

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

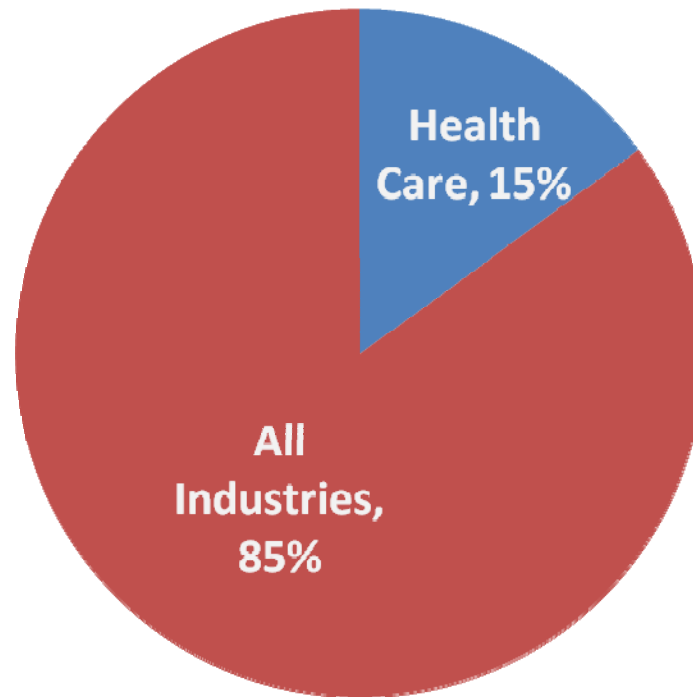


## **36<sup>th</sup> Annual Economic Outlook**

**Gregg Davis, Health Policy Analysis**

# How Big is Health Care?

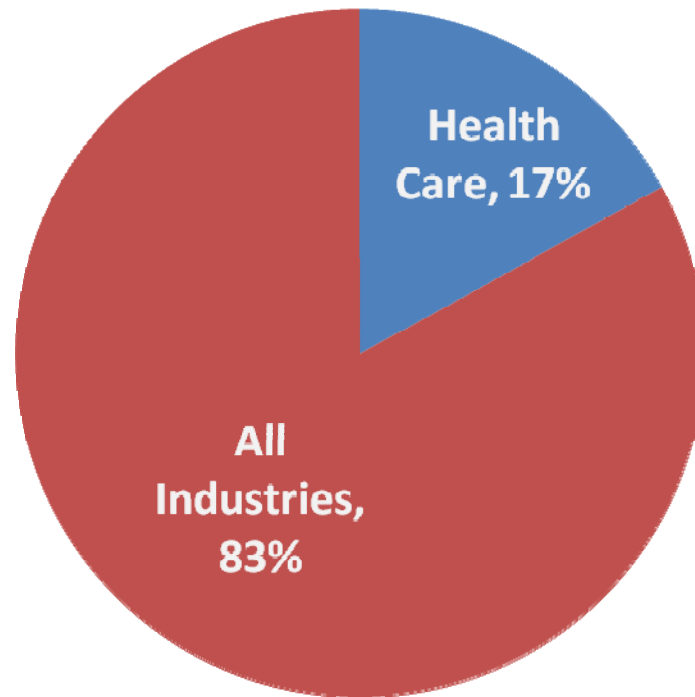
Health Care Employment Share of Total  
Montana Economy, 2007



Source: Bureau of Labor Statistics.

# Just Got Bigger...

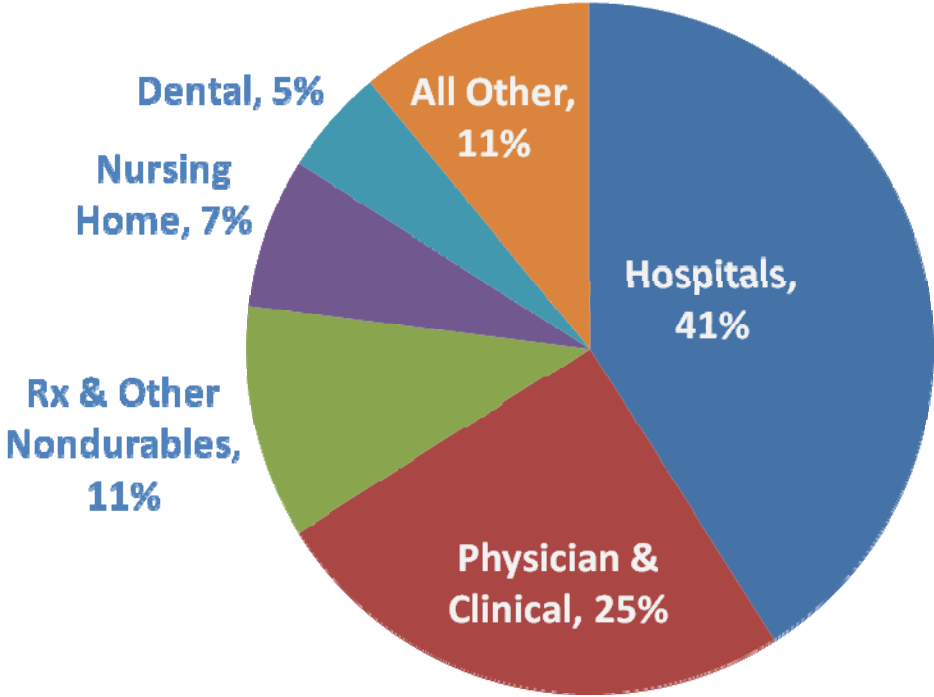
Health Care Employment Share of Total  
Montana Economy, 2009



Source: Bureau of Labor Statistics.

