

2024 Outlook for Health Care in Montana

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Shorter term:

- Inflation and prices
- Labor market
- Insurance

Longer term:

Inflation

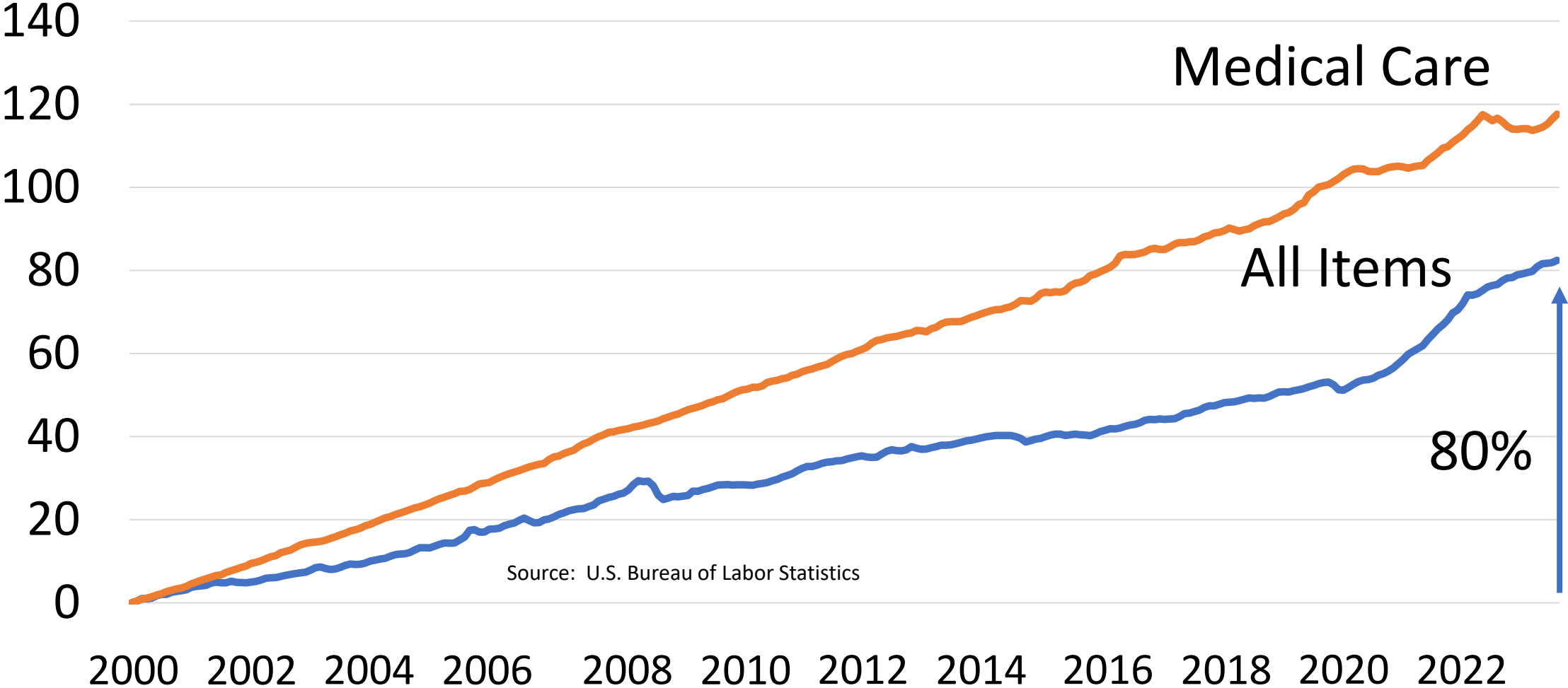
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Inflation Affects Health Care With a Lag

Consumer Price Index for All Items, Medical Care, 2000-2023

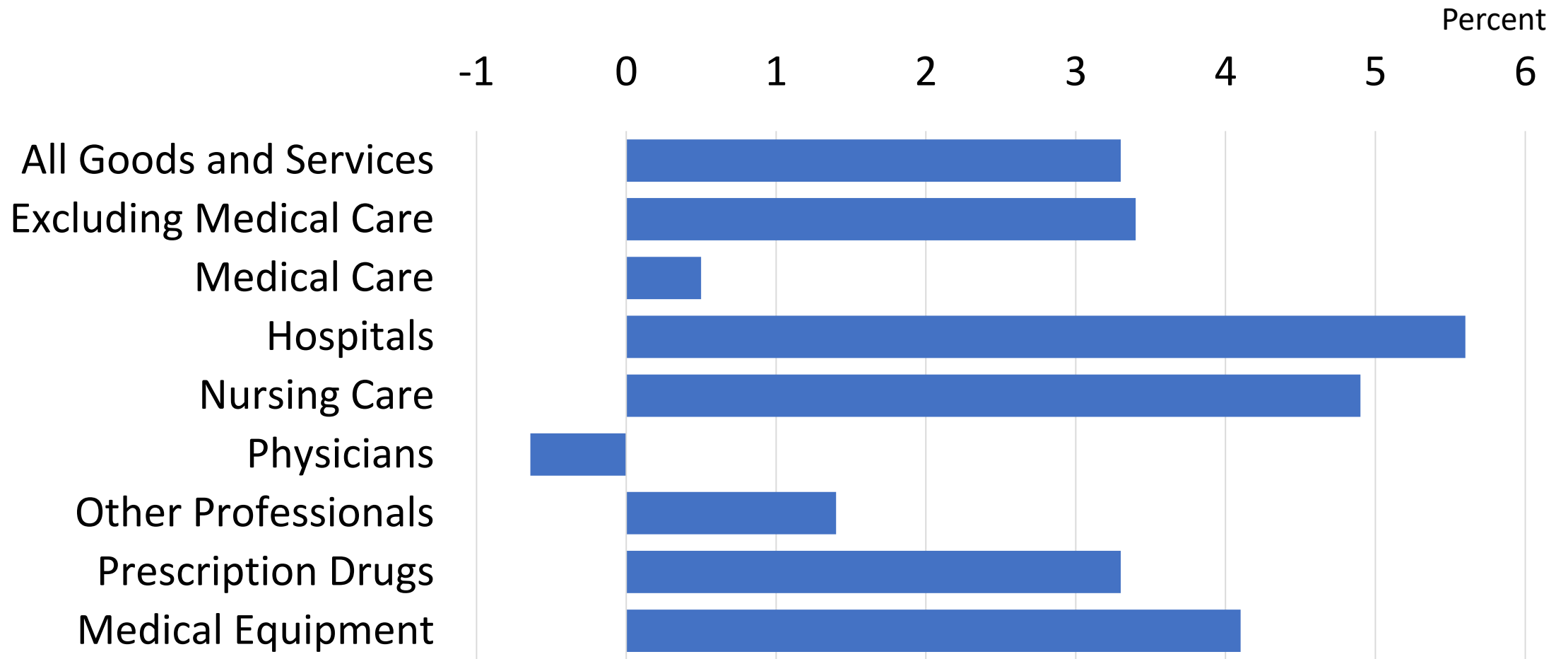
Index, Jan 2000=0



Source: U.S. Bureau of Labor Statistics

Where Have We Seen Price Changes Already?

