

Will there be a doctor in the house?

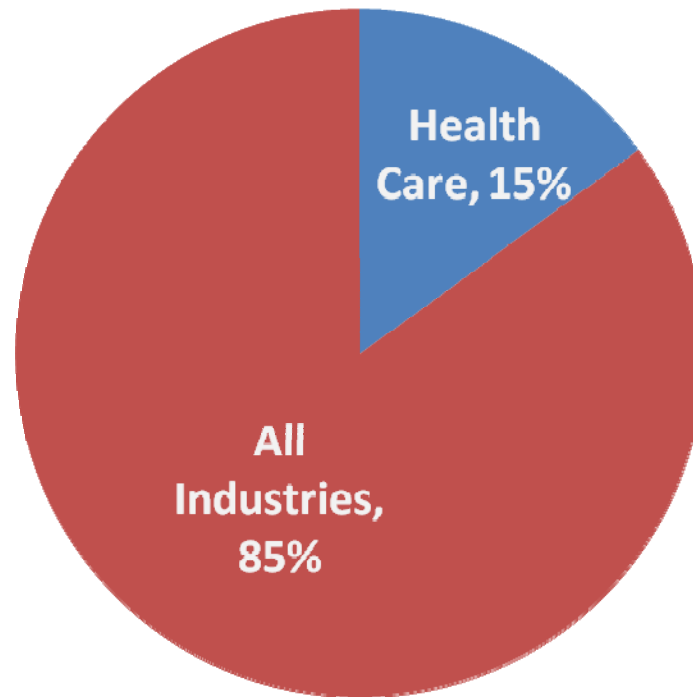


36th Annual Economic Outlook

Gregg Davis, Health Policy Analysis

Health care as a “jobs machine”

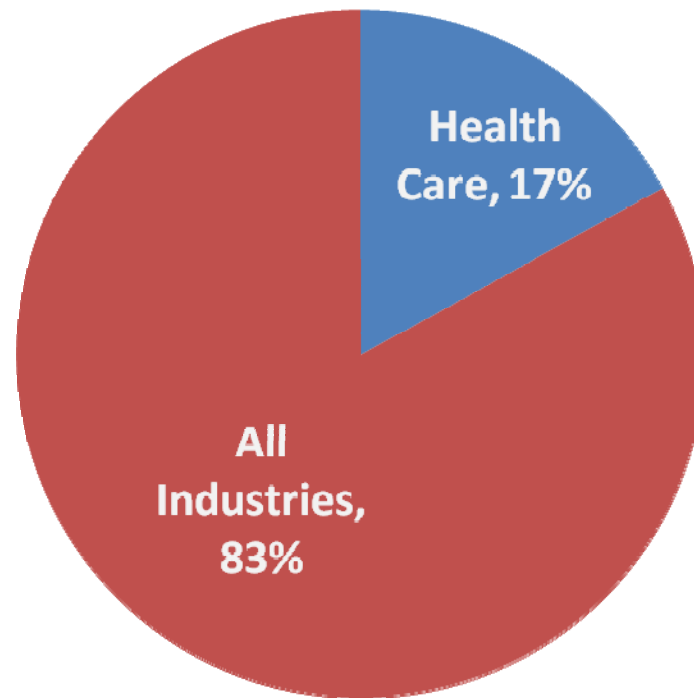
Health Care Private Employment Share of Total
Montana Economy, 2007



Source: Bureau of Labor Statistics.

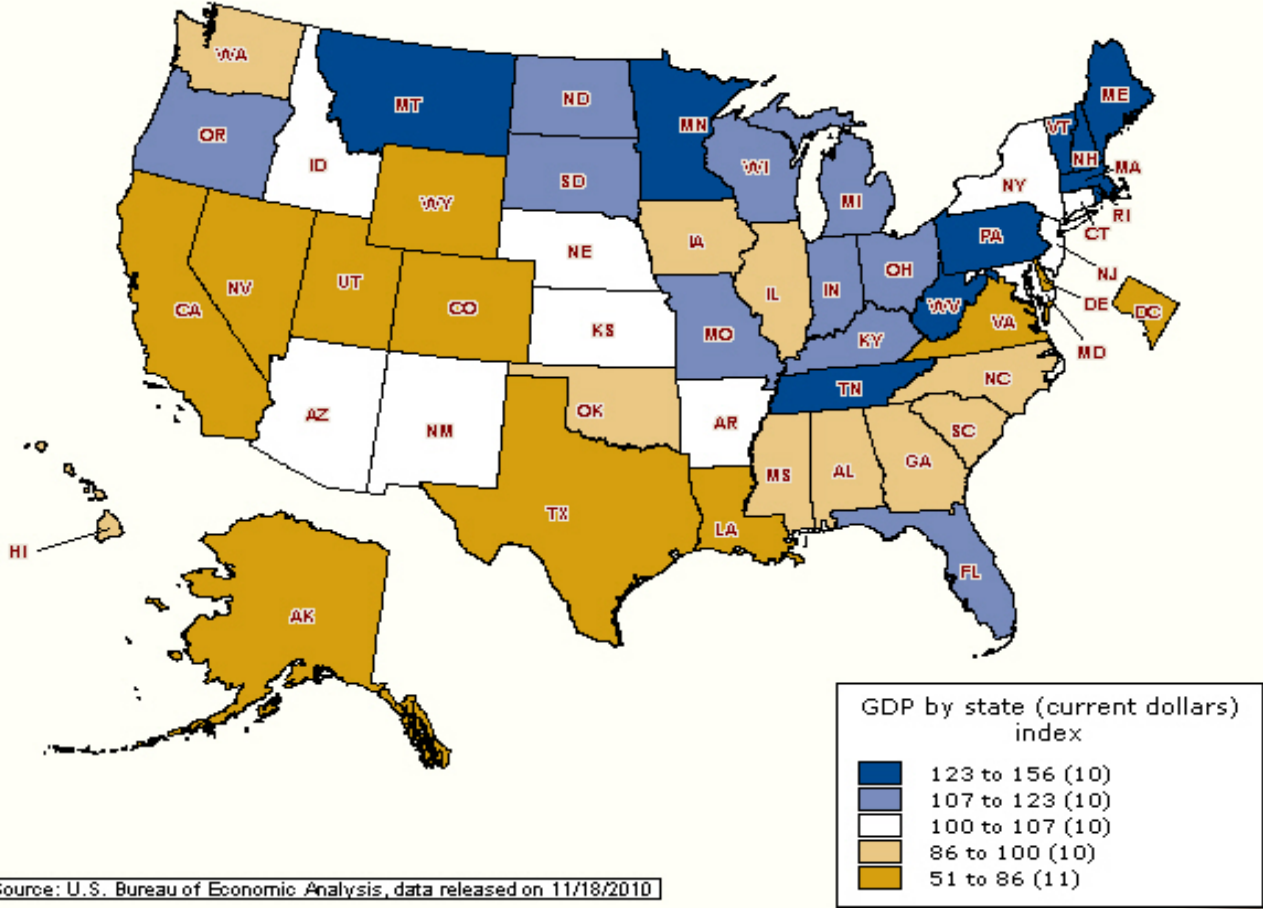
And the health care slice just got bigger