# Where Do We Spend?

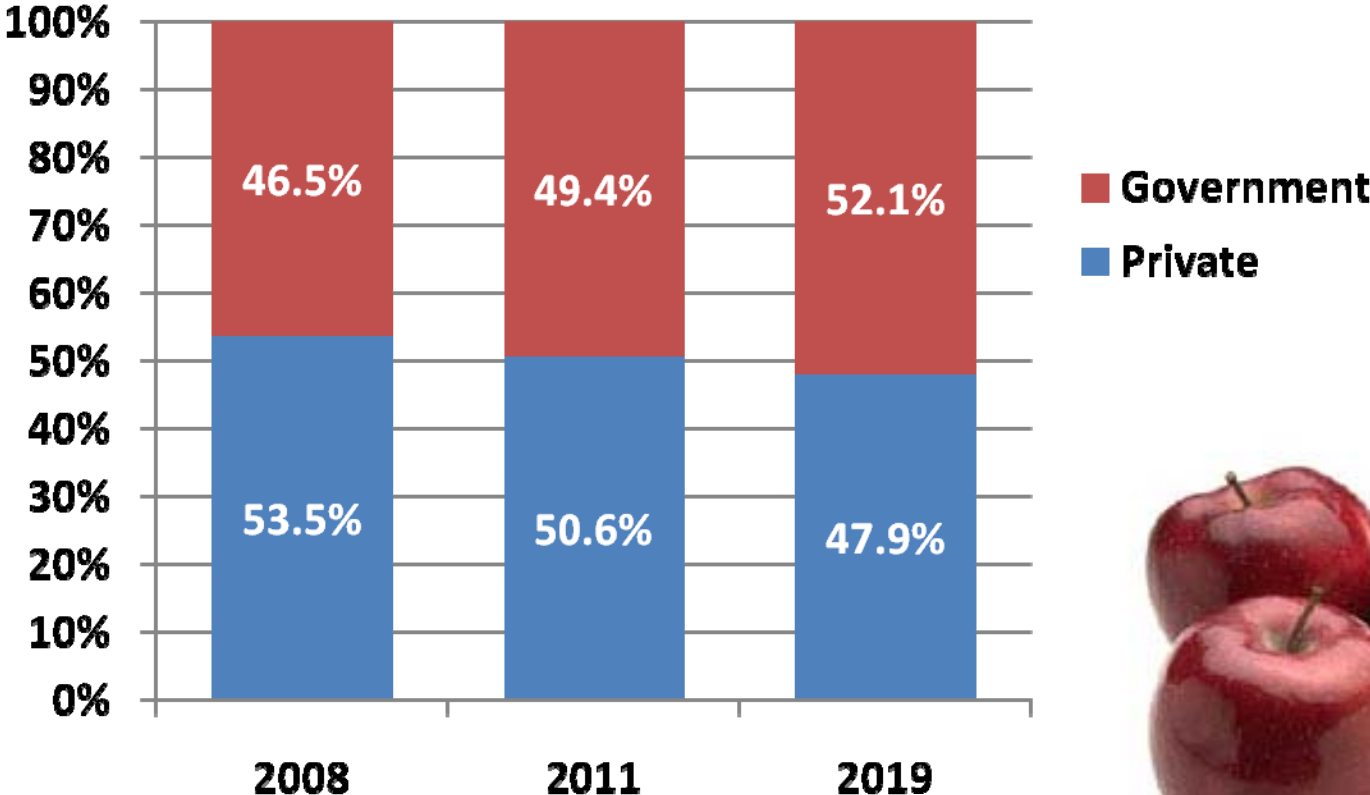
Percent Distribution of \$6.1 Billion PHCE, Montana



