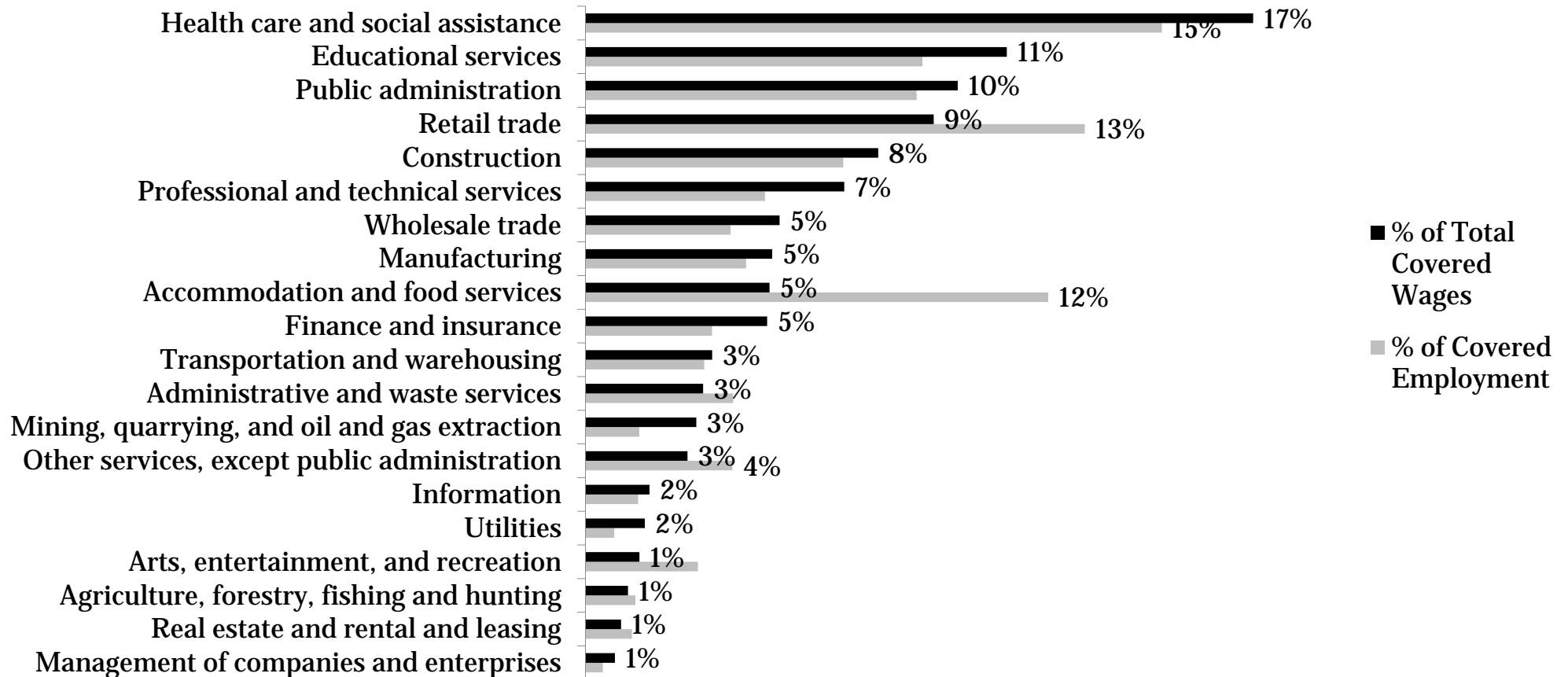


# The Contribution of Health Care to Montana's Economy

Bryce Ward

**Note: The slides in this packet are intended as a handout. They will not exactly match the presentation.**

## Health Care is Montana's largest industry.



Source: Quarterly Census of Employment and Wages

## Health care is more than just hospitals.

### Components of Health Care, Total Covered Wages and Total Covered Employment

	<b>Total Employment</b>	<b>Percent of Industry Total</b>	<b>Total Wages</b>	<b>Percent of Industry Total</b>
<b>Ambulatory health care services</b>	19,888	29%	1,076,400,000	34%
<b>Hospitals</b>	25,091	37%	1,491,600,000	48%
<b>Nursing and residential care facilities</b>	13,243	19%	352,511,252	11%
<b>Social assistance</b>	10,359	15%	212,219,944	7%

Source: Quarterly Census of Employment and Wages, Does not include data for state government facilities