Health Care Private Employment Share of Total
Montana Economy, 2009

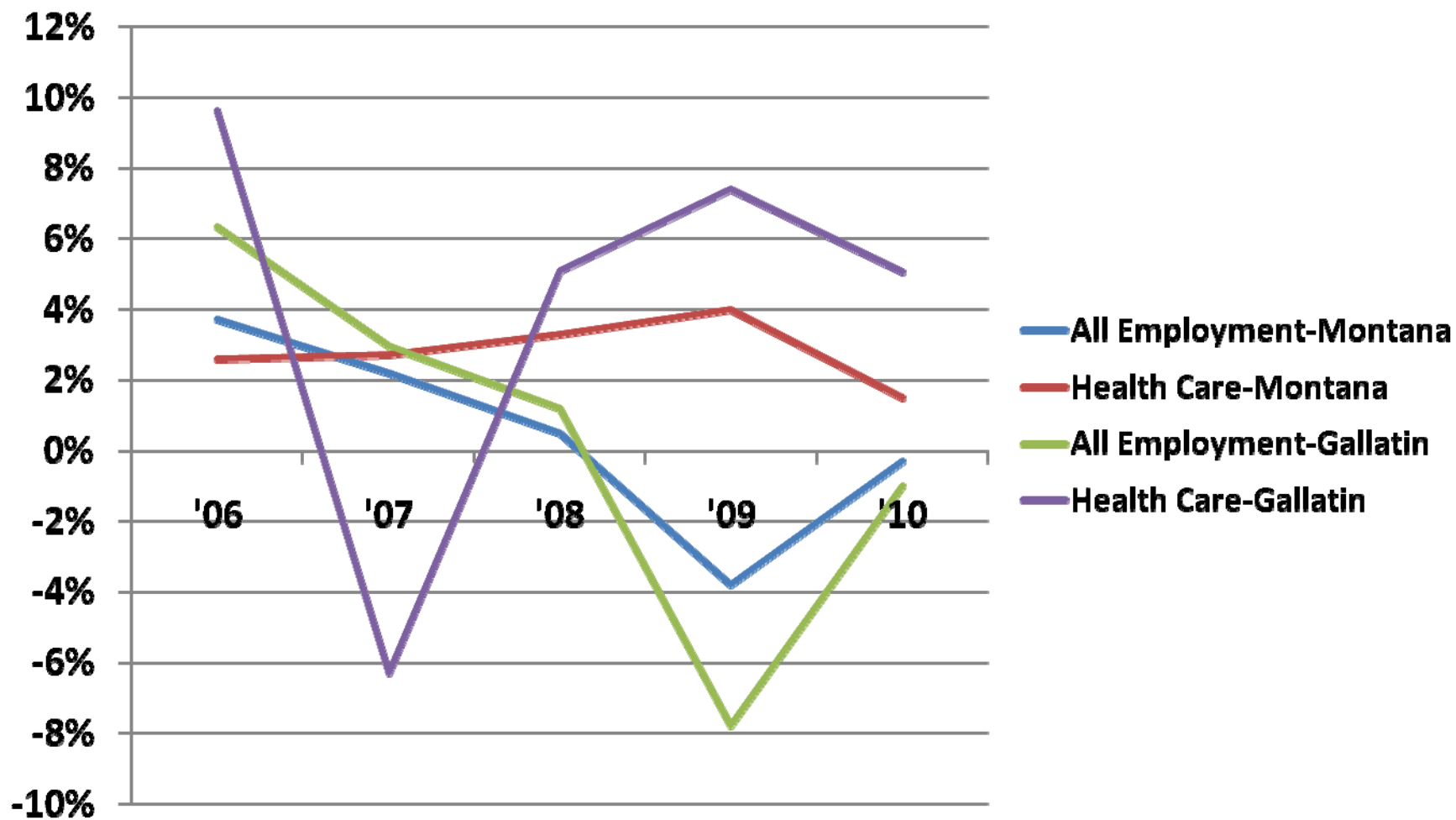


Source: Bureau of Labor Statistics.

