

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

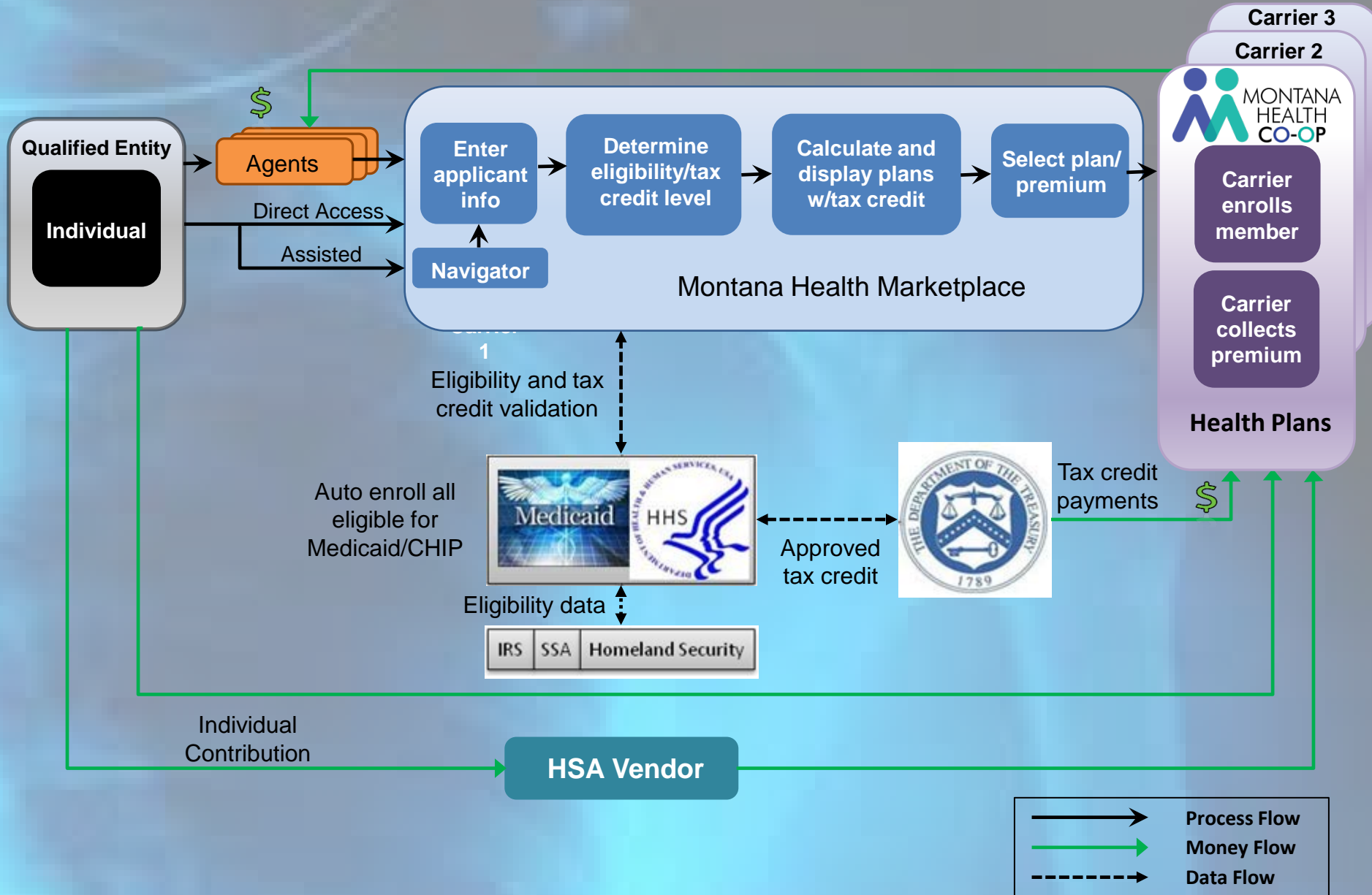
Some Common Concerns about the ACA

- 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

How Does the Marketplace Work?