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

# Who Pays for our Spending?

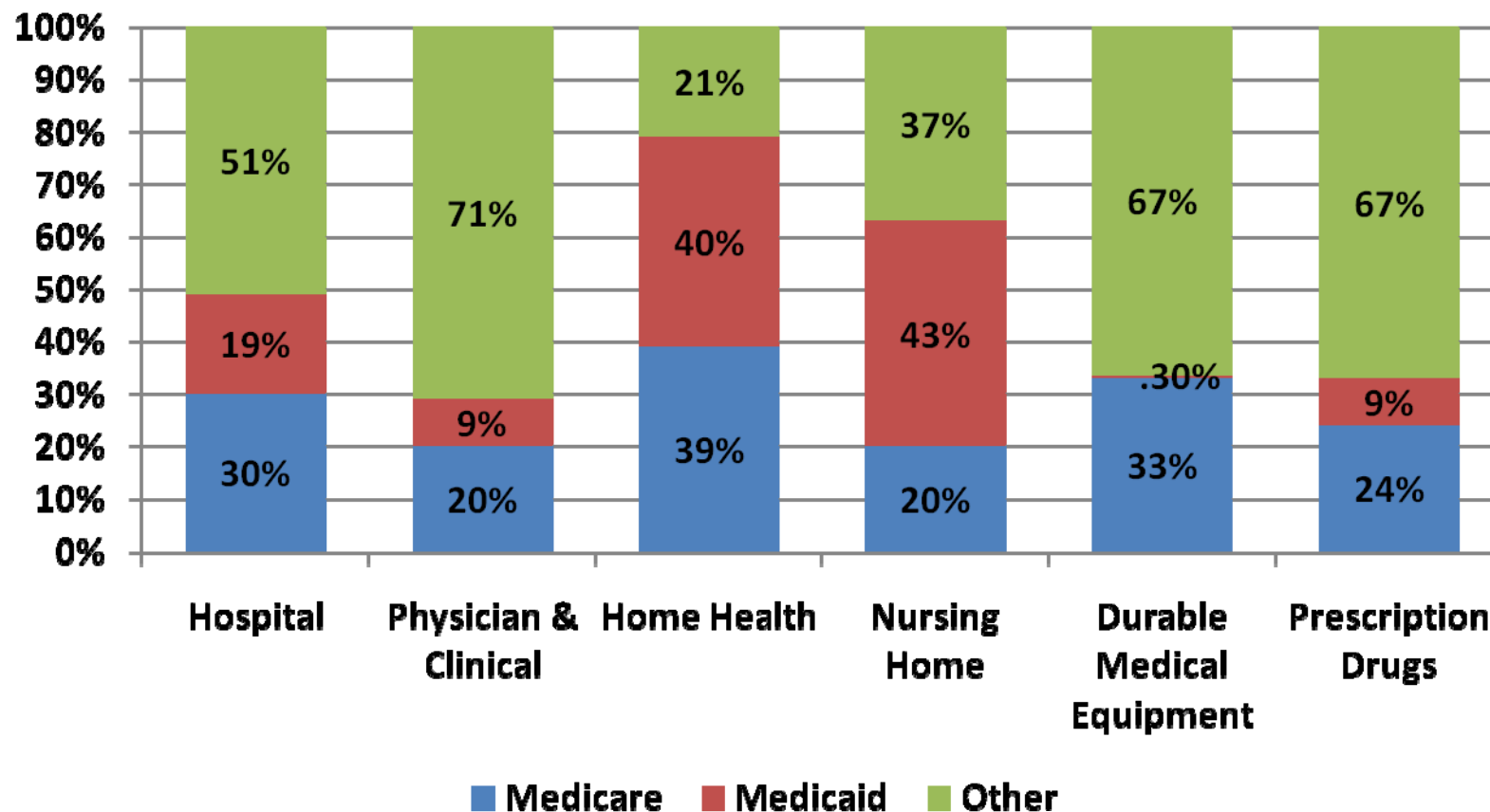
Distribution of PHCE by Funding Source



Source: Centers for Medicare and Medicaid Services.

# Who Pays Depends on What We're Buying

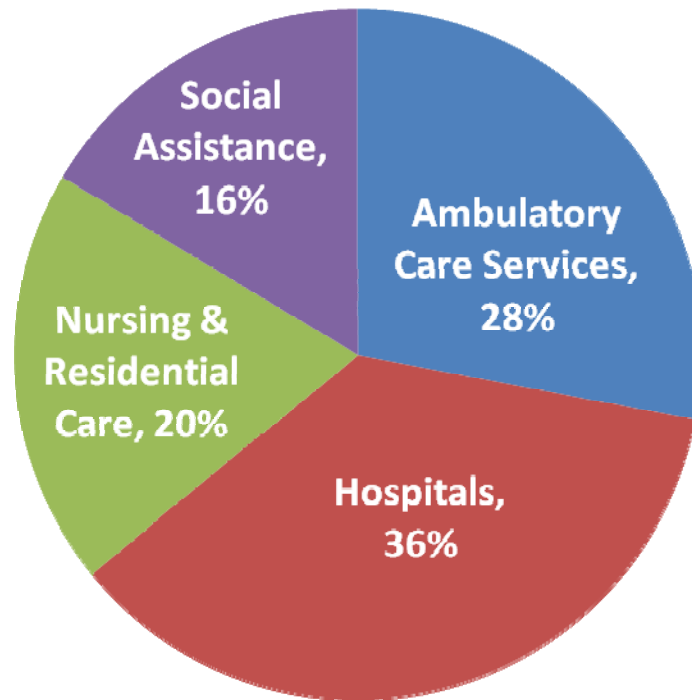
Medicare's Share of Total Personal Health Care Spending, est. 2011



Source: Centers for Medicare and Medicaid Services.

