



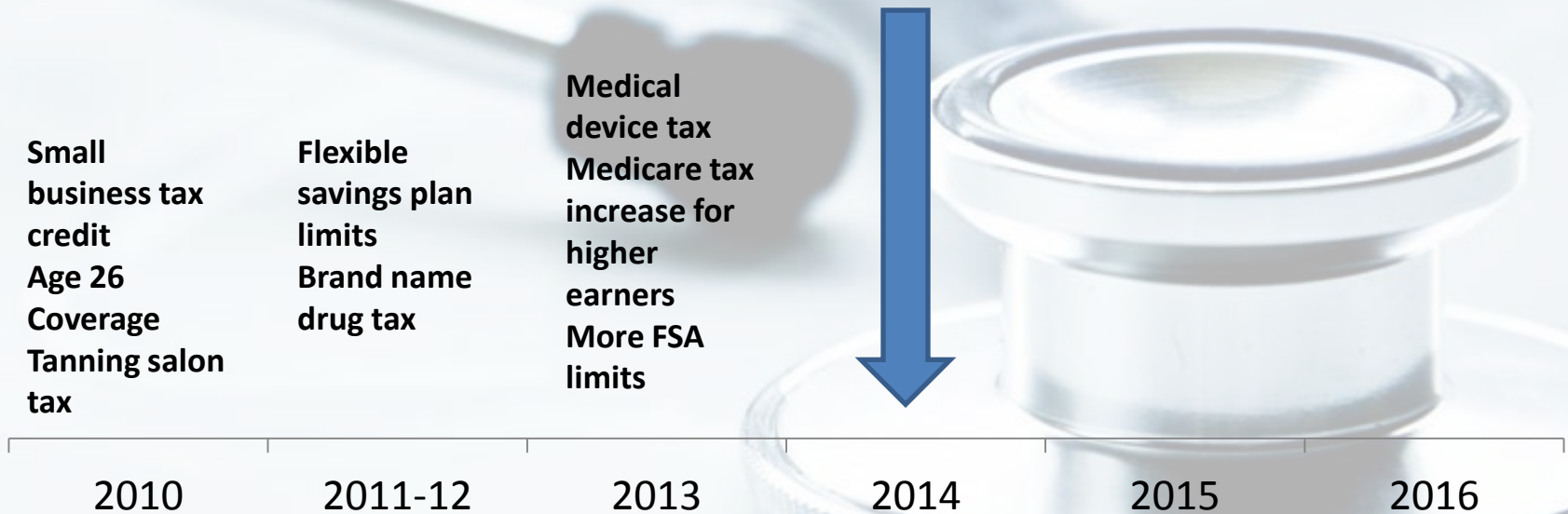
Health Care Outlook

Changes in Health Care Not Limited to Obamacare

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Big Provisions of the Affordable Care Act ~~Less Than One Year Away~~

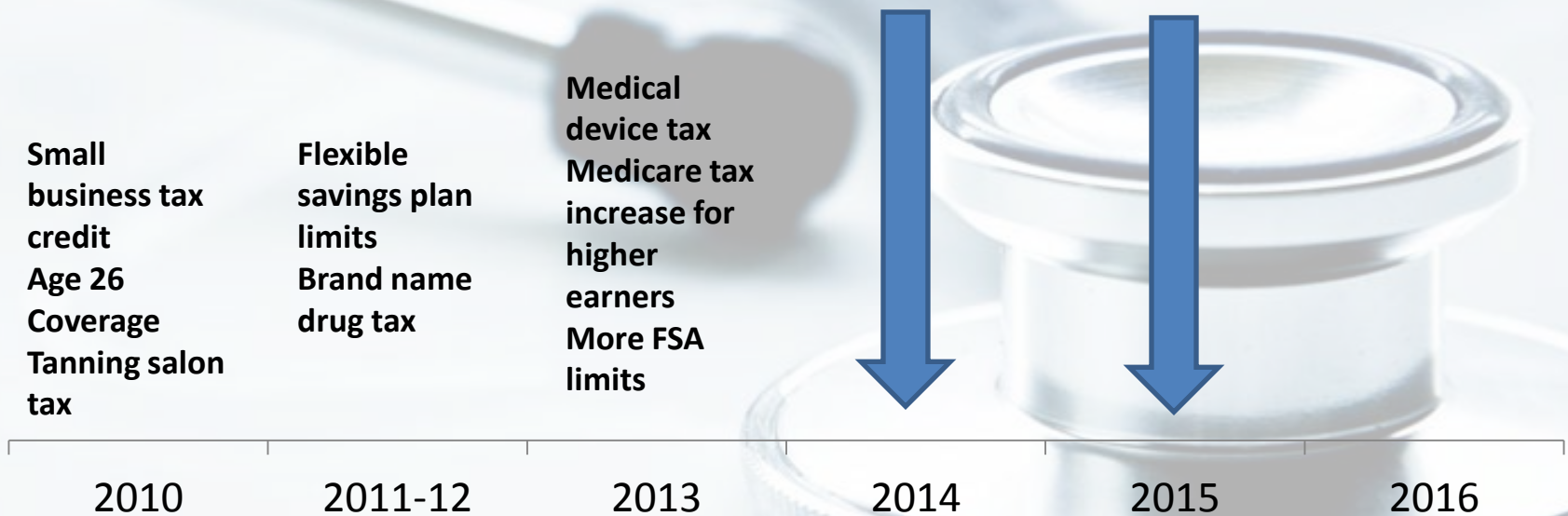
Health Insurance Exchanges
Medicaid Eligibility Expansion ??
Individual Mandate ??
Employer Mandate



Big Provisions of the Affordable Care Act ~~Less Than One Year Away~~

Health Insurance Exchanges
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Employer Mandate



Obamacare is Not the Only Major Event in the Health Care Economy

- **Hospital and insurer consolidation**
- **Prescription drug pricing**
- **Generational change in the health care workforce**



New Developments in the Montana Health Care Marketplace as Well

- **Montana Blue Cross and Blue Shield acquired by Chicago-based HCSC**
- **Montana Healthcare Foundation established**
- **Western Montana residency started**
- **Numerous hospital affiliations connecting Montana to out-of-state organizations as well as rural-to-urban linkages**

