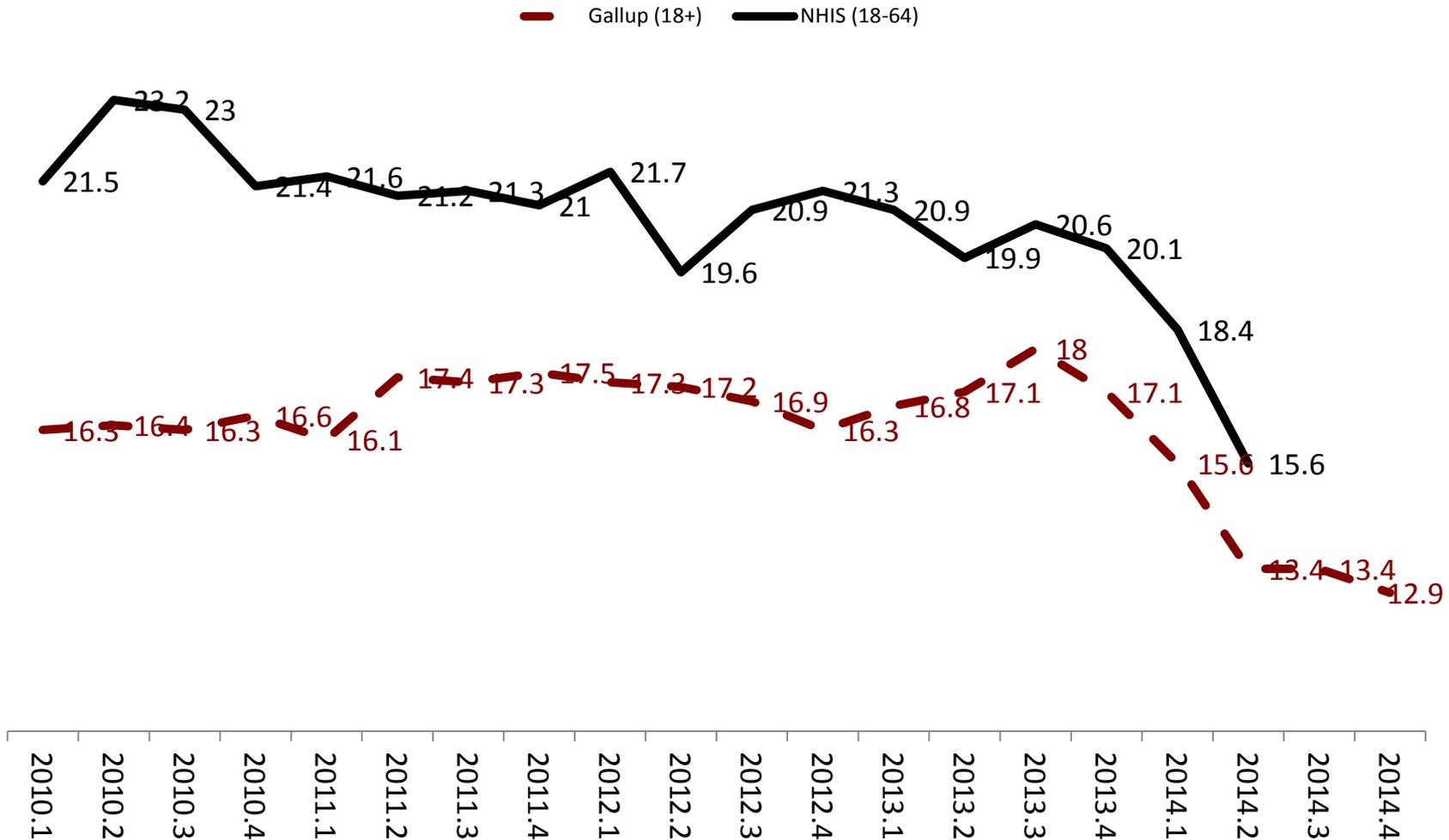




Health Care Headlines: Changing Access,  
Managing Costs, Improving Quality

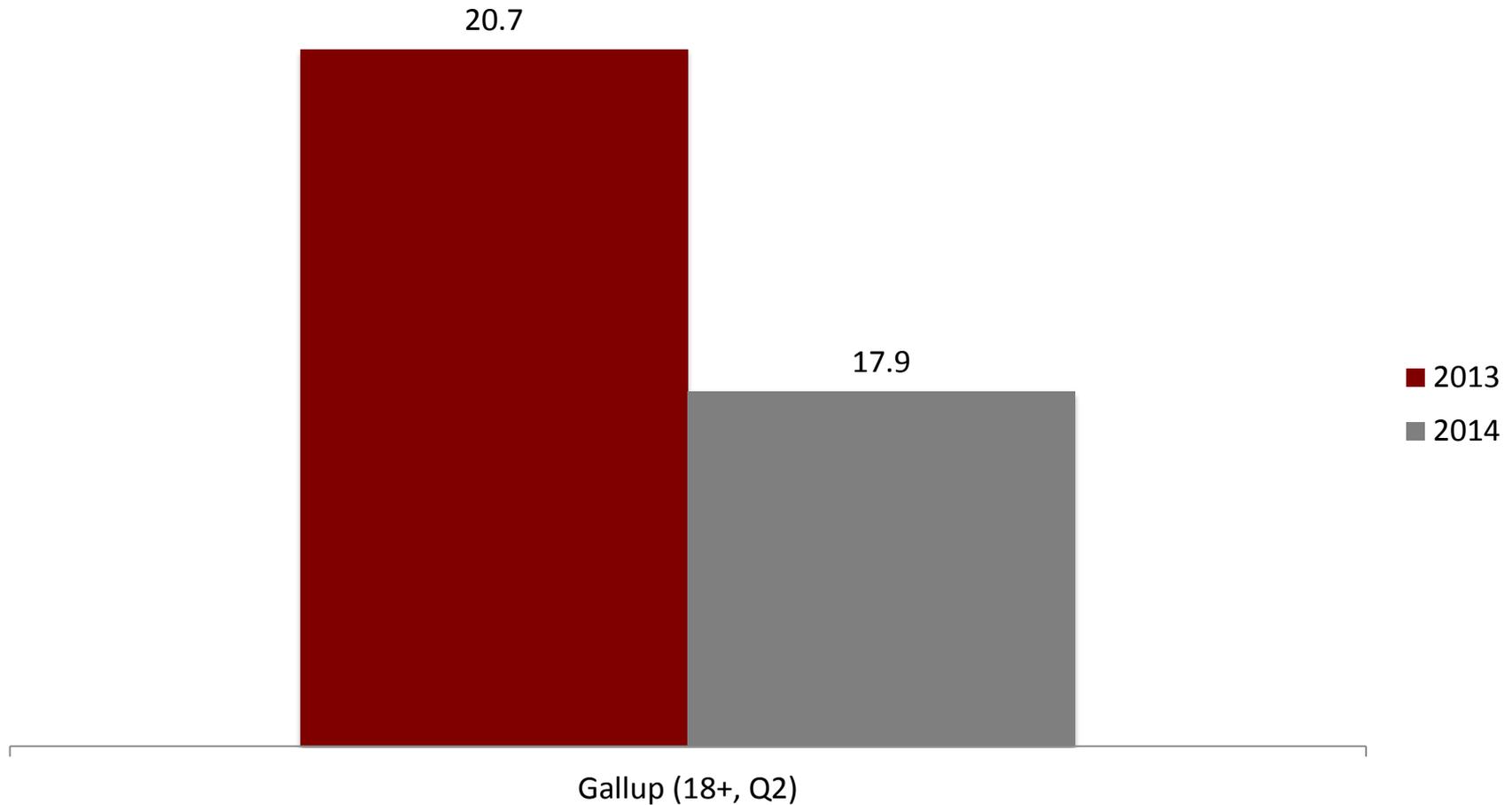
Bryce Ward, BBER

# Percent Without Health Insurance, 2010-2014 (Q2 or Q3)



Notes: Health Insurance Coverage: Early Release of Quarterly Estimates from the National Health Interview Survey, January 2010-June 2014 (12/16/14); Gallup Healthways Well-Being Index; Long et al (2104) Taking Stock: Health Insurance Coverage under the ACA as of September 2014.

# Percent Without Health Insurance in Montana 2013-2014 (Q2)



Notes: Gallup-Healthways Well-Being Index, includes all adults 18+, covers first two quarters of 2014, and has a margin of error for MT of +/- 5%.

Since 1990, health care spending in the U.S. has, on average, grown by **6.2 percent** each year.

That's **2.5 times** as fast as inflation.

In 1990, health care employed  
**1 out of every 10** Montana  
workers.

