

**Will there be a doctor in the house?**

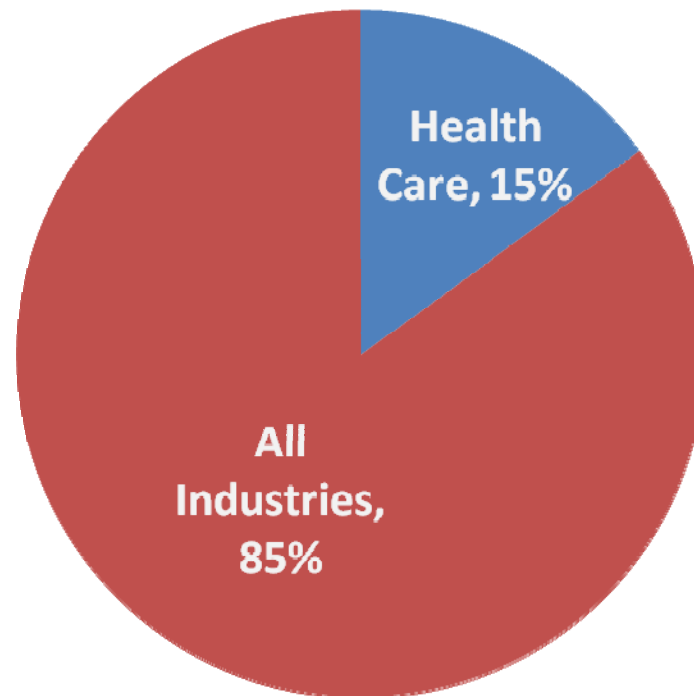


## **36<sup>th</sup> Annual Economic Outlook**

**Gregg Davis, Health Policy Analysis**

# Health care as a “jobs machine”

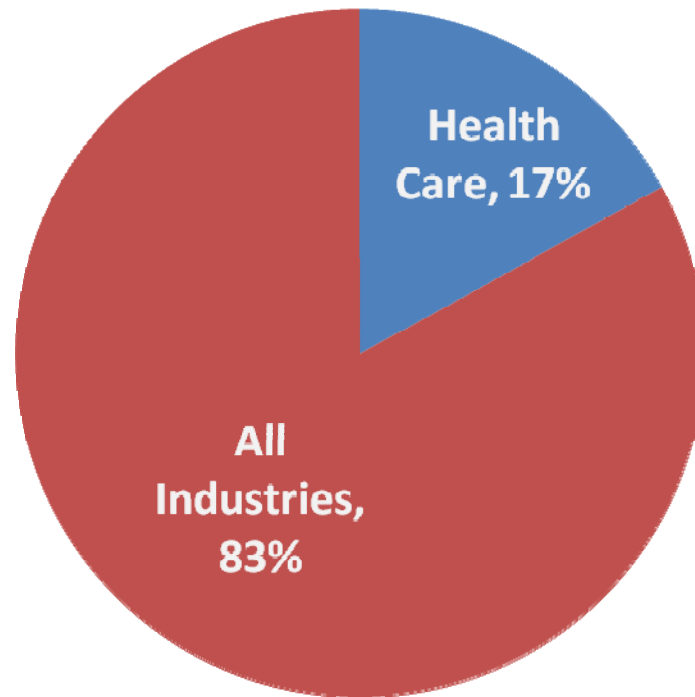
Health Care Private Employment Share of Total  
Montana Economy, 2007



Source: Bureau of Labor Statistics.

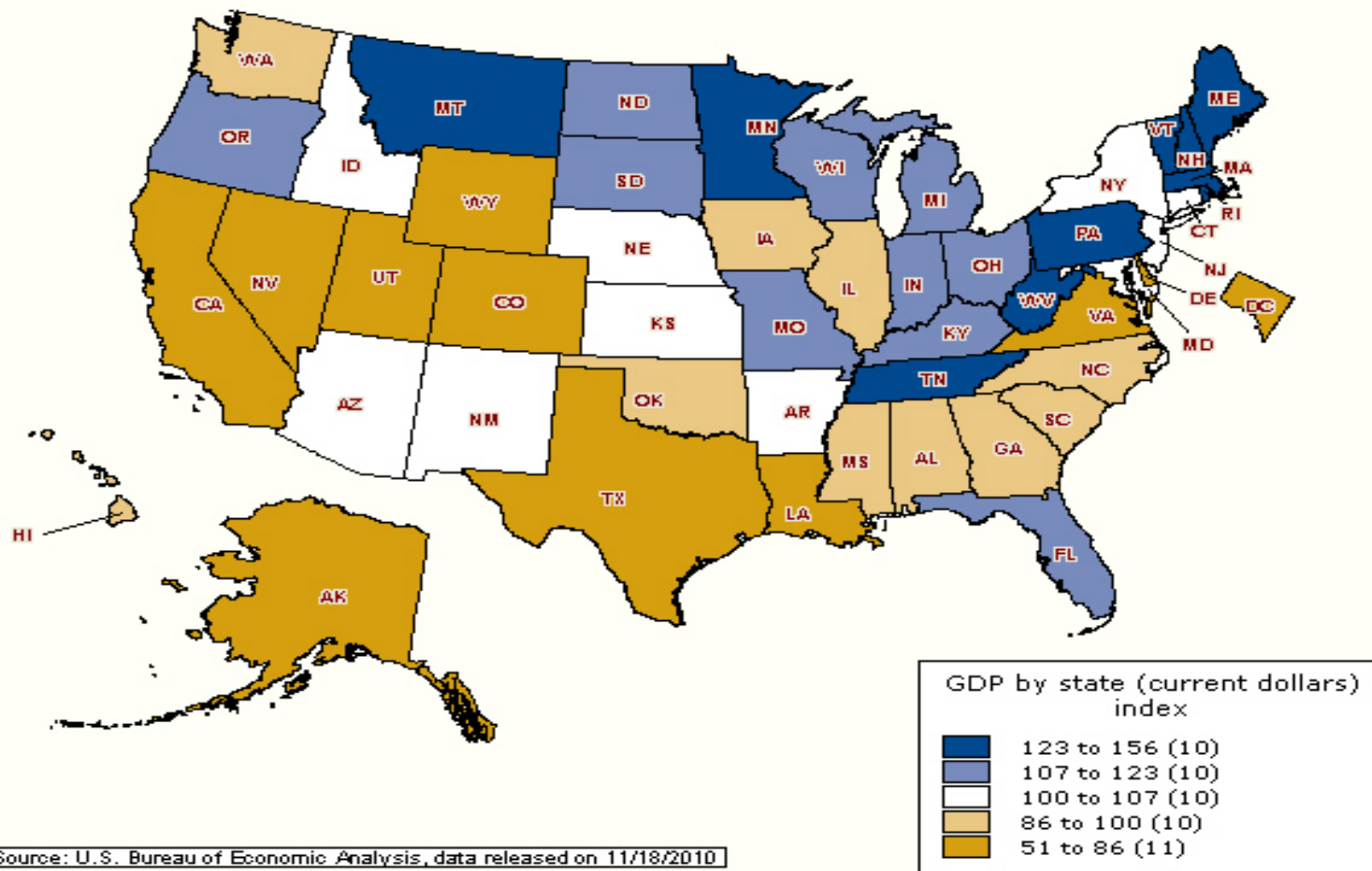
# Slice of pie increased...