## Private Sector Health Care Employment by County

<b>County</b>	<b>Employment</b>	<b>Total Wages</b>	<b>% of Private Employment</b>	<b>% of Private Wages</b>
<b>Montana</b>	66,203	2,990,400,000	17%	21%
<b>Cascade</b>	6,581	291,673,456	22%	27%
<b>Flathead</b>	6,693	335,013,876	17%	24%
<b>Gallatin</b>	5,346	235,780,276	11%	13%
<b>Lewis and Clark</b>	4,810	207,770,368	19%	22%
<b>Missoula</b>	9,968	438,800,000	20%	25%
<b>Silver Bow</b>	3,397	142,353,080	25%	28%
<b>Yellowstone</b>	13,152	736,000,000	18%	24%

Source: Quarterly Census of Employment and Wages

**Do we primarily care about health care in our communities because it employs people?**



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**We mostly care about health care in our communities because we want it nearby if we need it. Health care makes our communities more desirable places to live and work.**

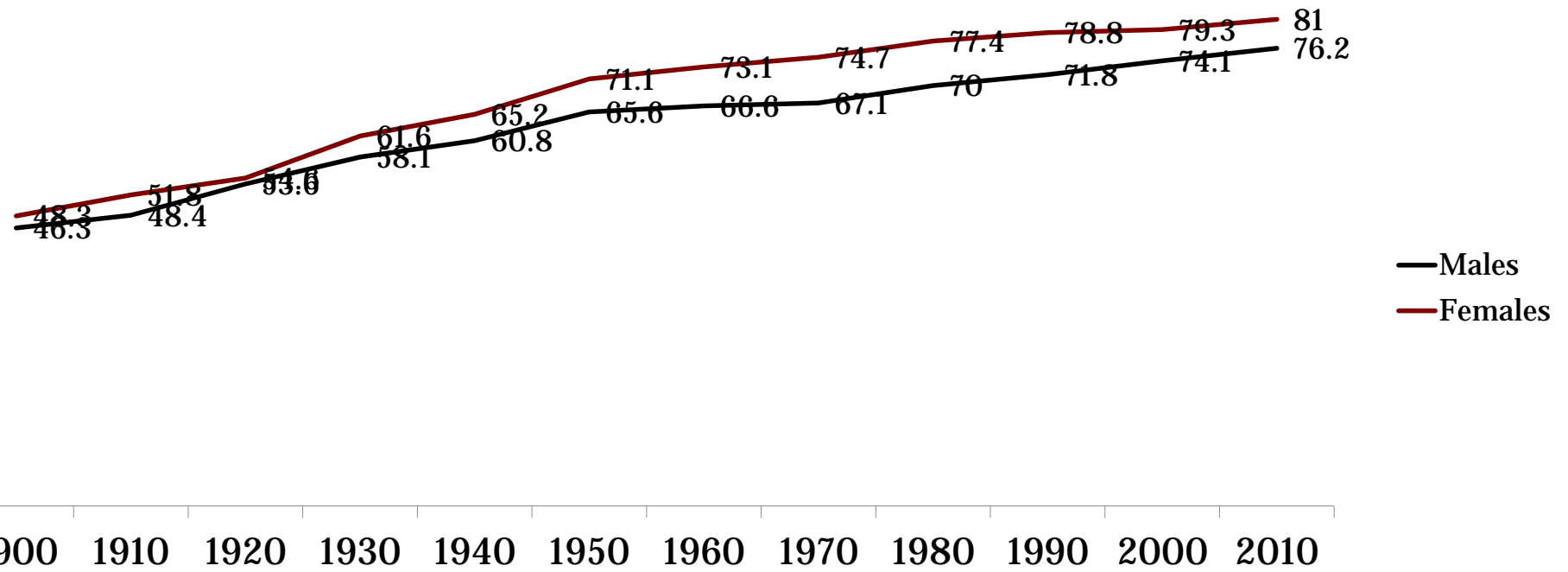
**Why do people want to live near health care providers?**

