

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

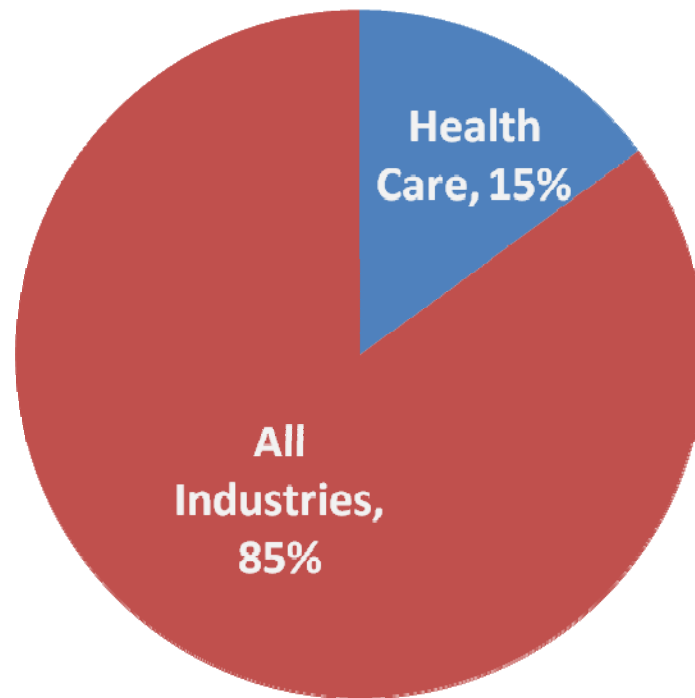


## **36<sup>th</sup> Annual Economic Outlook**

**Gregg Davis, Health Policy Analysis**

# Healthcare as a “jobs machine”

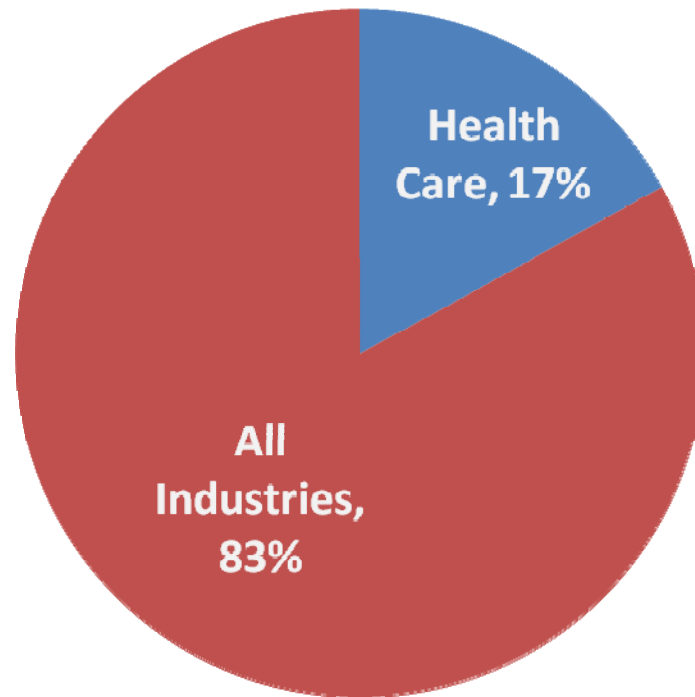
Health Care Private Employment Share of Total  
Montana Economy, 2007



Source: Bureau of Labor Statistics.