# Most Health Care Employment is in Hospitals

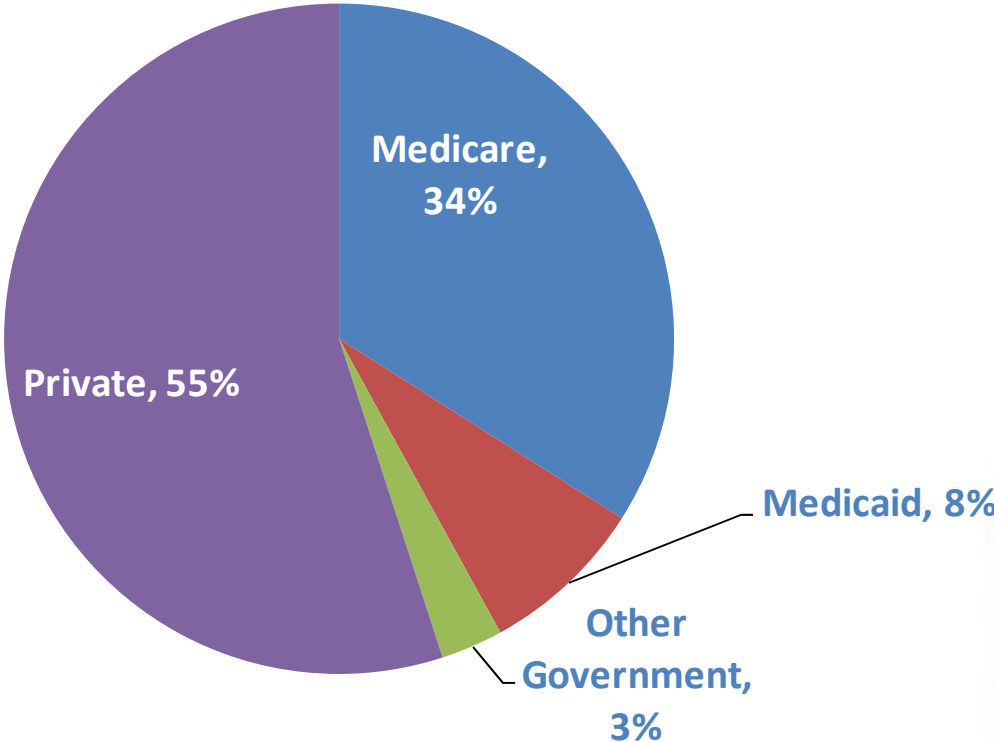
Share Total Health Care Employment, by Sector, 2009 (61,569)



Source: Montana Department of Labor and Industry.