**Because people value their health, and health care helps people be healthy.**





### Life Expectancy at Birth, 1900-2010

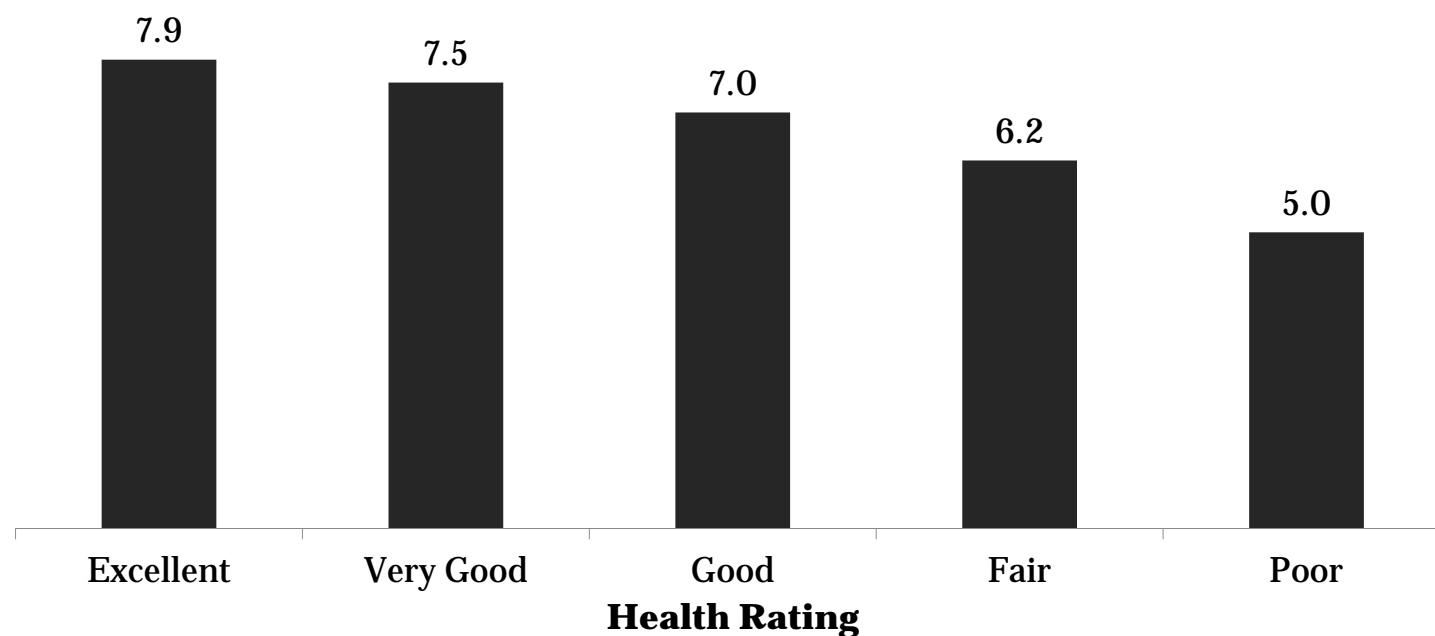


**How valuable is health? Which would you choose? A modern life expectancy or the life expectancy in 1900 + a briefcase with millions of dollars?**



## How valuable is health? Quality also matters.

On a ladder where 10 equals the best possible life for you and 0 equals the worst possible life for you, where do you stand at the present time?



Source: American Time Use Survey, Well-Being Module, reported values adjusted to account for demographic differences.

## **What is the link between health and health care?**



## What is the link between health and health care?



**The fundamental contribution of health care to a local economy is producing health. Health is extremely valuable. The fact that Montanans today expect to live longer, healthier lives than Montanans in the past, produces billions of dollars of value for Montana's economy.**

# **What would happen to a community that lost its health care sector?**

In a community without health care, residents face a choice:

- Forego care
- Travel to obtain care
- Move closer to care

# **What would happen to a community that lost its health care sector?**

A well developed health care sector means:

- (a) Fewer people skip care because of distance (improved health)
- (b) Fewer people need to travel to obtain care (money remains in community increasing economic activity, supporting additional jobs,)
- (c) People (and firms) are more likely to stay or move in (more capacity).