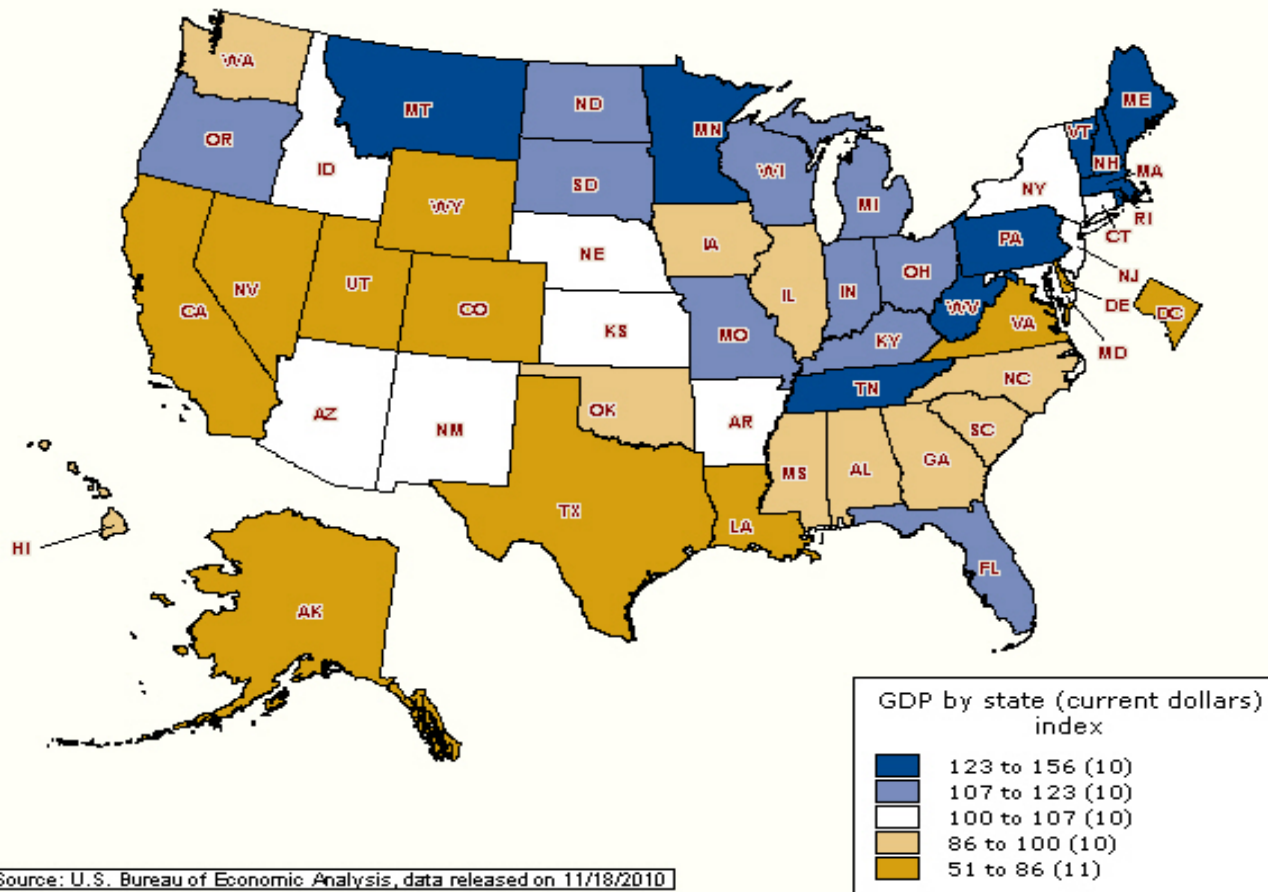
# Health care's slice of pie increased

Health Care Private Employment