Percent Change in Consumer Price Index From Year-Ago Levels, Dec 2023

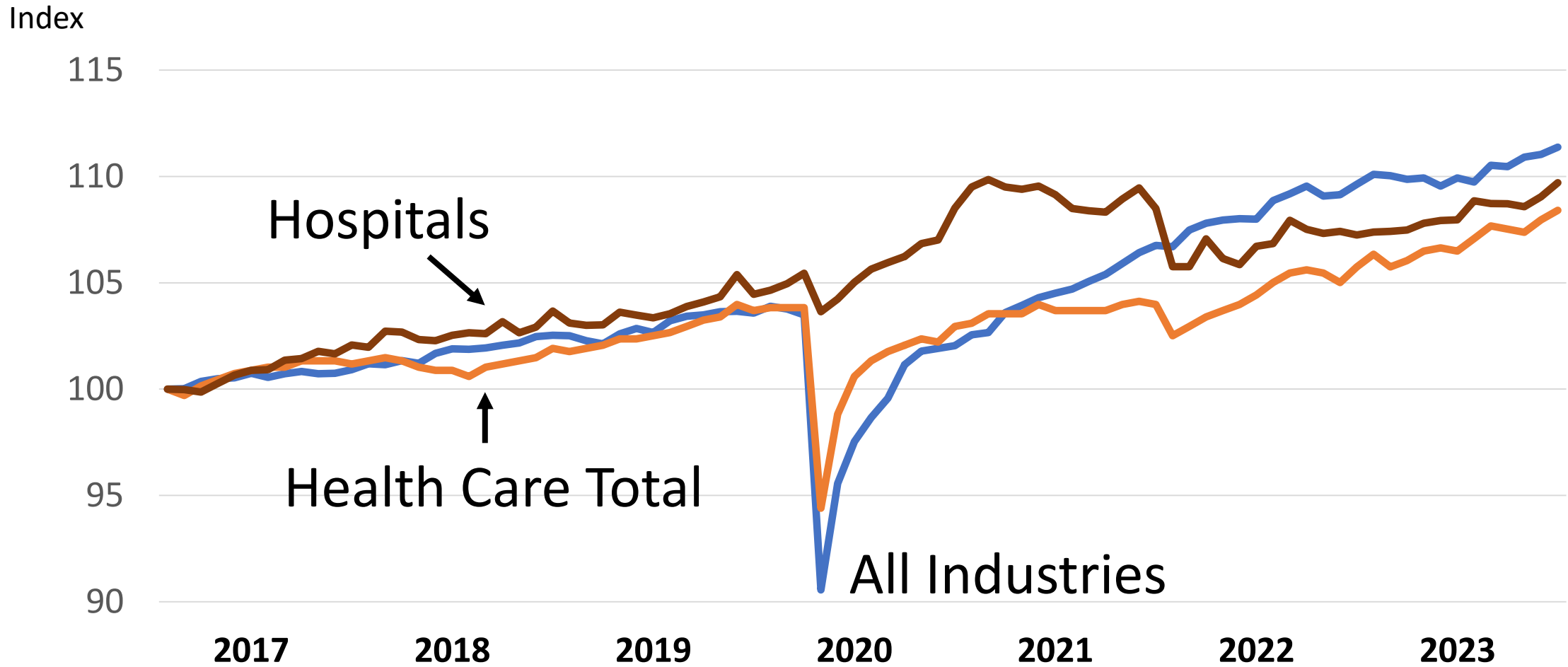




Labor market and staffing

Health Care Employment Below Pre-2020 Trend

Montana Employment by Industry, Index, Jan 2017=100

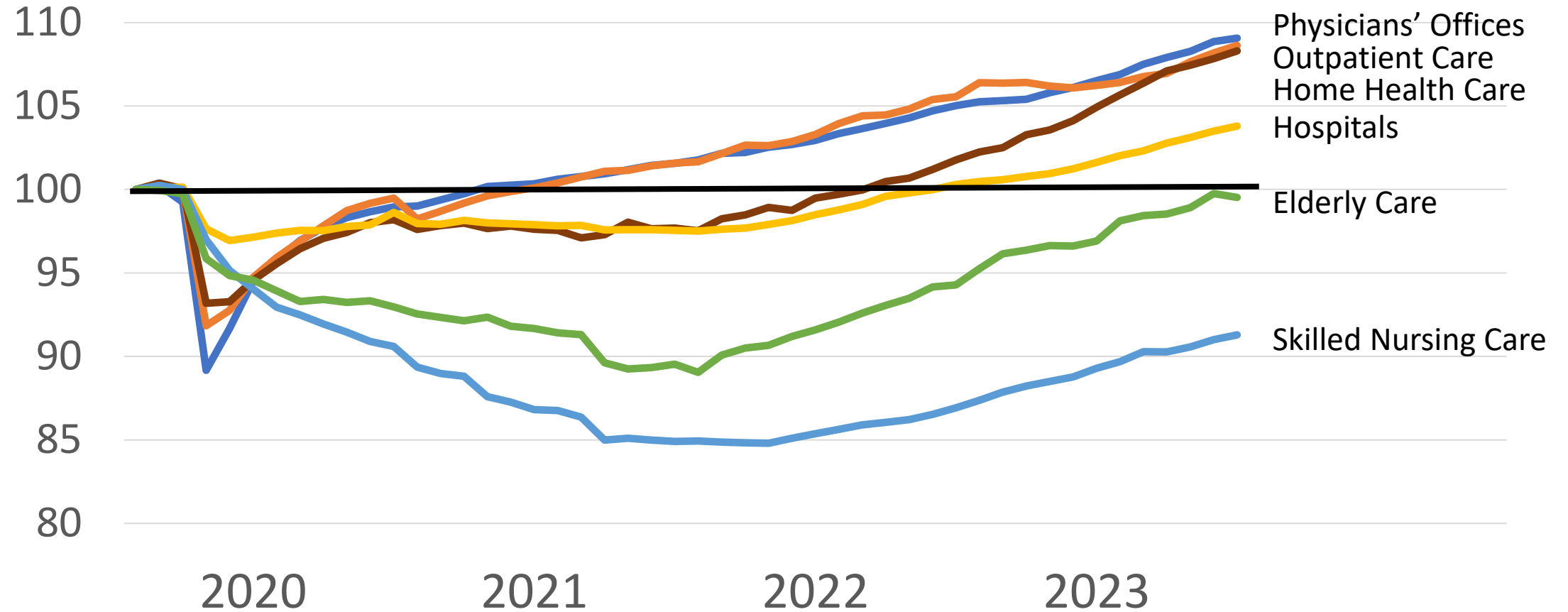