Health Care Private Employment Share of Total  
Montana Economy, 2009

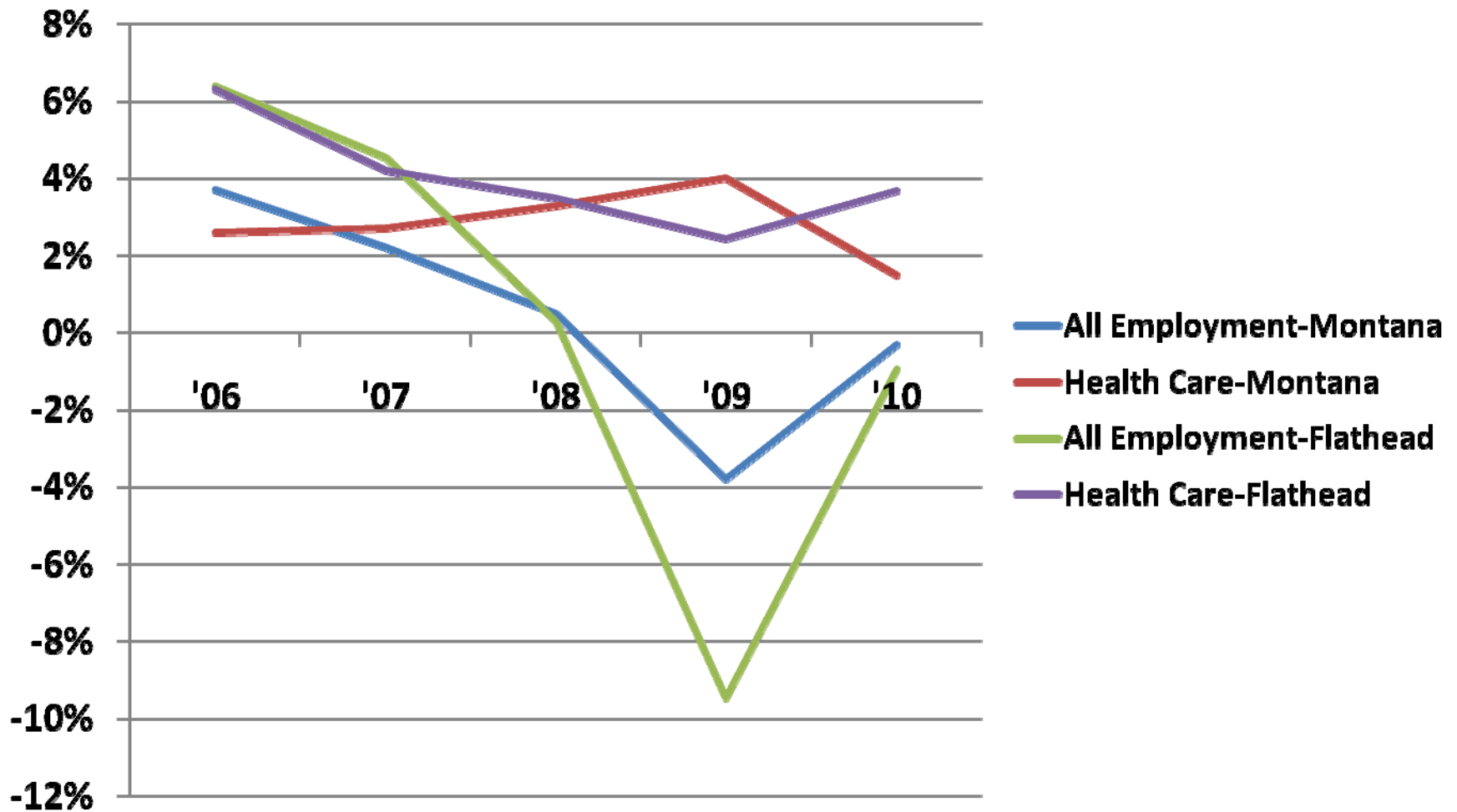


Source: Bureau of Labor Statistics.