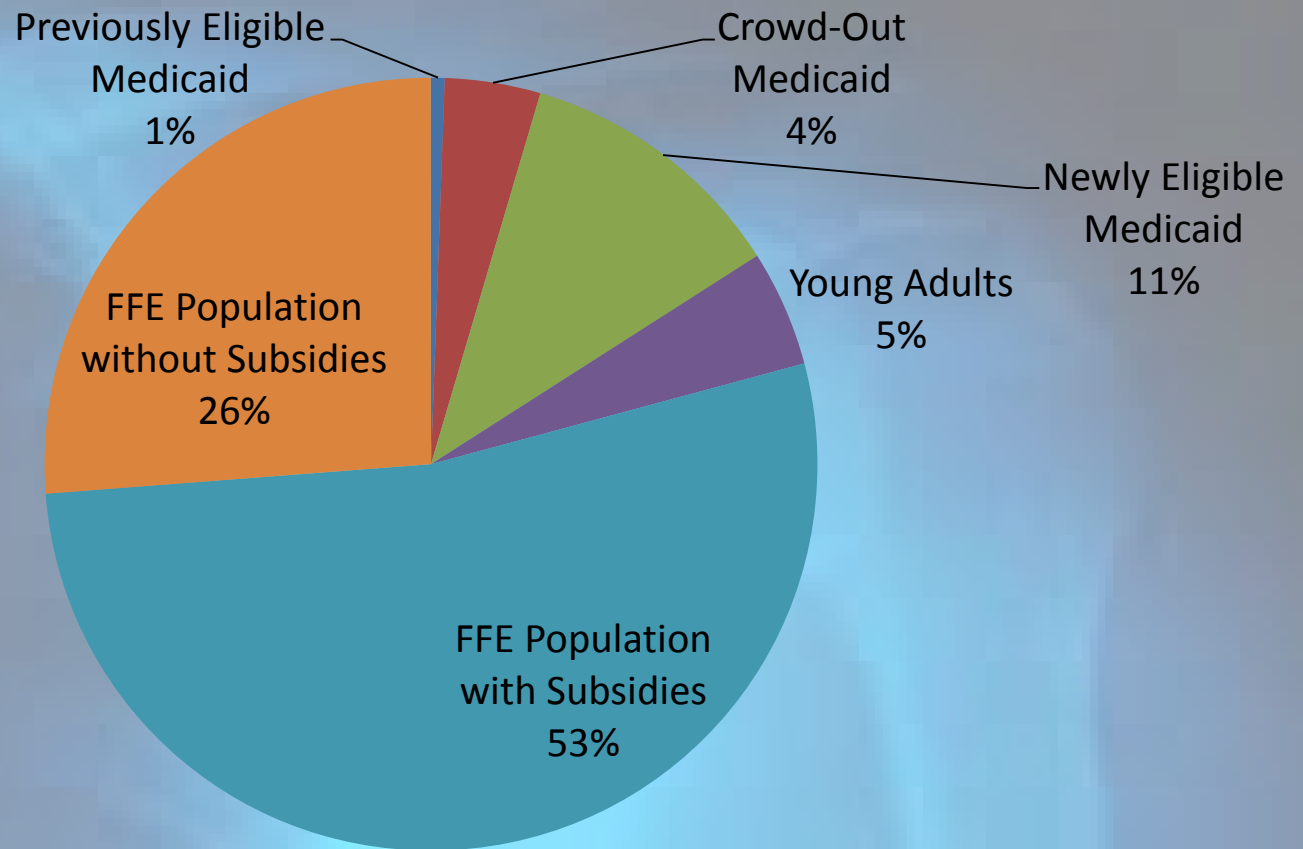
Montana Family of 4: Head of Household Age 40

	\$35,137 (150%)	\$58,562 (250%)	\$81,987 (350%)
Premium for Silver Plan	\$12,130	\$12,130	\$12,130
Family Responsibility	\$1,405 (4%) (\$117/month)	\$4,714 (8%) (\$393/month)	\$7,789 (9.5%) (\$649/month)
Government Tax Credit	\$10,725	\$7,416	\$4,341
Maximum Out-of-Pocket, exc. Premiums	\$4,167	\$6,250	\$8,333

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

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 ACA

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

Pre ACA Primary Care Demand in Montana, Gallatin 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
Gallatin County	78,021	34,120	23,278	5,901	8,279	4,664

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, Gallatin County

	Ambulatory Care Setting					Total Additional Office Visits
	Primary Care	Surgical Specialty	Medical Specialty	Hospital Outpatient	Hospital ER	
Private Insurance	10,873	3,253	2,695	(163)	(1,631)	15,027
Medicaid	7,758	651	606	2,691	1,663	13,369
Total Increase	18,631	3,904	3,301	2,528	32	28,396