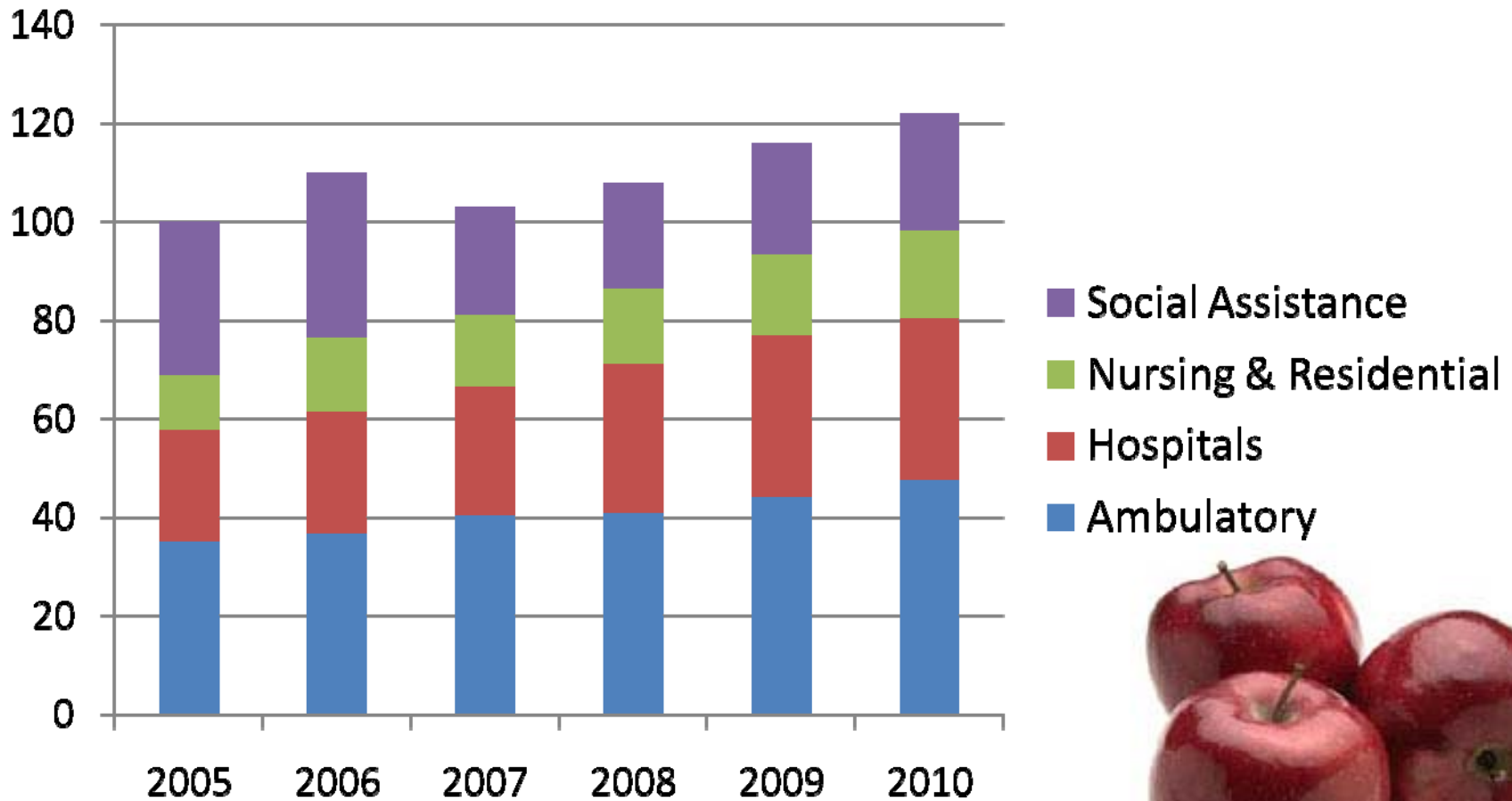
Only a few states devote more of their GDP to health care



Health Care: Gallatin

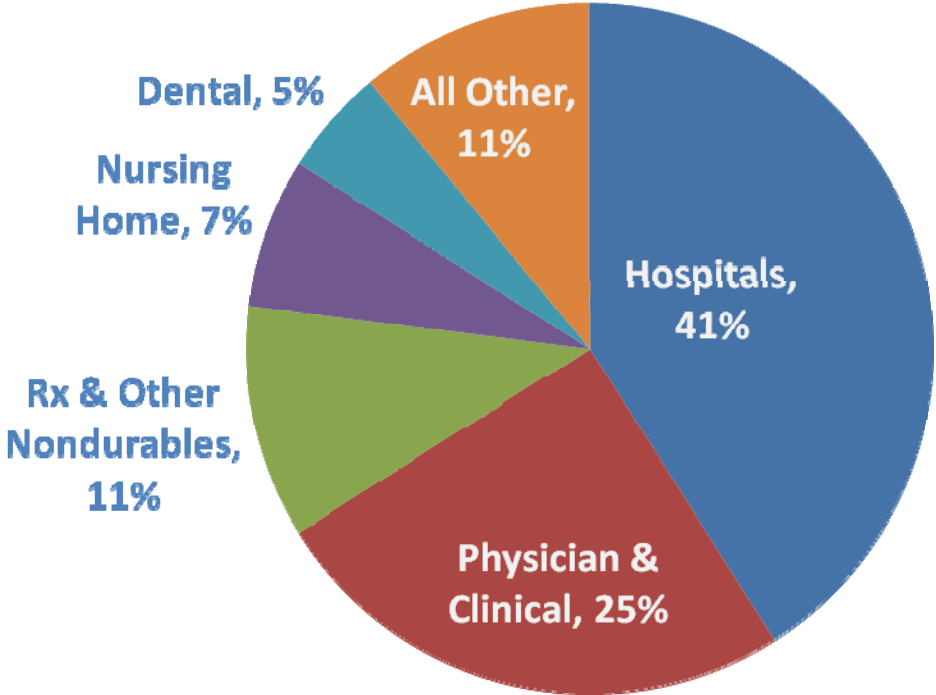


Composition of health care employment in Gallatin County



Where Do We Spend?

