

**New Hampshire Insurance Department**  
**Report on Hospital Tiering for the HealthFirst**  
**Standard Benefit Design**  
**For Calendar year 2011**

**November 30, 2010**



## Introduction

HealthFirst was first offered during calendar year 2009. The HealthFirst benefit design is the first standard benefit design to be offered to consumers in New Hampshire, and the first benefit plan that includes a higher deductible for members when they obtain care from higher cost hospitals in the state.

The New Hampshire Insurance Department (NHID) is required to develop rules that health insurance carriers must abide by when administering the HealthFirst tiered product. In doing so, the NHID determines which hospitals will be included in the first tier and which will be included in the second tier. Under HealthFirst, a member's cost sharing will be higher at a second tier hospital. Unless a carrier obtains approval from the NHID to use an alternative tiering arrangement, all carriers are required to use the tiering determined by the NHID.

The hospital tiering is established for a period of one calendar year at a time. On an annual basis, the NHID will perform an analysis of the data available, and determine the hospital tiering for the following calendar year. The hospital tiering in this report is for health care services delivered during calendar year 2011.

## Tiering

This report lists the hospitals that are in tier 1 and tier 2. The methodology for tiering is based on the approach used to rank hospital costs described in the NHID report "*New Hampshire Acute Care Hospital Comparison*" dated August 27, 2008. The data in this report is based on calendar year 2009, but is otherwise based on the same methodology. Further adjustments to the tiering have been made to ensure geographic accessibility.

Although the ranking and scores have changed somewhat based on an analysis of the 2008 and 2009 data, the HealthFirst hospital tiers for CY2011 are unchanged from CY2010.

The hospital name and the benefit tier are listed below. All hospitals outside of New Hampshire are in tier 2.

<b>Hospital Name</b>	<b>Hospital Tier</b>
Alice Peck Day Memorial Hospital	1
Androscoggin Valley Hospital	1
Catholic Medical Center	2
Concord Hospital	1
Cottage Hospital	1
Dartmouth Hitchcock Medical Center	2
Elliot Hospital	1
Exeter Hospital	2
Franklin Regional Hospital	1

Frisbie Memorial Hospital	2
Huggins Hospital	1
Lakes Region General Hospital	2
Littleton Regional Hospital	2
Monadnock Community Hospital	1
New London Hospital	1
Parkland Medical Center	1
Portsmouth Regional Hospital	2
Southern NH Medical Center	1
Speare Memorial Hospital	1
St. Joseph Hospital	2
The Cheshire Medical Center	1
The Memorial Hospital	1
Upper Connecticut Valley Hospital	1
Valley Regional Hospital	2
Weeks Medical Center	1
Wentworth-Douglas Hospital	1

### **NHID Tiering Methodology**

A full description of the methodology used for tiering is available from the NHID. The following extract summarizes the methodology:

**Hospital tiering by the Department shall be based on the relative payment differences between hospitals when services are aggregated and payment differences are generalized. The relative differences in hospital payment levels will be used to rank hospitals from high to low, and those in the lower payment half of the ranking shall be in tier 1, and those in the higher payment half of the ranking shall be in tier 2. Hospitals in rural areas will be given special consideration for tier 1, despite their relative cost burden to insurance carriers and covered members. A hospital in close proximity to a lower cost hospital may be classified as tier 2, despite that hospital's overall ranking in the state. There shall be at least seven acute care hospitals in New Hampshire classified as tier 2 hospitals. Any hospital outside of New Hampshire shall be classified as tier 2 unless a carrier obtains approval from the Department.**

Updates to the methodology for the 2009 analysis include replacing CPT codes that have changed according to the AMA CPT coding guidelines.

The analysis methodology for this report, using DRGs from the NH discharge data and payment information from the NH CHIS, is unchanged.