Two Major Changes Below the Radar

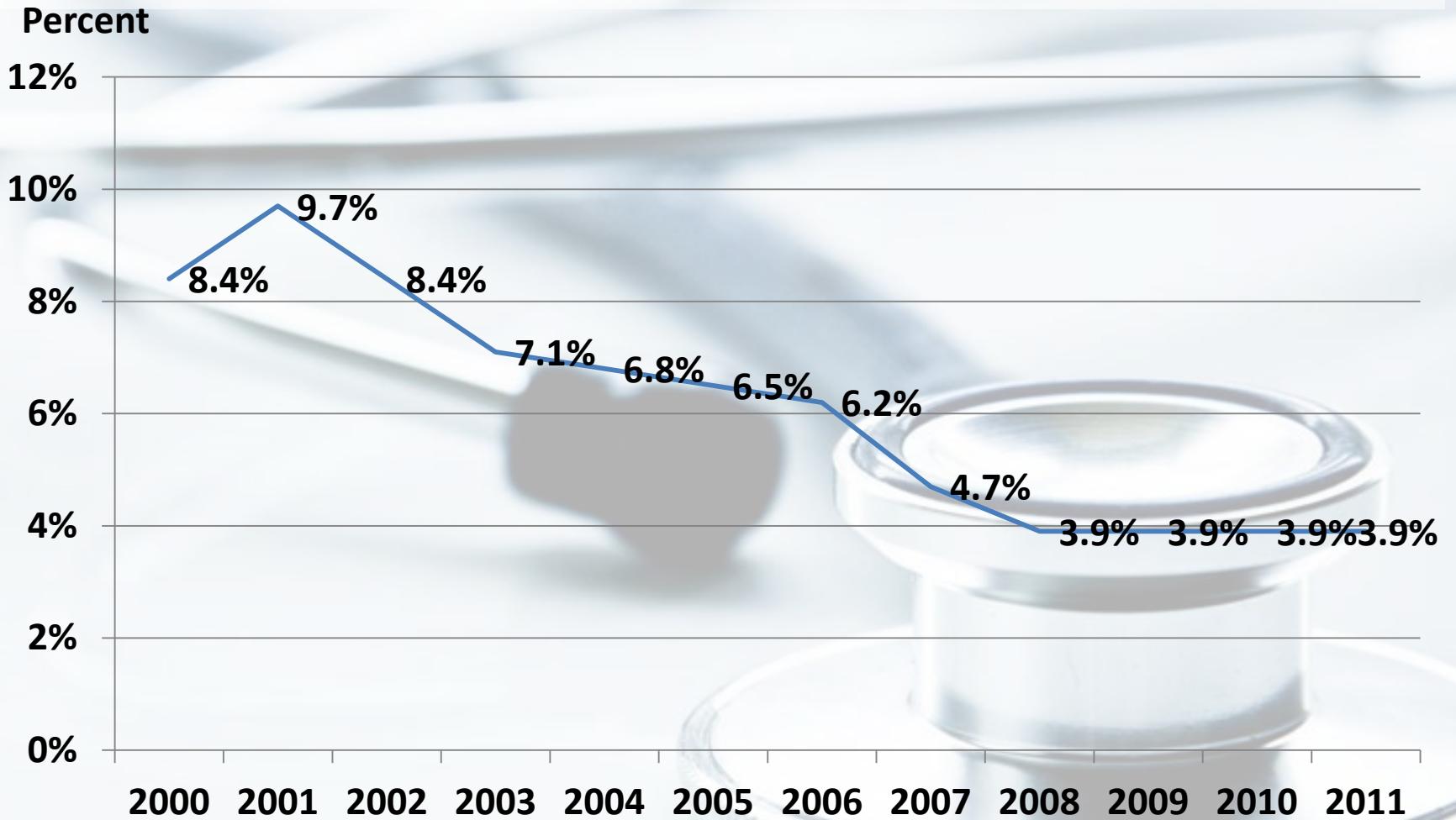
1. The slowdown in health care spending

- Growth has slowed down markedly
- A national phenomenon
- Slowdown predates Obamacare

2. New information on Montana's uninsured

- BBER study addresses the question of why many Montanans are uninsured.

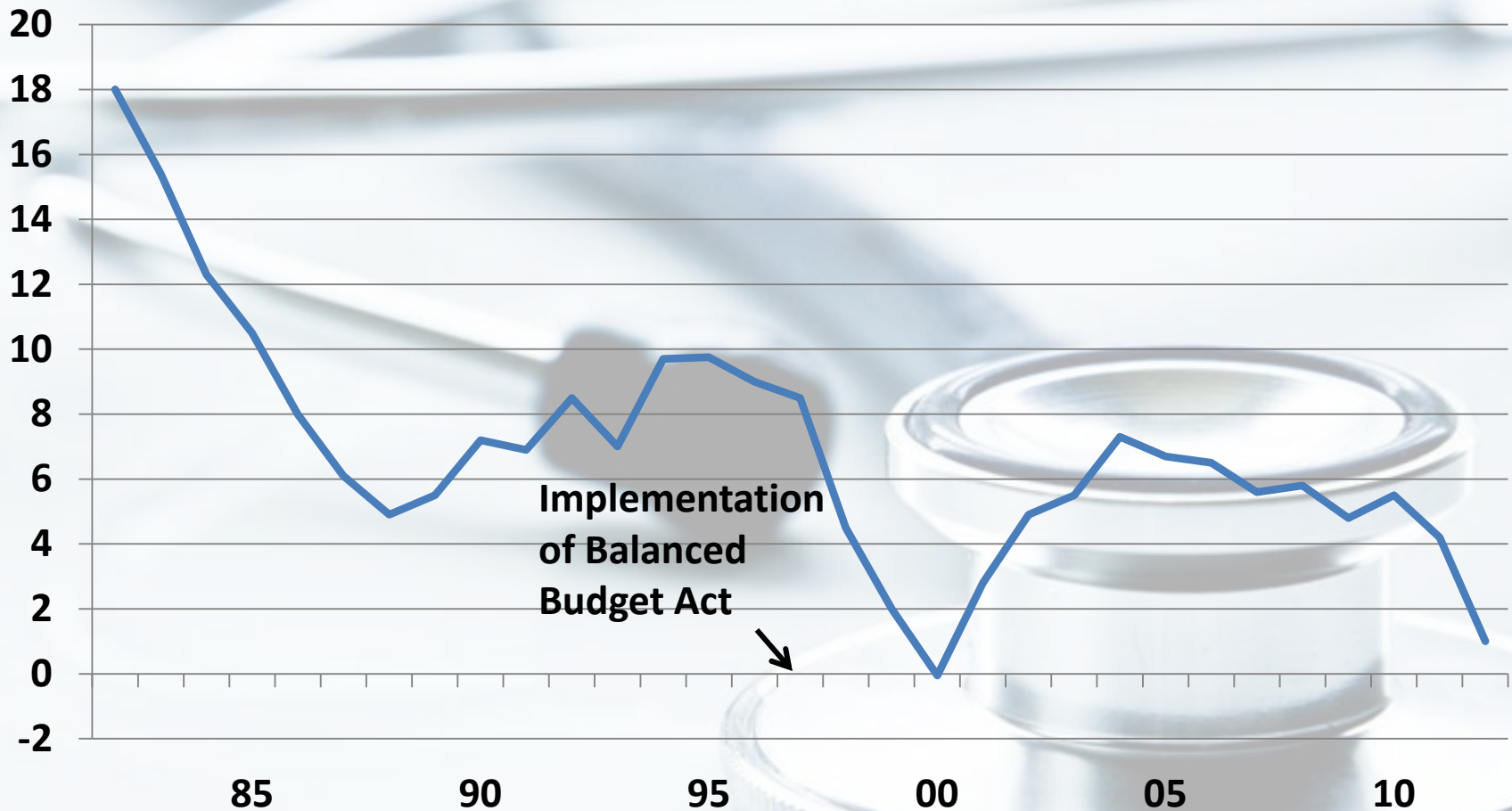
The Surprising Slowdown in Health Care Spending Growth



