

Challenges Confronting New Hampshire's Health Care System

Hospitals in New Hampshire are cornerstones of their communities, always there, ready to care. Hospitals have a long history of innovating to expand access to high quality care for residents across the Granite State, control the increase in health care costs and address the social determinants of health that impact community well-being.

The demand for health care is growing in unprecedented ways. Hospitals in New Hampshire are busier than ever, and that pressure shows no signs of easing. Workforce shortages and barriers to discharge are making that demand for hospital care even more challenging and increasing the cost of providing care for all. Growing burdens from insurance company practices that delay and deny payment for care, as well as payments from government payors that don't cover the actual cost of providing care, create additional financial burdens for hospitals. And pressures from inflation or supply chain disruptions only serve to increase the cost of providing care.

For hospitals and health systems, the financial consequences of all of these challenges are mounting with a number of hospitals continuing to experience negative operating margins. With recent Medicaid policy changes, the outlook continues to place hospitals at risk.

This report provides a snapshot of the challenging financial and operating environment facing New Hampshire hospitals. As policymakers, stakeholders and others continue to collaborate on solutions, this report will serve as a guidepost for decisions that will help ensure Granite State residents are able to receive the care they need to achieve their highest potential for health.



Demand for Health Care Services

RISING DEMAND

Hospital capacity in NH:
95%

This is significantly above the new national post-pandemic average of 75%

Demand for health care services has held hospital occupancy rates at extraordinarily high levels, leaving little room for patients seeking care. Limited bed capacity results in patients needing to board in the emergency department (ED) as they wait for appropriate placement in the hospital.

While that demand ebbs and flows throughout the year, capacity challenges continue for New Hampshire hospitals. The respiratory virus season beginning in November and running through April is likely to again be another busy year as hospitals are already beginning to see an uptick in patients needing acute inpatient care. In mid-September 2025, the New Hampshire Hospital Association (NHHA) reported that hospitals were at 95% capacity when counting every patient in a hospital bed and all those in the emergency department awaiting a hospital bed.

NHHA Hospital Capacity Situational Awareness Update HOSPITAL CENSUS

Staffed Bed Status	Sept. 11	Sept. 12	Sept. 15	Sept. 16	Sept. 17
Total Staffed Inpatient Beds Filled	2,531	2,520	2,482	2,579	2,588
Total Staffed Inpatient Beds Available*	293	305	338	237	241
Inpatient Occupancy	89.6%	89.2%	88.0%	91.6%	91.5%
Inpatient Occupancy with ED Holds**	92.0%	91.3%	90.1%	94.6%	95.4%

Weekdays September 11-17, 2025

*Does not include available ED beds

**Does not include behavioral health holds

A study published in February 2025 by researchers at the David Geffen School of Medicine at the University of California Los Angeles (UCLA) found that hospital occupancy across the country was approximately 64% in the decade prior to the pandemic. According to these UCLA researchers, the new post-pandemic national hospital occupancy average is 75%—a full 11% higher than the previous average.

Workforce shortages affect patient care, staffing capacity and discharge delays.

Workforce Shortages

Workforce shortages have led to high vacancy rates across all hospital departments, including nurses (16.8%), surgical technicians (17.1%) and respiratory therapists (18.4%), among others. These vacancies impact hospitals' ability to care for patients and keep beds staffed. And it dramatically increases the cost of providing care as hospitals must turn to more expensive temporary staff to care for patients. **Hospitals in New Hampshire have seen labor costs grow 36.1%**, a dramatic increase since 2019 (pre-COVID).

HOSPITAL VACANCY SURVEY

Positions	Number of FTEs on Staff	Number of FTEs Vacant	Number of FTEs Budgeted	Total Vacancy Rate
Nursing				
RN (all RNs including all specialty RNs)	3,164.9	639.9	3,804.8	16.8%
Certified / Licensed Nurse Assistant	546.4	217.7	764.2	28.5%
CRNA (Nurse Anesthetist)	57.8	10.9	68.7	15.9%
Rehabilitation				
Respiratory Therapist	91.1	20.6	111.7	18.4%
Technical				
Radiology Technologist - Single Modality	209.9	54.0	263.9	20.5%
Total Facility				
All positions	14,797.5	2,235.0	17,032.5	13.1%

Week of April 1, 2025 - 17 Participants

Note: Excludes per diem employees

*Does not include specialty hospitals

Source: New Hampshire Hospital Association

Financial Challenges

Hospitals are squeezed by rising costs, low government reimbursements and insurance payment delays.

As hospitals confront these various economic threats, financial challenges have grown significantly. According to NHHA data, seven hospitals experienced a negative operating margin in 2024, including four small, rural Critical Access Hospitals. The statewide operating margin of 1.6% lags far behind national trends. According to the Kaiser Family Foundation, hospital operating margins nationally increased to 5.2% in 2023. **Barely making ends meet or operating at a financial loss is not just bad economics. It impedes hospitals' ability to deliver services, improve health outcomes and invest for the future.**



7
hospitals had
negative operating
margins in 2024

Including 4 rural Critical
Access Hospitals



↑44%
rise in total operating
expenses from 2019 to 2024

Expenses include the cost of delivering care,
pharmaceuticals, supplies, and the administrative
burden in response to federal and state regulations.