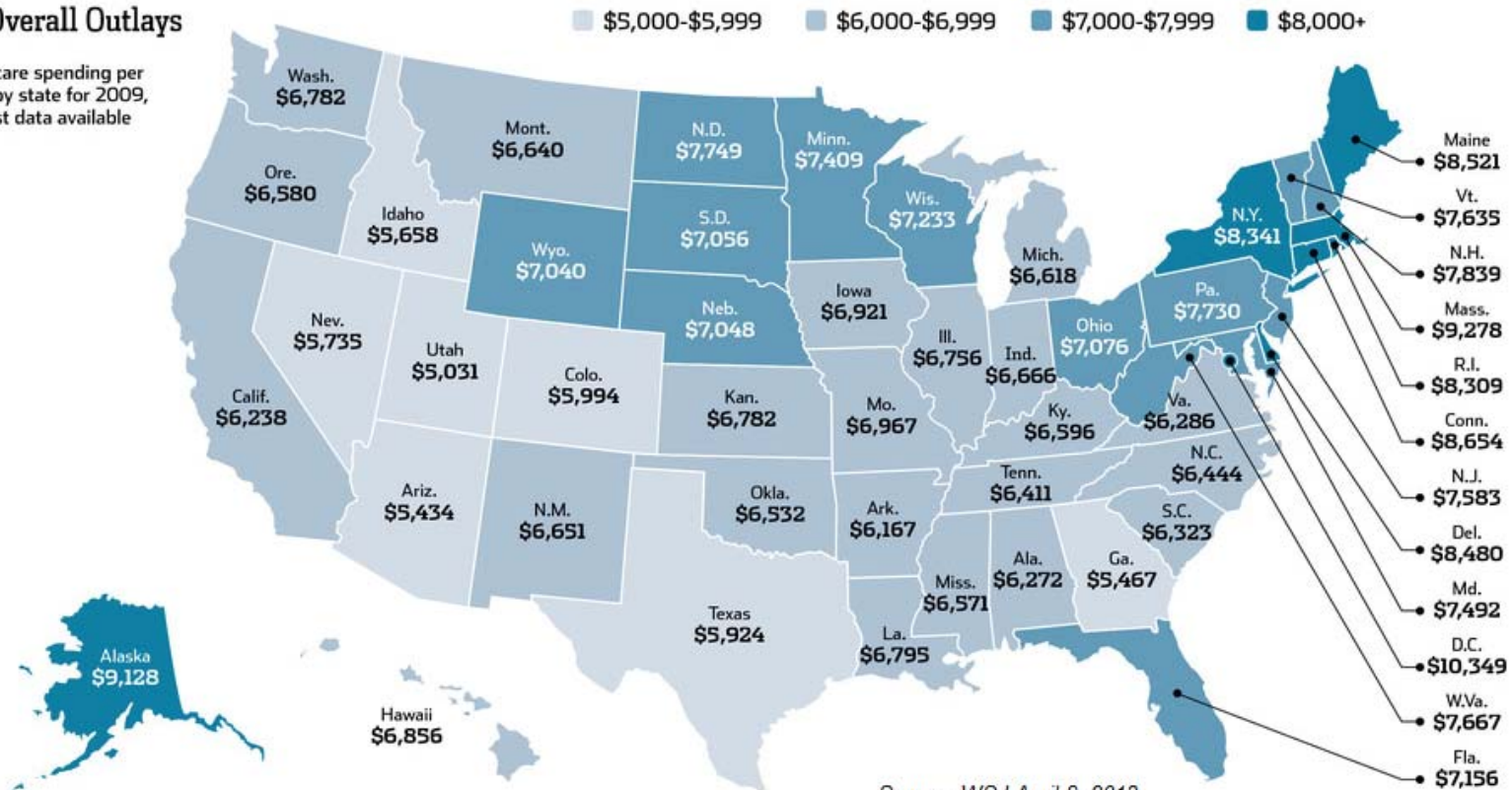


**The efficiency of the local health care sector also matters. A more efficient health care sector produces more health at a lower cost (leaving more money in residents' pockets).**