Source: U.S. Centers for Medicare and Medicaid Services

Growth in Per-Beneficiary Spending Medicare Part A and Part B

Percent

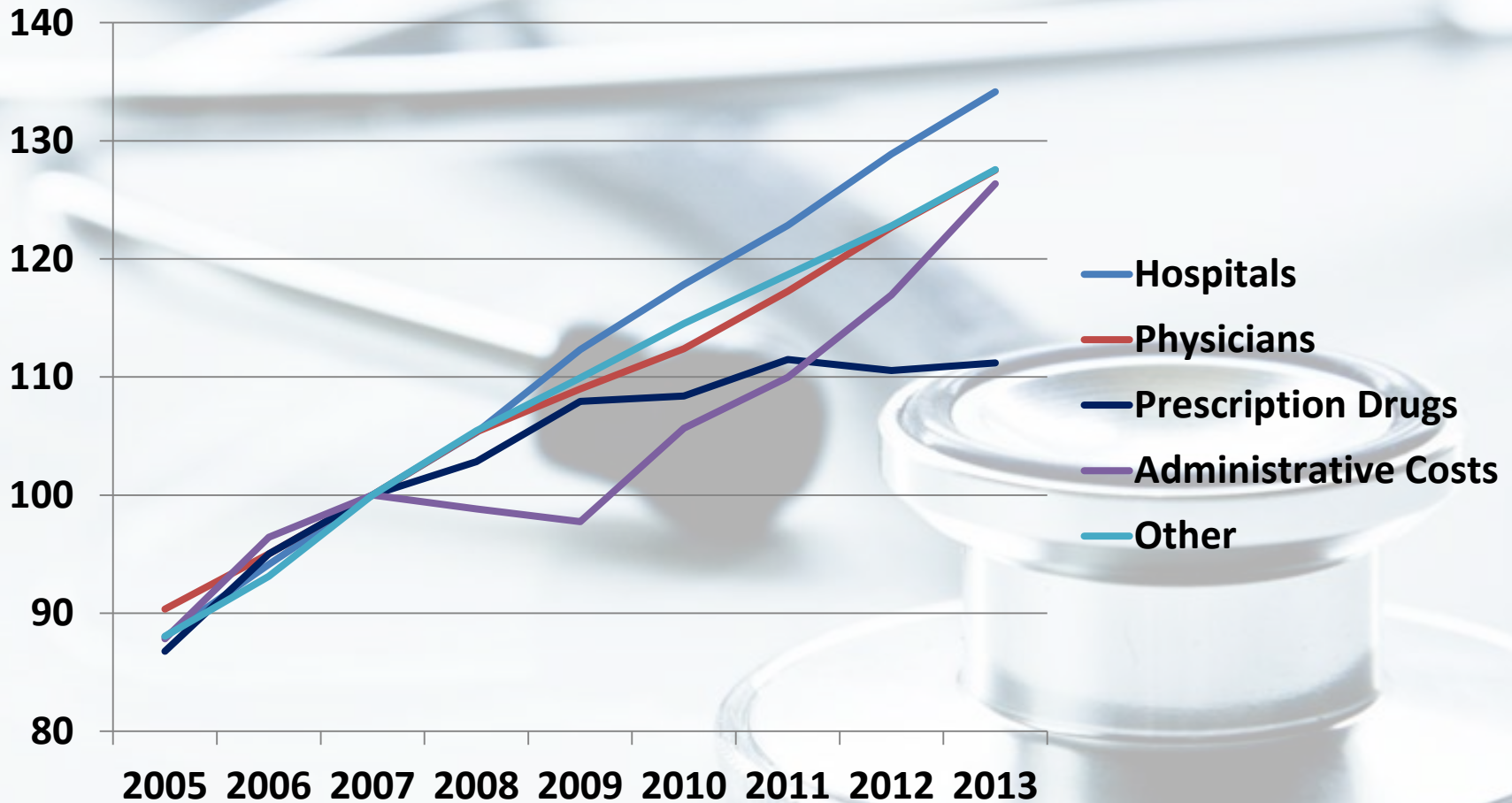


Data shown are a 3-year moving average of annual growth rates.

Source: CMS Office of the Actuary.