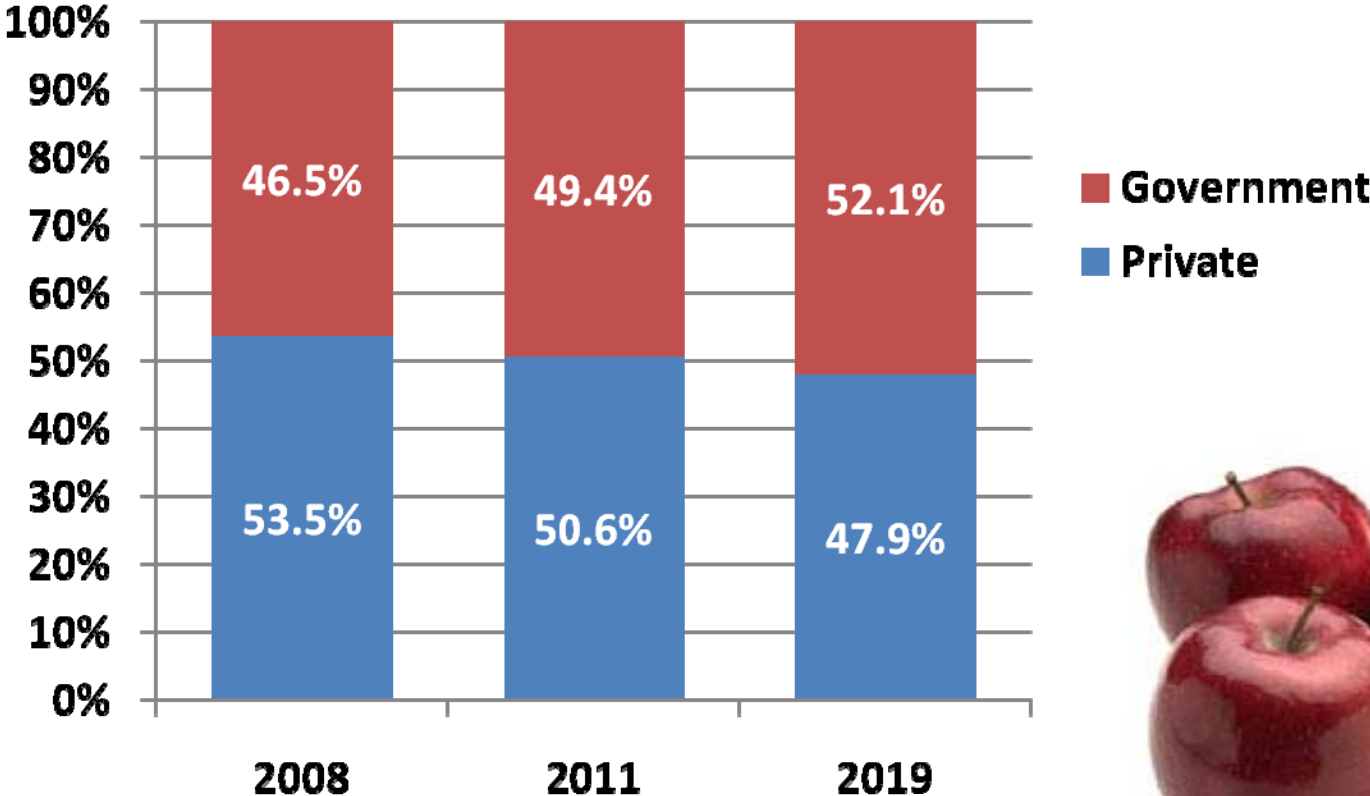
Percent Distribution of \$6.1 Billion PHCE, Montana



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

Who Pays for our Spending?