# Health care spending per person in Montana is below average.

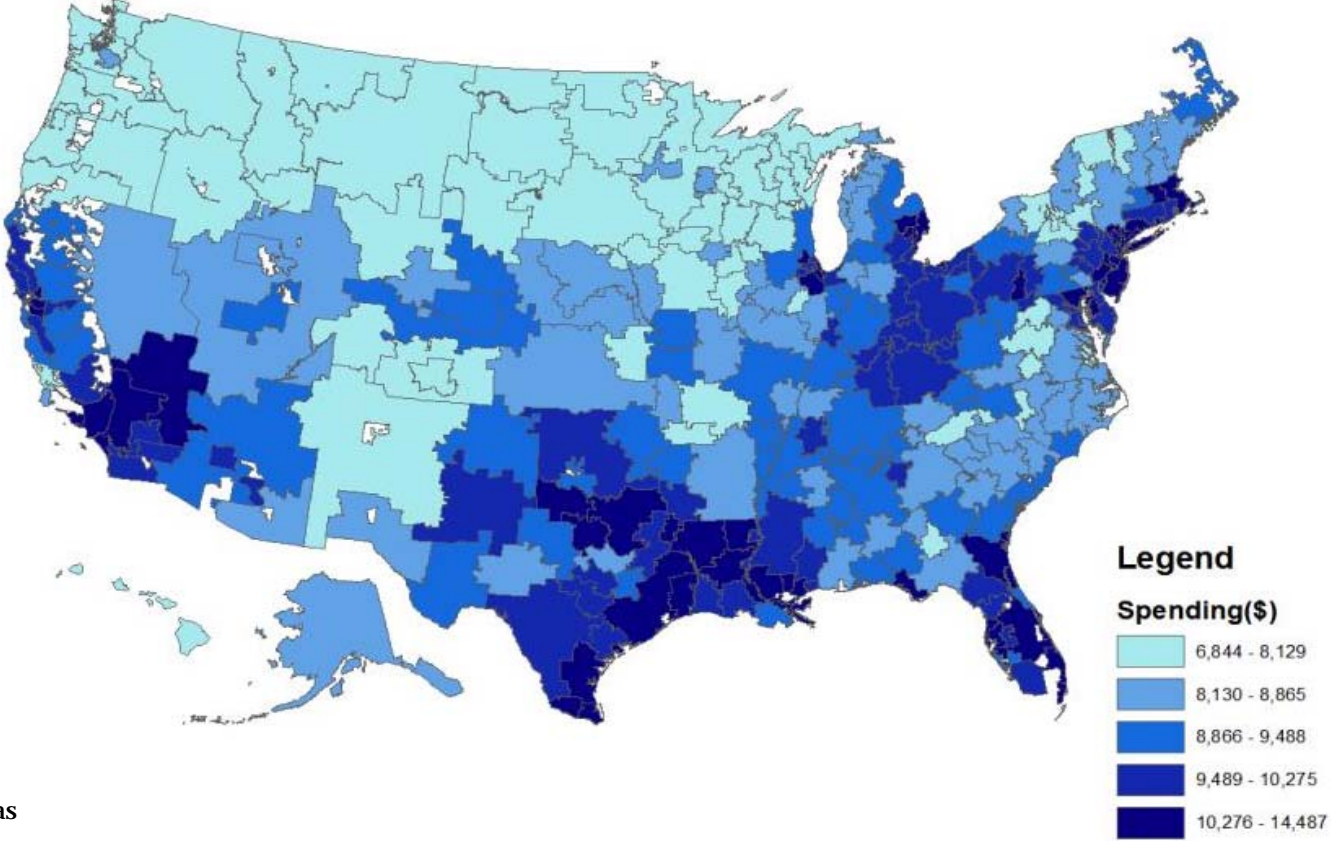
## \$ Overall Outlays

Health-care spending per person by state for 2009, the latest data available



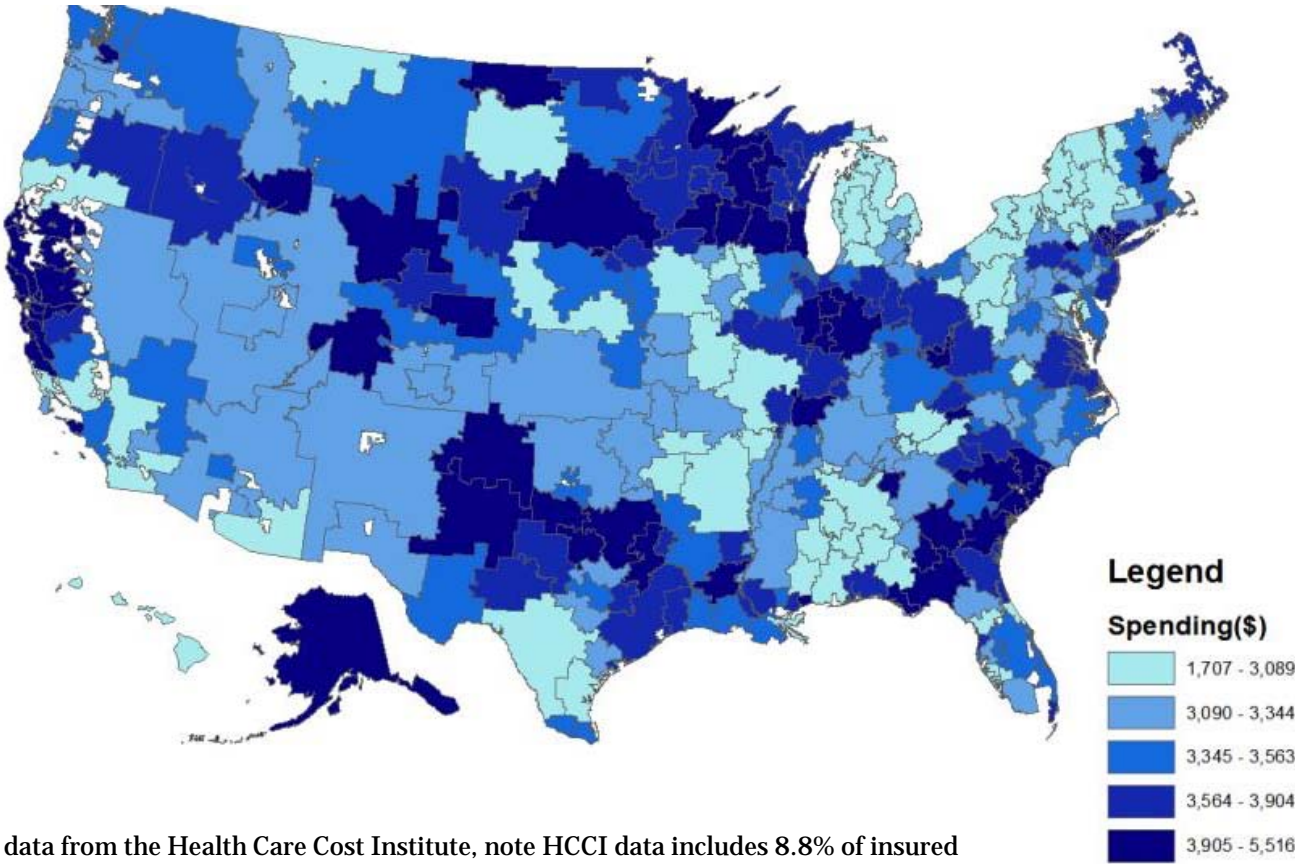
Source: WSJ April 8, 2013

# Health care spending per Medicare beneficiary (2011) in Montana is well below average.