U.S. Health Care Consumption by Category, 2005-2013

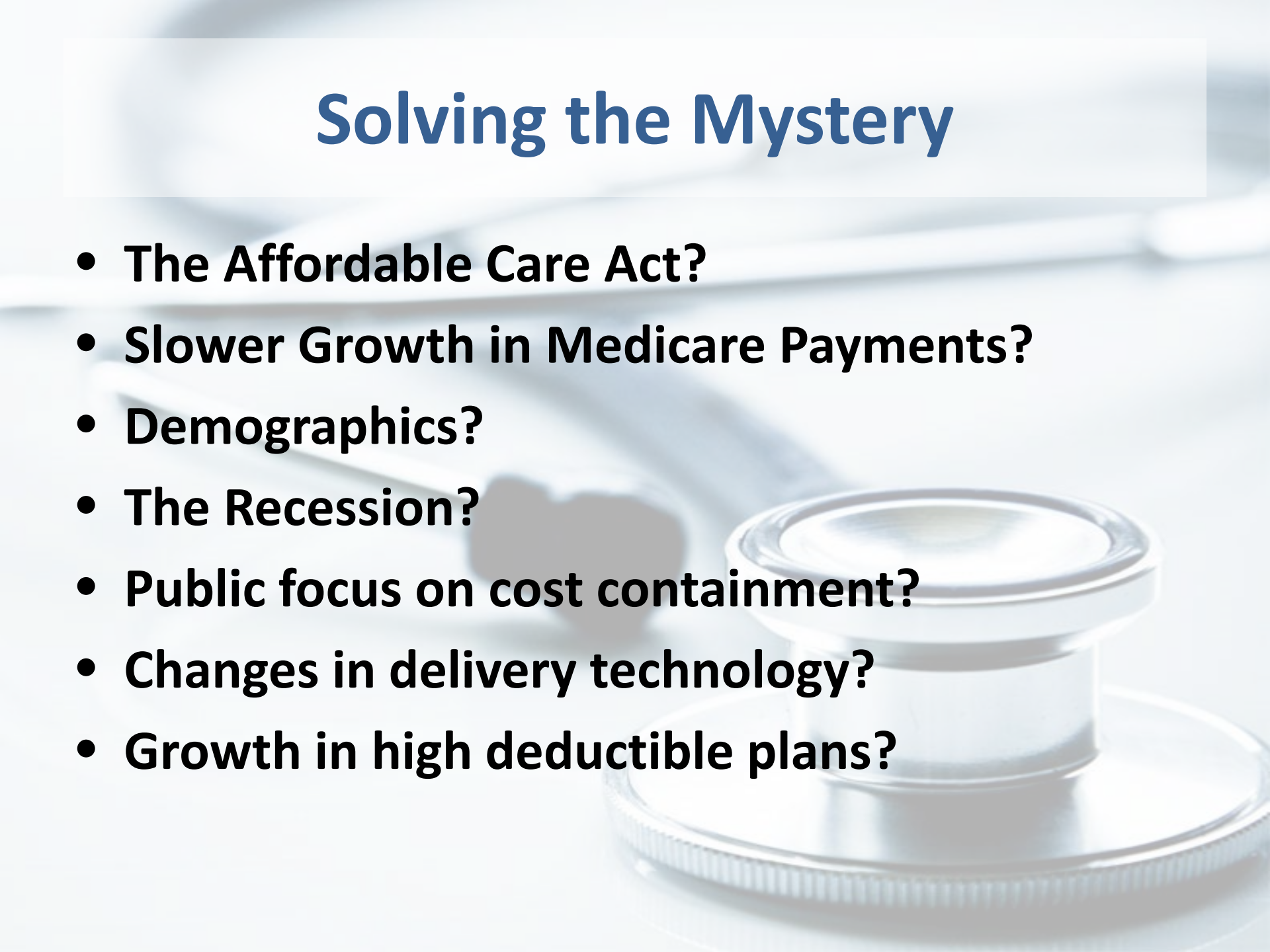
Index, 2007 Spending = 100



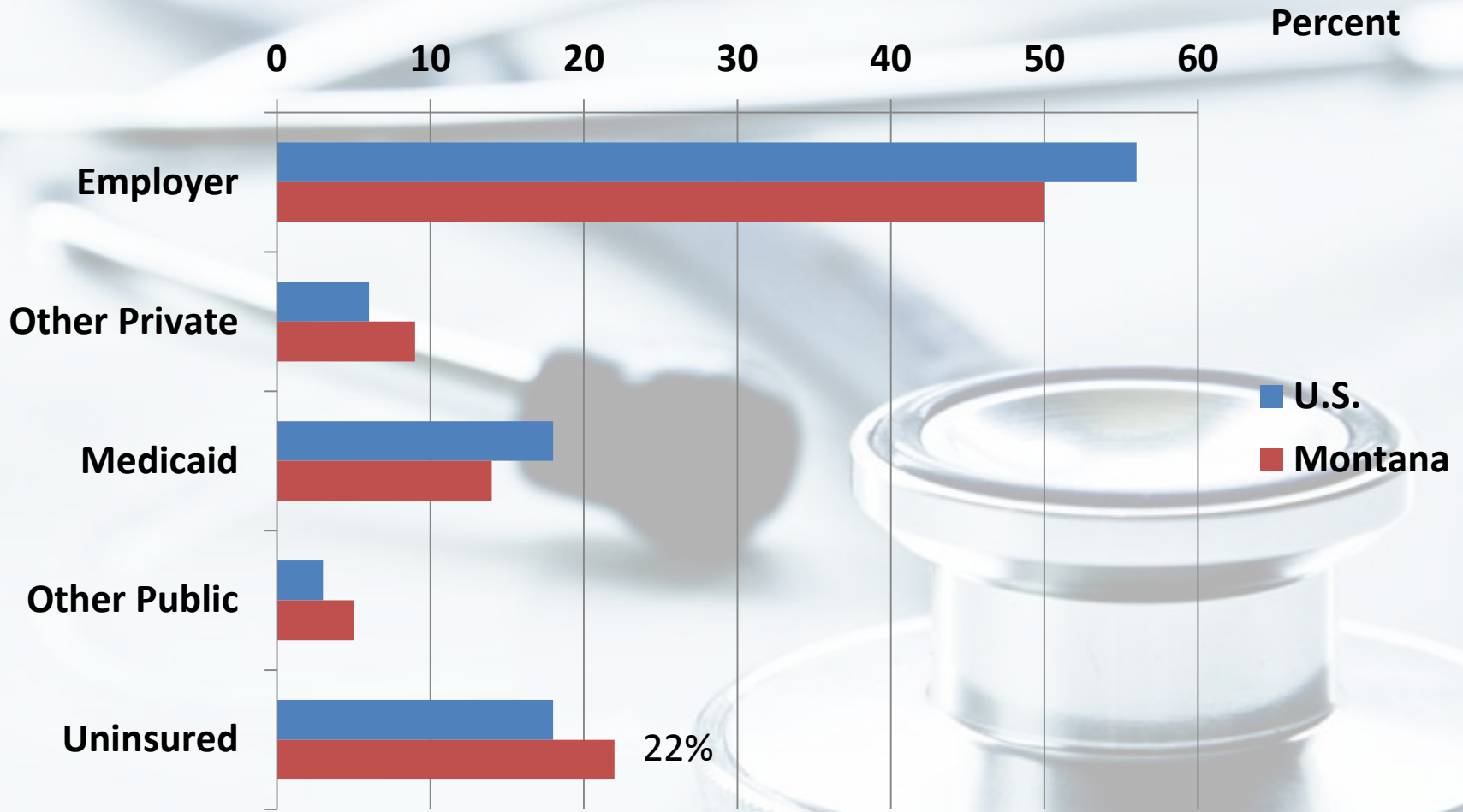
Note: Years 2012 and 2013 are projected.