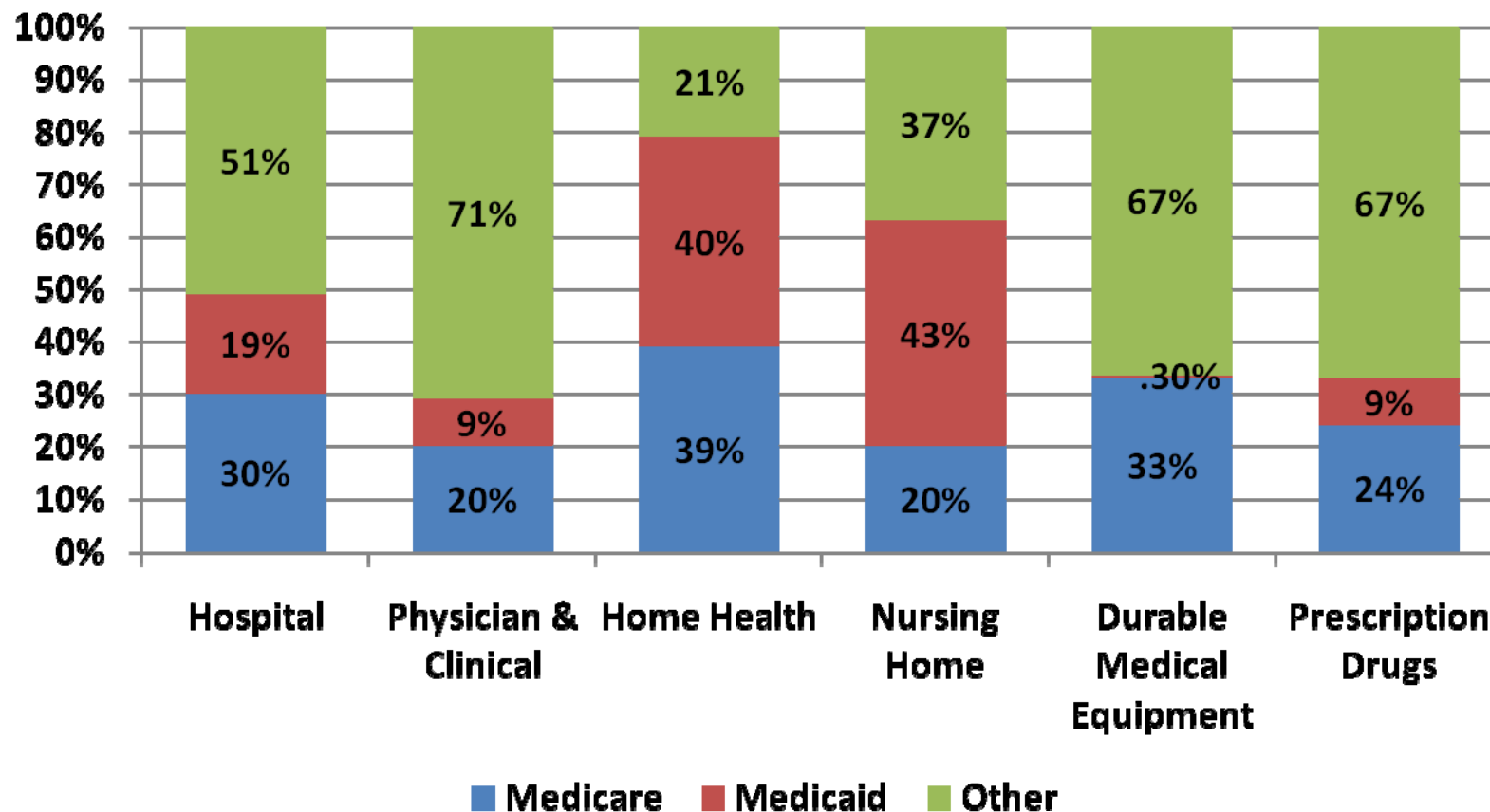
Distribution of PHCE by Funding Source



Source: Centers for Medicare and Medicaid Services.

Who Pays Depends on What We're Buying

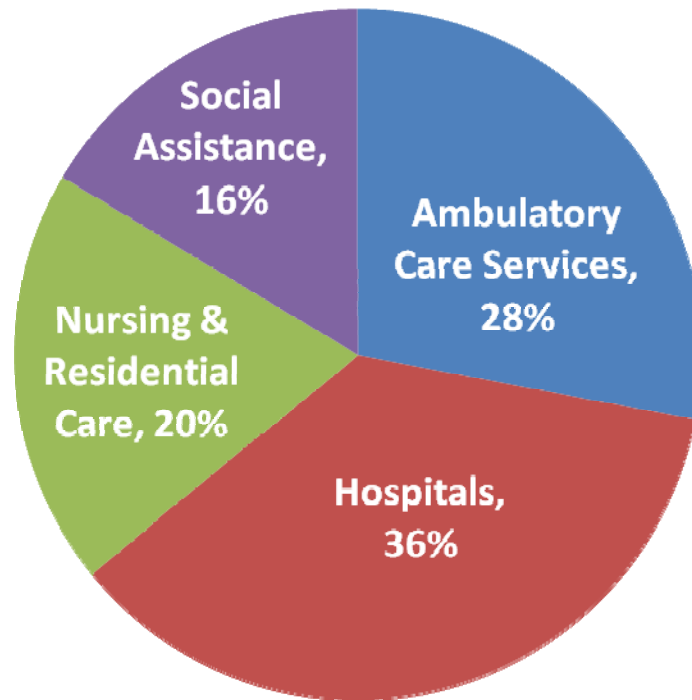
Medicare's Share of Total Personal Health Care Spending, est. 2011



Source: Centers for Medicare and Medicaid Services.