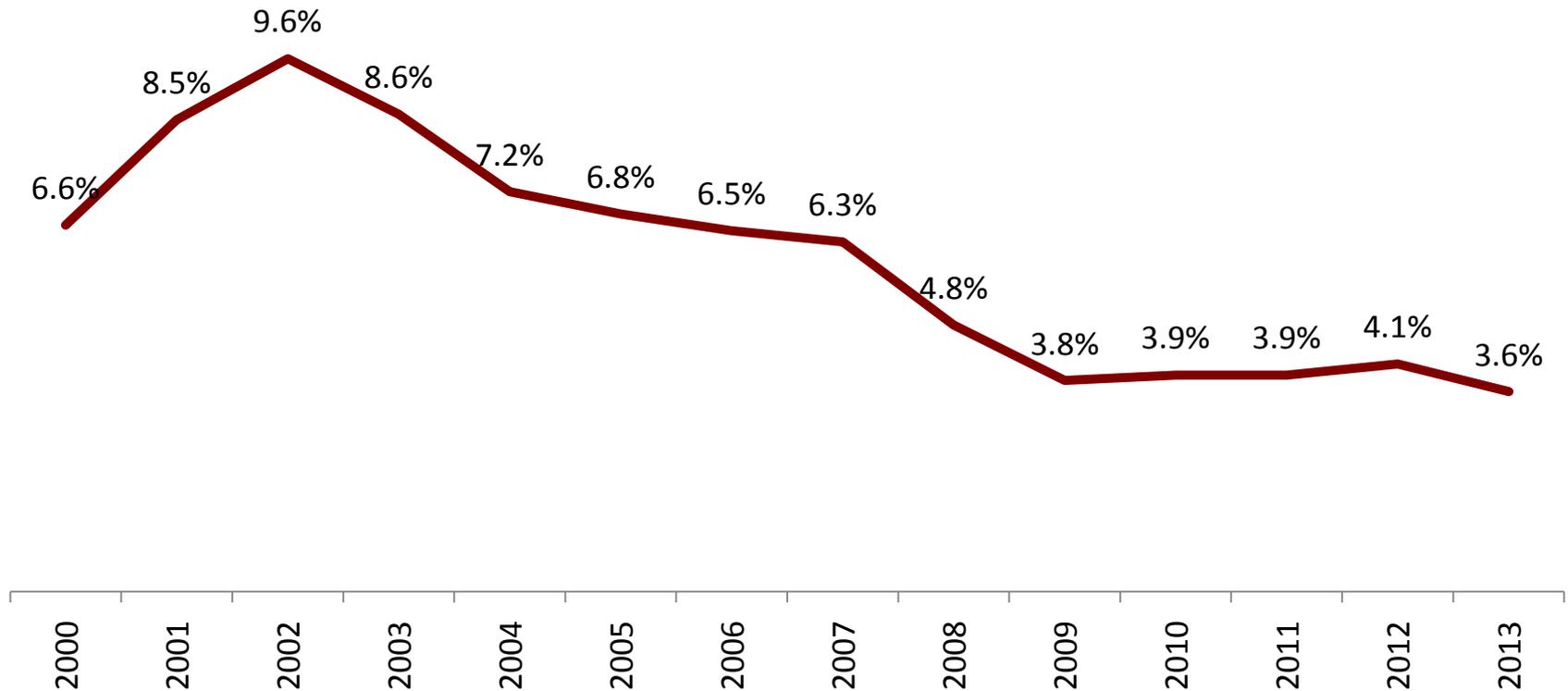
In 2014, health care employed  
**1 out of every 7** Montana  
workers.

In 1999, the average premium for a family plan for a private sector worker in Montana was **\$7,923** (\$2013).

In 2013, the average premium was **\$15,152.**

# Slowdown in Health Care Cost Growth

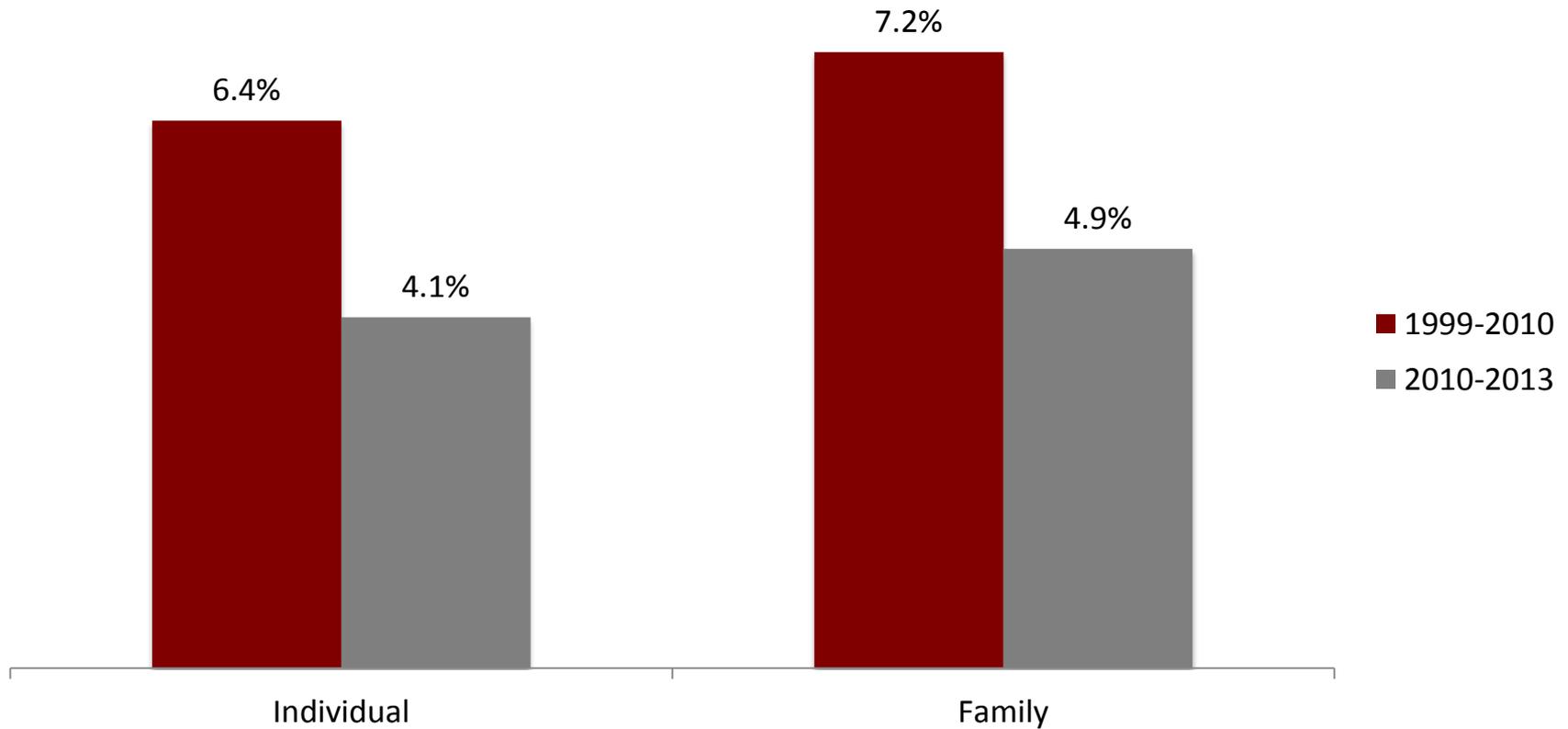
Annual % change in US health expenditure



Notes: <http://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsHistorical.html>