# Where Do Montana Hospitals Get Their Revenue?

Hospital Revenues by Funding Source, Montana, 2009

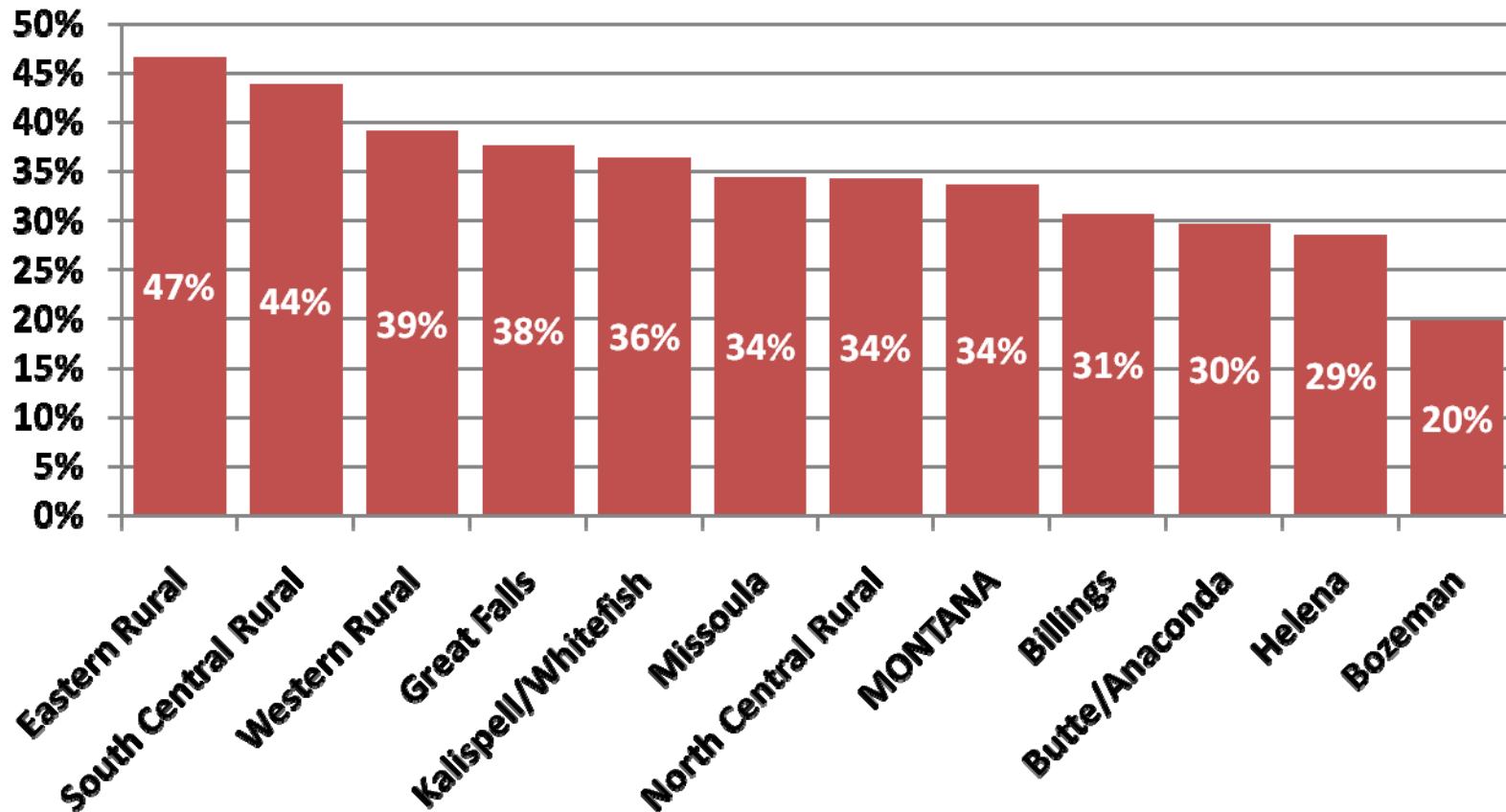


Source: Unpublished data, Montana DPHHS.



# But Big Differences in Medicare Revenues Emerge Based on Location

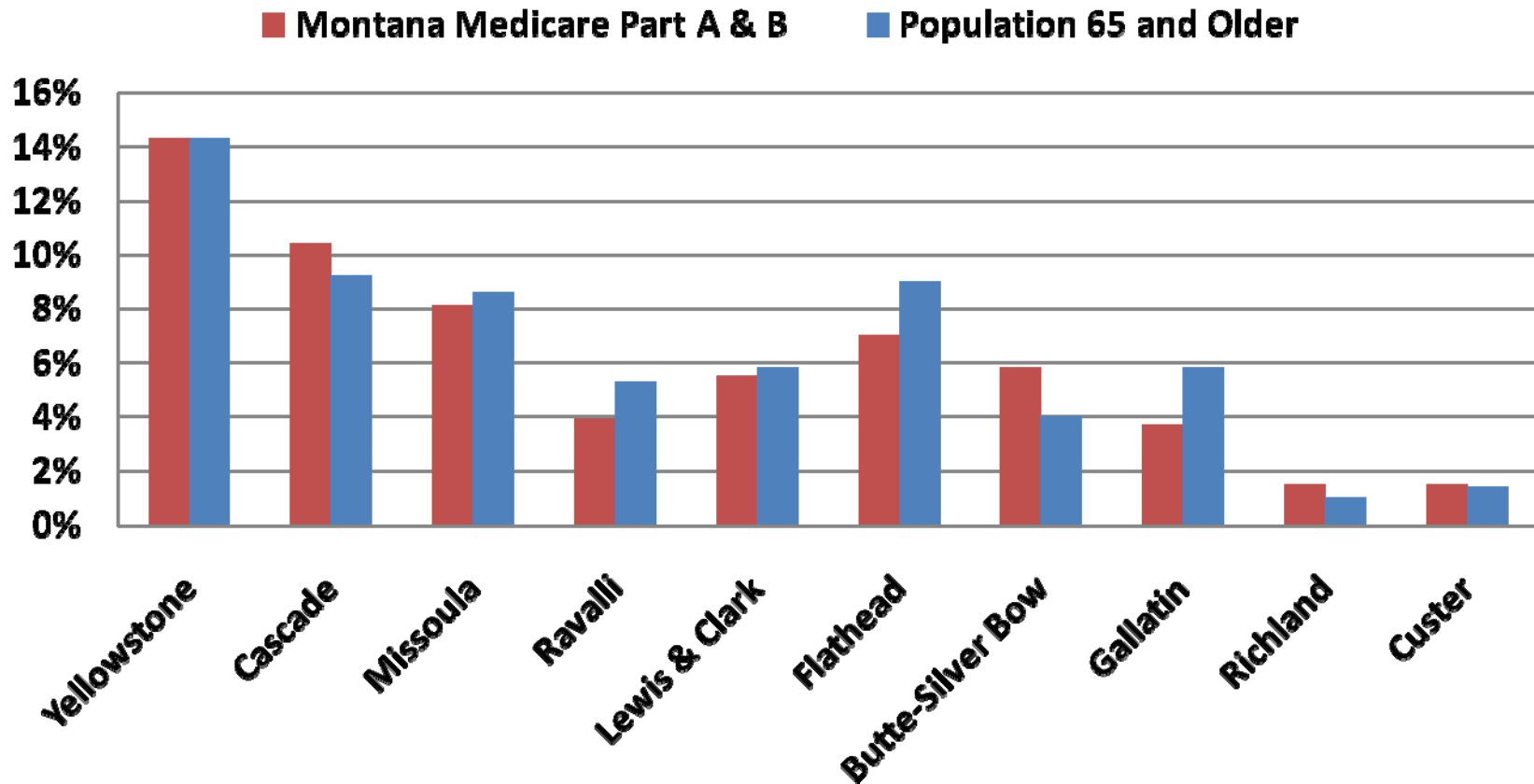
Share Hospital Revenue from Medicare, 2009



Source: Unpublished data, Montana DPHHS.