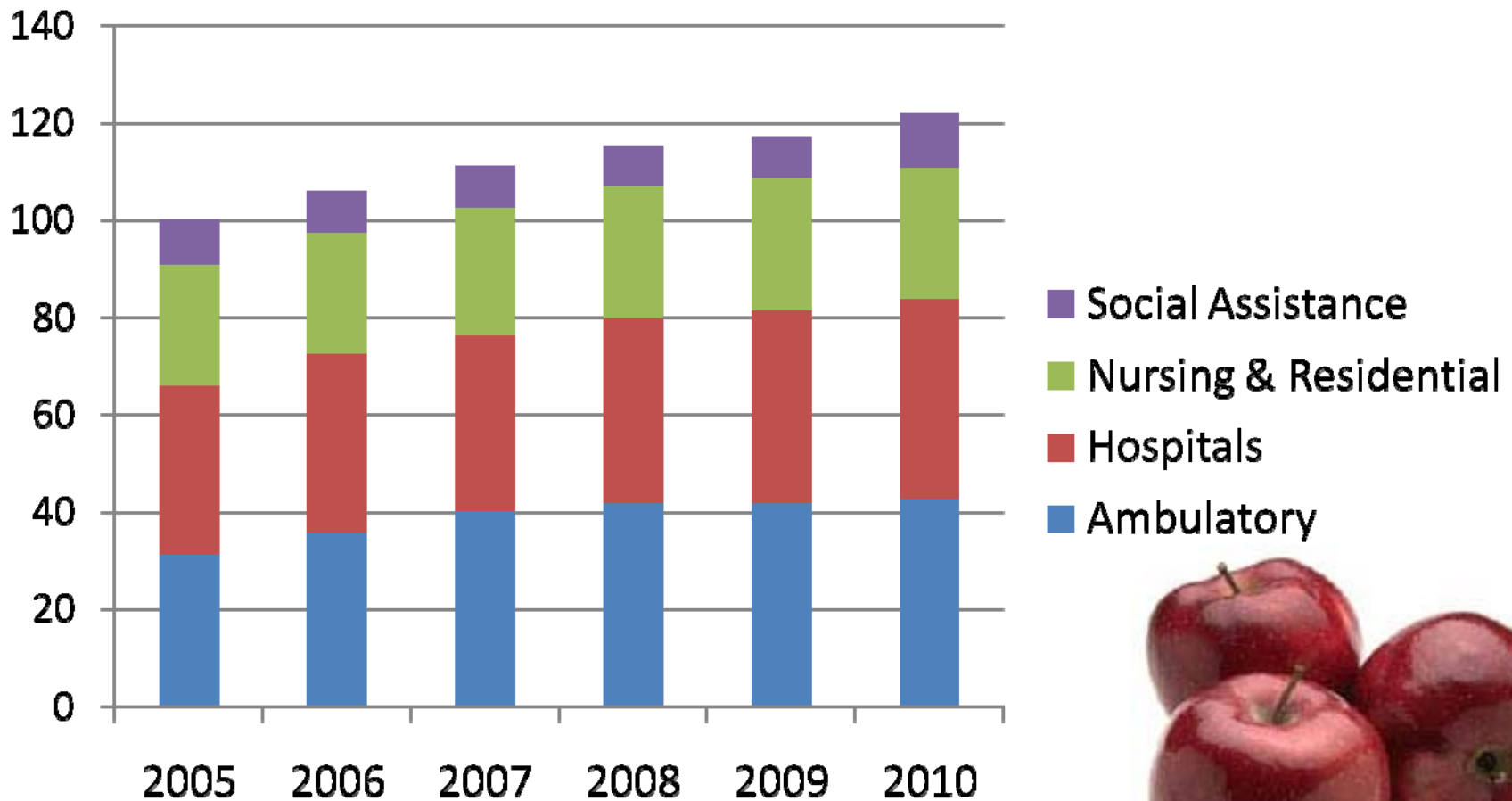
# Only a few states devote more of their GDP to health care