Source: Montana Department of Labor and Industry

Job recoveries vary by setting

U.S. health sector employment by type, Index, Jan 2020 = 100

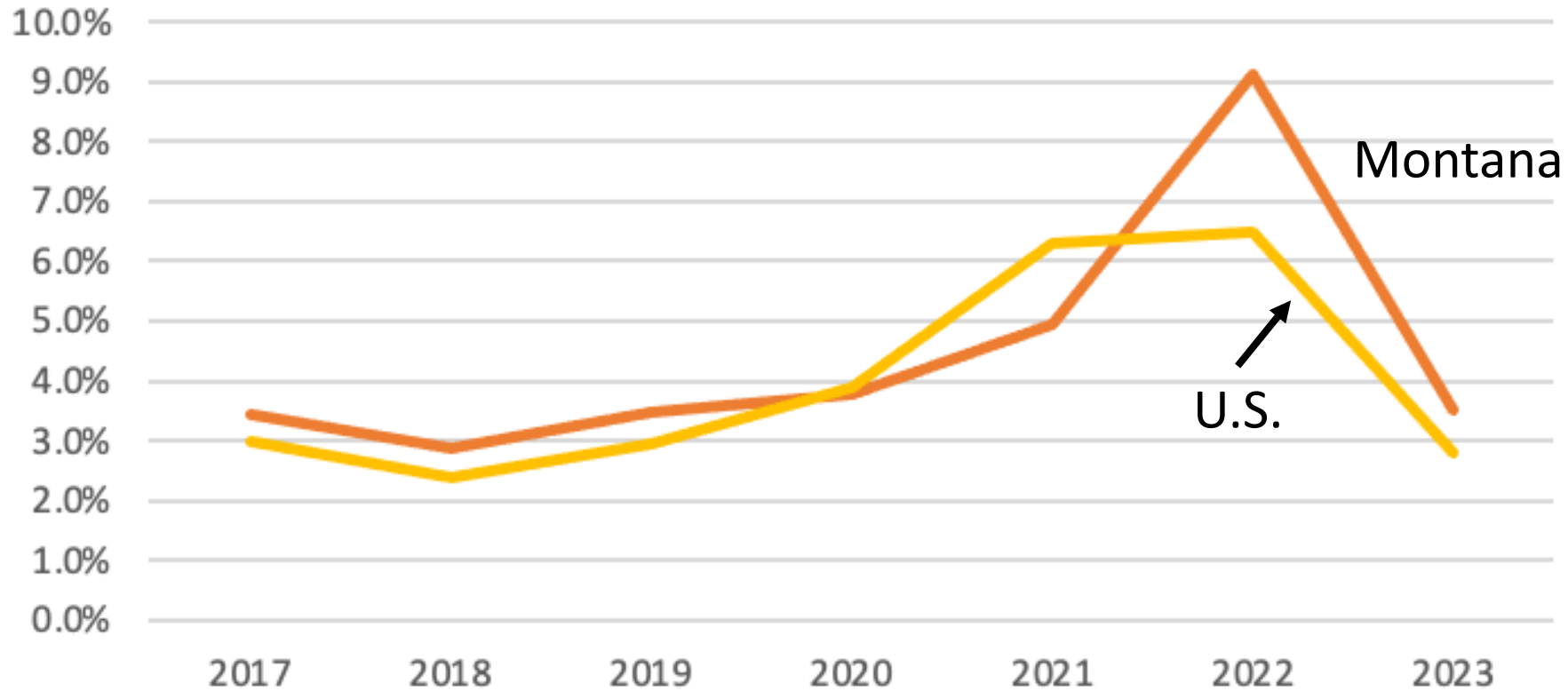
Percent



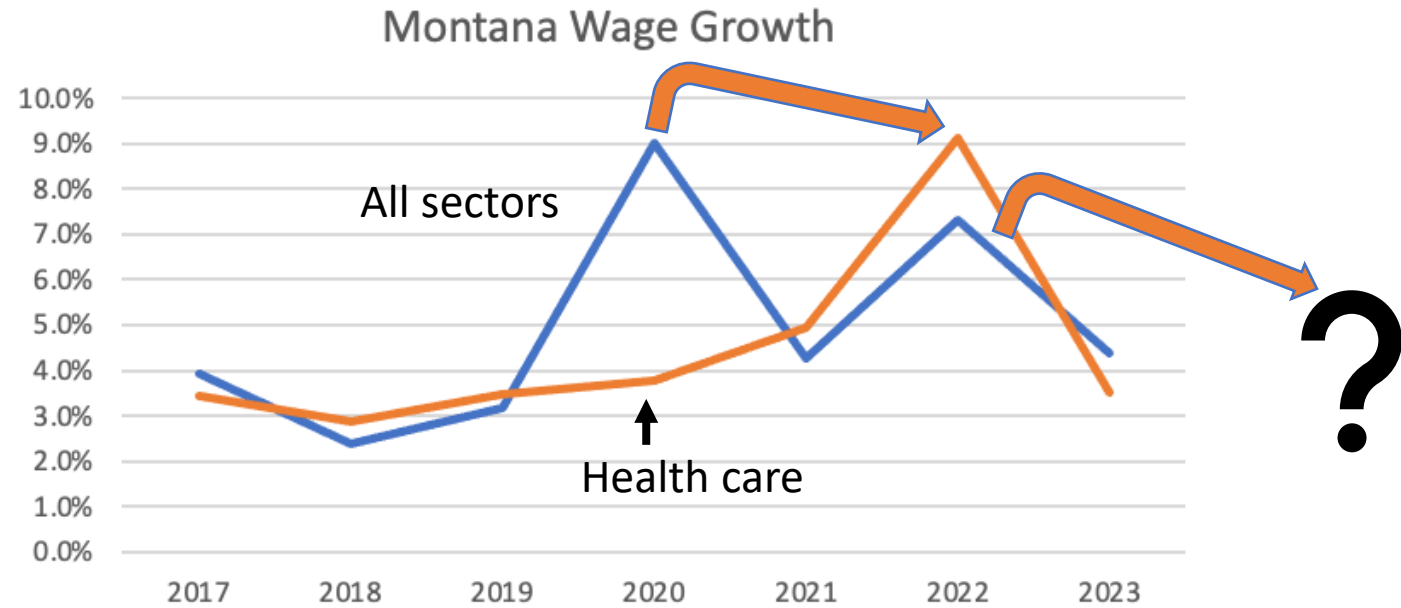
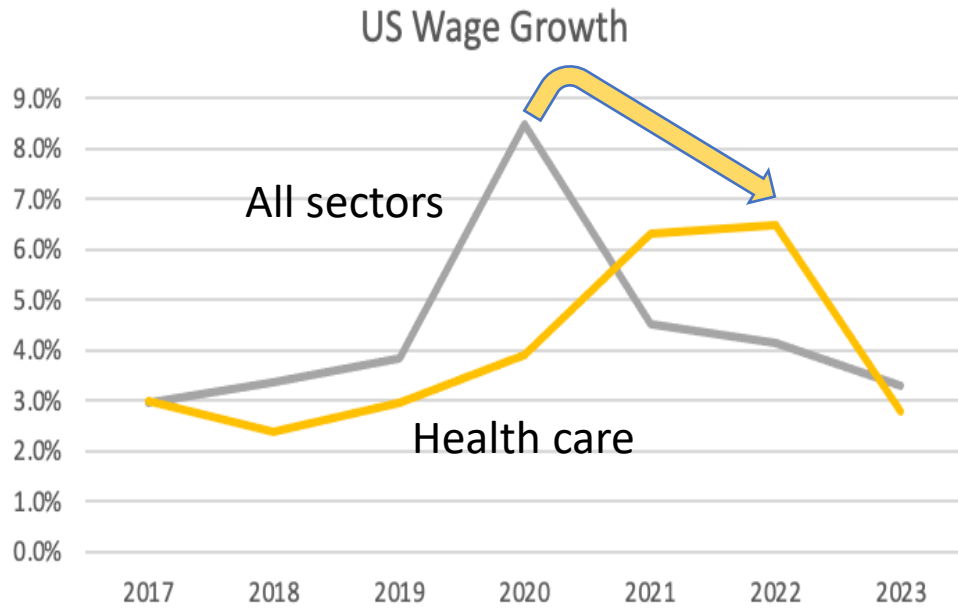
Source: U.S. Bureau of Labor Statistics