# Slowdown in Health Care Cost Growth

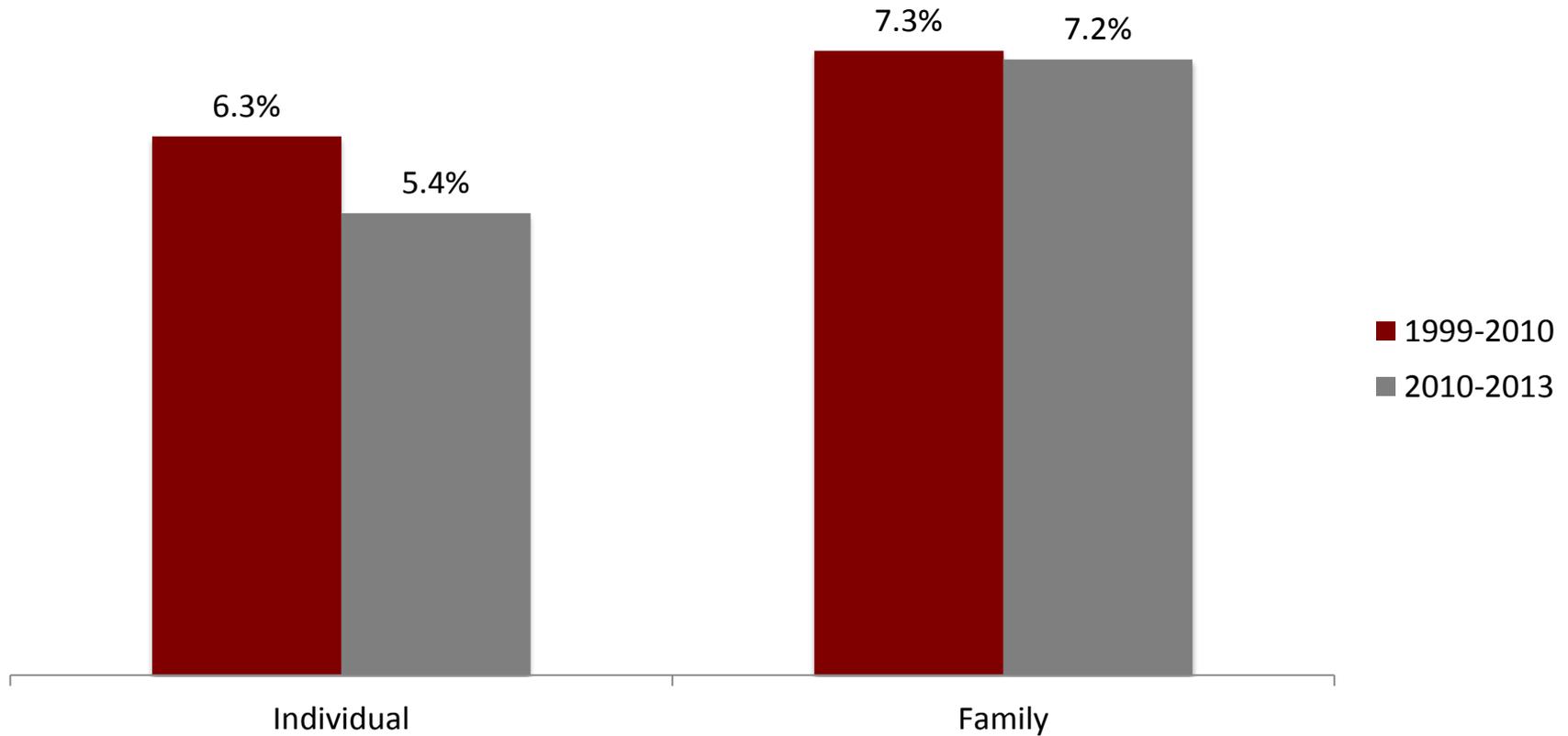
## U.S. Average Annual Premium Growth



Notes: BBER analysis of Medical Expenditure Panel Survey

# Slowdown in Health Care Cost Growth

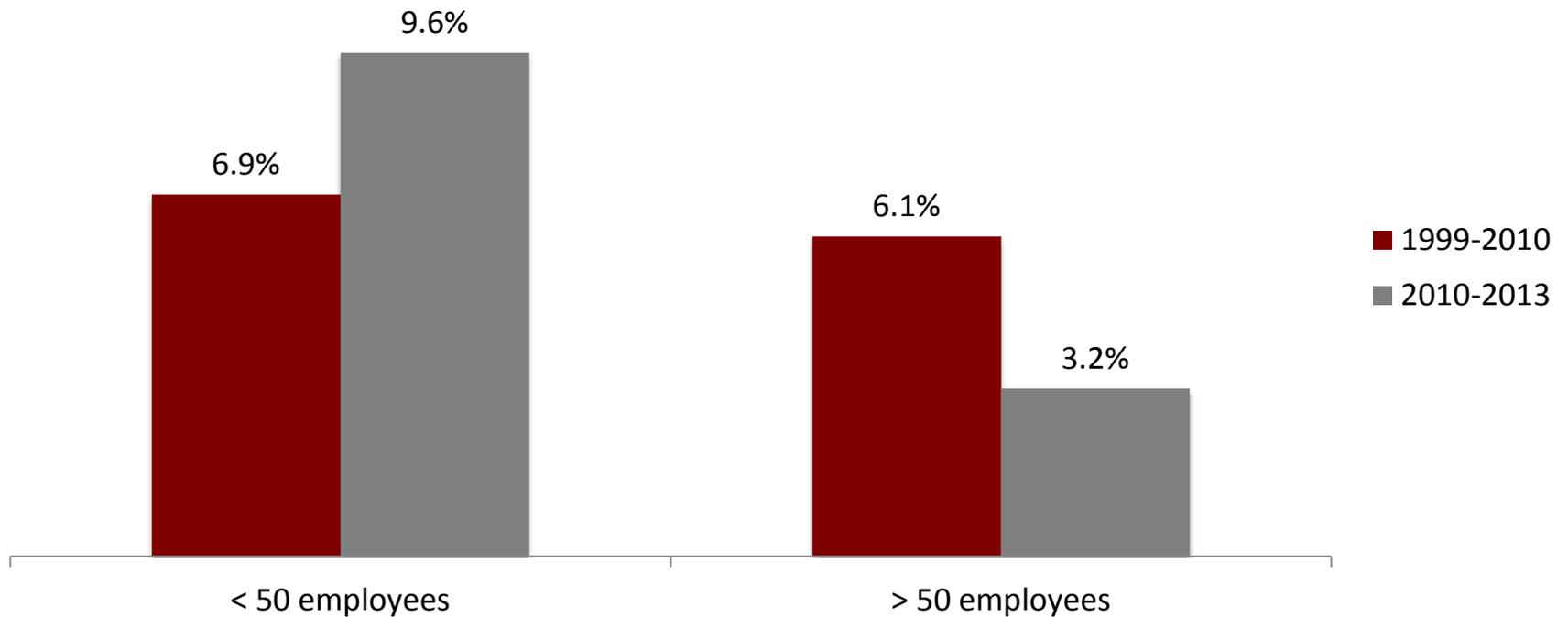
## Montana Average Annual Premium Growth



Notes: BBER analysis of Medical Expenditure Panel Survey

# Slowdown in Health Care Cost Growth

**Montana Average Annual Premium Growth, Individual Plan, Small vs Large Firms**



Notes: BBER analysis of Medical Expenditure Panel Survey

# Experiments to Improve Efficiency

$$\text{Spending} = \text{Price} \times \text{Quantity}$$

- (1) Pay less for care (e.g., lower prices by reducing the cost of providing care and increasing competition)
- (2) Obtain better care (e.g., eliminate unnecessary or low value care, manage high cost patients more efficiently, eliminate medical injuries).