## 2009 Hospital Cost Index Data

<b>Hospital Name</b>	<b>Inpatient Cost Index</b>	<b>Outpatient Cost Index</b>	<b>Composite Score</b>	<b>Hospital Tier</b>
Exeter Hospital	1.29	1.65	1.47	2
Androscoggin Valley Hospital	1.04	1.44	1.24	1
Littleton Regional Hospital	1.14	1.12	1.13	2
Weeks Medical Center	1.23	1.00	1.11	1
The Memorial Hospital	1.13	1.08	1.11	1
Frisbie Memorial Hospital	1.12	1.06	1.09	2
Portsmouth Regional Hospital	1.27	0.90	1.09	2
Upper Connecticut Valley Hospital	1.13	1.02	1.08	1
Dartmouth Hitchcock Medical Center	1.23	0.88	1.05	2
Catholic Medical Center	0.95	1.12	1.04	2
Lakes Region General Hospital	1.19	0.85	1.02	2
Valley Regional Hospital	1.07	0.97	1.02	2
Franklin Regional Hospital	1.09	0.87	0.98	1
Cottage Hospital	0.95	0.98	0.97	1
St. Joseph Hospital	0.88	1.02	0.95	2
Wentworth-Douglas Hospital	0.95	0.93	0.94	1
Parkland Medical Center	0.94	0.93	0.94	1
Concord Hospital	1.15	0.68	0.92	1
New London Hospital	0.74	1.07	0.91	1
Huggins Hospital	0.88	0.91	0.90	1
Monadnock Community Hospital	0.75	1.03	0.89	1
The Cheshire Medical Center	0.69	1.05	0.87	1
Elliot Hospital	0.85	0.88	0.87	1
Speare Memorial Hospital	0.71	0.97	0.84	1
Alice Peck Day Memorial Hospital	0.87	0.78	0.82	1
Southern NH Medical Center	0.74	0.80	0.77	1

## Data Observations

### Inpatient Volume

<b>Hospital Name</b>	<b>Commercially Insured</b>		<b>Percent</b>
	<b>Hospital Discharge Data</b>	<b>NHCHIS</b>	
	<b>Cases</b>	<b>Cases</b>	
Alice Peck Day Memorial Hospital	468	306	65%
Androscoggin Valley Hospital	214	193	90%
The Cheshire Medical Center	1,641	947	58%
Catholic Medical Center	3,250	2,033	63%
Concord Hospital	5,058	3,960	78%
Cottage Hospital	237	121	51%
Dartmouth Hitchcock Medical Center	7,958	4,063	51%
Elliot Hospital	6,261	3,666	59%
Exeter Hospital	2,611	1,288	49%
Frisbie Memorial Hospital	1,068	600	56%
Huggins Hospital	344	221	64%
Littleton Regional Hospital	544	382	70%
Franklin Regional Hospital	210	146	70%
Lakes Region General Hospital	1,492	1,032	69%
The Memorial Hospital	454	272	60%
Monadnock Community Hospital	714	462	65%
New London Hospital	199	117	59%
Parkland Medical Center	1,271	530	42%
Portsmouth Regional Hospital	2,412	1,471	61%
Southern NH Medical Center	4,914	2,078	42%
Speare Memorial Hospital	382	290	76%
St. Joseph Hospital	2,638	1,024	39%
Upper Connecticut Valley Hospital	58	32	55%
Valley Regional Hospital	400	257	64%
Weeks Medical Center	111	83	75%
Wentworth-Douglas Hospital	3,510	1,652	47%

## Outpatient Volume

Hospital Name	Patient Observations
Alice Peck Day Memorial Hospital	15,432
Androscoggin Valley Hospital	13,914
The Cheshire Medical Center	27,494
Catholic Medical Center	58,046
Concord Hospital	168,200
Cottage Hospital	10,801
Dartmouth Hitchcock Medical Center	127,916
Elliot Hospital	114,396
Exeter Hospital	43,666
Frisbie Memorial Hospital	31,369
Huggins Hospital	18,159
Littleton Regional Hospital	18,536
Franklin Regional Hospital	20,232
Lakes Region General Hospital	53,954
The Memorial Hospital	13,813
Monadnock Community Hospital	20,365
New London Hospital	27,756
Parkland Medical Center	23,697
Portsmouth Regional Hospital	50,414
Southern NH Medical Center	62,726
Speare Memorial Hospital	20,635
St. Joseph Hospital	54,457
Upper Connecticut Valley Hospital	3,168
Valley Regional Hospital	13,926
Weeks Medical Center	10,014
Wentworth-Douglas Hospital	44,132