Wage growth in Montana especially rapid

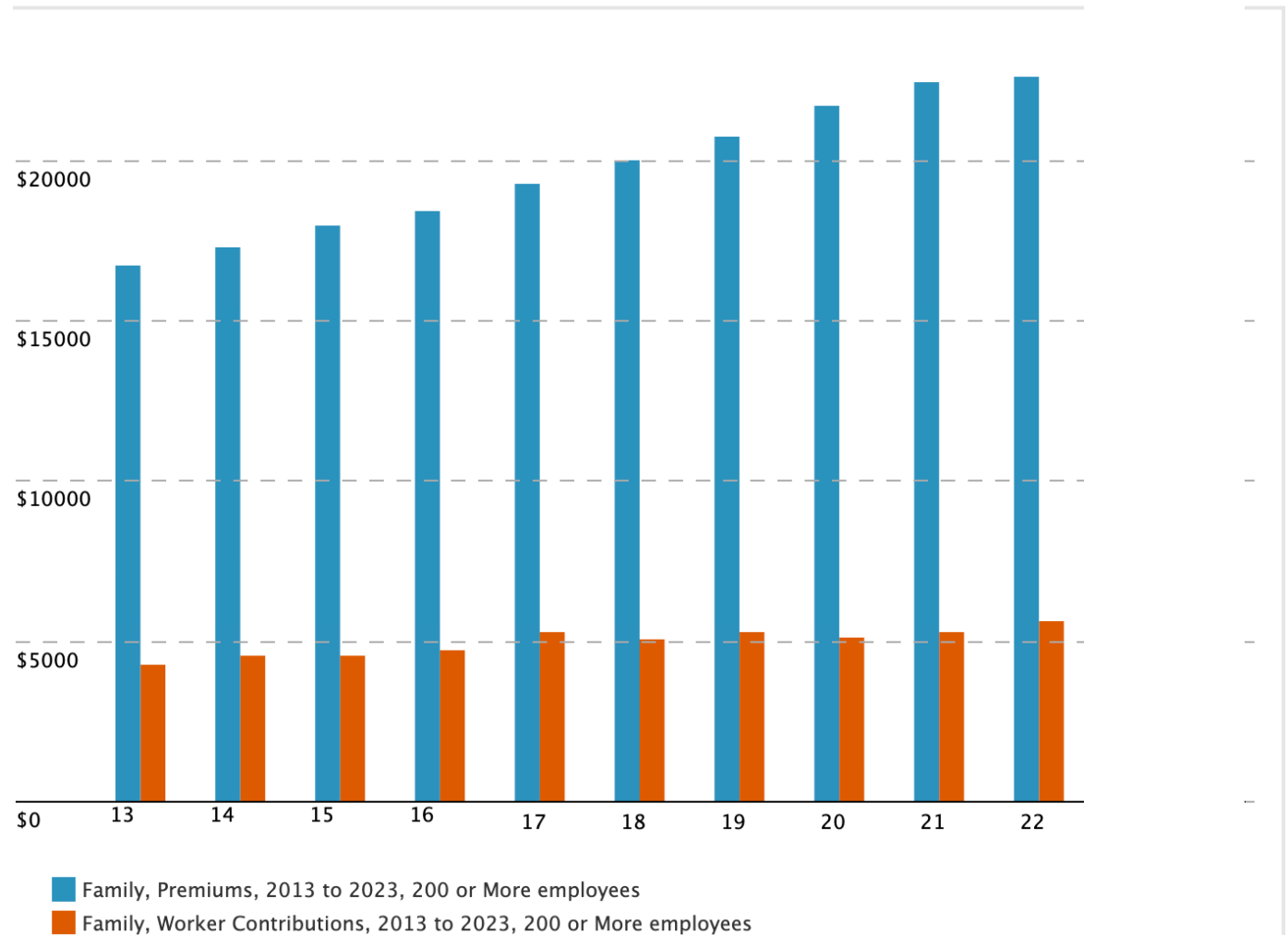
Percent Growth in Average Weekly Wage, Health Care and Social Assistance, 2017-23