# Medicare and “Late Adulthood” Population Match Almost Perfectly

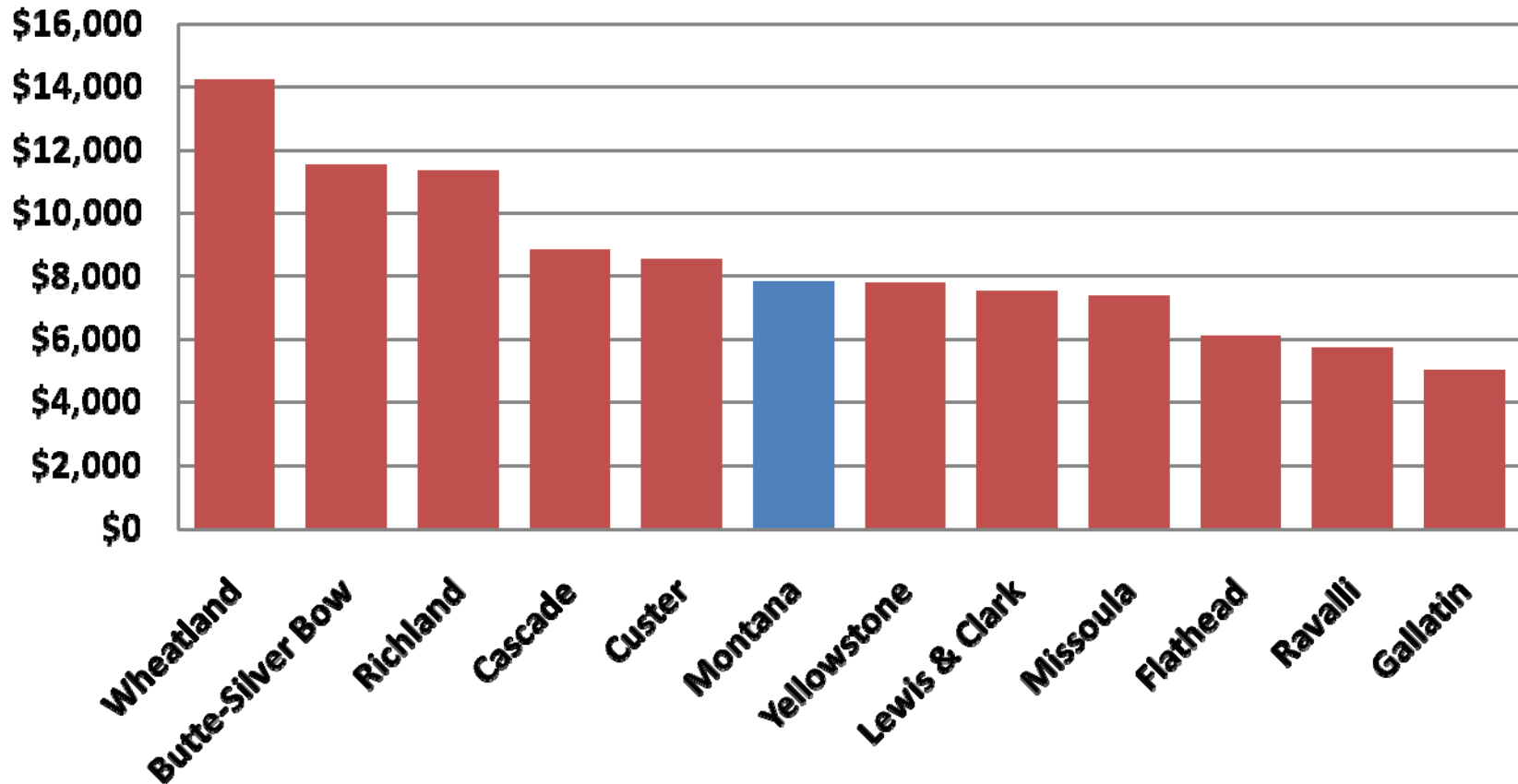
## Medicare Funding by County



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

# But Big Differences in Spending per Capita

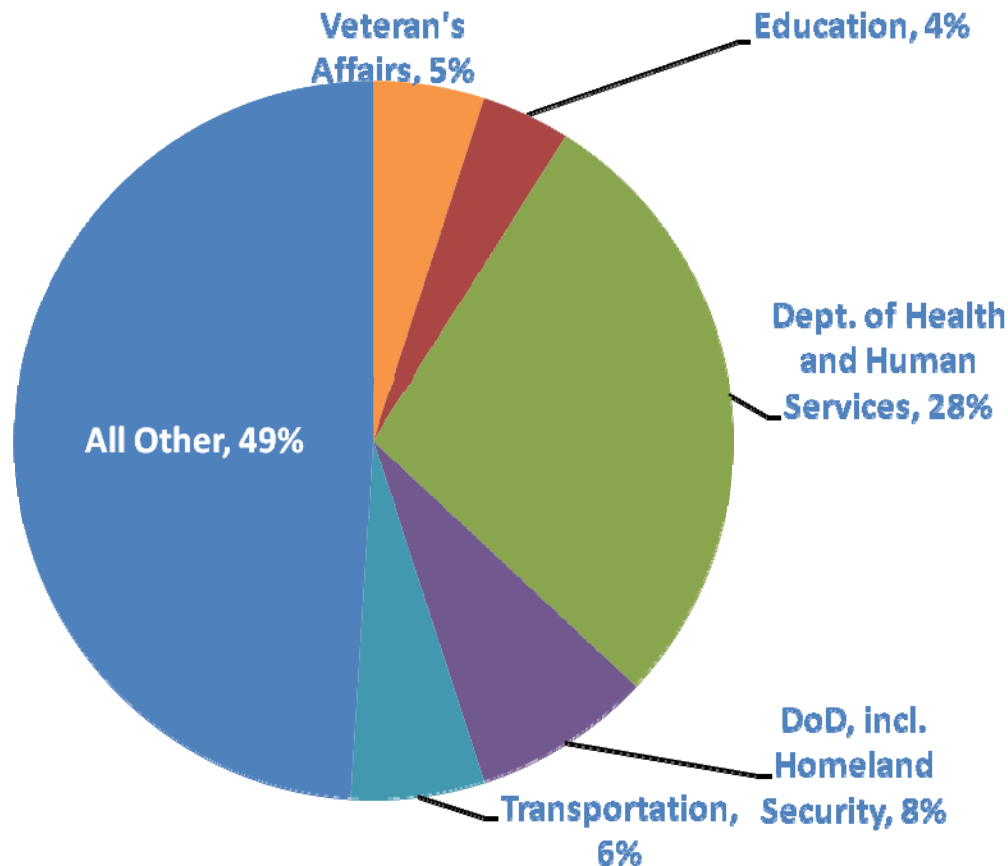
Medicare Spending/65 and Older Population



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

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**Jobs created** 21,000  
**Labor income generated** \$1.1 Billion  
**Average wage** \$52,000  
**Sales by businesses** \$2.3 Billion



# Medicare Spending Responsible For...