# Health care employment growth remains positive

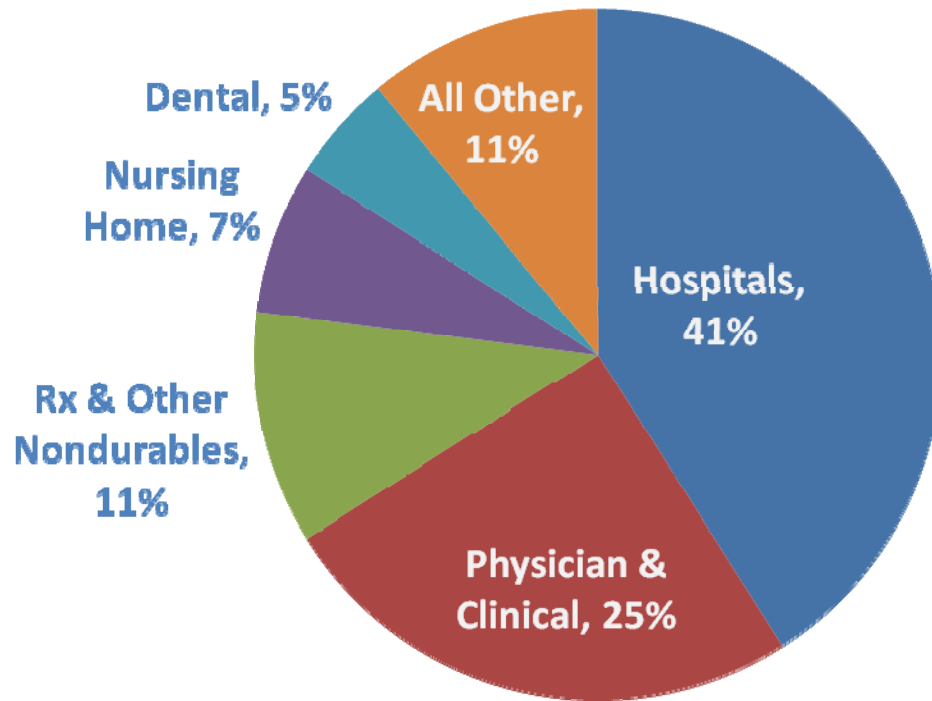


# Composition of health care employment in Flathead



# Where Do We Spend?

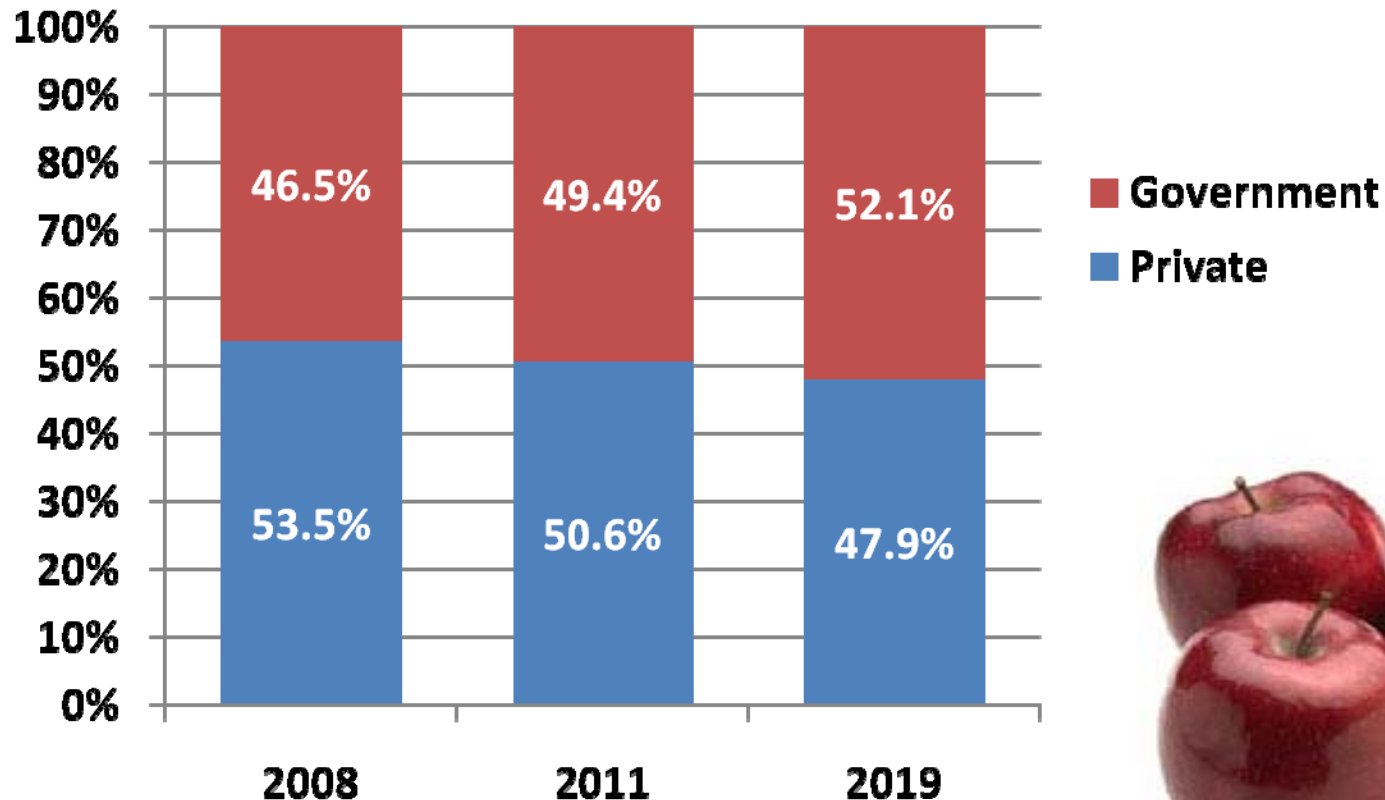
**Distribution of \$6.1 Billion Personal Health Care Expenditures, Montana**



Source: BBER-UM, Centers for Medicare and Medicaid Services.