Health Care Wage Growth Likely to Stay High



Health insurance premiums likely to return to previous trend of annual increases

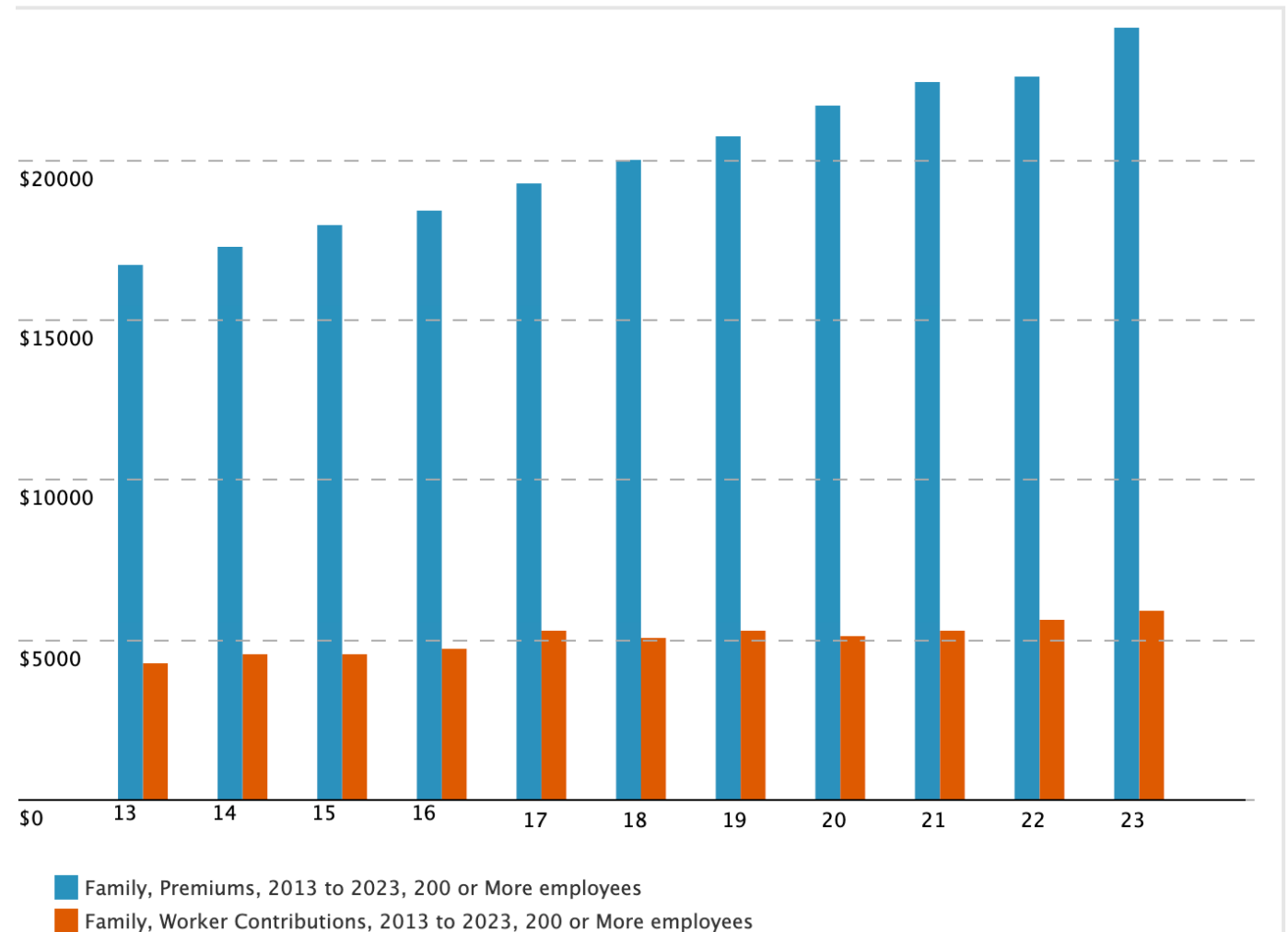


Health insurance premiums likely to return to previous trend of annual increases

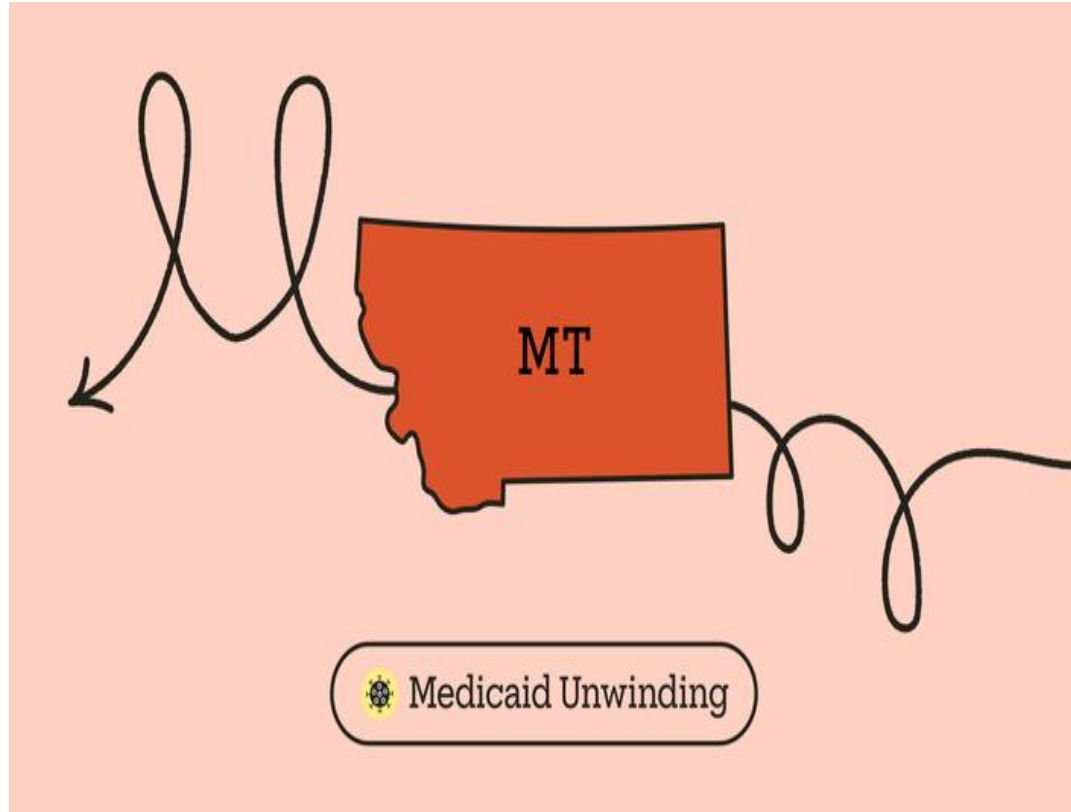
7% ↑ in 2023

ACA Marketplace 2024 median ↑ is 6%

MT ACA Marketplace
1.5% - 6.4% ↑



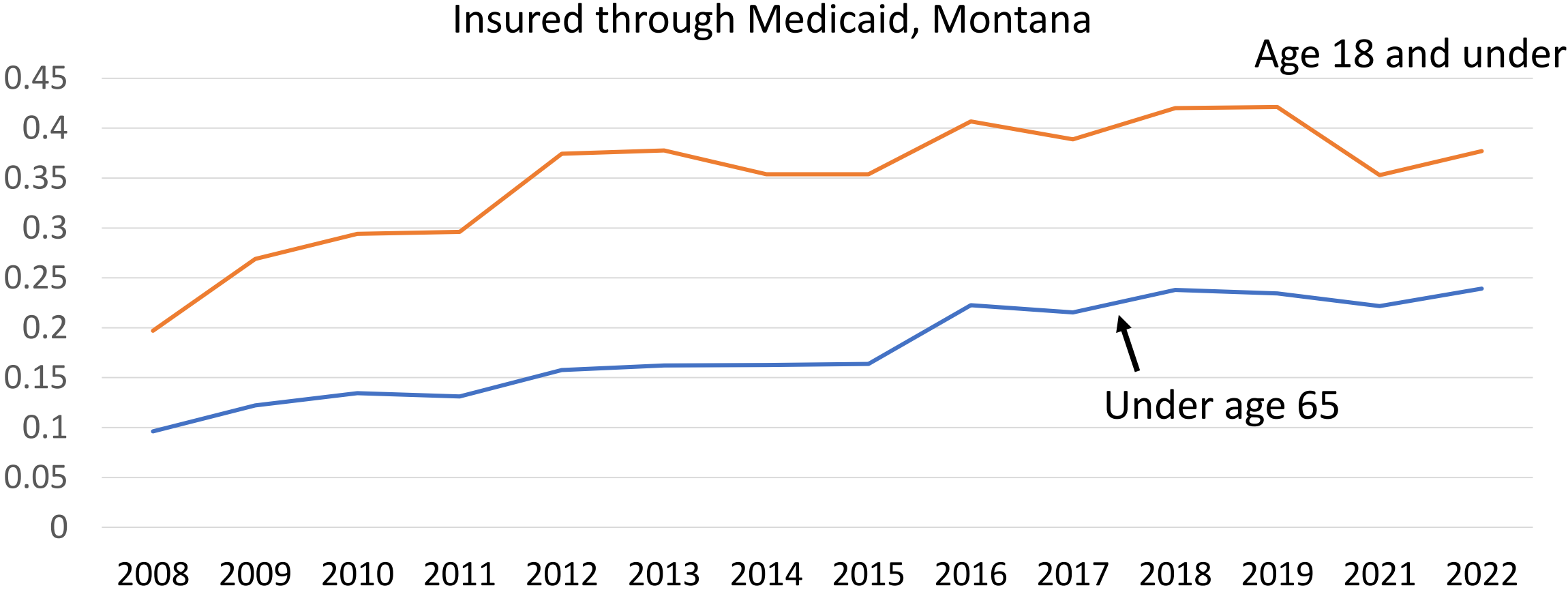
Insurance coverage



During the pandemic not required to re-verify eligibility for Medicaid.

