

Union Leader, 10/21/08

Study: NH health centers face problems

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8 hours, 49 minutes ago

CONCORD – A Harvard School of Public Health study finds that New Hampshire's non-profit hospitals are in good financial health, but community health centers are slipping.

The centers, which provide medical care to all who seek it, are seeing their operating margins slip and their level of debt increase. Their finances are "a very fragile puzzle," Howard L. Rivenson of the Harvard School of Public Health said.

The Endowment for Health and the Department of Health and Human Services asked Rivenson and his Harvard colleague Nancy Kane to study both the hospitals and the community health centers to provide the state with a policy-planning tool.

They used data in financial reports for 23 non-profit hospitals and eight community health care centers for 2003-07 to compare them with each other and with similar operations in the region and the country.

The finding among hospitals, Kane said, was that New Hampshire's non-profits are in generally good financial shape, although critical access hospitals in rural areas of the state face more difficult circumstances. Beginning last year, hospitals saw revenue growth slow while bad debts increased she said.

The margins at community health centers show a serious slippage over the past five years, Rivenson said, to the point where they are almost at the break-even point.

At the end of 2007, the healthiest center had an average of 21 days cash on hand, and the weakest had 10 days cash. He said that means administrators wake up in the morning having to figure out where to get money to meet their next payroll checks.

The percentage of uninsured patients who rely on the centers varies from 64 percent at the Nashua Area Health Center to 10 percent Coos county Family Health Services in Gorham and Berlin. Between 30 and 50 percent of patients at the centers are on Medicaid or Medicare.

Dr. James Squires said he was astonished by the uninsured patient figures.

"No business can operate that way," he said. "The urgent message today for us is the fragility of the New Hampshire community health centers."

One danger hospitals face is the increasing reliance on income from investment in market securities. With the sudden downturn in the stock market, reliance on those investments "may become problematic in the future," Kane said.