Most Health Care Employment is in Hospitals

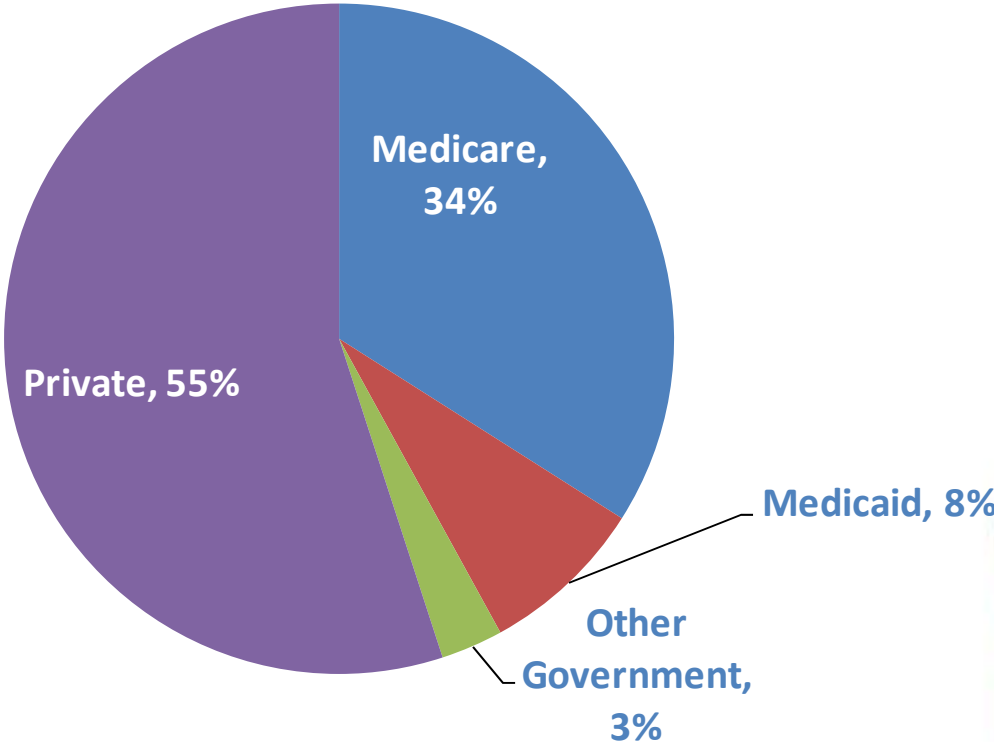
Share Total Health Care Employment, by Sector, 2009 (61,569)



Source: Montana Department of Labor and Industry.

Where Do Montana Hospitals Get Their Revenue?

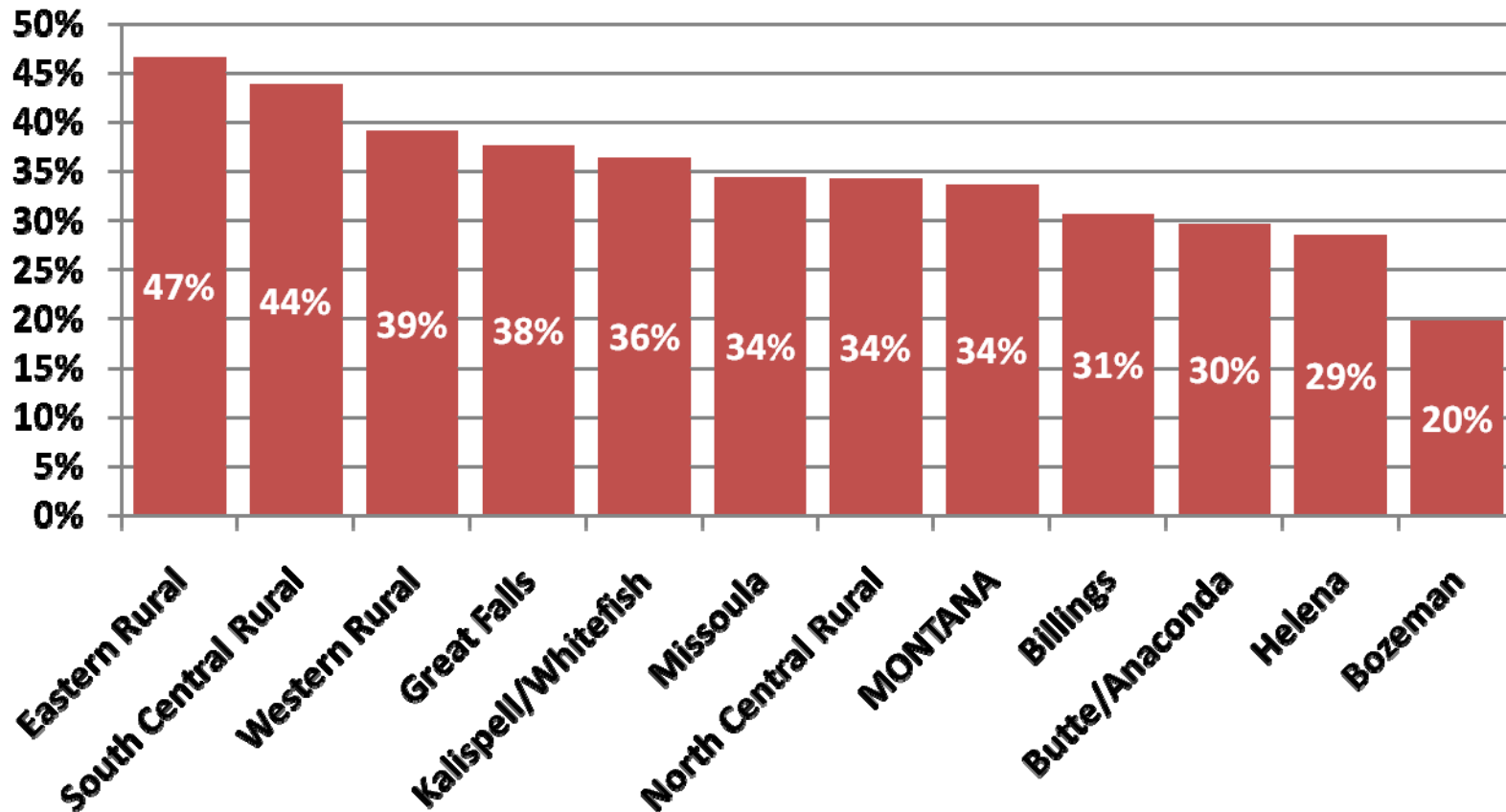
Hospital Revenues by Funding Source, Montana, 2009



Source: Unpublished data, Montana DPHHS.