April 2023 - continuous enrollment provision expired

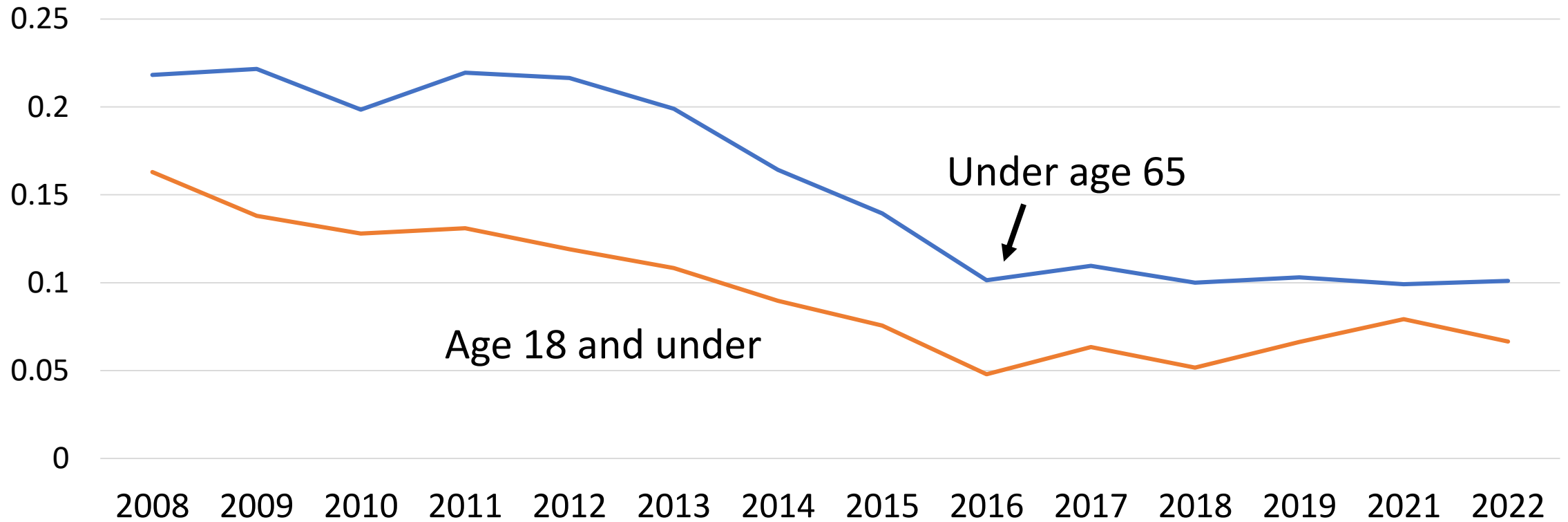
Medicaid is an important source of insurance, especially for kids



Source: American Community Survey

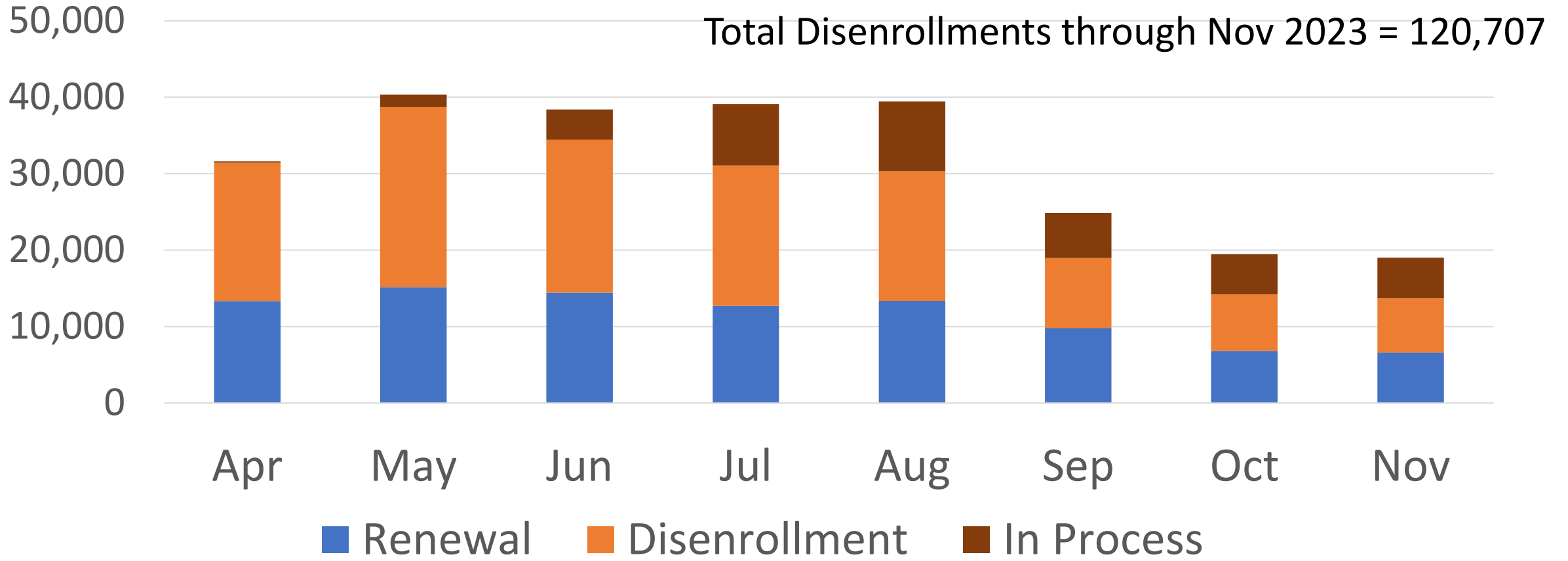
Uninsured rates cut in half

Percent Uninsured, Montana



Montana Medicaid Disenrollments Over 120,000

Montana Monthly Medicaid Renewals, April-October 2023



Source: Kaiser Family Foundation

Why Matter?

→ Large impacts of Medicaid

Providers:

- Improved payer mix, less uncompensated care
- Improved financial performance of hospitals, particularly small and rural providers

Long run impacts on children:

- Reduces mortality and disability in adulthood, better mental health outcomes
- Increases adult employment, increases adult wages
- Raises college enrollment rates