# Who Pays is changing...

## Distribution of PHCE by Funding Source

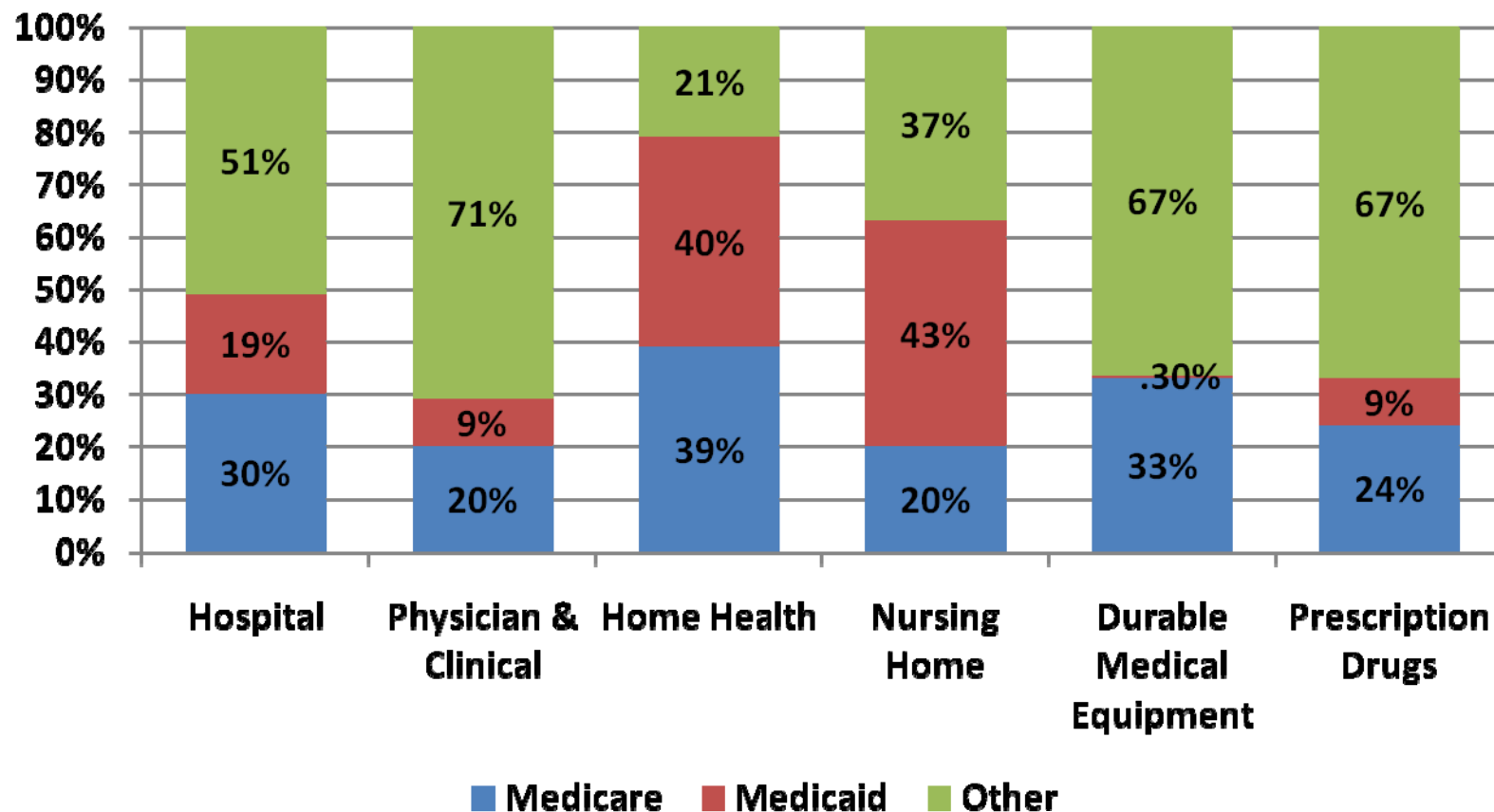


Source: Centers for Medicare and Medicaid Services.



# Who Pays Depends on What We're Buying

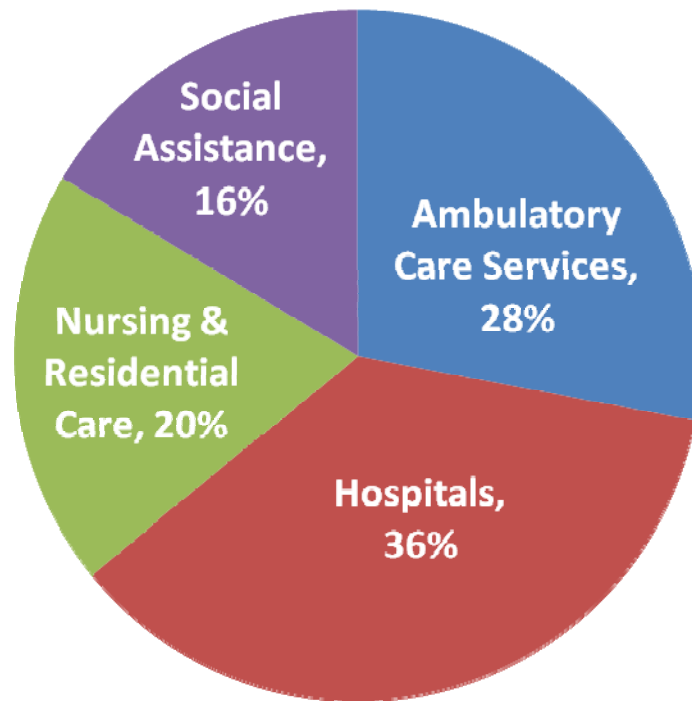
Medicare's Share of Total Personal Health Care Spending, est. 2011



Source: Centers for Medicare and Medicaid Services.

# Most Health Care Employment is in Hospitals

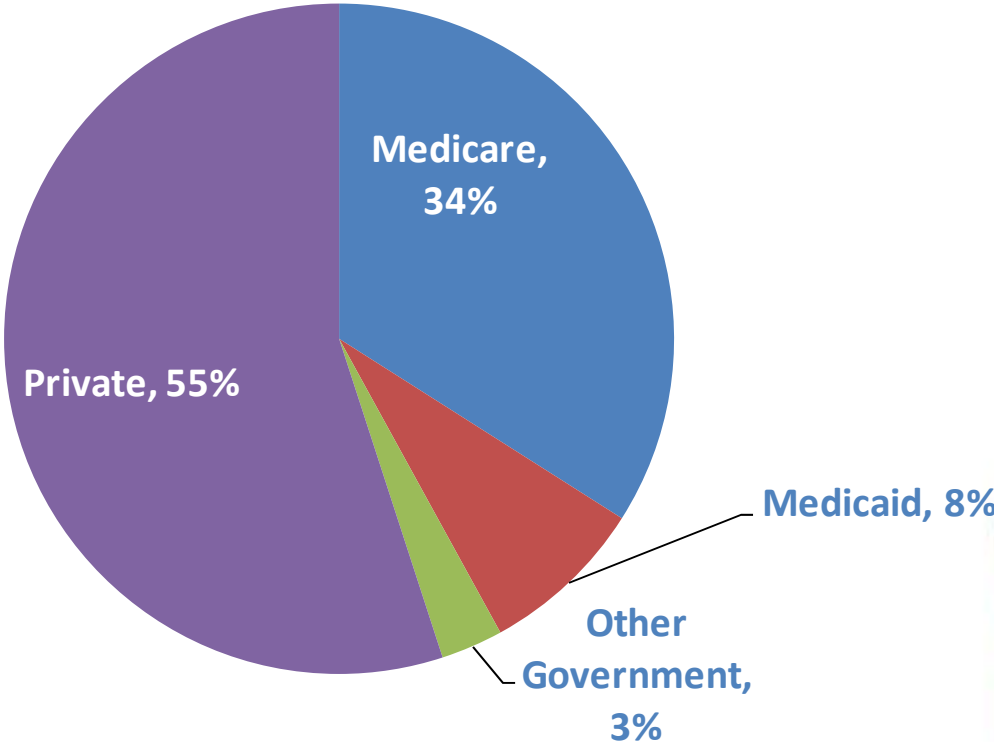
Share Total Health Care Employment, by Sector, 2009 (61,569)



Source: Montana Department of Labor and Industry.

