

# Outlook 2013

Is Montana's Health Care Workforce  
Ready for the Affordable Care Act?

[www.csi.mt.gov/health/reports.asp](http://www.csi.mt.gov/health/reports.asp)

- Leif Associates
  - Health Insurance Market Study
- Bureau of Business and Economic Research
  - The Status of Montana's Health Insurance Population
  - Montana's Health Insurance Market: Prospects for 2014 and Beyond
  - An Estimate of the Economic Ramifications Attributable to the Potential Medicaid Expansion on the Montana Economy

# Lots of questions remain about the Affordable Care Act

- Will health insurance premiums increase?
- Will competition emerge in the Exchange, and will it have a favorable impact on consumers?
- Will businesses dump employees into the Exchange?
- Will Medicare beneficiaries struggle to find doctors?
- Will ACA bend the health care cost curve upward instead of downward?

# Often Missing from the Discussion...

- Ability of health care workforce to accommodate potential added demands as uninsured become insured..

**16,000**

**55,000**

**87,000**

**69,000**

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- Ability of health care infrastructure, primarily health care workforce, to absorb potential added demands..

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# The numbers for Custer County...

- Uninsured eligible for Medicaid expansion
  - 761
- Uninsured eligible for advanceable premium tax credits
  - 853
- Uninsured eligible for both tax credits and cost-sharing reductions
  - 556



# like shopping for corn flakes in the cereal isle of your local grocery store...



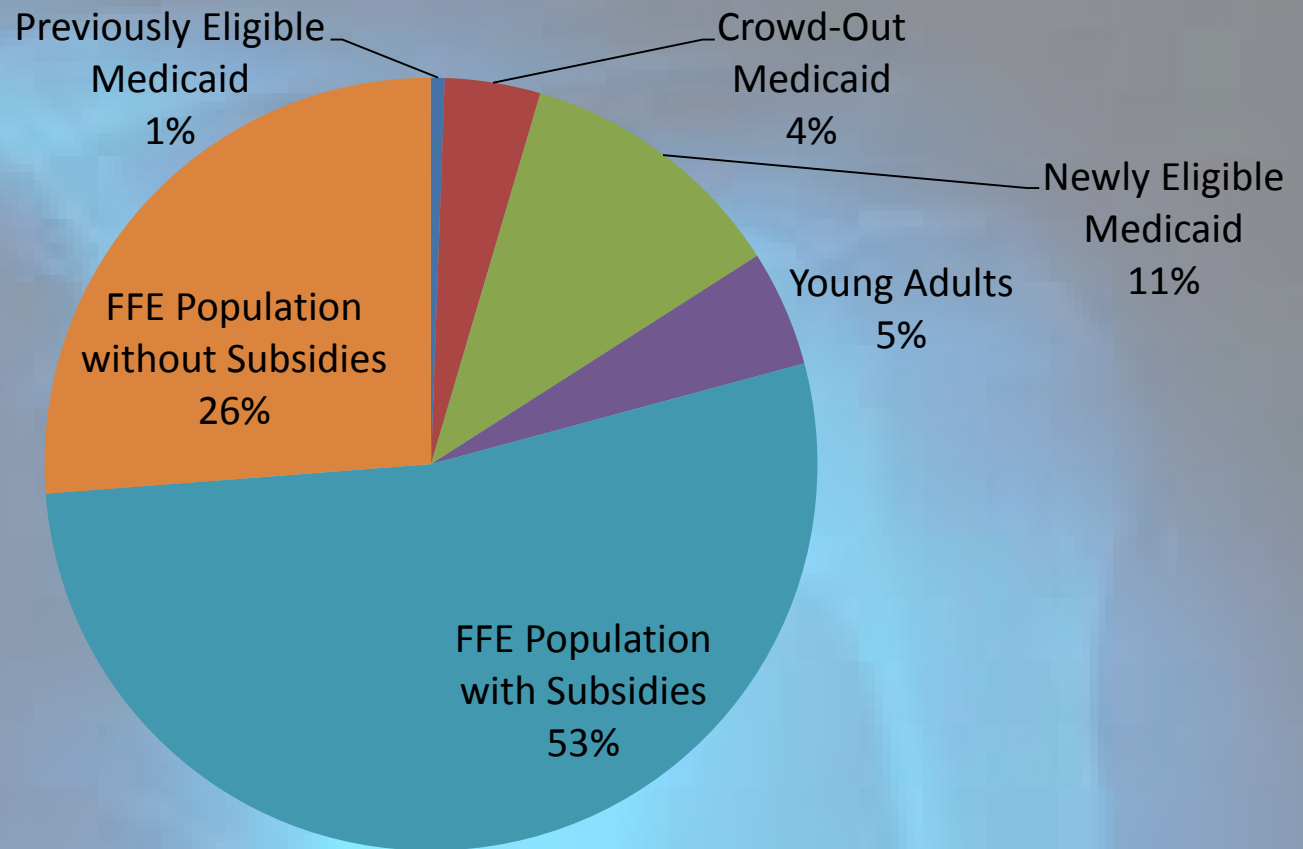
# Montana family of 4: Head of Household Age 40