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**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...

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**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...

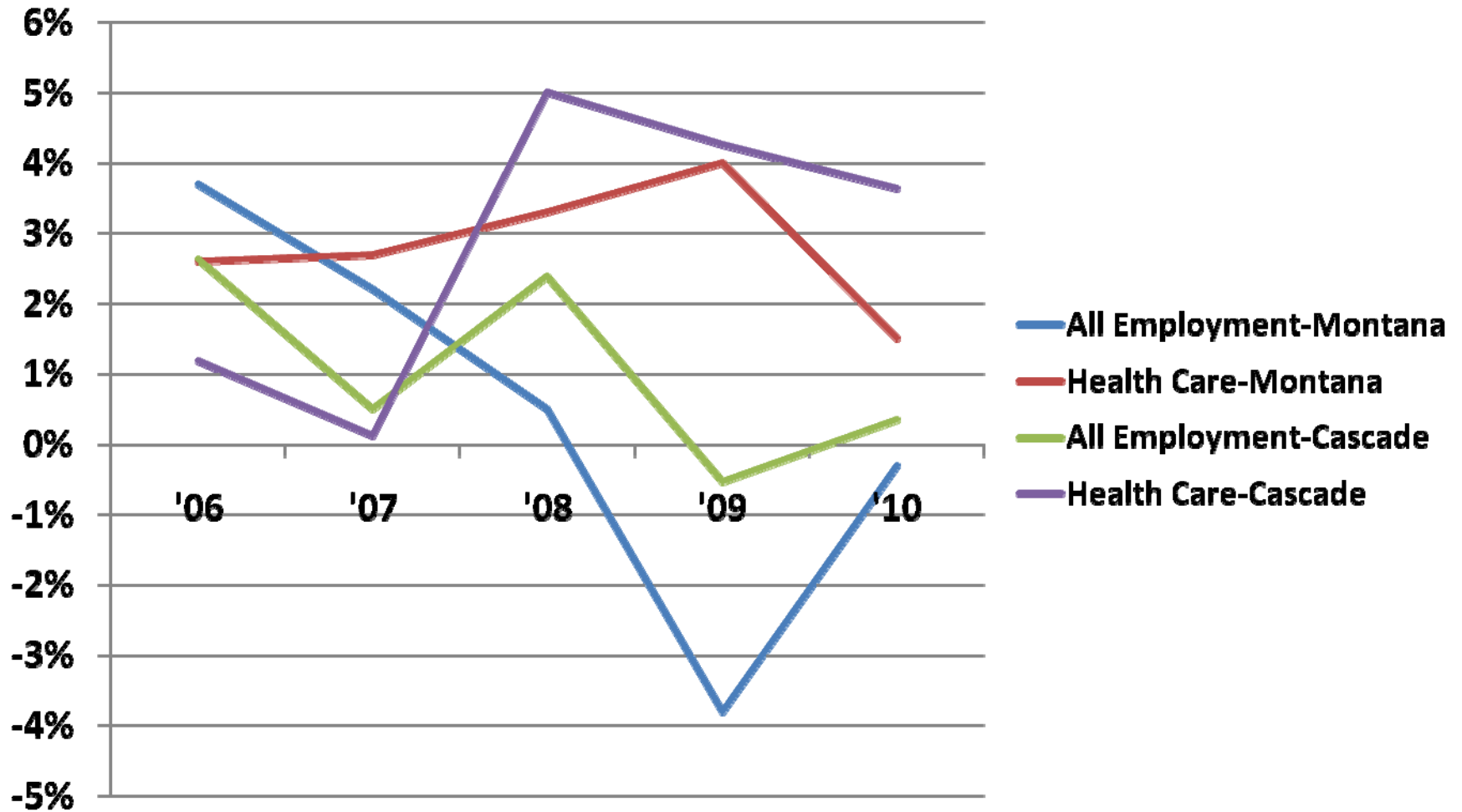
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- 37%** of all health care jobs
- 21%** of all ambulatory care jobs
- 71%** of all hospital jobs
- 51%** of all nursing & residential care jobs
- 3%** of all social assistance jobs