Source: U.S. Centers for Medicare and Medicaid Services

Solving the Mystery

- **The Affordable Care Act?**
 - **Slower Growth in Medicare Payments?**
 - **Demographics?**
 - **The Recession?**
 - **Public focus on cost containment?**
 - **Changes in delivery technology?**
 - **Growth in high deductible plans?**
- 

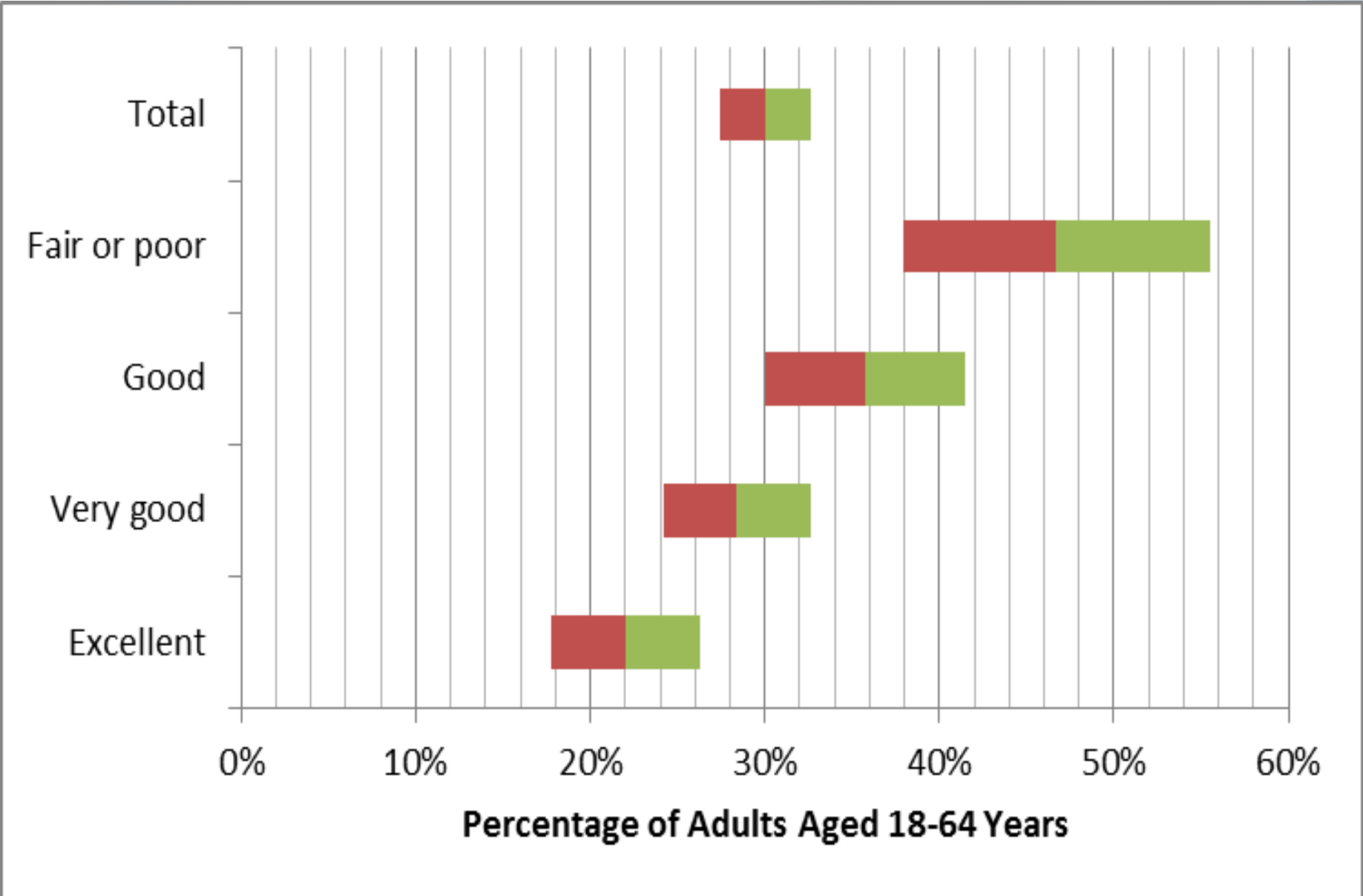
Insurance Status of Nonelderly Aged 0-64