| Family Income, % Federal Poverty Level | \$23,425<br>(100% FPL) | \$35,137<br>(150% FPL) | \$58,562<br>(250% FPL) | \$93,700<br>(400% FPL) |
|--|------------------------|------------------------|------------------------|------------------------|
| Premium for Silver Plan                | Medicaid               | \$12,130               | \$12,130               | \$12,130               |
| Family Monthly Premium, % of Income    | Medicaid               | \$117<br>(4%)          | \$393<br>(8%)          | \$742<br>(9.5%)        |
| Government Monthly Tax Credit          | Medicaid               | \$894                  | \$618                  | \$269                  |
| Maximum out-of-Pocket, exc. Premium    | Medicaid               | \$4,167                | \$6,250                | \$8,333                |

# Many ACA provisions focus on primary care...

- Reimbursement (10% bonuses), parity between Medicaid and Medicare,
- Welcome to Medicare exams, preventive services with no cost sharing,
- Individual mandate,
- Comprehensive Primary Care Initiative pilot,
- Patient Centered Homes (ACO's, Medical Homes),
- Community Health Centers

# 354,000 May Change Health Insurance



# Primary Care Provider Deficit: 2008 to 2025

- 52,000 more docs needed
  - 33,000 due to population growth
  - 10,000 due to aging
  - 8,000 due to Affordable Care Act

Source: Winston Liaw et al, Annals of Family Medicine, November/December, 2012

# Pre ACA Primary Care Demand in Montana, Custer County

|                      | Expected Source of Payment   |                 |          |          |                       |
|----------------------|------------------------------|-----------------|----------|----------|-----------------------|
|                      | Employer Sponsored Insurance | Direct Purchase | Medicare | Medicaid | No Insurance, Unknown |
| Montana              | 742,310                      | 295,037         | 415,287  | 141,863  | 142,035               |
| <b>Custer County</b> | 10,695                       | 1,218           | 4,968    | 2,604    | 1,696                 |

# ACA Impact on Health Care Demand, Montana

|                                | Primary Care   | Surgical Specialty | Medical Specialty | Hospital Outpatient | Hospital Emergency | Total Additional Office Visits |
|--------------------------------|----------------|--------------------|-------------------|---------------------|--------------------|--------------------------------|
| Private Coverage               | <b>131,999</b> | 39,485             | 32,713            | (1,979)             | (19,795)           | 182,423                        |
| Medicaid                       | <b>129,283</b> | 10,853             | 10,102            | 44,846              | 27,713             | 222,797                        |
| Total Additional Office Visits | <b>261,281</b> | 50,338             | 42,815            | 42,867              | 7,919              | 405,220                        |

Source: American Community Survey, National Ambulatory Medical Care Survey, BBER

# ACA Impact on Health Care Demand, Custer County

|                      | Ambulatory Care Setting |                       |                      |                        |                | Total<br>Additional<br>Office Visits |
|----------------------|-------------------------|-----------------------|----------------------|------------------------|----------------|--------------------------------------|
|                      | Primary<br>Care         | Surgical<br>Specialty | Medical<br>Specialty | Hospital<br>Outpatient | Hospital<br>ER |                                      |
| Private<br>Insurance | <b>1,257</b>            | 376                   | 311                  | (19)                   | (188)          | 1,737                                |
| Medicaid             | <b>1,536</b>            | 88                    | 88                   | 602                    | 399            | 2,713                                |
| Total<br>Increase    | <b>2,793</b>            | 464                   | 399                  | 583                    | 211            | 4,450                                |



# Primary Care Capacity

- 2009 study by Davis, Roberts, White
  - Includes Family Practice, Internal Medicine, Pediatrics
  - Mid-level practitioners excluded (nurse practitioners, physicians' assistants)
- U.S. DHHS Guideline of 4,200 office visits/year
  - Contrasts with 5,400 office visits per AMA guidelines