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

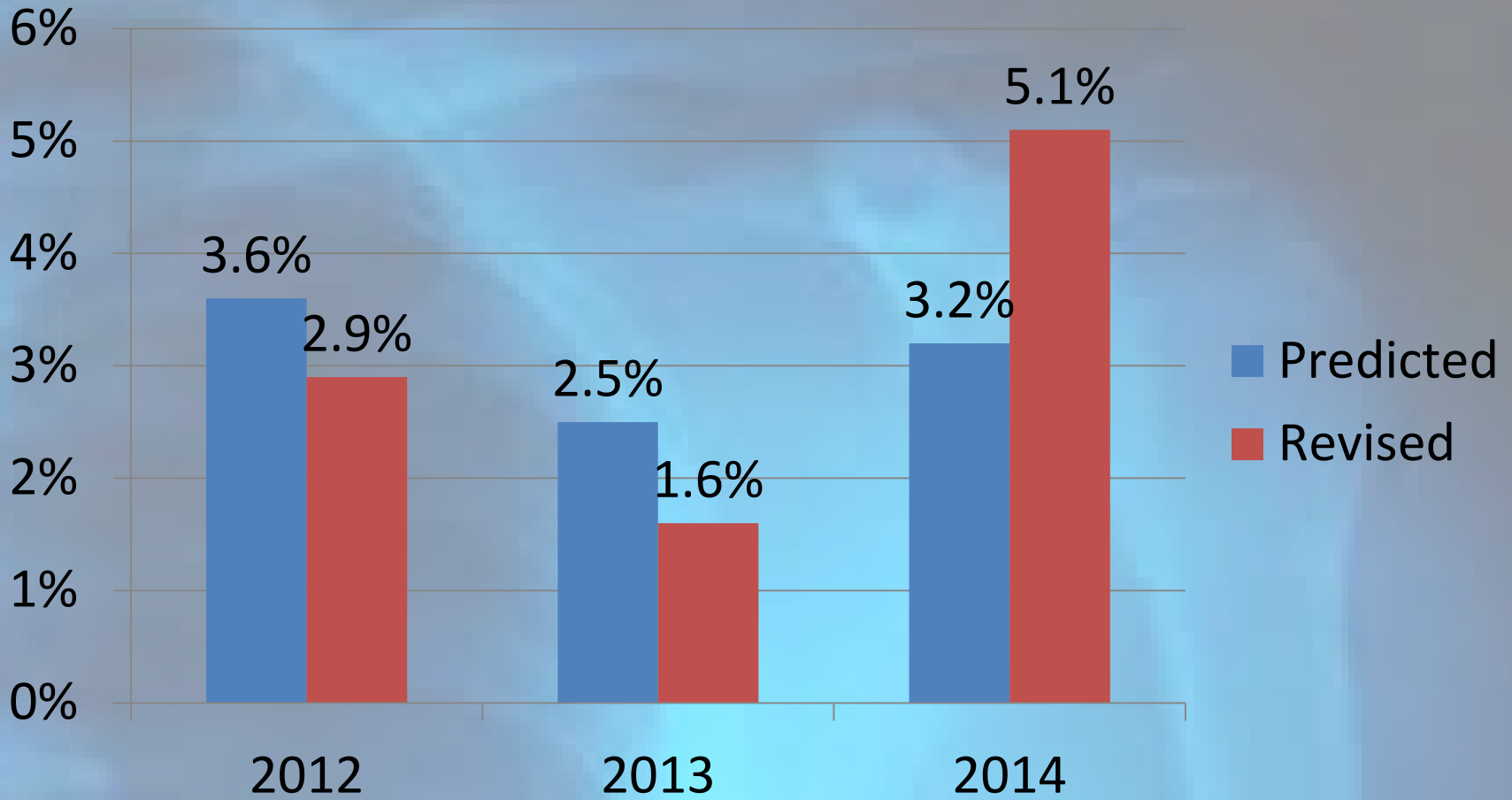
Estimated Shortage/Surplus of Primary Care Office Visits, Gallatin County

Primary Care Supply	Primary Care Demand	Shortage (-) Surplus (+) Office Visits per Year
226,800 (revised)	172,895	+53,905

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 per se

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