# Where Do Montana Hospitals Get Their Revenue?

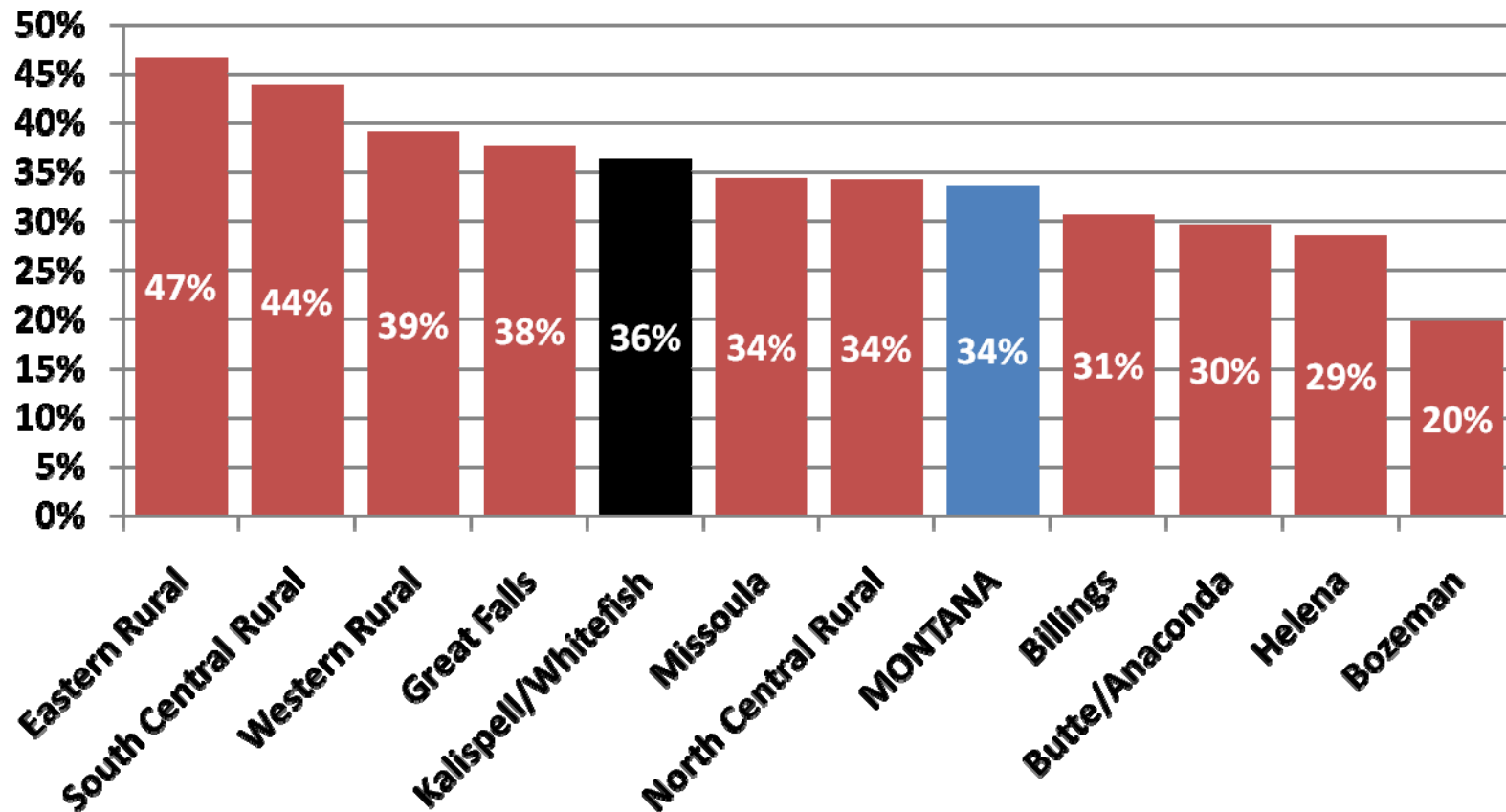
Hospital Revenues by Funding Source, Montana, 2009



Source: Unpublished data, Montana DPHHS.