# What Happens When Patients Know Prices?



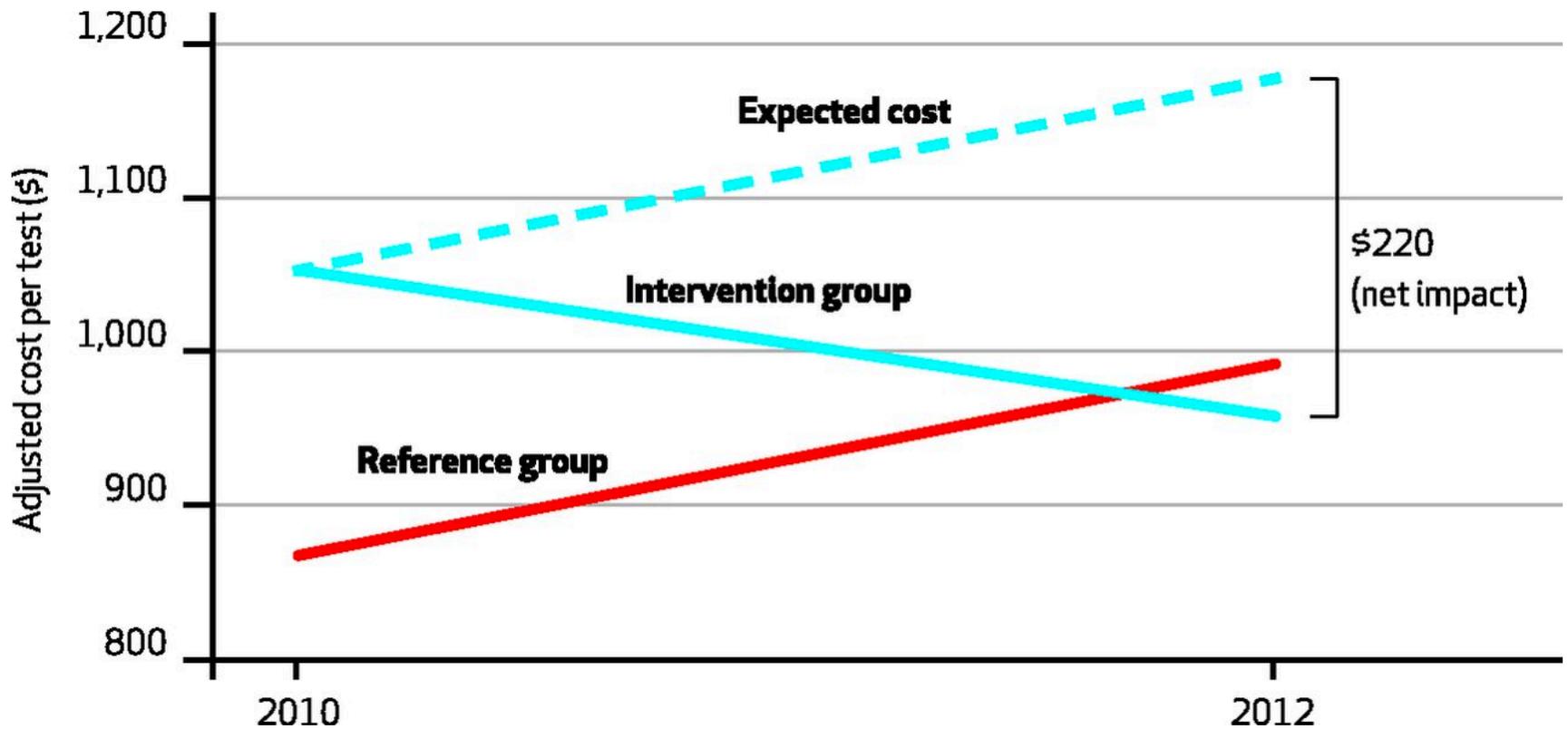
\$945

Within the same market, prices for an identical MRI procedure may vary by over 300%.

\$2,723



# Effects of MRI Price Transparency



Notes: Wu, S. J., Sylwestrzak, G., Shah, C., & DeVries, A. (2014). Price transparency for MRIs increased use of less costly providers and triggered provider competition. *Health Affairs*, 33(8), 1391-1398

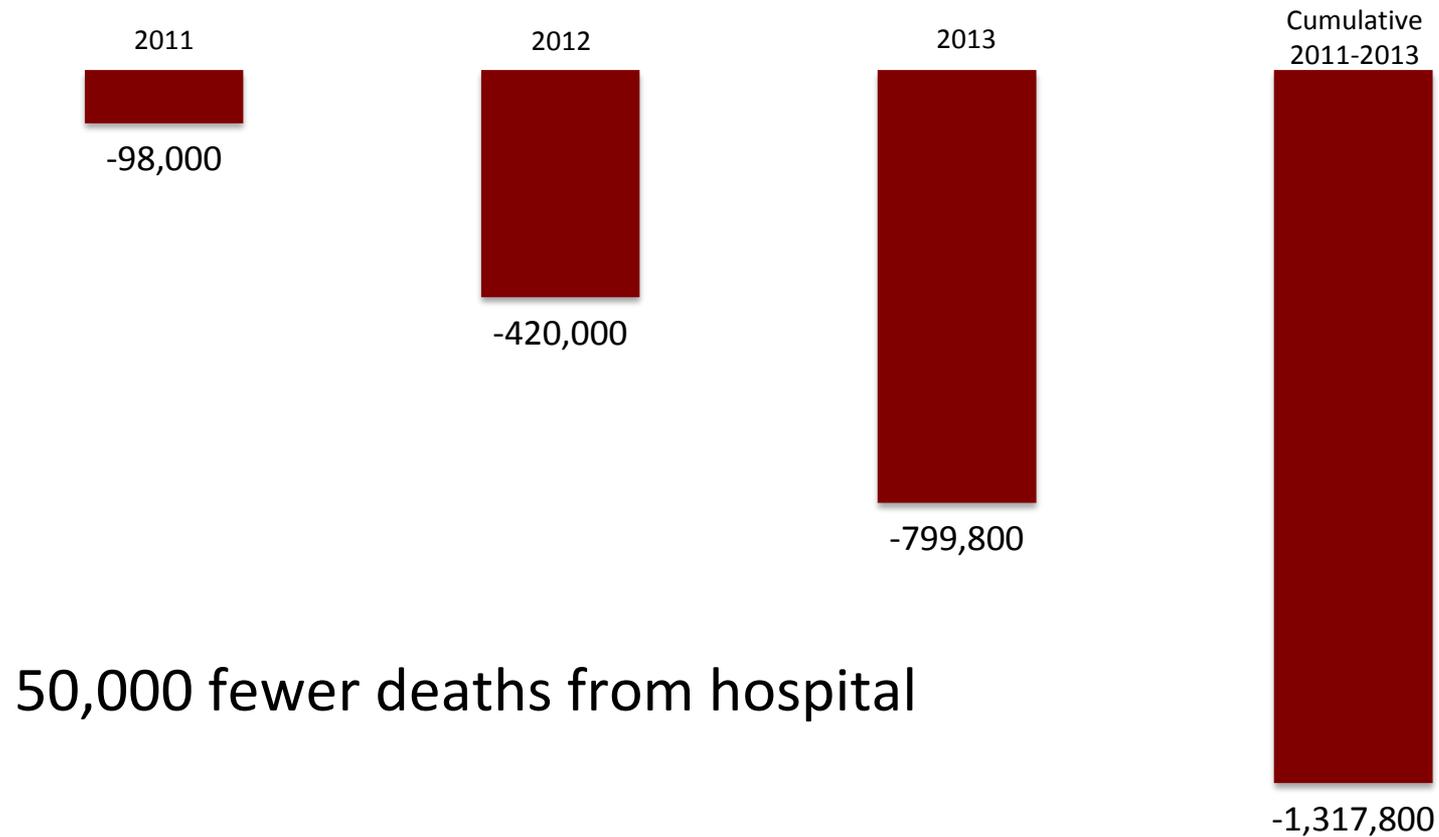
# Effects of Tying Payment to Quality

Figure 1: Medicare FFS All-Cause, 30-day Readmission Rate<sup>7</sup>



# Effects of Tying Payment to Quality

## Reduction in Hospital Acquired Conditions



# ACA Coverage Expansions in MT

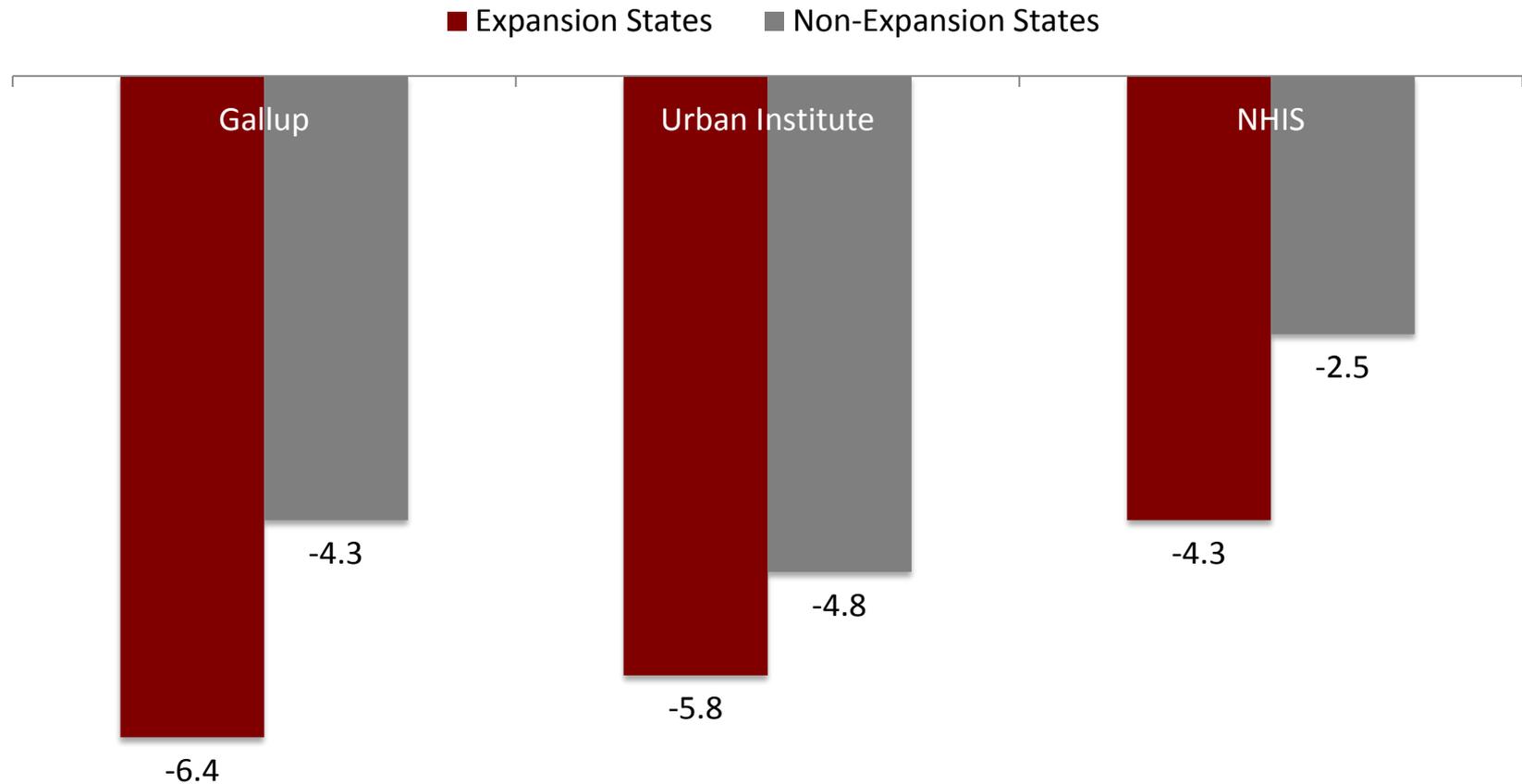
	<b>Potential change in number of insured Montanans, 2016</b>	<b>Potential loss of Federal \$ in Montana</b>
Medicaid Expansion	>36,000	>\$200 million
King v. Burwell	60,000	\$265 million