But Big Differences in Medicare Revenues Emerge Based on Location

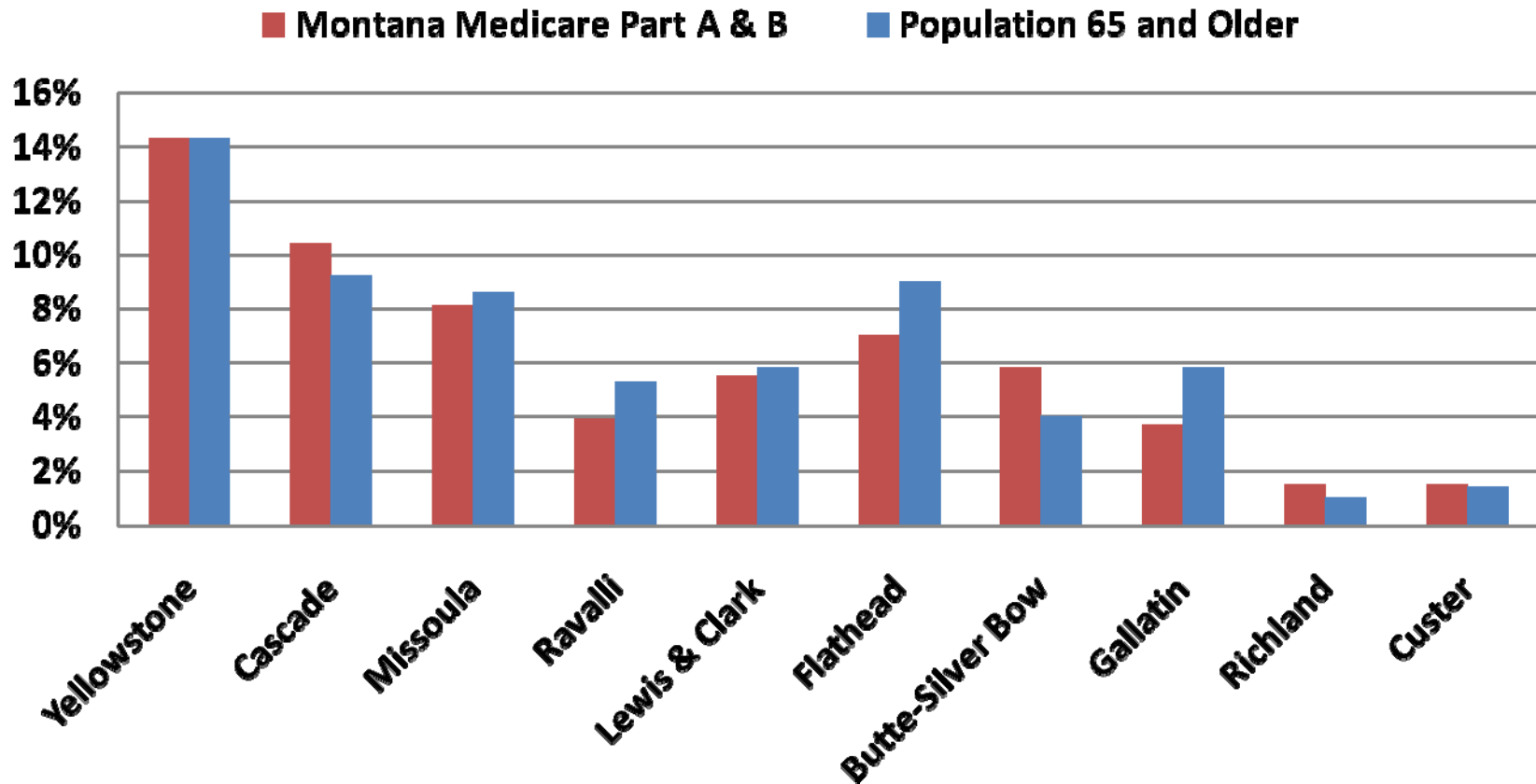
Share Hospital Revenue from Medicare, 2009



Source: Unpublished data, Montana DPHHS.

