

Outlook 2013

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

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

Some Common Concerns about the ACA

- Impact on insurance premiums?
- Will businesses dump employees into FFE?
- 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 infrastructure, primarily health care workforce, to absorb potential added demands for health care due to...
 - Power of individual mandate
 - Federally Facilitated Exchange
 - Tax credits
 - Cost sharing subsidies
 - Medicaid expansion

National Shortage Well Documented

- Factors Behind Shortage of Primary Care Doctors
 - Lower reimbursement
 - Lower comparative incomes
 - High patient loads
- Shortage of Primary Care Providers Leads to
 - Fragmented care
 - Inappropriate use of specialists
 - Less emphasis on preventive care

Affordable Care Act

- Many of 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

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 ACA

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

Pre ACA Primary Care Demand in Montana, Lewis & Clark County

	Expected Source of Payment					
	Employer Sponsored Insurance	Direct Purchase	Medicare	Medicaid	No Insurance	Unknown
Montana	742,310	295,037	415,287	141,863	94,653	47,382
Lewis & Clark County	61,198	15,759	25,354	6,581	4,202	2,504

Source: American Community Survey, 2009-2011, National Ambulatory Medical Care Survey, BBER

ACA Impact on Health Care Demand, Montana

	Primary Care	Surgical Specialty	Medical Specialty	Hospital Outpatient	Hospital Emergency	Total Additional Office Visits
Private Coverage	131,999	39,485	32,713	(1,979)	(19,795)	182,423
Medicaid	129,283	10,853	10,102	44,846	27,713	222,797
Total Additional Office Visits	261,281	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, Lewis & Clark County

	Ambulatory Care Setting					Total Additional Office Visits
	Primary Care	Surgical Specialty	Medical Specialty	Hospital Outpatient	Hospital ER	
Private Insurance	5,585	1,671	1,384	(84)	(838)	7,718
Medicaid	3,839	322	300	1,332	823	6,616
Total Increase	9,424	1,993	1,684	1,248	(15)	14,335

Primary Care Capacity

- 2009 study by Davis, Roberts, White
 - Includes Family Practice, Internal Medicine, Pediatrics
- 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

Primary Care Supply	Primary Care Demand	Shortage (-) Surplus (+) Office Visits per Year
2,079,000	1,997,814	+ 81,186

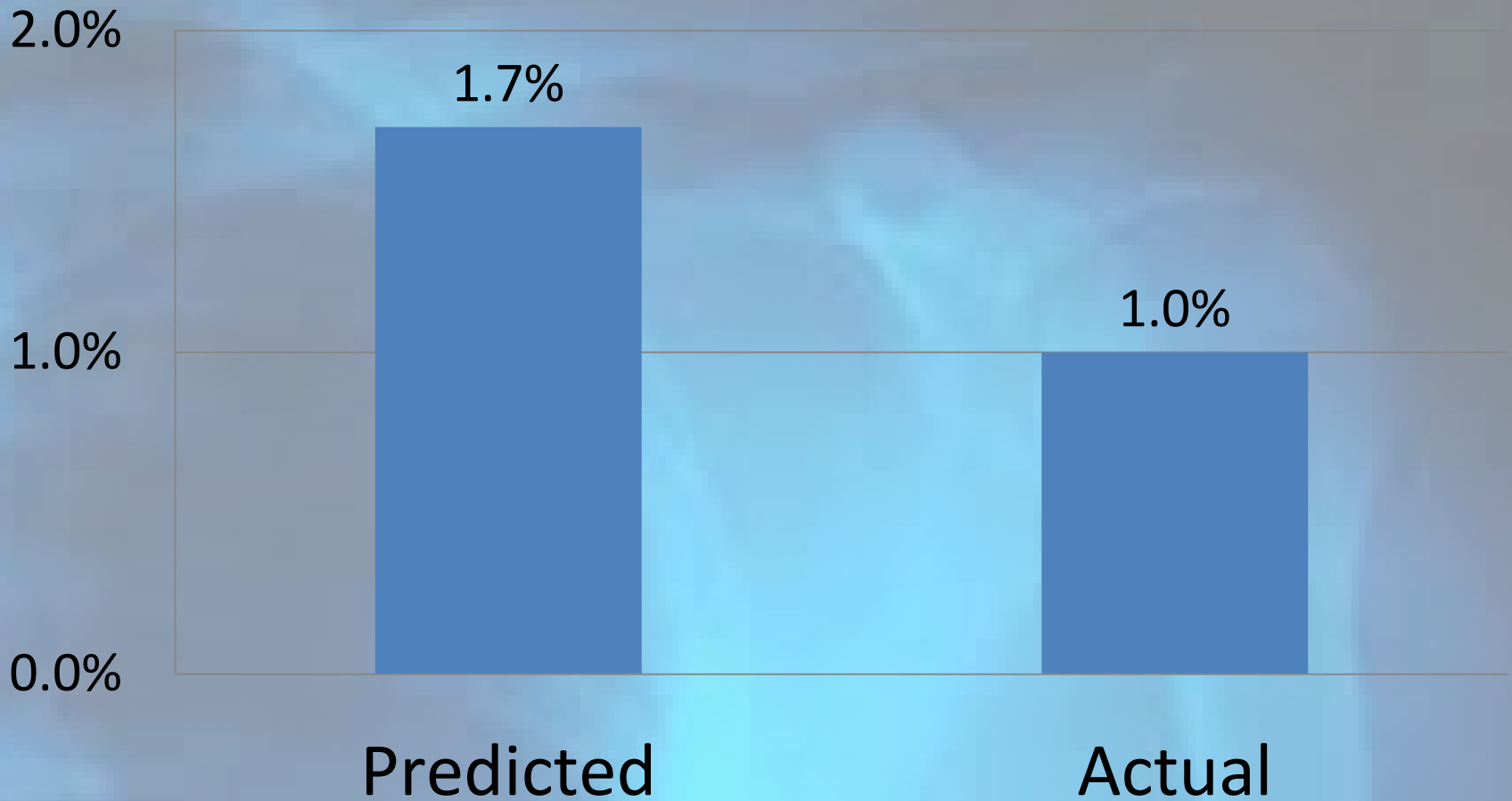
Estimated Shortage/Surplus of Primary Care Office Visits, Lewis & Clark County