Notes: Dorn, McGrath, Holahan (2014) "What is the Result of States Not Expanding Medicaid"

[http://www.rwjf.org/content/dam/farm/reports/issue\\_briefs/2014/rwjf414946](http://www.rwjf.org/content/dam/farm/reports/issue_briefs/2014/rwjf414946), Blumberg, Holahan, Buettgens (2014) "Halbig v. Burwell: Potential Implications for ACA Coverage and Subsidies" [http://www.rwjf.org/content/dam/farm/reports/issue\\_briefs/2014/rwjf414644](http://www.rwjf.org/content/dam/farm/reports/issue_briefs/2014/rwjf414644)

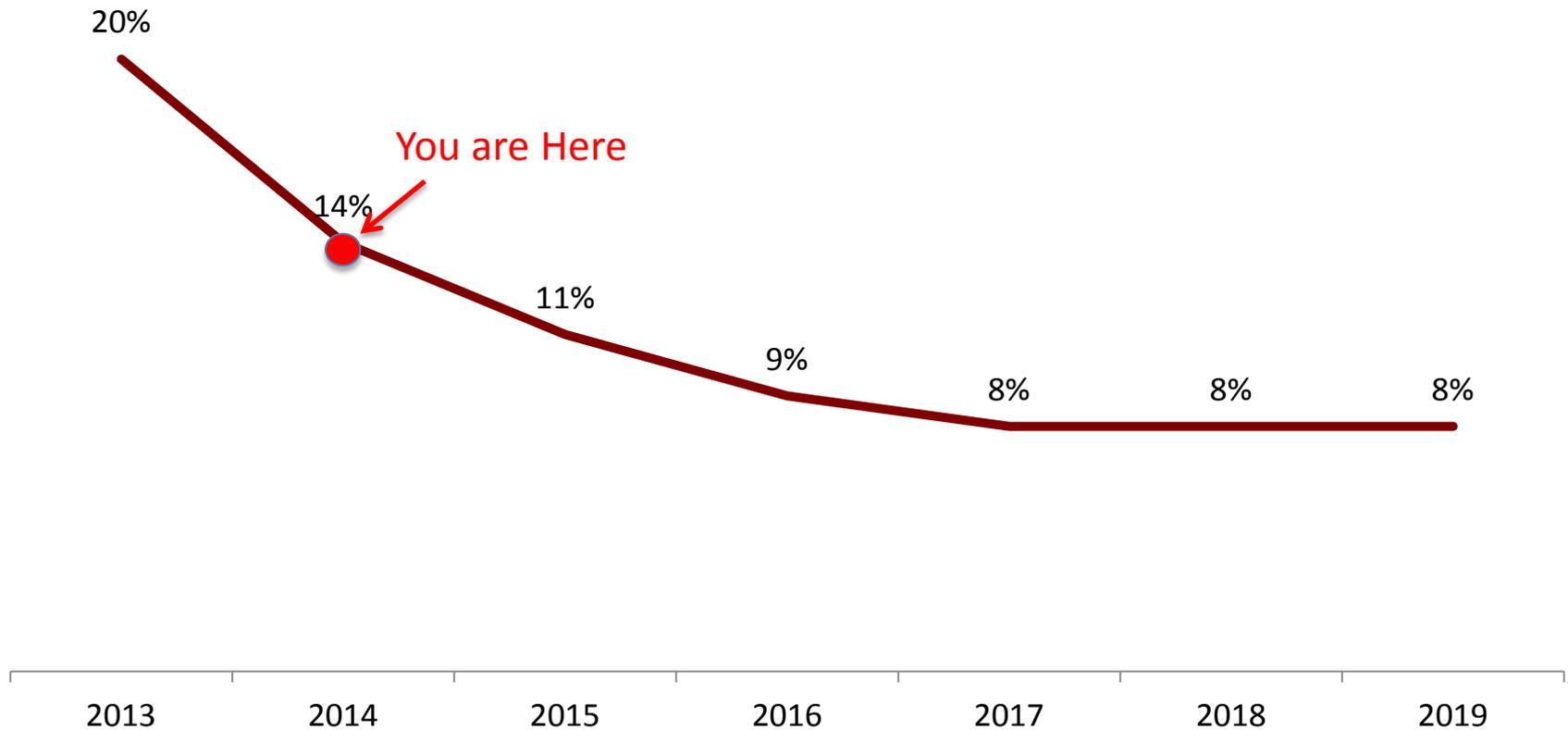


# Decline in Uninsured Rate 2013 to 2014 by Medicaid Expansion Status



Notes: Martinez and Cohen (2014) Health Insurance Coverage: Early Release of Estimates from the National Health Interview Survey, January-June 2014; Long et al (2104) Taking Stock: Health Insurance Coverage under the ACA as of September 2014. All estimates are for 18-64 year olds, Gallup and Urban Institute compare results from Q3 2014 to 2013, results from the NHIS compare January-June 2014 to 2013