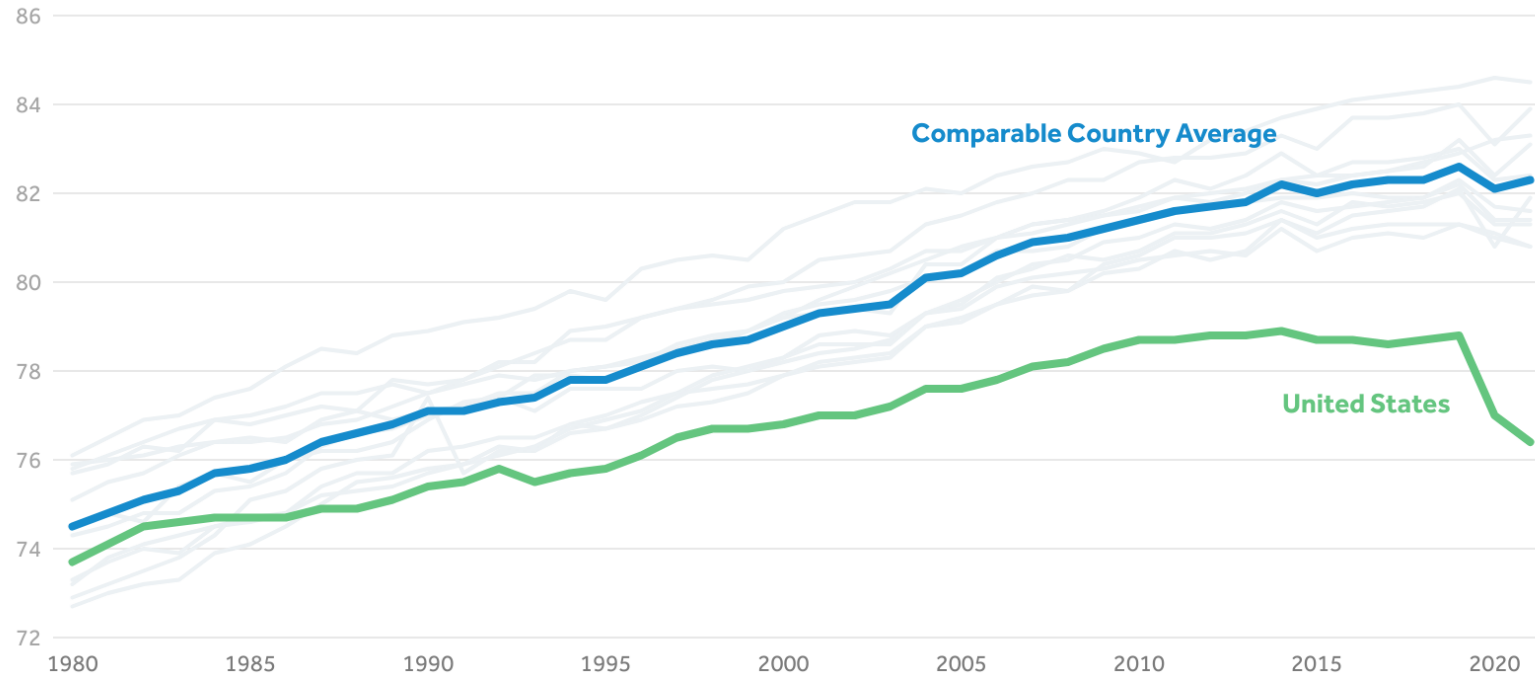
The Longer run



Will staffing issues get worse?

- **17% decrease in 2022-23 enrollment** for RN and Bachelor of science in nursing (American Associate of Colleges in Nursing)
- Concerns about **future physician shortages** (Association of American Medical Colleges and American Medical Association)
- These staffing conditions are likely to continue to affect providers in Montana, with particularly **acute impacts in rural areas.**

Life expectancy at birth, in years, 1980-2021



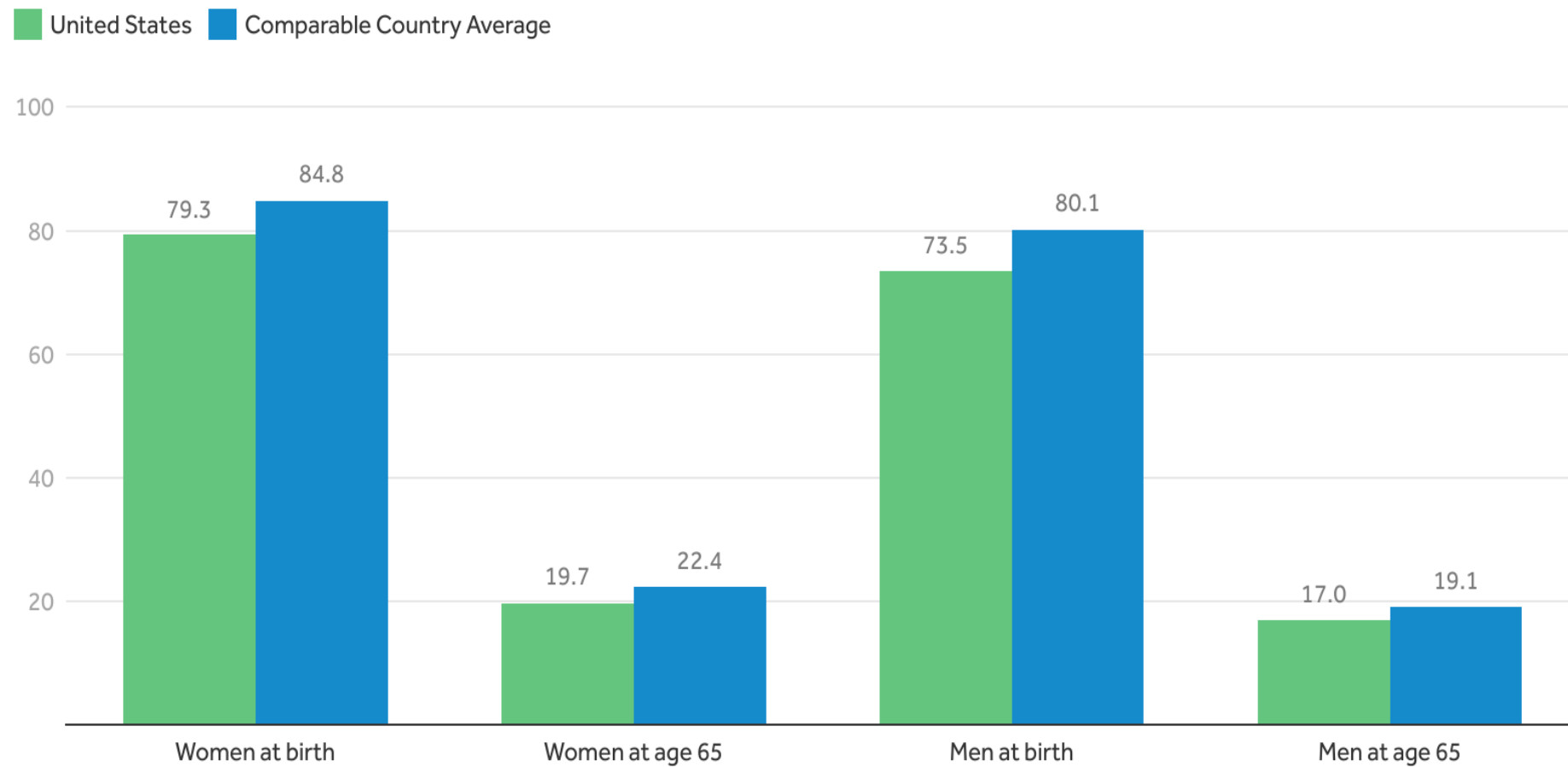
Notes: Comparable countries include Australia, Austria, Belgium, Canada, France, Germany, Japan, the Netherlands, Sweden, Switzerland, and the U.K. See Methods section of "How does U.S. life expectancy compare to other countries?"

