Expanding Health Insurance Coverage in Montana

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What’s the Problem with Health Care?
Reducing the Number of Uninsured

• What has been proposed?
• What are the challenges to increasing insurance coverage?
• Where are we in Montana?
Elements of the Obama Plan

1. National Health Insurance Exchange
2. Tax credits for low-income individuals
3. Small Business Tax Credit
4. Pay-or-play for large employers
5. Mandates for kids, not for adults
National Health Insurance Exchange

• A “managed competition” framework
• Insurers offer policies that meet certain requirements and must accept anyone
• Examples:
  - Massachusetts “Connector”
  - Medicare Part D
• Includes a new National Health Plan
Challenges to Increasing Coverage

- Can the private sector really compete with the Federal government?
- Penalties and incentives
- Why people talk about mandates
- Crowding out
- Cost
Crowding Out – A Real Problem

• NBER Study tracked eligibility changes and program enrollments for seven years
• Data suggest that crowd out rates range from 47 to 92 percent
• Provisions to minimize crowd out were ineffective
Montana’s Insurance Status

**Montana**
- Employer: 48%
- Individual: 8%
- Medicare: 13%
- Medicaid: 13%
- Other: 1%
- Uninsured: 16%

**United States**
- Employer: 54%
- Individual: 5%
- Medicare: 12%
- Medicaid: 13%
- Other: 1%
- Uninsured: 15%

Percent of Adult Population With No Insurance
by Labor Market Region, 2008

Source: Bureau of Business and Economic Research
Who are Montana’s Uninsured?

Uninsured Percentage by Age, 2008

Source: Bureau of Business and Economic Research
Who are Montana’s Uninsured?
Uninsured Percentage by Education, 2008

Source: Bureau of Business and Economic Research
Who are Montana’s Uninsured?
Uninsured Percentage by Income, 2008

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Uninsured Percentage</th>
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<tbody>
<tr>
<td>&lt; $15K</td>
<td>29.7%</td>
</tr>
<tr>
<td>$15K-$30K</td>
<td>24.8%</td>
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<tr>
<td>$30K-$50K</td>
<td>20.1%</td>
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<td>$50K-$75K</td>
<td>14.0%</td>
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<tr>
<td>$75K-$100K</td>
<td>9.3%</td>
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<tr>
<td>&gt; $100K</td>
<td>7.5%</td>
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</tbody>
</table>

Source: Bureau of Business and Economic Research
Who are Montana’s Uninsured?

Uninsured Percentage by Employment Status, 2008

<table>
<thead>
<tr>
<th>Employment Status</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Employed Full Time</td>
<td>18.1%</td>
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<tr>
<td>Employed Part Time</td>
<td>25.9%</td>
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<tr>
<td>Unemployed Not in Labor Force</td>
<td>33.6%</td>
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<tr>
<td></td>
<td>17.5%</td>
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Source: Bureau of Business and Economic Research
Decision Time for Health Care Policy

- Spotlight has shifted to Washington
- Budget pressures may delay full overhaul of health care until 2010
- Policy emphasis will be on increasing coverage rates
- Heads are still in the sand regarding costs
Questions?