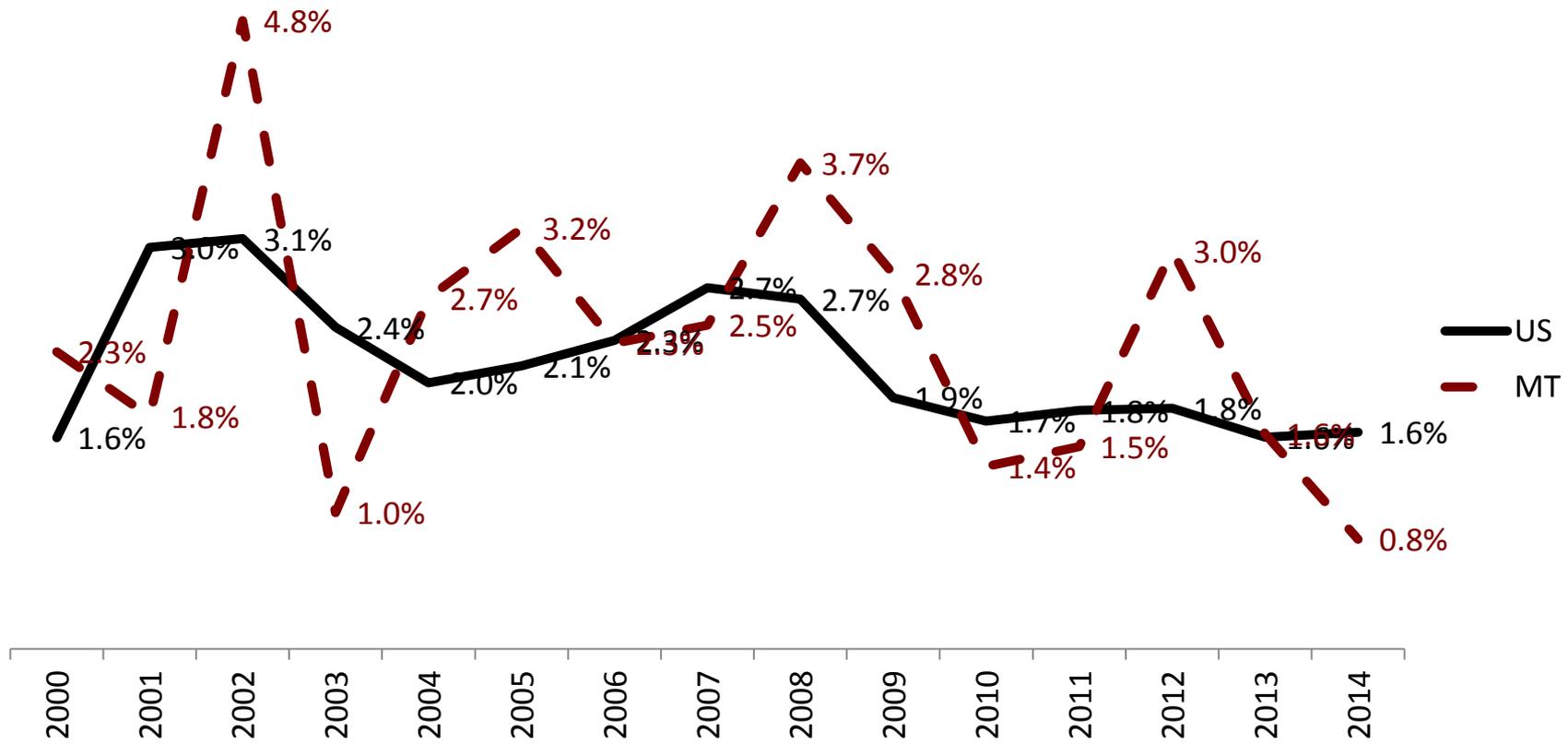
# Projected Decline in Uninsured Rate



Notes: Congressional Budget Office [http://www.cbo.gov/sites/default/files/45231-ACA\\_Estimates.pdf](http://www.cbo.gov/sites/default/files/45231-ACA_Estimates.pdf)

# Slowdown in Health Care Cost Growth

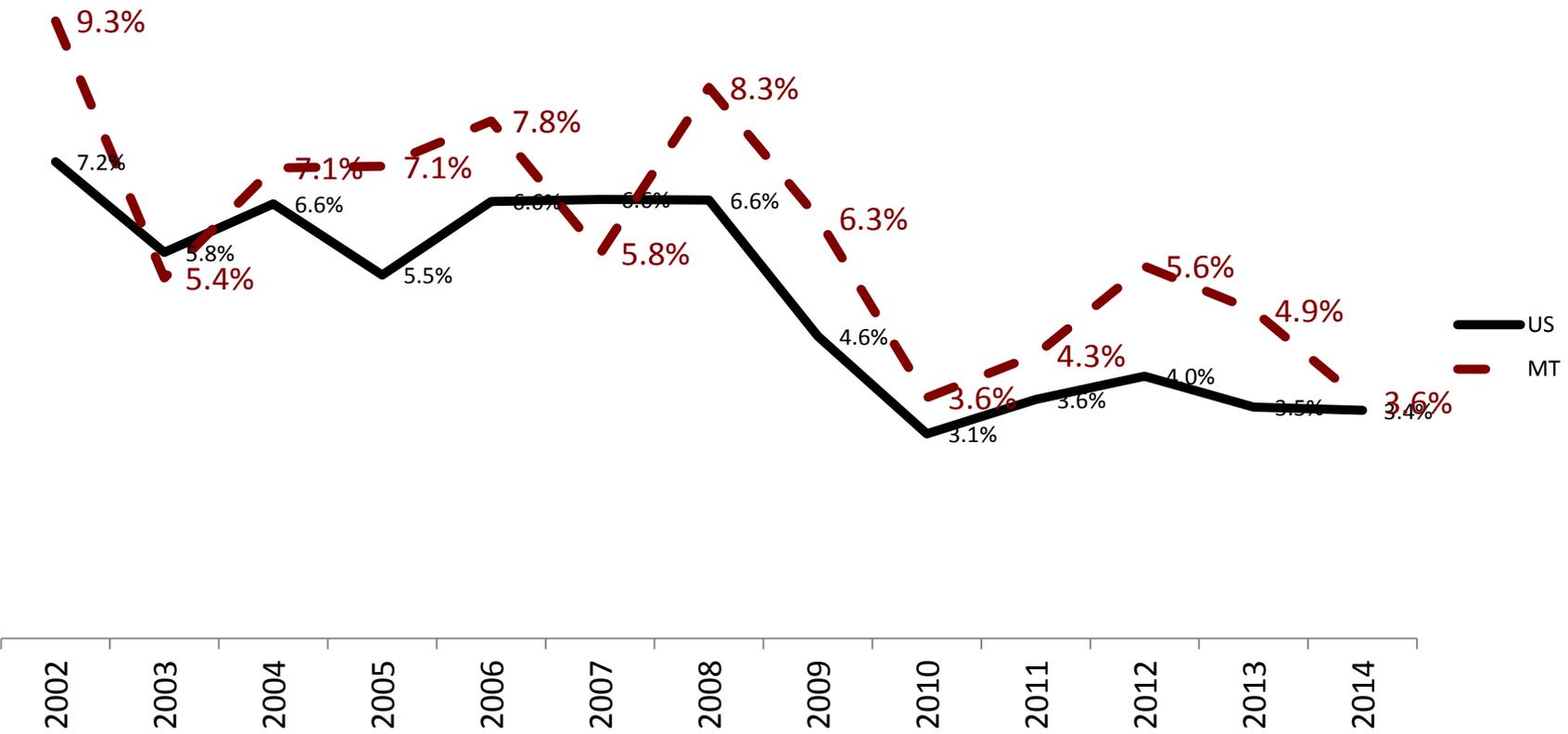
## % Change in Health Care Employment



Notes: Bureau of Labor Statistics, Current Employment Statistics for NAICS code 62 – Health Care and Social Assistance. 2014 percent is computed by averaging the annual change for each month through the November preliminary estimate for MT and the US is based on the preliminary annual estimate.