Source: KFF analysis of OECD and U.K. Office for Health Improvement and Disparities data

Peterson-KFF
Health System Tracker

Maybe the
most
startling
graph

Life expectancy at given age, in years, 2021

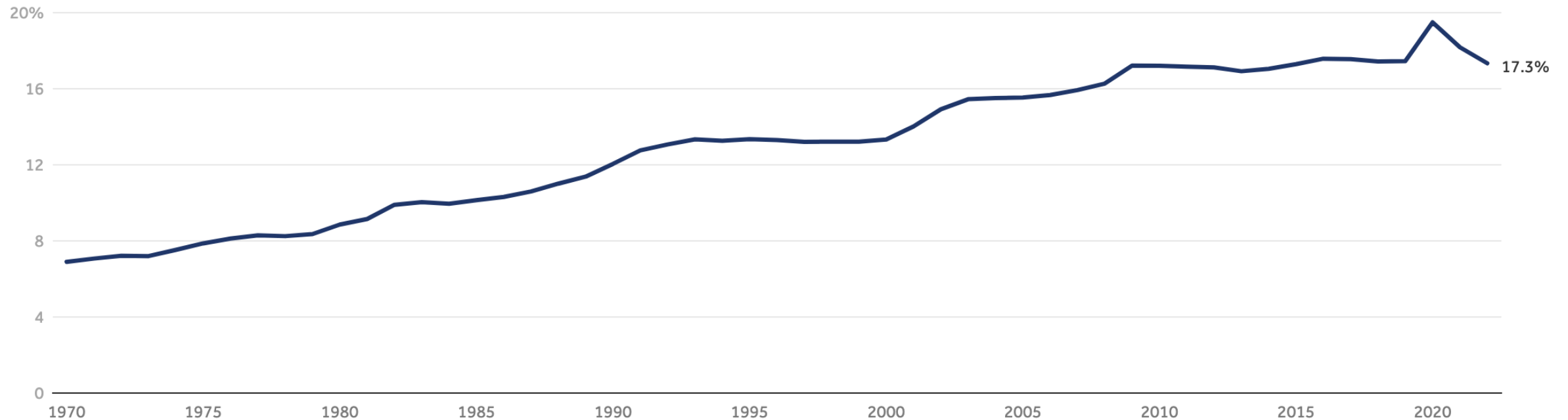


Notes: In the chart above, comparable countries include Australia, Austria, Belgium, Canada, France, Germany, Japan, the Netherlands, Sweden, and Switzerland. See Methods section of "How does U.S. life expectancy compare to other countries?"

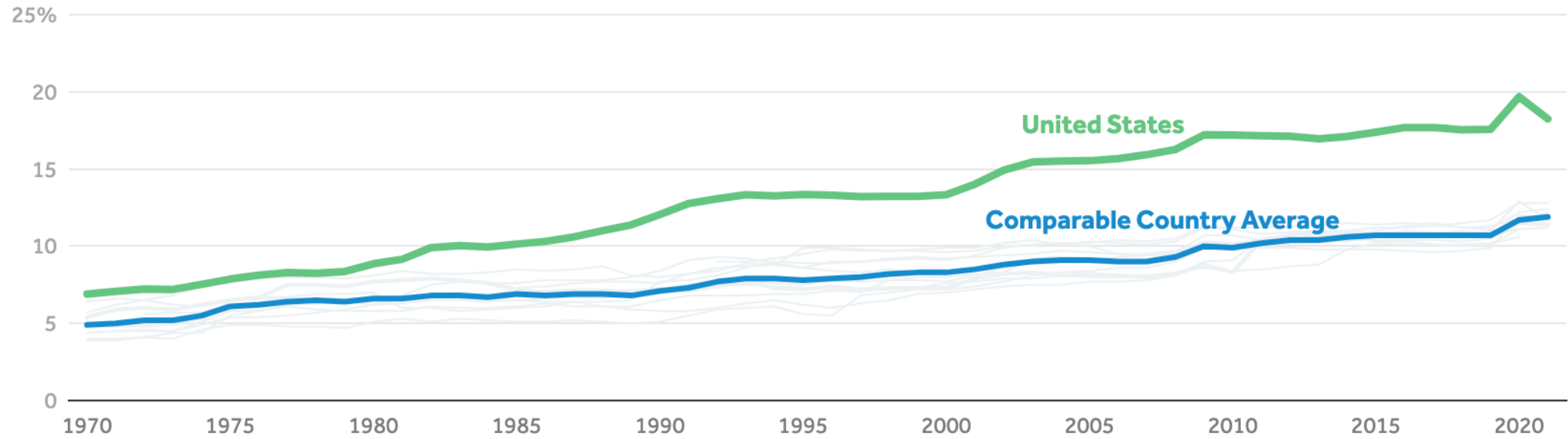
Source: KFF analysis of OECD data

Possible bright spot—is the cost curve bending?

Total national health expenditures as a percent of Gross Domestic Product, 1970-2022

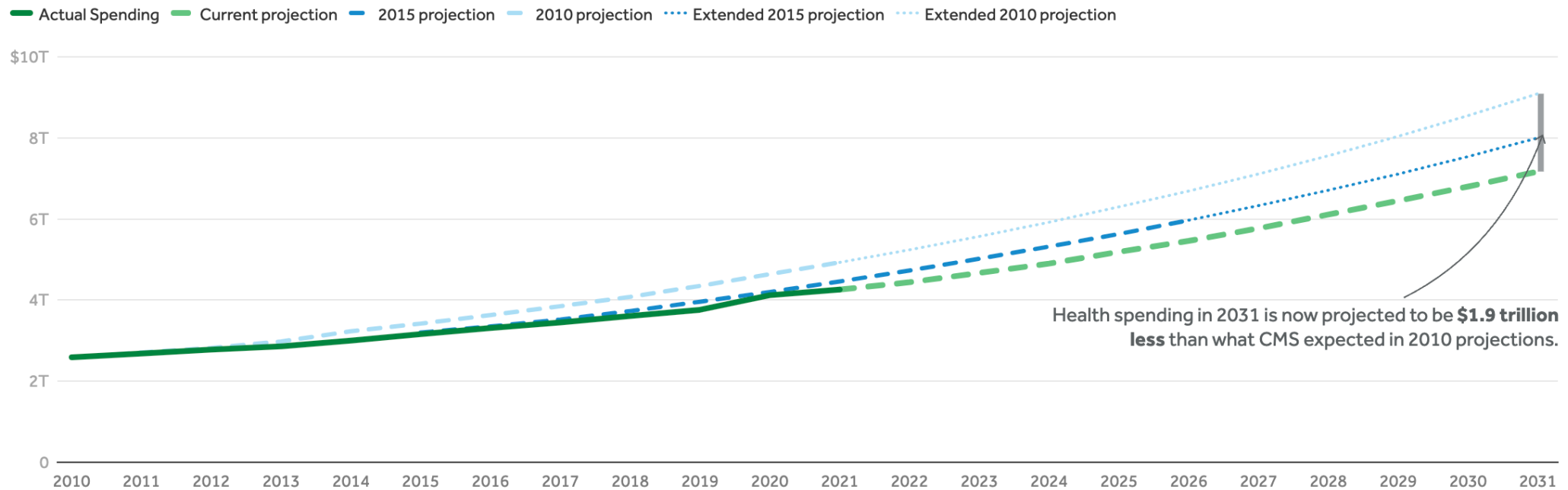


Still higher than other countries



But lower than had been projected

CMS projections of national health expenditures, in US \$ trillions



Health spending in 2031 is now projected to be **\$1.9 trillion** less than what CMS expected in 2010 projections.

Note: 2010 and 2015 projections were extended beyond their respective 10-year period using the annual growth rate from the last 5 years.

Reducing the pace is tricky

Improving
affordability



Keeping demand
in check



Thank you!

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