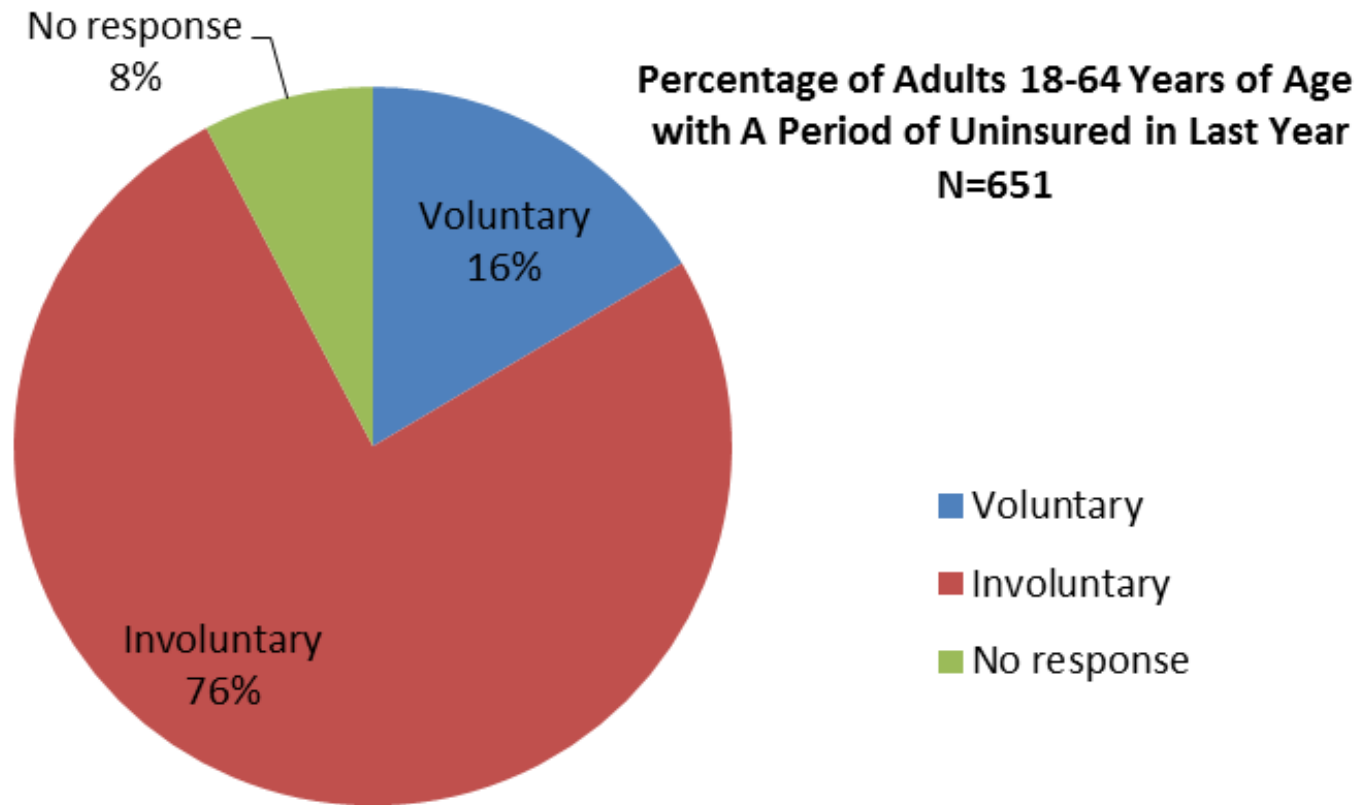
U.S. Data, 2012, Montana Data 2011-2012

Source: American Community Survey

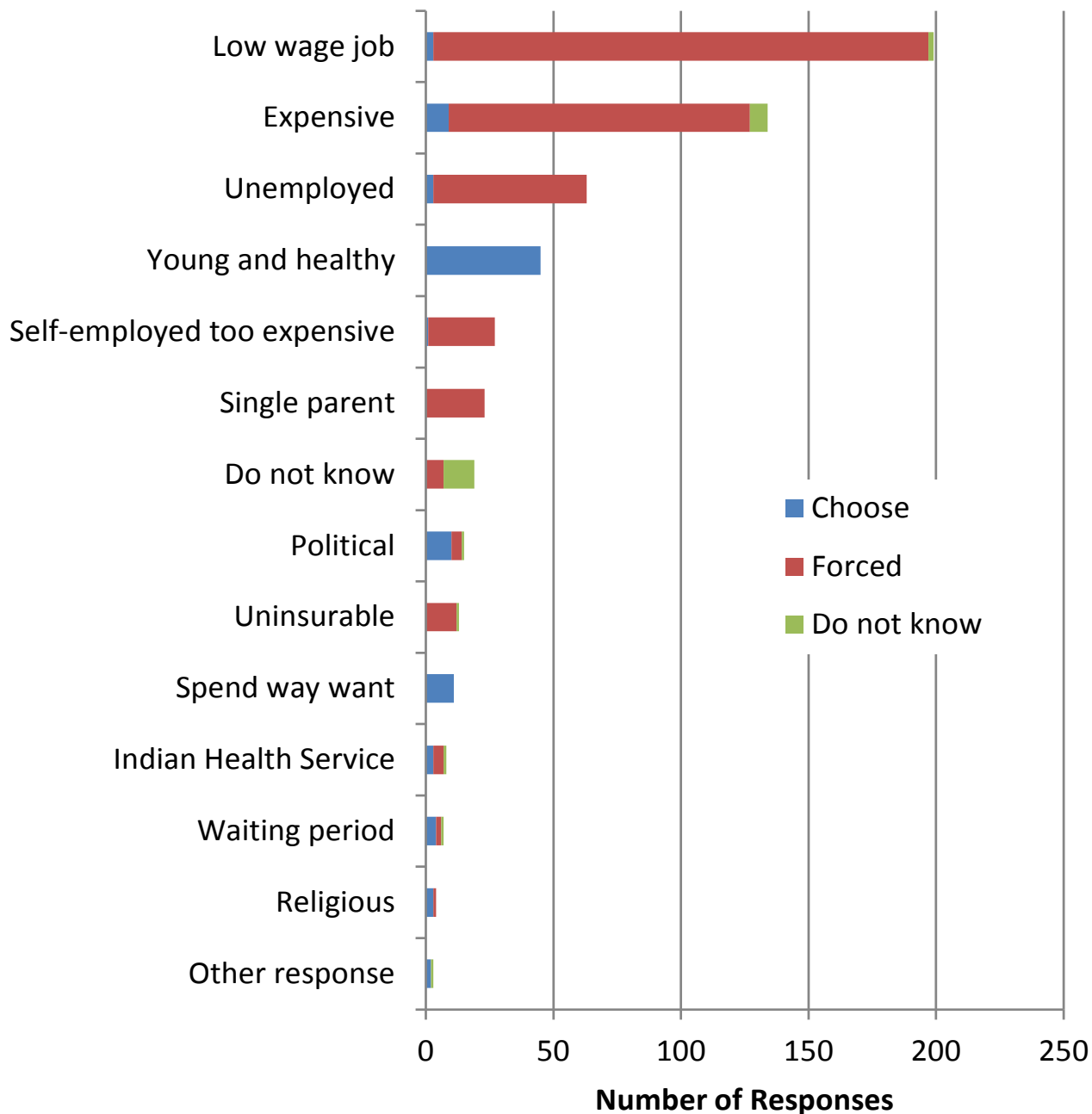
Uninsured by Health Status, Montana, 2011



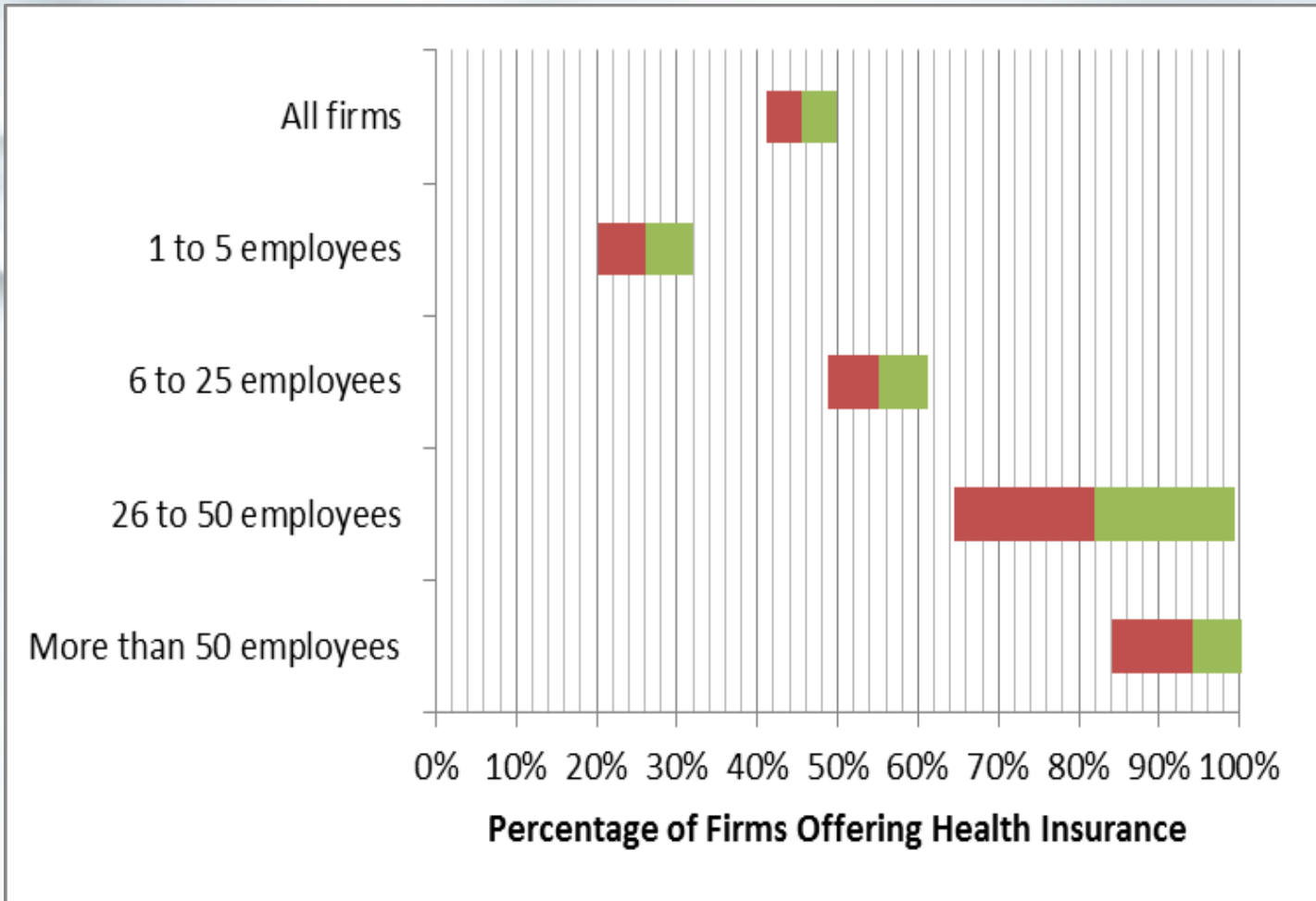
Involuntarily or Voluntarily Uninsured, 2011