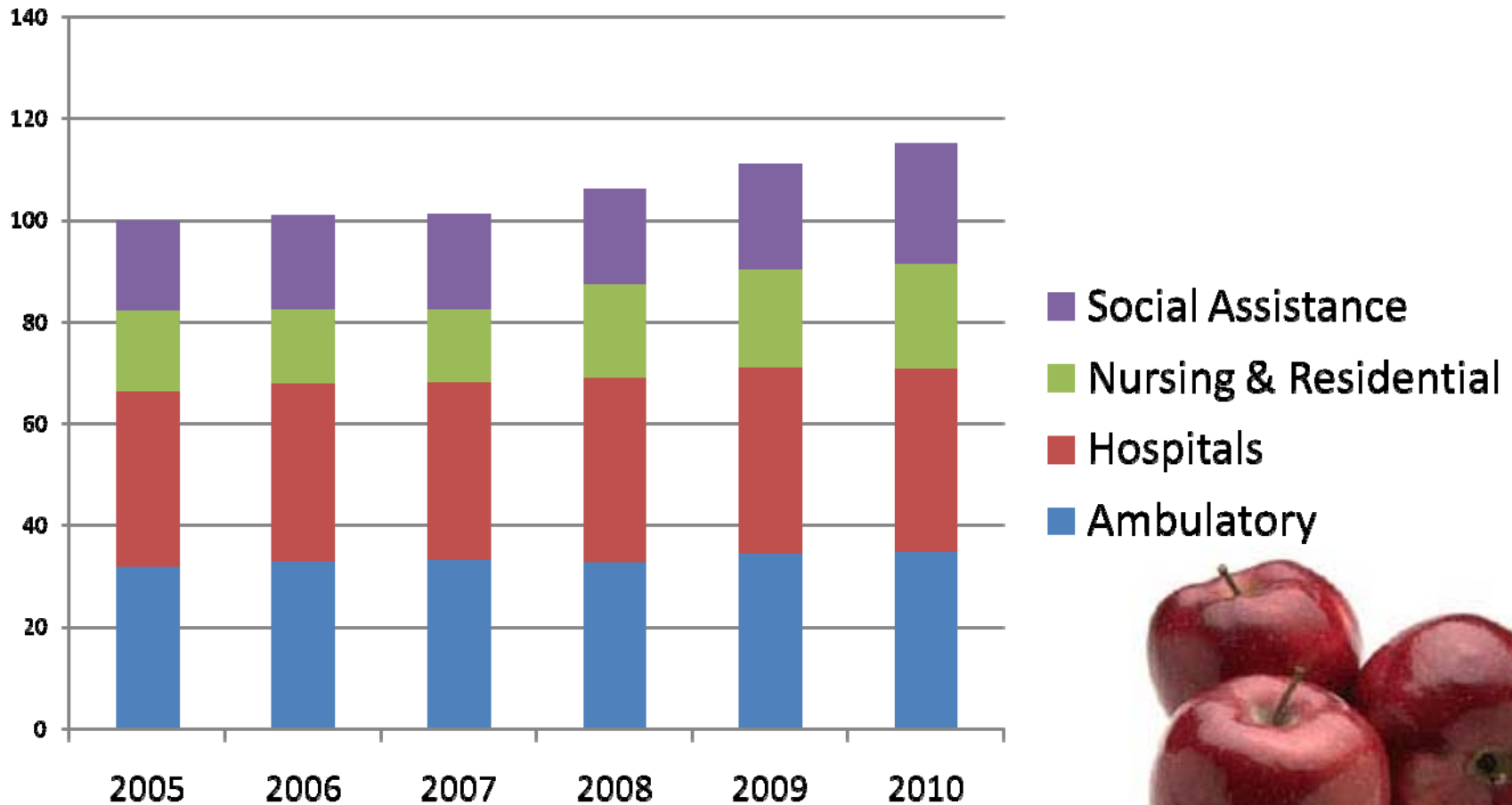




# Health Care: Cascade



# Composition of health care employment



# Montana Hospital Outlook

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- Environment under PPACA uncertain
- Changes in provider mix likely
- MD's under hospital management to continue
- Future of ACO's uncertain
- Staffing
  - Increase need for nurses, physicians, paraprofessionals and laboratory
  - No changes in imaging, ancillary



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# Questions?

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