Primary Care Supply	Primary Care Demand	Shortage (-) Surplus (+) Office Visits per Year
147,000	125,022	+ 21,978

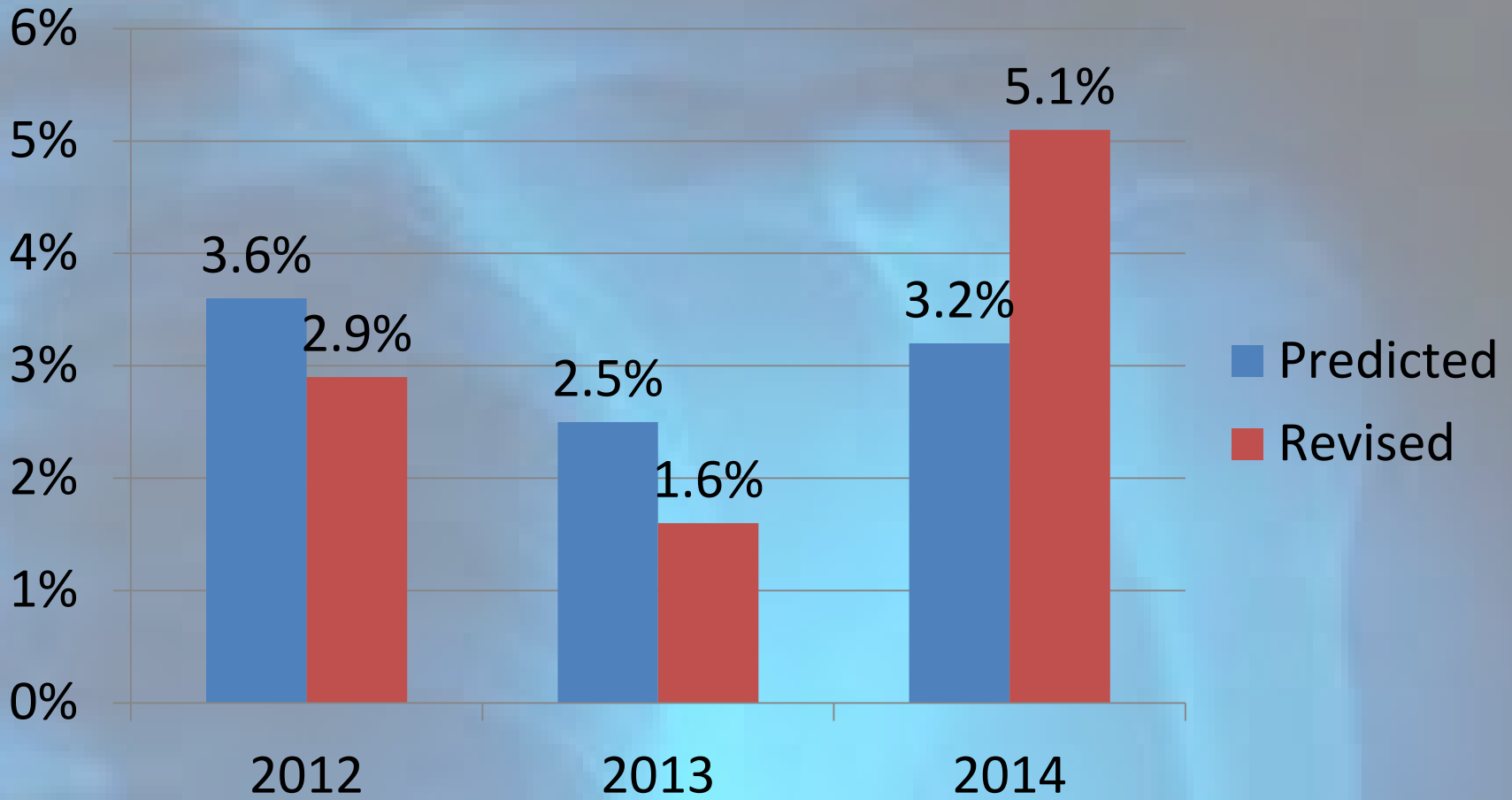
And the earnings forecast from last year?