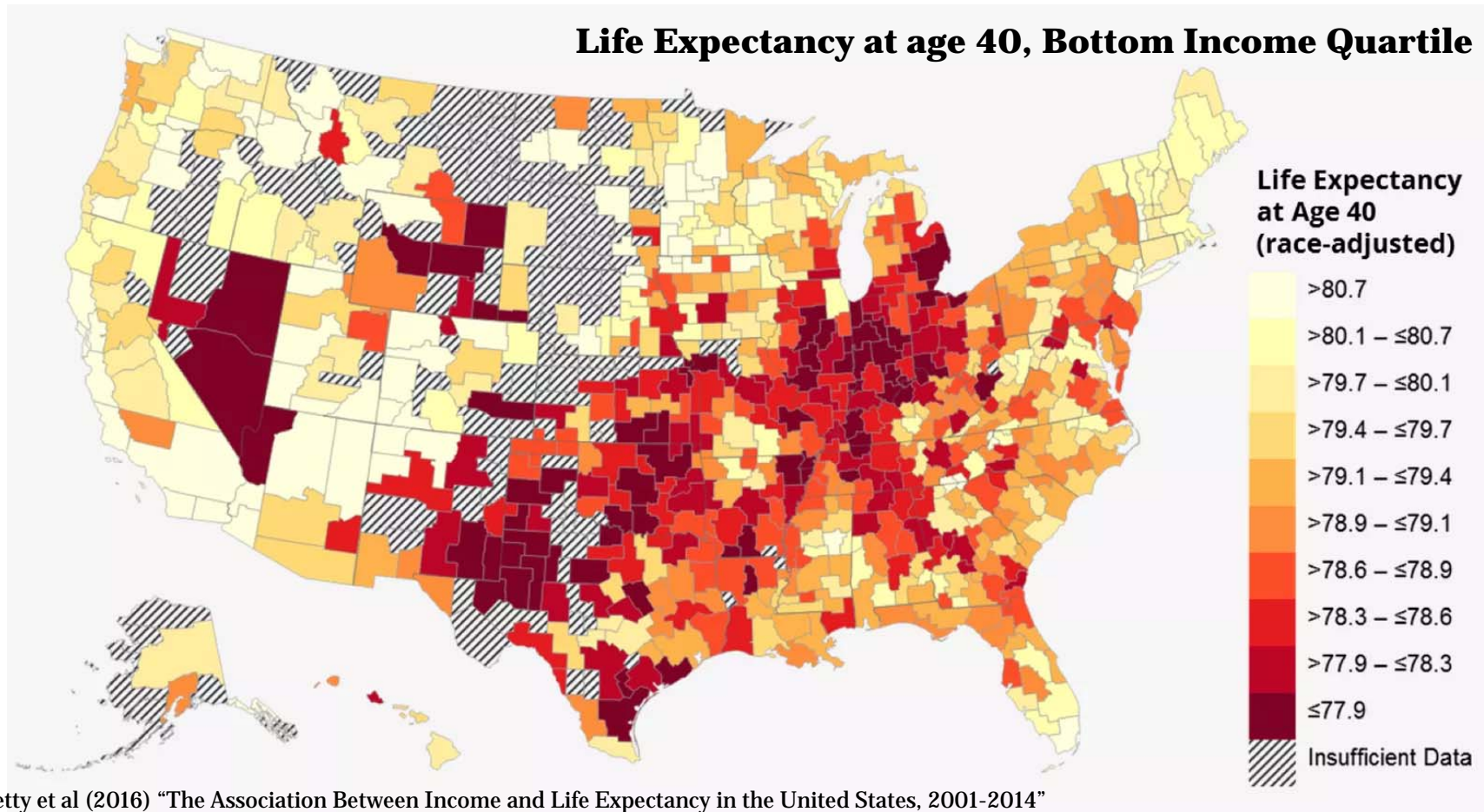
Source: Dartmouth Atlas

# Health care spending per employer sponsored beneficiary (2007-2011) in Montana is average or below average



Source: Cooper et al (2015) using data from the Health Care Cost Institute, note HCCI data includes 8.8% of insured Montanans.

