary care, secondary care, surgical care, or otherwise) and how they can be empowered to pay for that care efficiently and directly, which evidence suggests will lower costs.

Toward the goal of improving facility availability, we will review the health policy academic literature on resources, and examine options for expanding the number, capacity, and overall availability of various types of healthcare facilities in New Hampshire. Toward the goal of improving patient empowerment and offering an alternative to high health insurance costs, we will review the relevant literature and examine the potential for fostering and expanding the options of Direct Primary Care (DPC), high-deductible health plans (HDHPs), and health savings accounts (HSAs) in New Hampshire.

In the coming months, we will issue a comprehensive report with new and original data specific to New Hampshire, and we will convene stakeholders at various milestones of the process for their input and feedback. We are excited to help state policymakers envision new complementary pathways that maximize patient choice and boost healthcare capacity.

⁸ [“New Hampshire Insurance Department Announces Average Benchmark Marketplace Premium Rates”](#) The State of New Hampshire Insurance Department. June 1, 2021.

⁹ [“State-Level Trends: New Hampshire \(2015-2019\)”](#) State Health Access Data Assistance Center. Accessed December 13, 2021.