- Depends on whether you view glass as half full or half empty
- Major revisions in key growth rates 2010-2011
 - BEA revised health care earnings growth from 3.9% to 3.2 %
 - CMS revised PHCE growth from 4.6% to 3.9%
- Impact of outsourcing on health care earnings

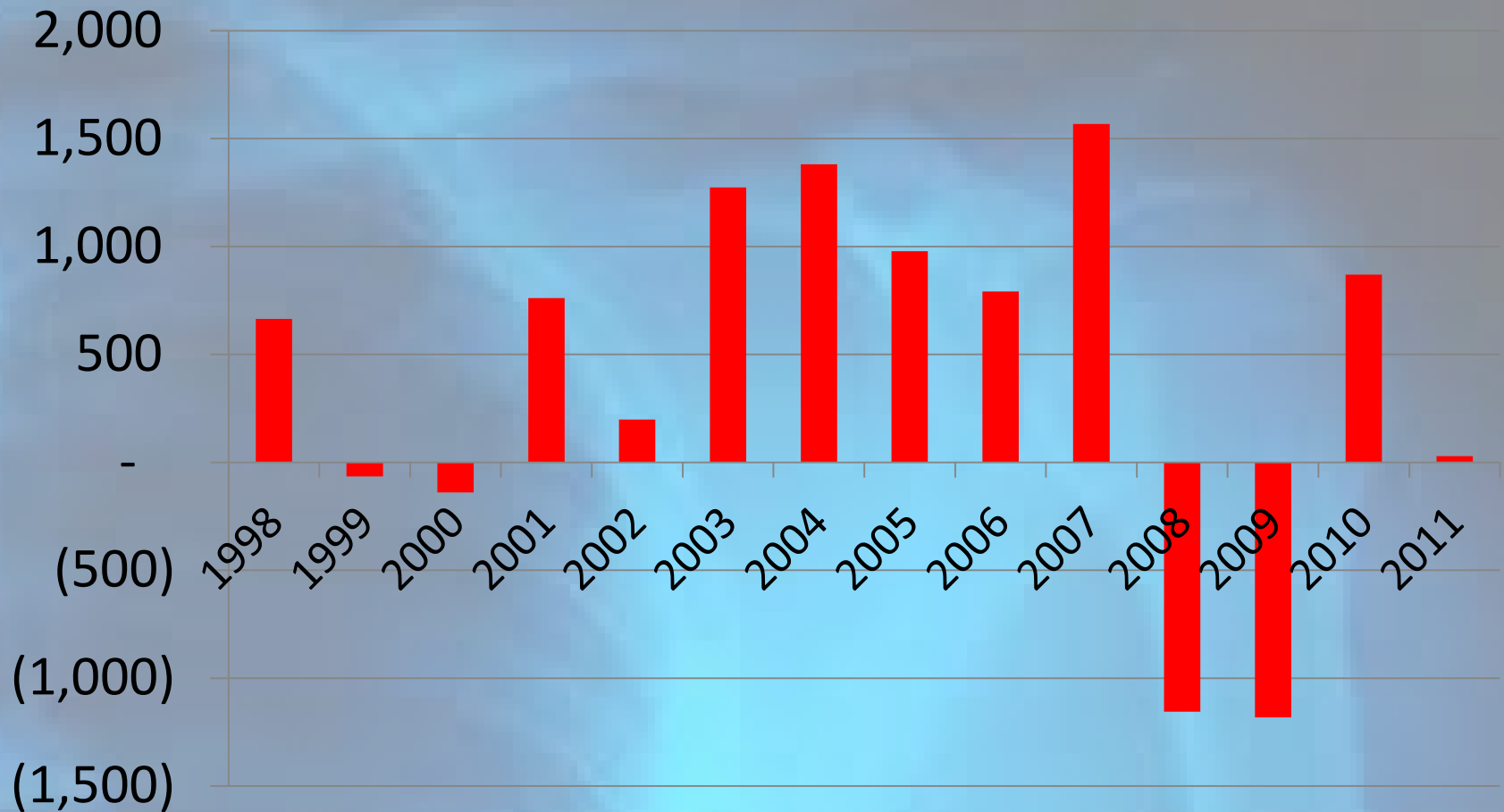
Health Care Earnings 2010-2011



Health Care Earnings, 2012-2014



Annual Per Capita Spending Available AFTER Health Care Spending



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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