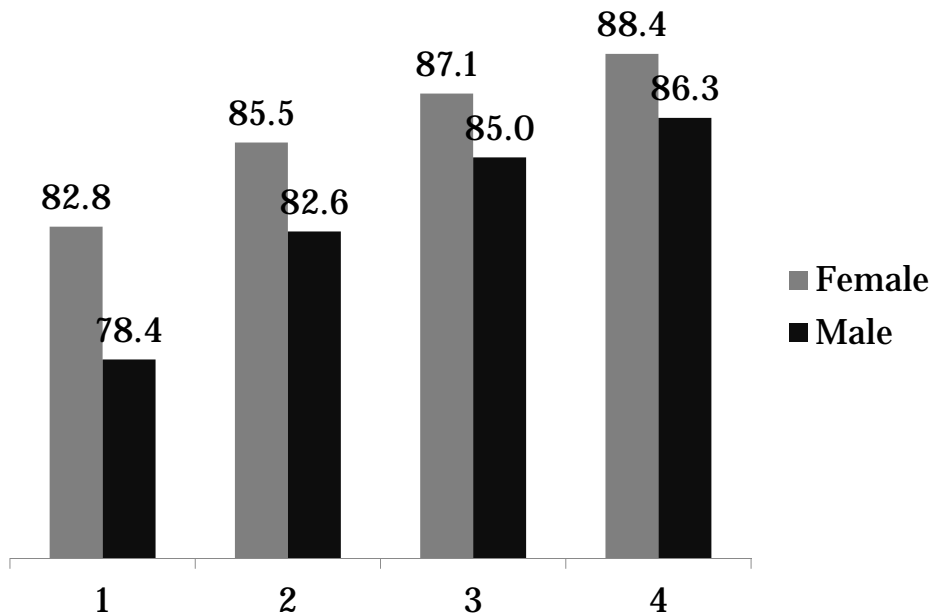
## Health outcomes in Montana are good



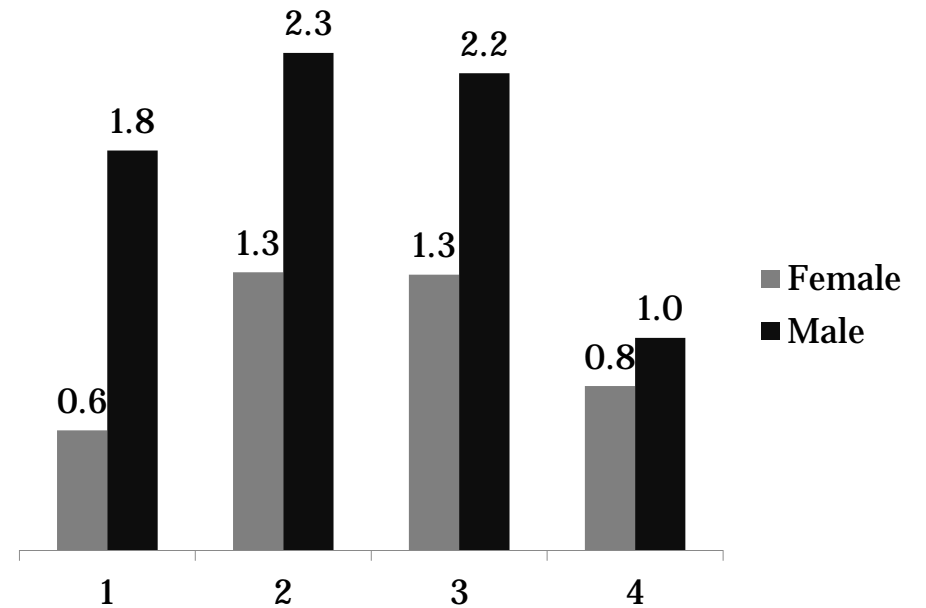
Source: Chetty et al (2016) “The Association Between Income and Life Expectancy in the United States, 2001-2014”