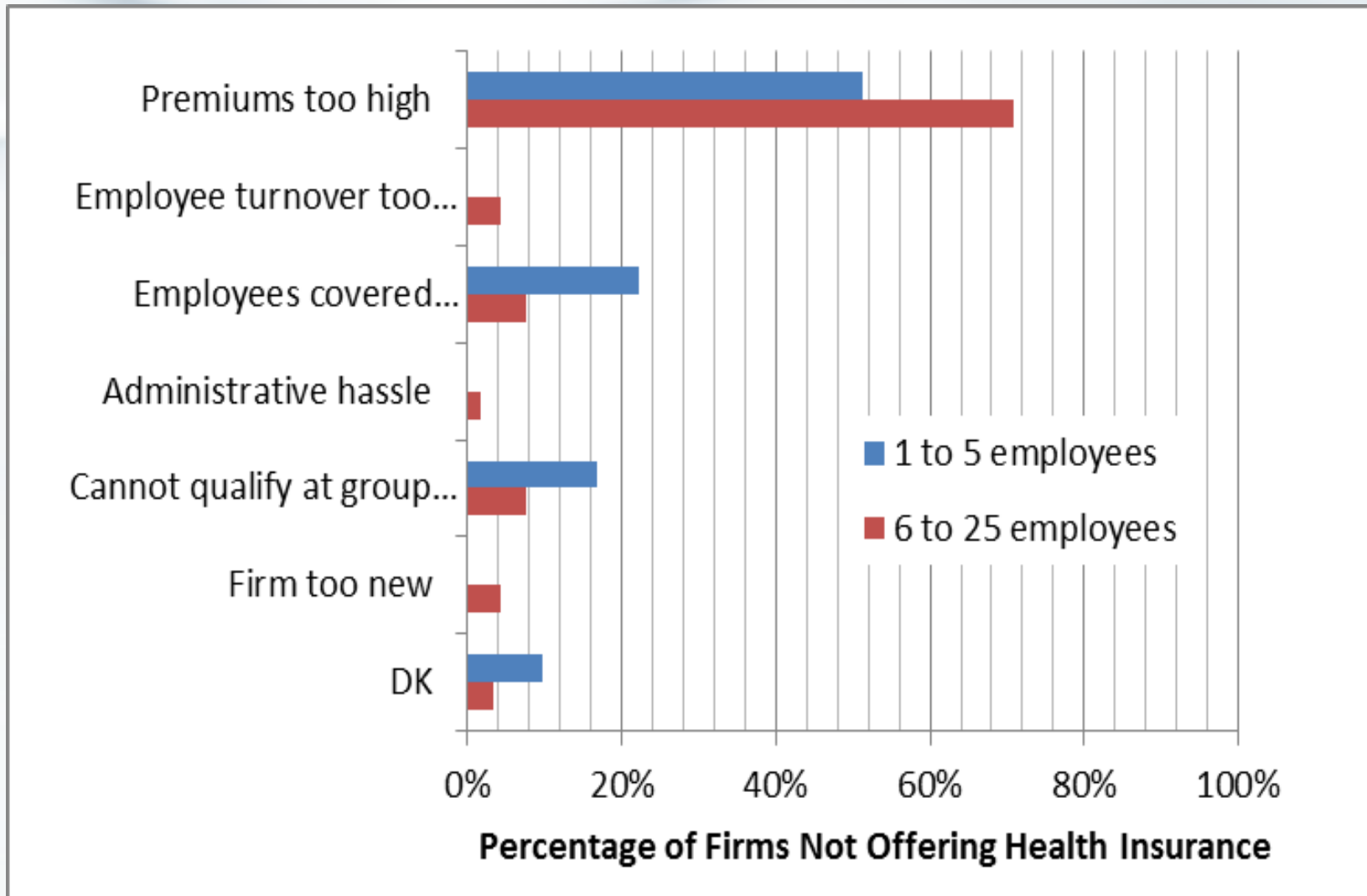
Reasons for Not Having Health Insurance, Montana, 2011