# Changes in Medicare will have differential impacts...

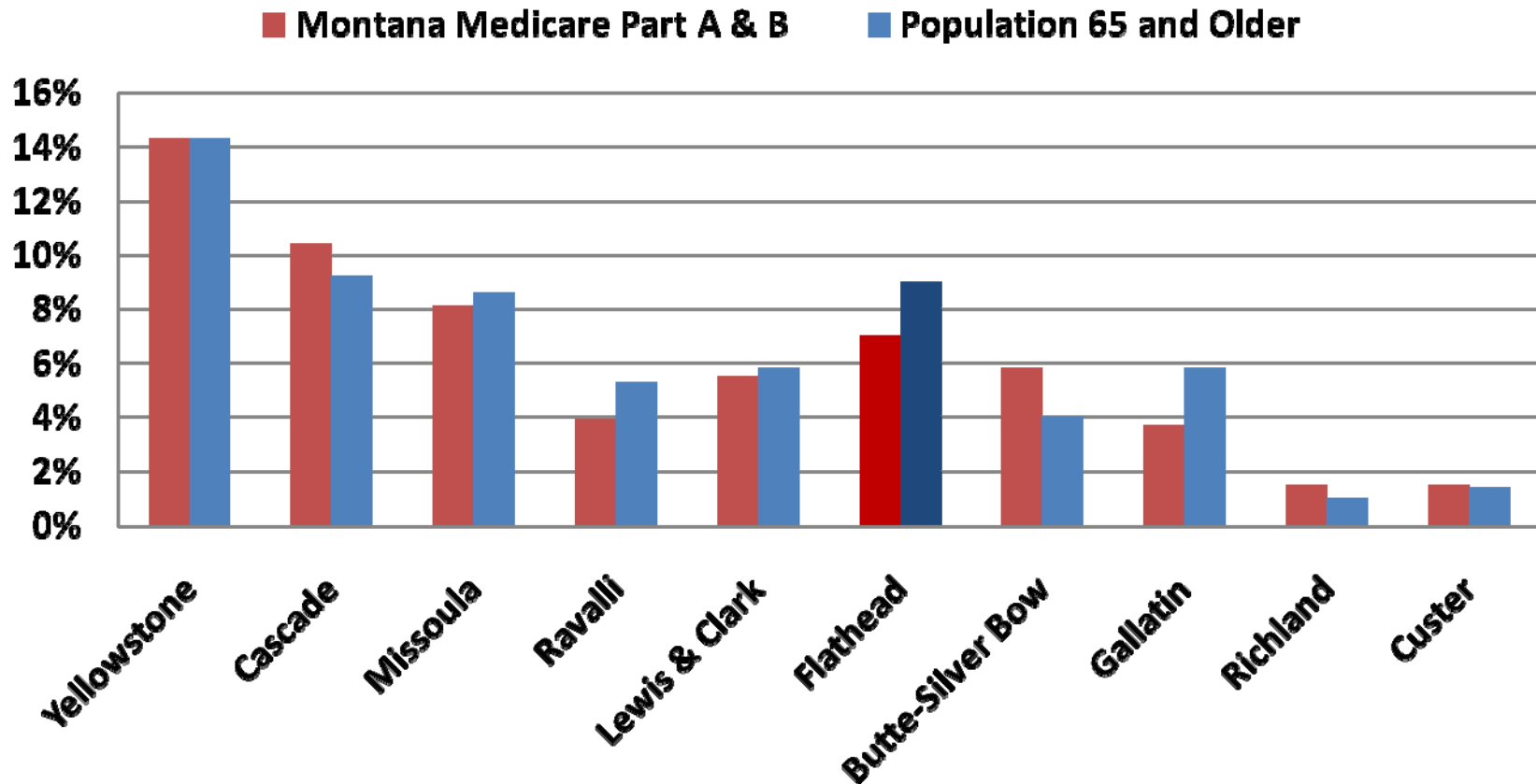
Share Hospital Revenue from Medicare, 2009



Source: Unpublished data, Montana DPHHS.