Medicare and “Late Adulthood” Population Match Almost Perfectly

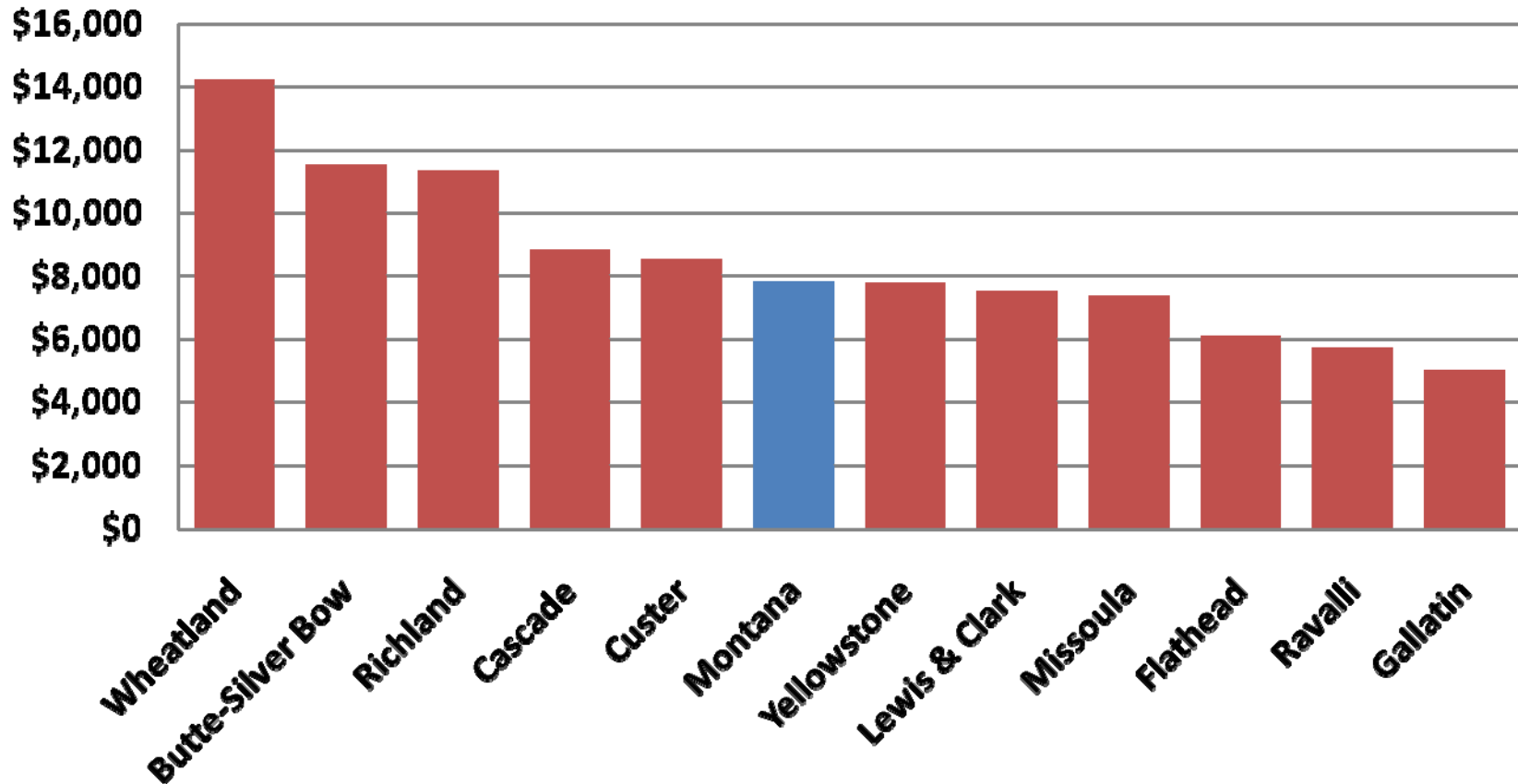
Medicare Funding by County



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

But Big Differences in Spending per Capita

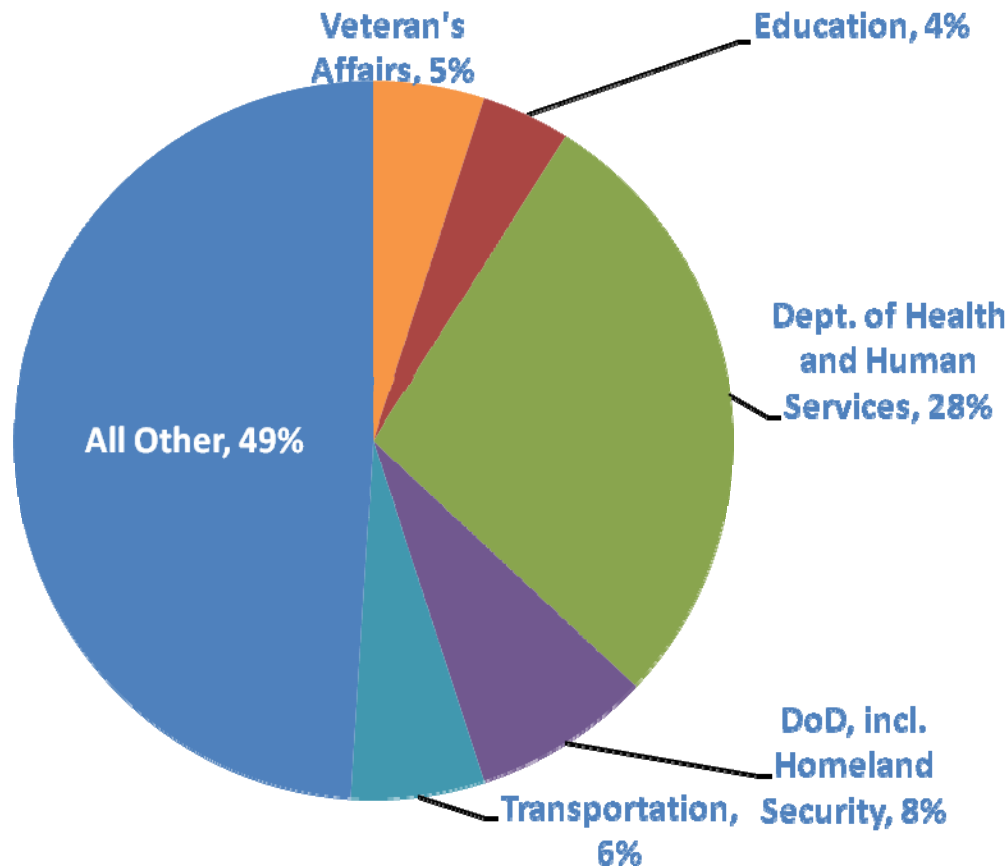
Medicare Spending/65 and Older Population



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

Jobs created 21,000

Labor income generated \$1.1 Billion

Average wage \$52,000

Sales by businesses \$2.3 Billion



Medicare Spending Responsible For...

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...

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...

- 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



The Montana hospital perspective...

- PPACA environment uncertain (64%)
- Increase in use of mid-levels (90%)
- Marcus Welby effect (92%)
- Future of ACO's uncertain (64%)
- Staffing
 - Increase need for nurses, physicians, paraprofessionals and laboratory
 - No changes in imaging and ancillary
- Challenges: workforce, capital



Questions?

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