Share of Total Montana Economy, 2009

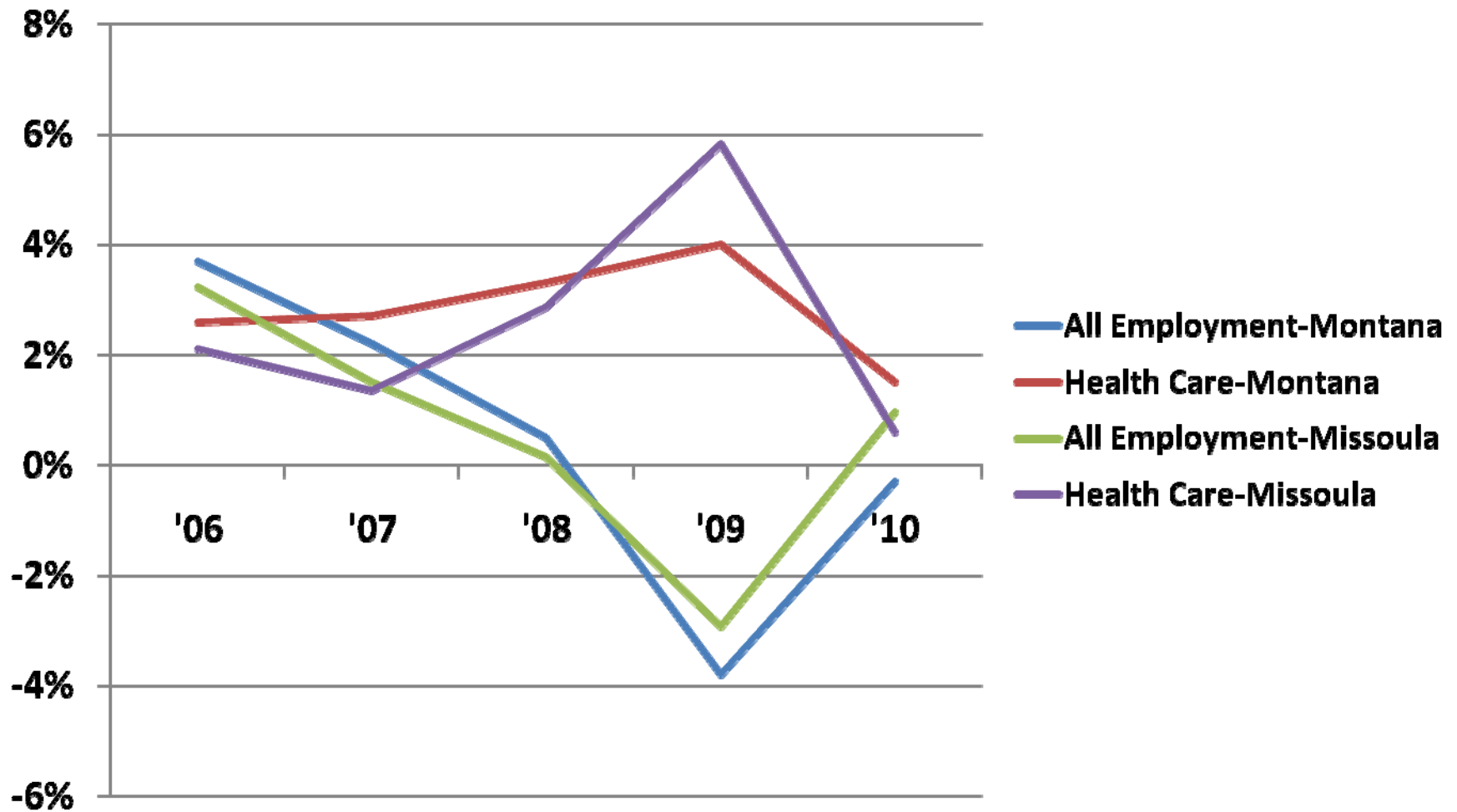


Source: Bureau of Labor Statistics.