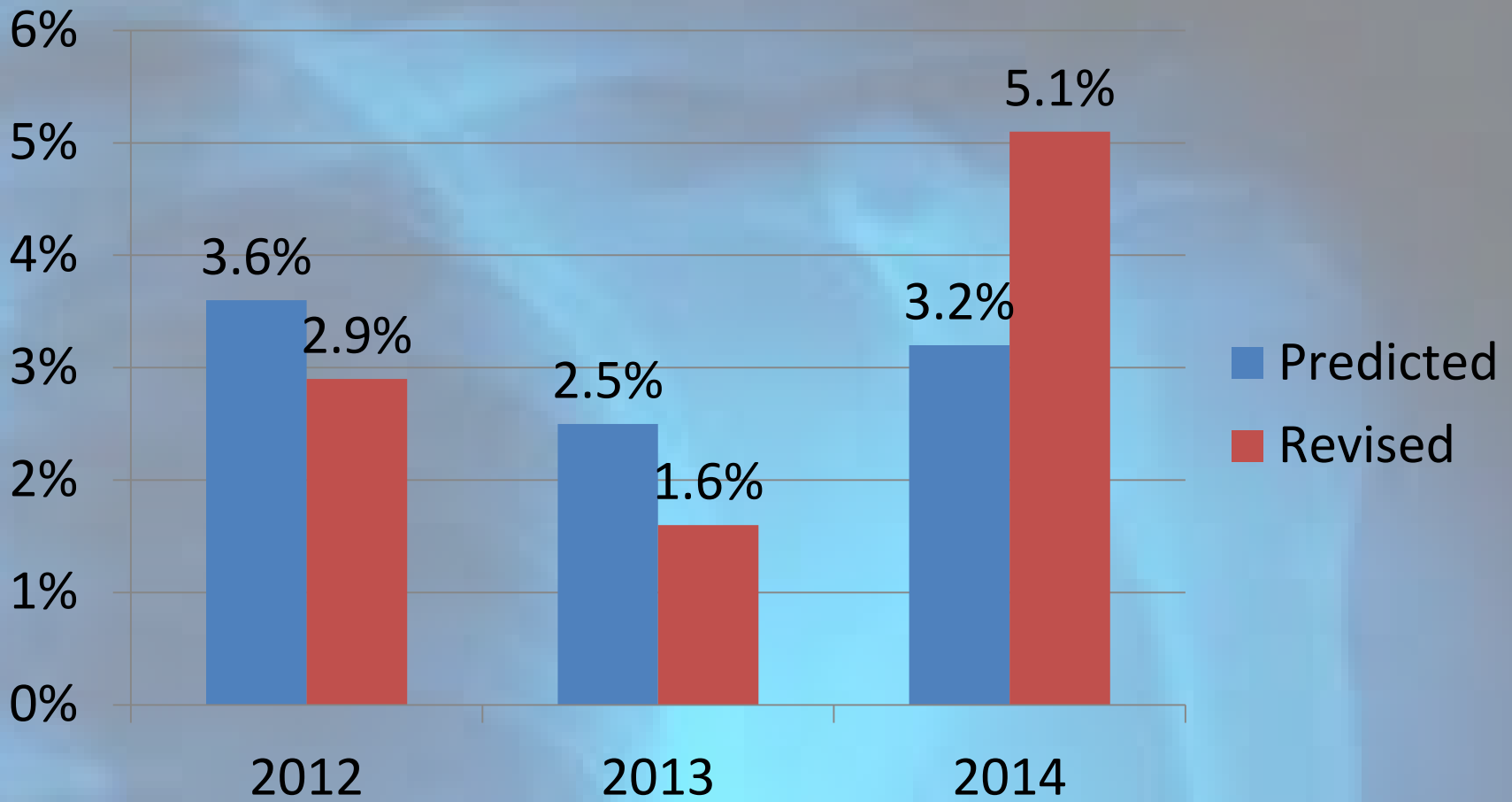
# Estimated Shortage/Surplus of Primary Care Office Visits, Montana

| <b>Primary Care Supply</b> | <b>Primary Care Demand</b> | <b>Shortage (-)<br/>Surplus (+)<br/>Office Visits<br/>per Year</b> |
|----------------------------|----------------------------|--|
| 2,079,000                  | 1,997,814                  | + 81,186   |

# Estimated Shortage/Surplus of Primary Care Office Visits, Custer County

| <b>Primary Care Supply</b> | <b>Primary Care Demand</b> | <b>Shortage (-)<br/>Surplus (+)<br/>Office Visits<br/>per Year</b> |
|----------------------------|----------------------------|--|
| 33,600                     | 23,975                     | +9,625   |

# Health Care Earnings, 2012-2014



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- “I don’t believe there’s any problem in this country, no matter how tough it is, that Americans, when they roll up their sleeves, can’t completely ignore.”

– George Carlin 1937-2008