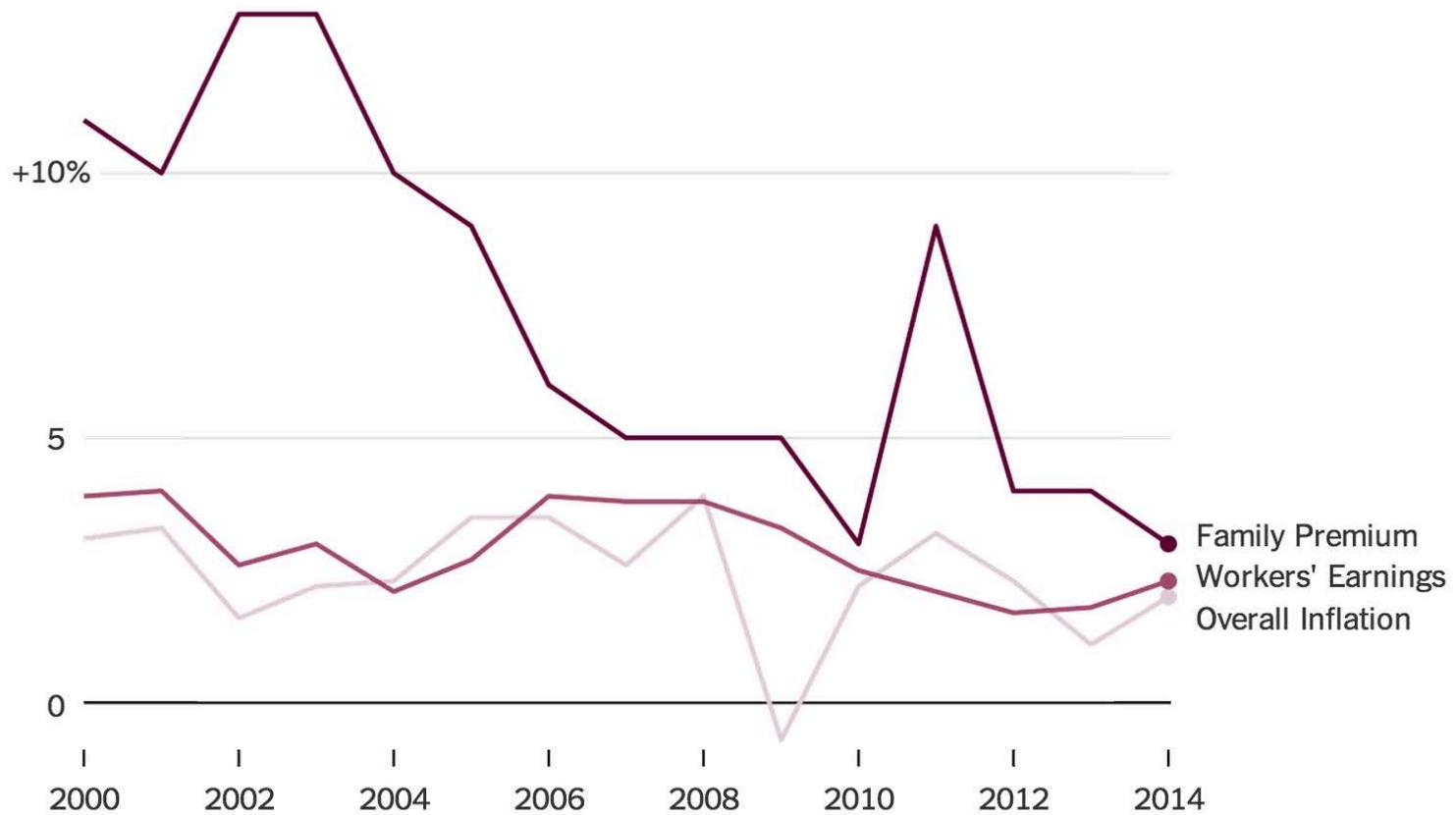
# Slowdown in Health Care Cost Growth

## % Change in Health Care Payroll

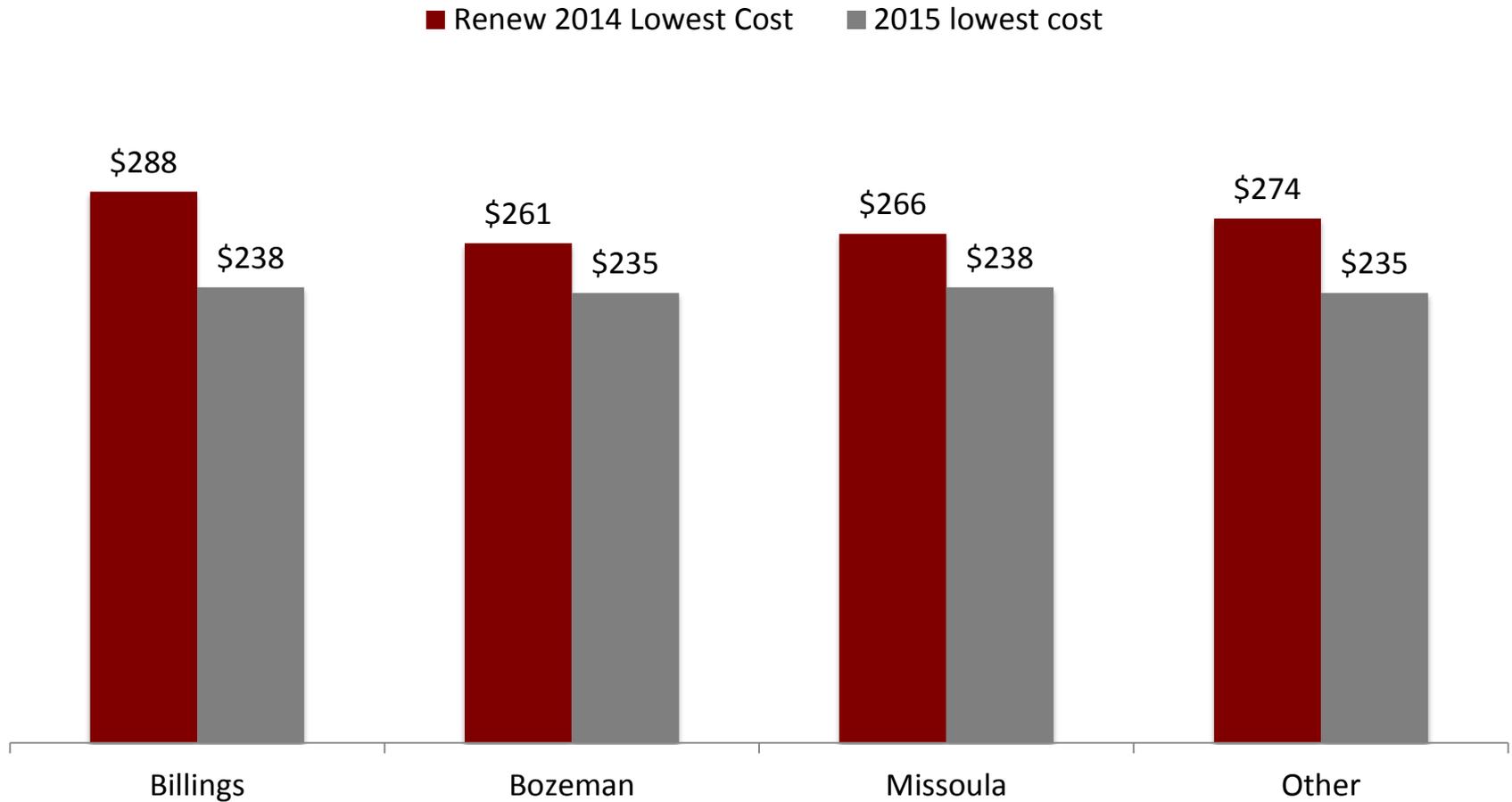


Notes: Bureau of Labor Statistics, Quarterly Census of Employment and Wages for NAICS code 62 – Health Care and Social Assistance. 2014 percent is computed by averaging the annual change for the first 2 quarters of 2014.

# Slowdown in Employer Premium

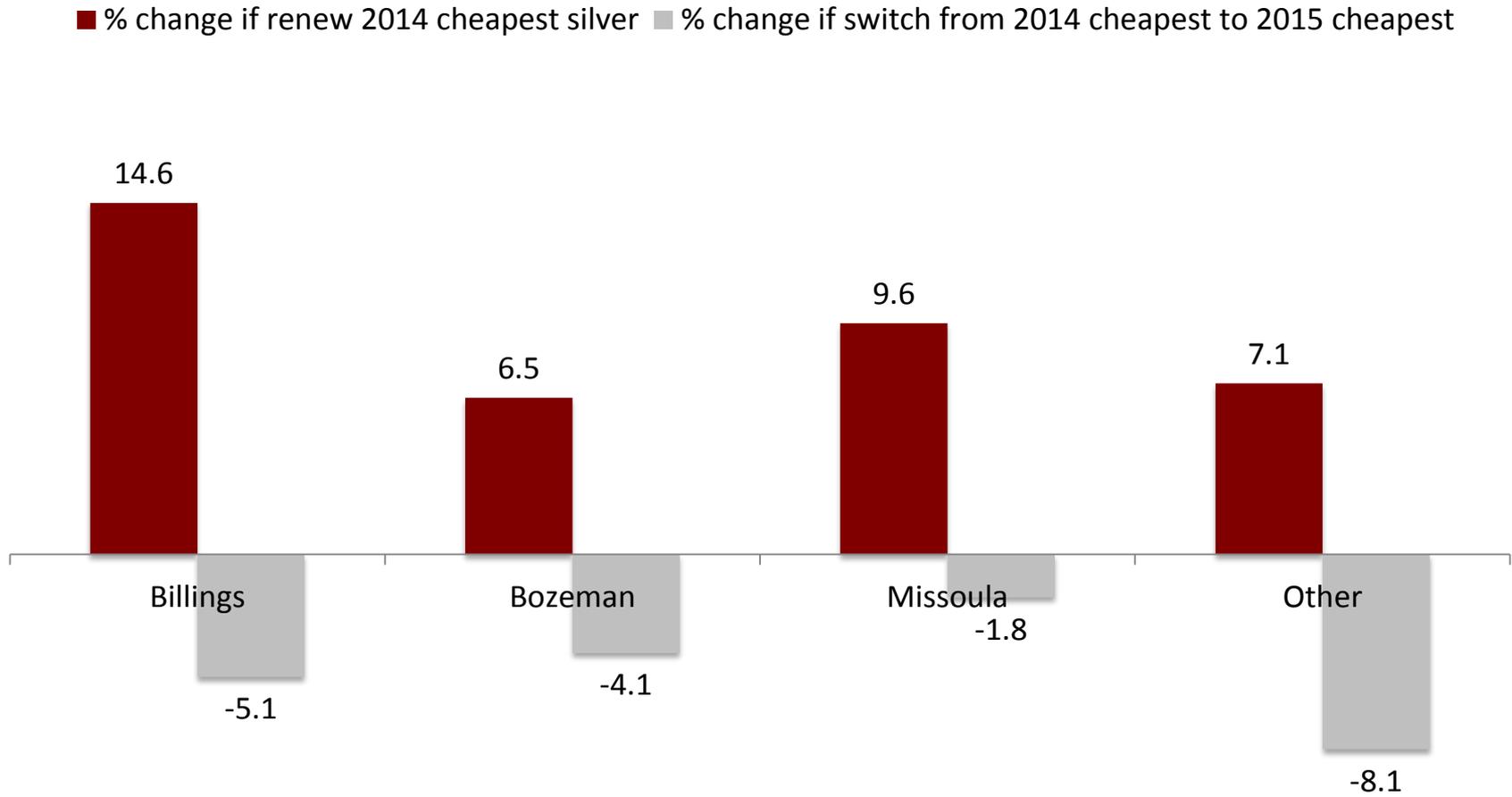


# Monthly Premium Lowest Cost Silver Plan Before Subsidies



Notes: <http://www.nytimes.com/2014/11/15/upshot/why-shopping-is-so-important-in-health-enrollment.html?rref=upshot>