# Medicare and “the experienced” Population Match Almost Perfectly

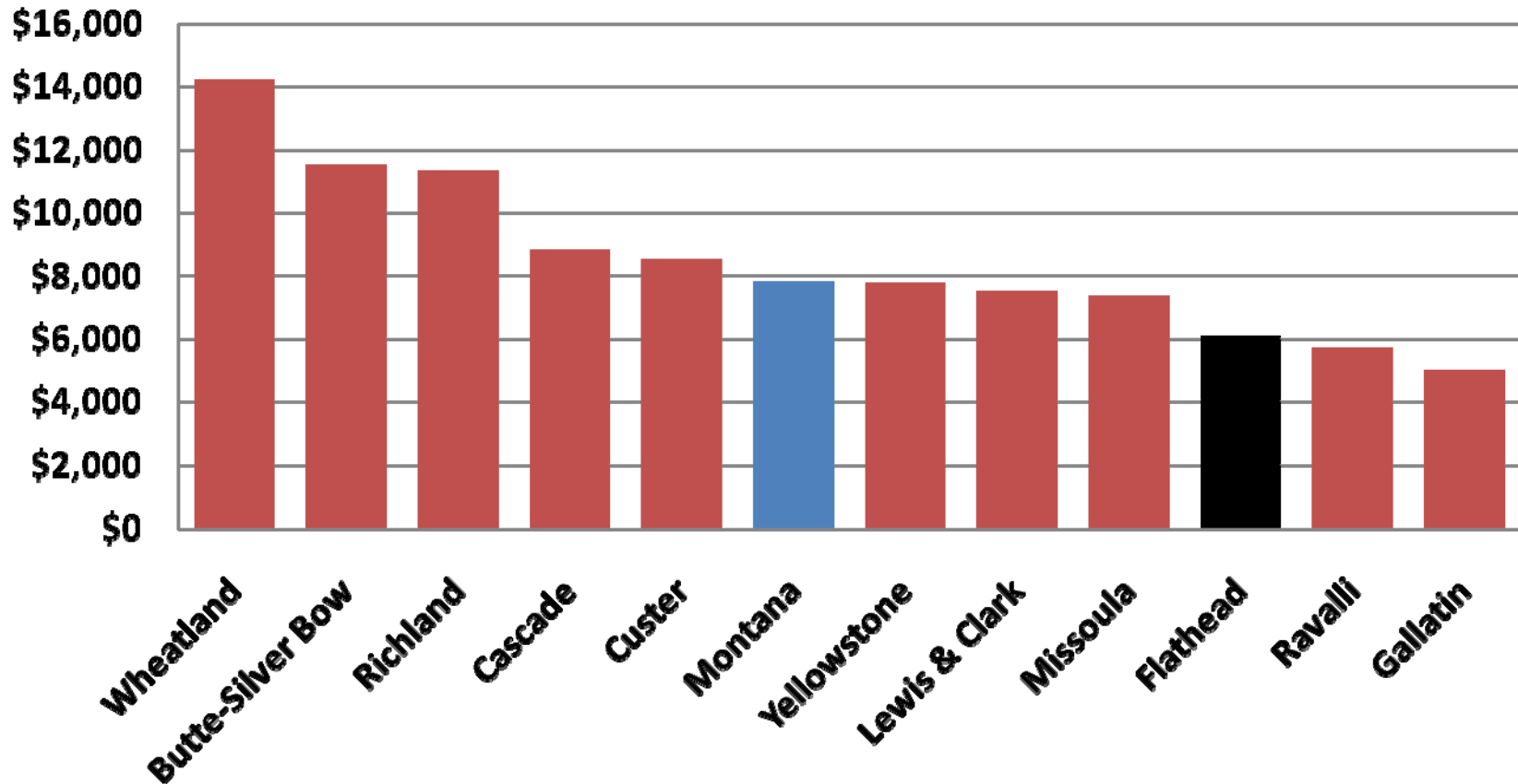
## Medicare Funding by County



Source: Consolidated Federal Funds Report, U.S. Census Bureau.

# But Big Differences in Spending per Capita

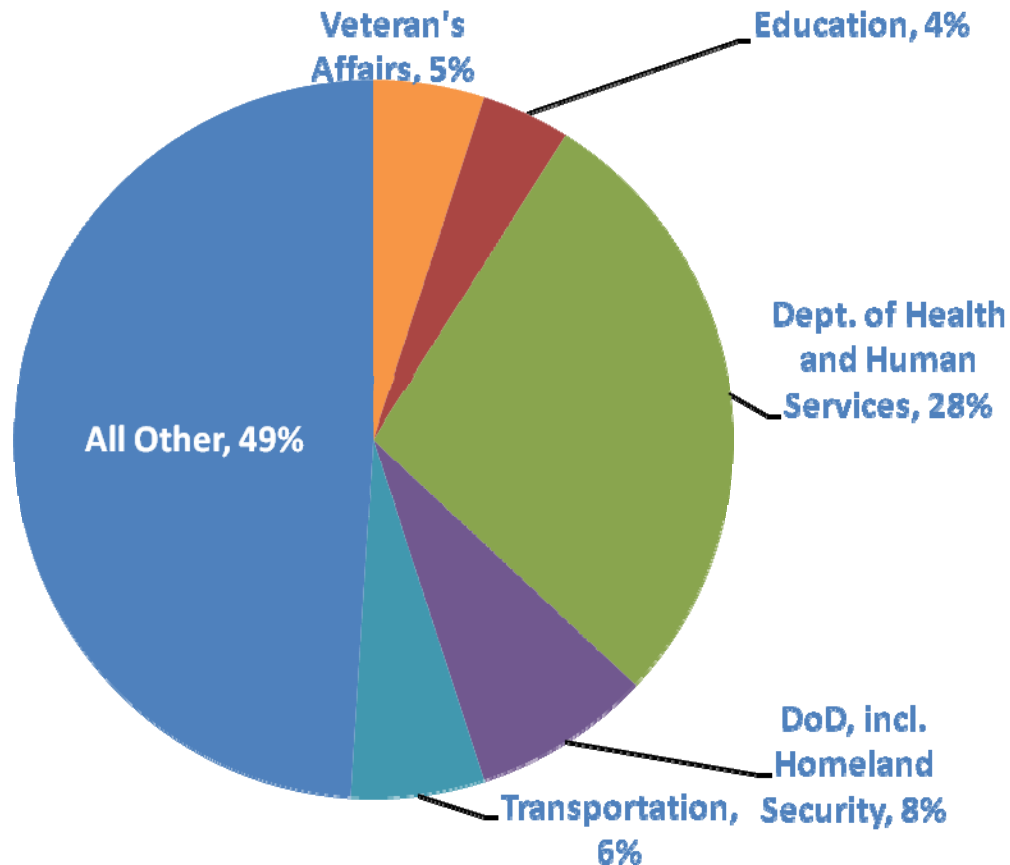
Medicare Spending/65 and Older Population



Source: Consolidated Federal Funds Report, U.S. Census Bureau.

# Dept. of Health and Human Services Big Player in Federal Funding

Share Federal Expenditures to Montana by Agency, \$10.9 Billion



Source: Consolidated Federal Funds Report, U.S. Census Bureau.



# Medicare Spending in Montana was \$1.8 billion in 2009

---

**Jobs created 21,000**

**Labor income generated \$1.1 Billion**

**Average wage \$52,000**

**Sales by businesses \$2.3 Billion**





# Medicare Spending Supports...

---

**8%** of jobs in Ambulatory Services

**43%** of jobs in Hospitals

**12%** of jobs in Nursing & Residential Care Services

**1%** of jobs in Social Assistance



# Throw in Medicaid Spending...

---

**Over 52,000 jobs**  
**\$2.4 billion in labor income**  
**\$4.3 billion in sales**

**11% of Montana total**  
**14% of Montana total**  
**5% of Montana total**

Source: BBER-UM.



## And for Health Care Specifically...

---

**37%** of all health care jobs

**21%** of all ambulatory care jobs

**71%** of all hospital jobs

**51%** of all nursing & residential care jobs

**3%** of all social assistance jobs



# Montana Hospital Outlook

---

- PPACA impact: 64% uncertain, 28% unfavorable
- Increased use of mid-levels (90%)
- Marcus Welby effect (92%)
- Future of ACO's uncertain (64%)
- Staffing
  - Increase need for nurses, physicians, paraprofessionals and laboratory
  - No change in imaging and ancillary
- Challenges: workforce, capital



---

# Think apples. Up next, **Agriculture**

Gregg Davis

[gregg.davis@business.umt.edu](mailto:gregg.davis@business.umt.edu)