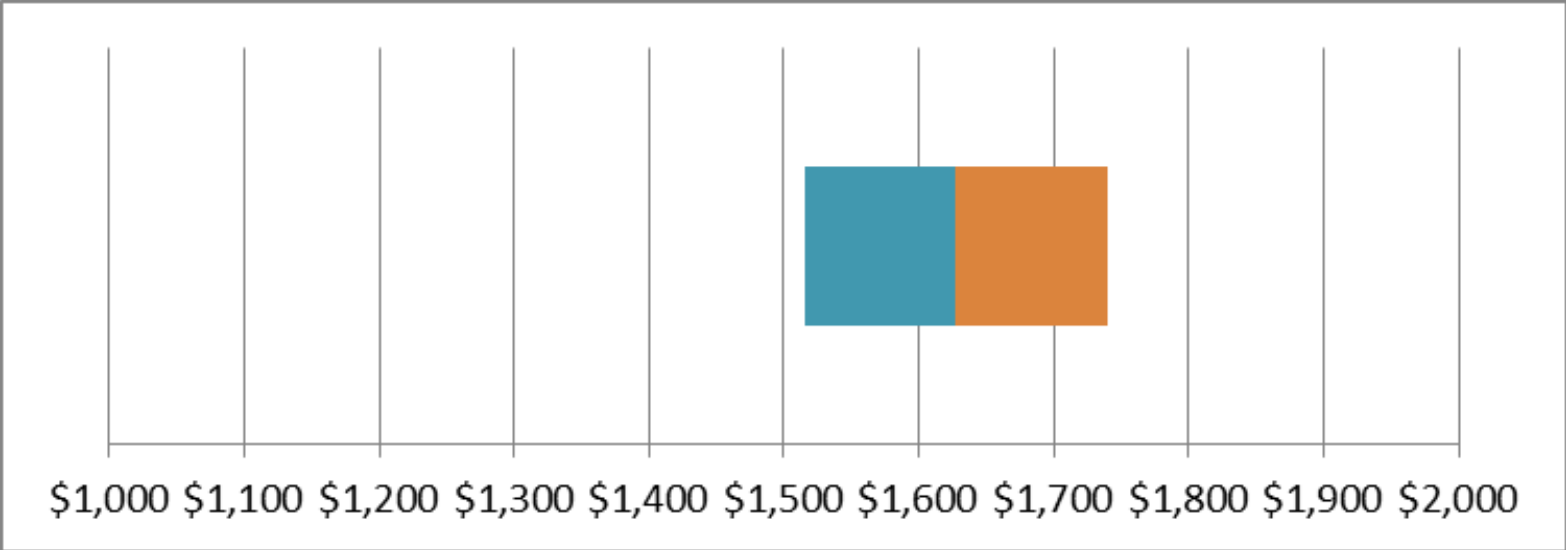
Firms Offering Health Insurance, Montana, 2011



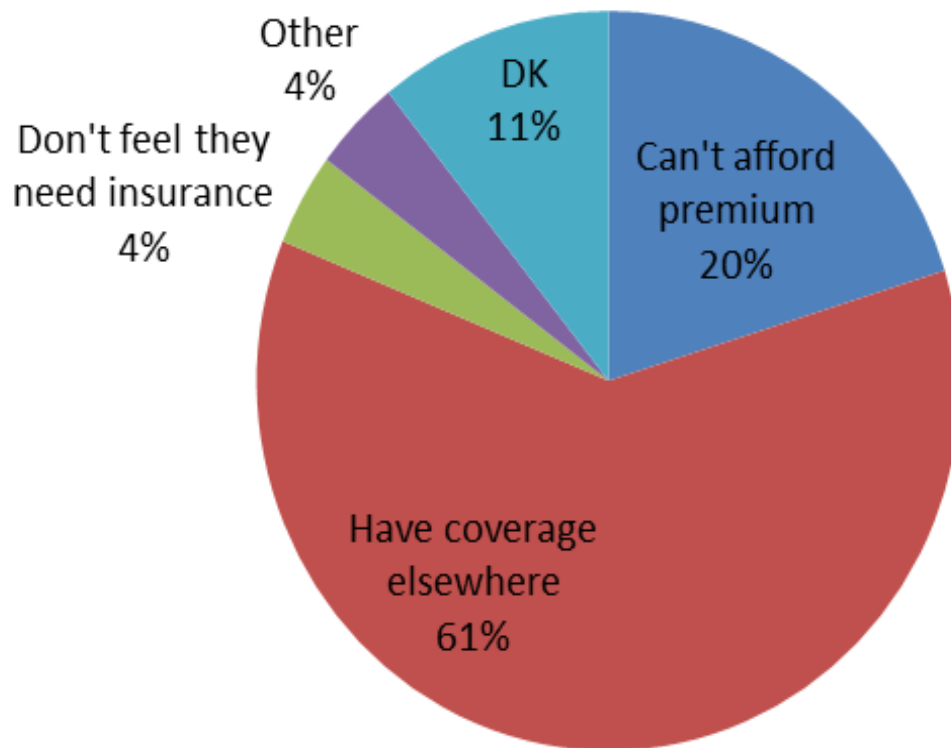
Main Reason for Employers Not Offering Health Insurance, 2011



Mean Deductible for Employer Based Health Insurance



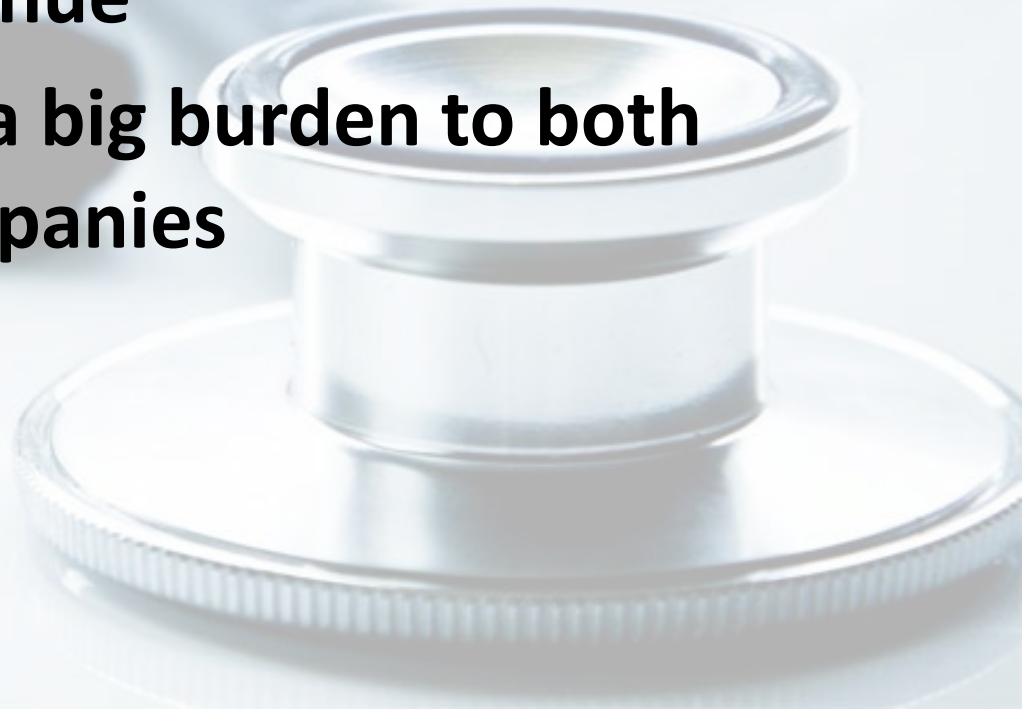
Why Eligible Employees Do Not Accept Health Insurance, 2011



Percentage of Firms with Employees Not Accepting Offered Health Insurance
N=223

What We Should Know

- **Projecting health care costs not as easy as it used to be**
- **It might be dangerous to assume the cost slowdown will continue**
- **Health insurance is a big burden to both individuals and companies**





Questions?