# Health outcomes in Montana are good

### Life expectancy at age 40 (race-adjusted) by income quartile, Montana



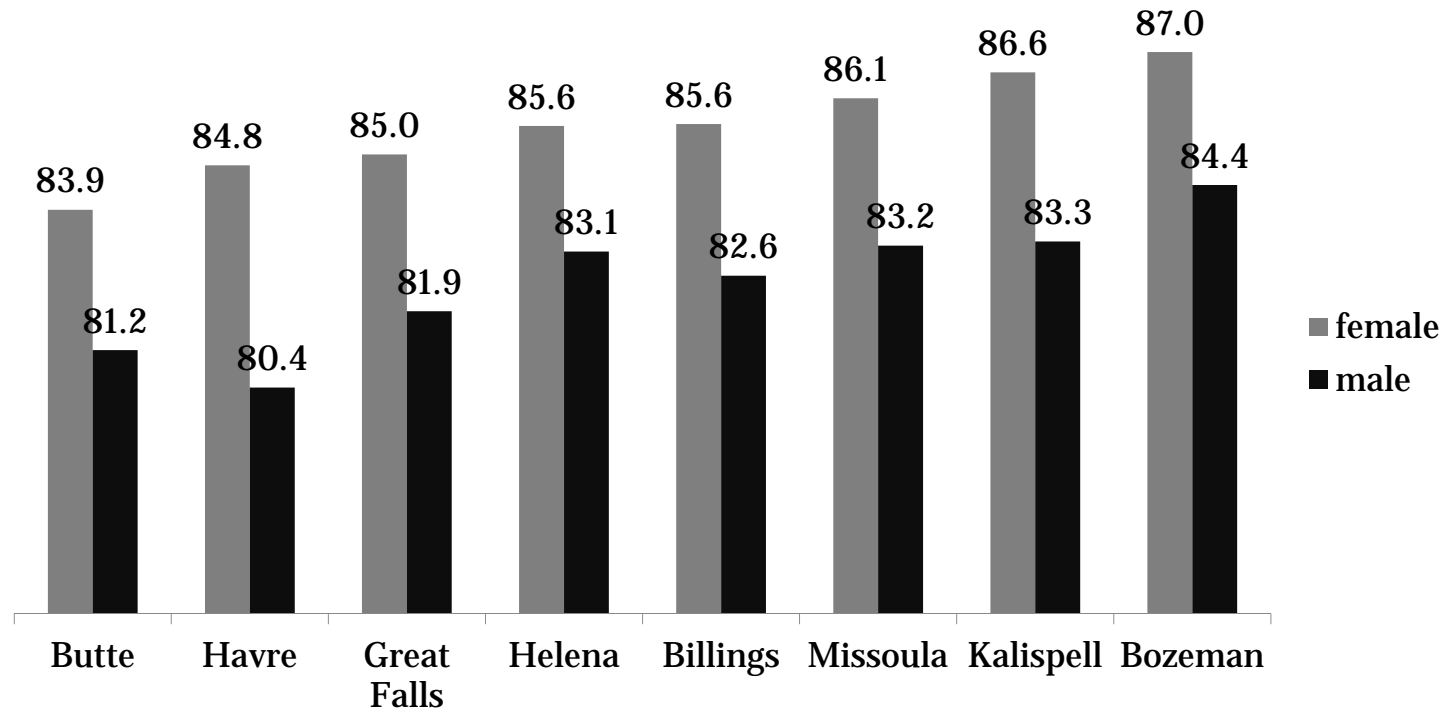
### Difference in life expectancy between Montana and US by income quartile



Source: Chetty et al (2016) "The Association Between Income and Life Expectancy in the United States, 2001-2014"

# Health outcomes in Montana are good

Life expectancy at age 40 (race adjusted) by commuting zone



Source: Chetty et al (2016) "The Association Between Income and Life Expectancy in the United States, 2001-2014"

## Health outcomes in Montana are good, but not perfect.

Measure	Rank	Montana Rate	US Rate	Std. Dev. from US avg.
Obesity	3	23.6%	29.8%	-1.64
Insufficient Sleep	4	30%	34.2%	-1.22
High Cholesterol	4	33.1%	36.3%	-1.39
Heart Disease	6	3.2%	3.9%	-0.76
Preventable Hospitalizations	12	39.8 per 1,000 Medicare enrollees	49.9 per 1,000 Medicare enrollees	-0.9
Cancer deaths	13	179.8 per 100,000 pop.	189.9 per 100,000	-0.56
Very Good or Excellent Health	14	55.1%	51.8%	0.72
Excessive drinking	47	21.8%	17.7%	1.39
Pertussis	50	48.7 per 100K	10.4 per 100K	1.39
Suicide	50	24.3 deaths per 100K	13.4 deaths per 100k	2

Source: American Heart Association, CDC, and other sources.



**In sum, health care contributes to Montana's economy by:**

- (1) Producing health – which is very valuable**
- (2) By making Montana communities livable**
- (3) By producing good health outcomes at a low cost.**