1.6%

Statewide operating
margin (vs. national
average 5.2%*)

*Kaiser Family Foundation



↑36.1%
increase
in labor costs
since 2019



BARRIERS



7,455 days
Medically unnecessary
or “extra” days spent
in the hospital ranging
from 1 to 411 days
per patient.*

Barriers to Discharge

Many patients remain in the hospital longer than necessary because they cannot be safely discharged to an appropriate setting based on various “barriers” to discharge, such as lack of an available bed in a nursing home or skilled nursing facility because they themselves lack sufficient staff to care for additional patients. These patients then fill hospital beds needed for acute care leading to longer wait times in the emergency department or resulting in patients receiving care further from home.

**According to a 2024 study by the Foundation for Healthy Communities.*

A study published by the Foundation for Healthy Communities, an affiliate of NHHA, found that on a single day in June of 2024, patients spent 7,455 extra days in the hospital waiting for a safe and appropriate discharge to the next level of care for the patient. For those patients who were awaiting discharge, delays ranged from 1 to 411 days per patient. When a patient is occupying a bed that they no longer need, patients and hospitals lose. The patient ready for discharge is not getting the appropriate level of care that they need in their recovery; the next patient waiting in the hospital emergency department for a bed is forced to receive care in a setting that was not designed for ongoing inpatient care; and the hospital loses because they are no longer being reimbursed for care of a patient who is no longer in need of acute inpatient care.

Patients often remain in hospitals days to months longer than medically necessary.

The reasons for discharge delays are complex, but they include insurance issues, the lack of an available skilled nursing home bed or community placement, lack of guardianship, housing or the availability of services to support someone at home.

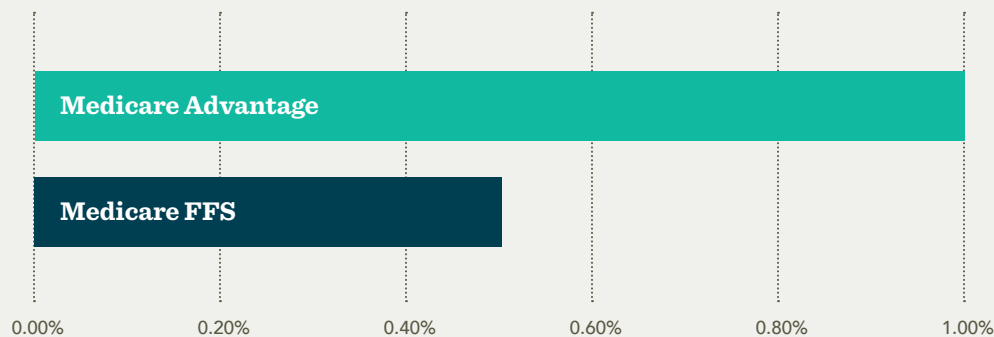
Insurance Delays

18% of payment denials and 13% of prior authorization denials by Medicare Advantage Organizations met Medicare coverage rules.

The payment practices of payors, such as payment delays, requirements for extra documentation, prior authorization denials and limited access to resolve claims questions lead to increased hospital administrative burdens to ensure appropriate care for patients and timely payments. Medicare Advantage is becoming more of a significant payor in New Hampshire as more seniors are lured into enrolling into plans that offer enhanced benefits and lower out-of-pocket requirements. But as seniors age and require more health care, those on Medicare Advantage often find themselves unable to access the doctors they've been seeing for years who may no longer be in network of their new plan. Even more troubling, seniors may not have access to needed services, particularly those post-acute services following a hospital stay, which are often denied, requiring an appeal and further delays for patients, their families and the hospital. A recent report issued by the US Department of Health and Human Services Inspector General found that Medicare Advantage organizations denied medically necessary care much more often than for those patients in traditional Medicare.

INCORRECTLY DENIED CLAIMS

As a percentage of overall claims



In New Hampshire, Medicare Advantage plans have denied 33% of initial inpatient claims for hospitals over the past 12 months versus 6.8% of traditional Medicare inpatient claims. That means hospitals must spend additional resources to appeal those denials in order to get paid for services provided to Medicare Advantage patients. Reimbursement from federal health care programs like Medicare and Medicaid lag far behind the actual cost of providing care, putting pressure on private health insurance to make up the difference. Recent changes made as part of the federal budget reconciliation bill will result in far less funding for New Hampshire's Medicaid program over the next several years. When Medicaid funding is dramatically reduced, it affects more than just Medicaid patients. As a result, hospitals will have to review all their programs and services and make very difficult decisions on which ones they can sustain in the face of severe government cutbacks impacting all in their community.

According to the American Hospital Association, **hospitals in New Hampshire were paid roughly 67.7% of the cost of providing care to Medicare patients, ranking New Hampshire among the lowest reimbursed in the nation. The same goes for Medicaid with reimbursement rates for New Hampshire hospitals being one of the lowest in the nation.**



Why are New Hampshire Hospitals struggling?



Hospitals' costs to provide care are rising steeply



Government payments to hospitals do not cover their cost of providing care



Discharge delays are impacting patients and the hospitals that serve them



Demand for health care services is increasing

Sustaining the health of our hospitals means sustaining the health of our communities. Working together, we can ensure New Hampshire's hospitals remain ready to care—today and for generations to come.

New Hampshire Hospitals are *Always There, Ready to Care.*