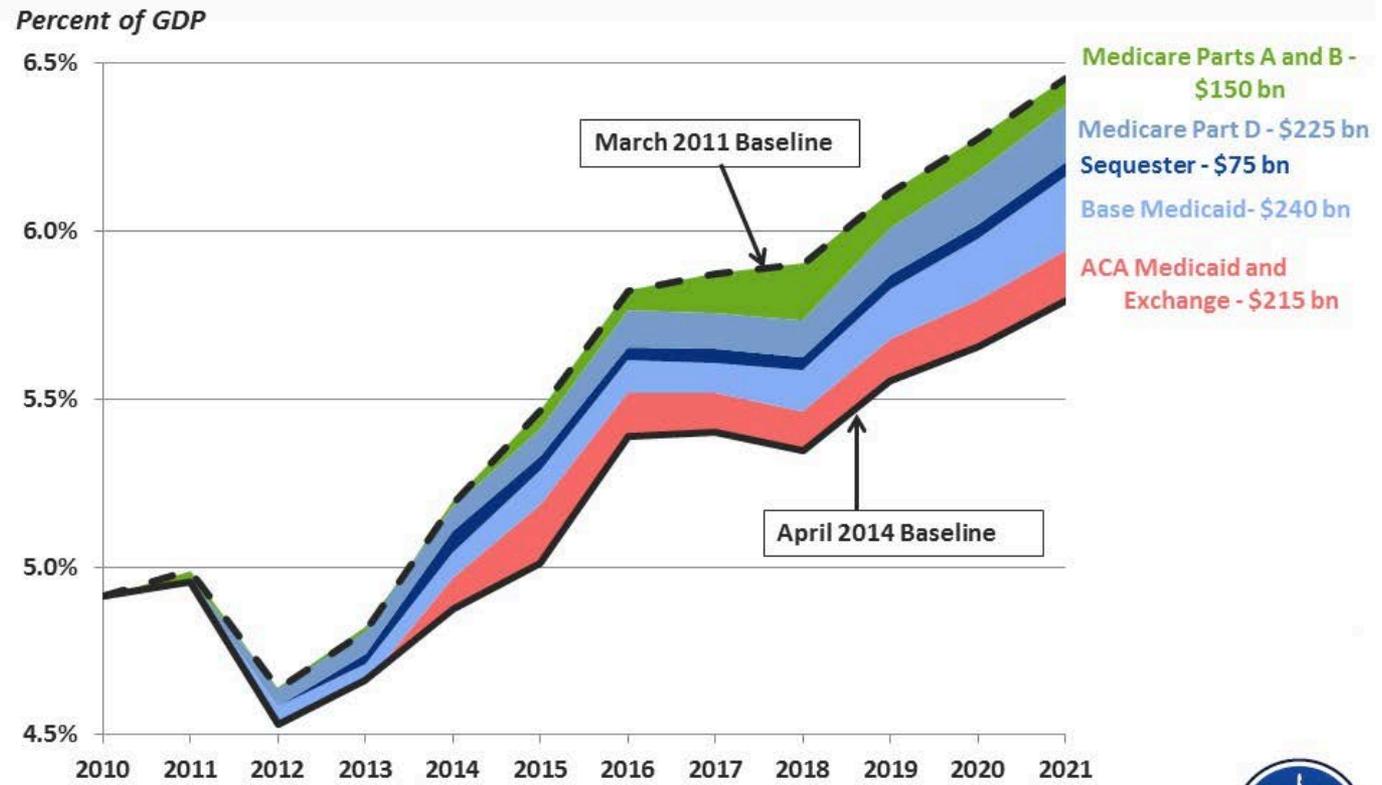
# Shopping is Important



Notes: <http://www.nytimes.com/2014/11/15/upshot/why-shopping-is-so-important-in-health-enrollment.html?rref=upshot>

# \$900 Billion Slowdown

## The Health Care Slowdown Since March 2011



Source: CBO, CRFB calculations

Note: All lines use April 2014 CBO GDP estimates and actual data for years prior to 2014.



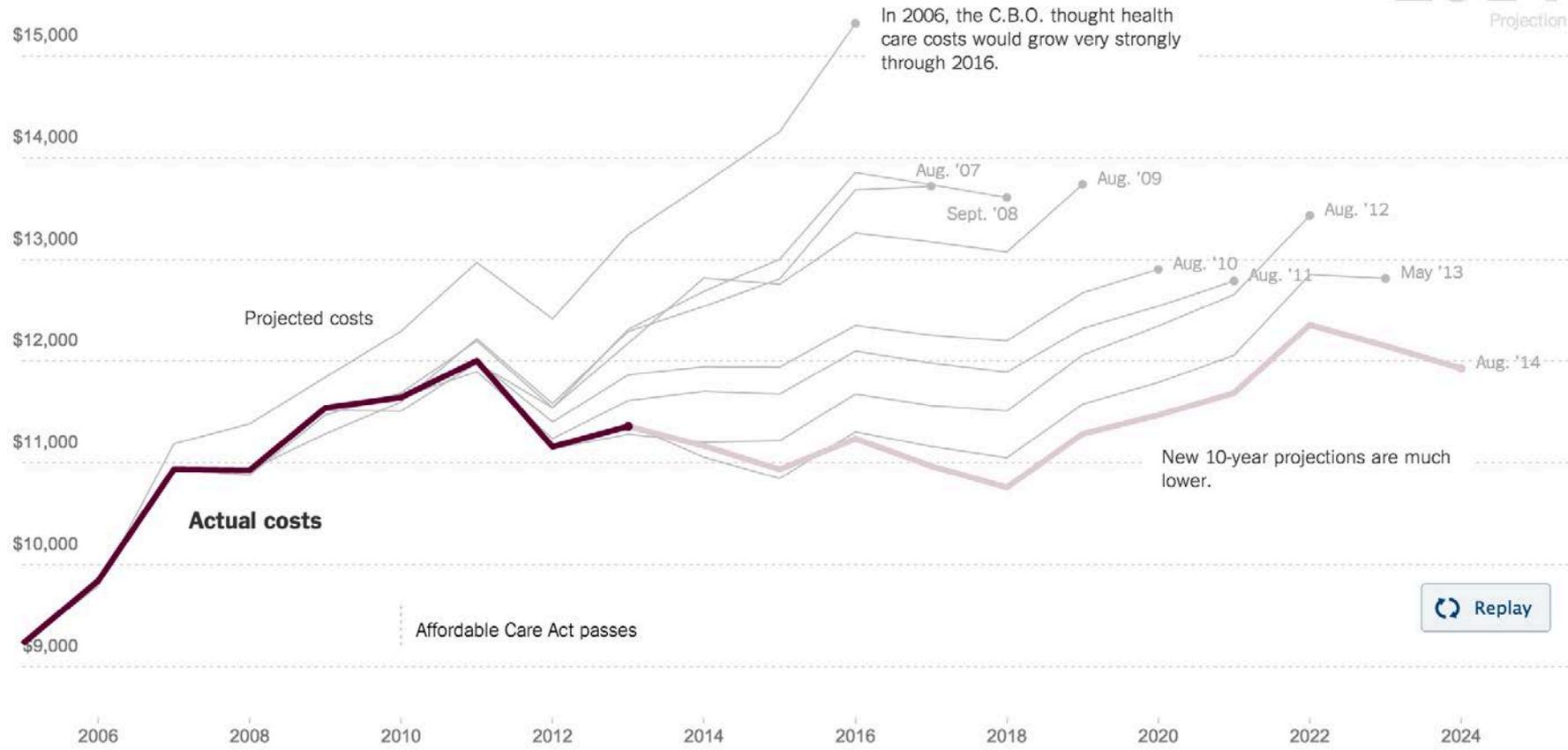
Notes: <http://crfb.org/blogs/900-billion-slowdown-federal-health-care-spending>

# Medicare Much Cheaper than Expected

## Medicare cost projections and reality

Real and projected spending per Medicare recipient, in 2014 dollars

**2014**  
Projection



Replay

These figures were calculated using estimates of Medicare outlays from the C.B.O.'s baseline reports, estimates of Medicare enrollment from the Medicare Trustees, historical G.D.P. price index rates from the Office of Management and Budget and G.D.P. price index projections from the C.B.O. The C.B.O. publishes more than one baseline report per year; this analysis uses the last report of each year, which is typically published in August.