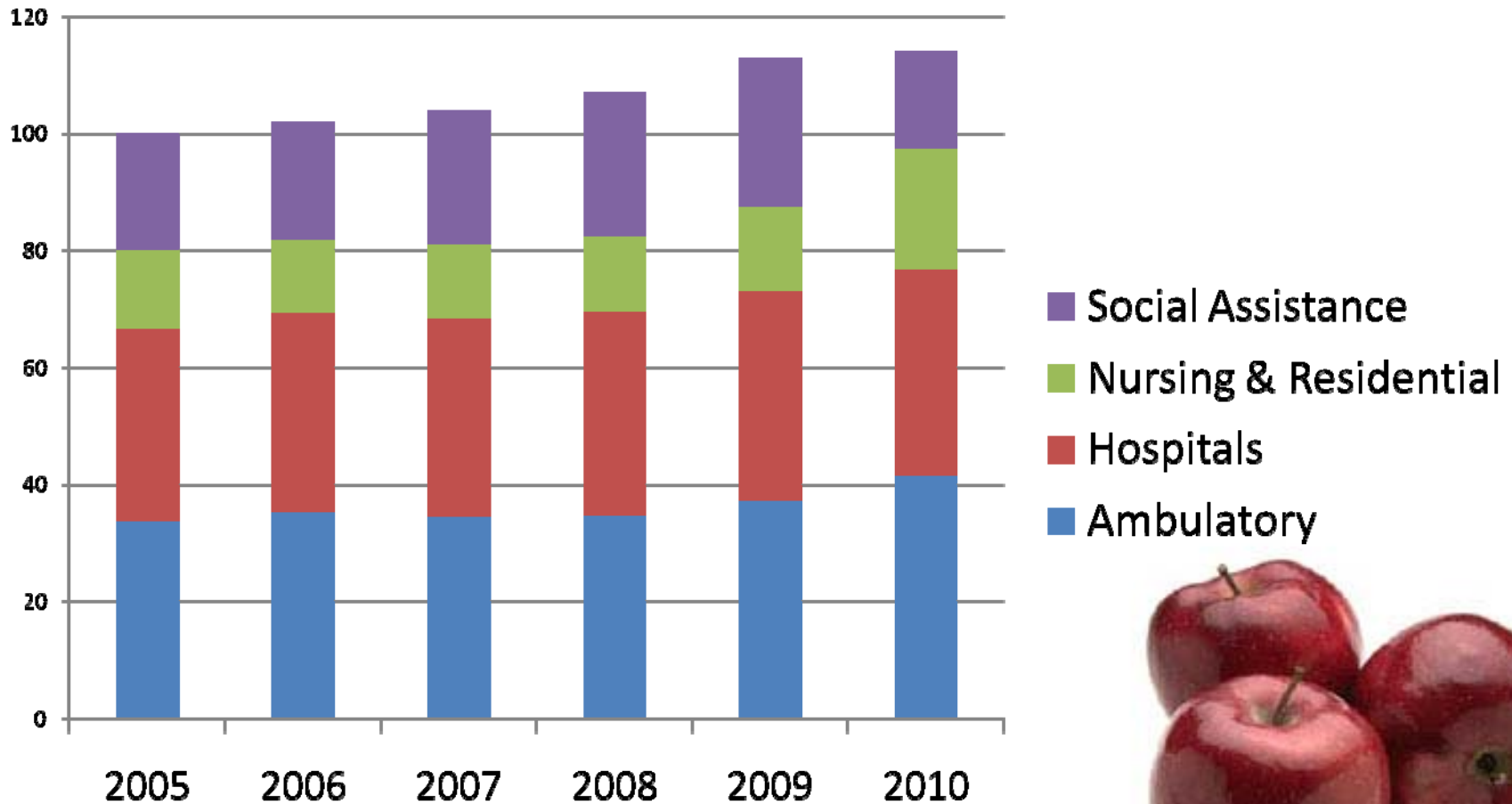
# Only a few states devote more of their GDP to health care



## Health care growth rates appear countercyclical but always positive

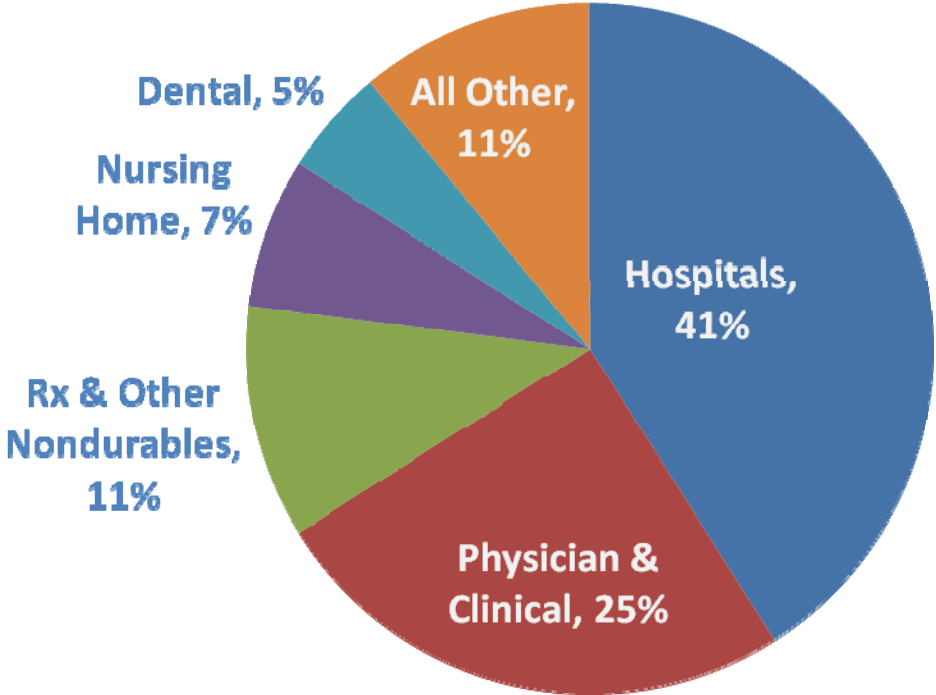


# Composition of health care employment in Missoula



# Where Do We Spend?

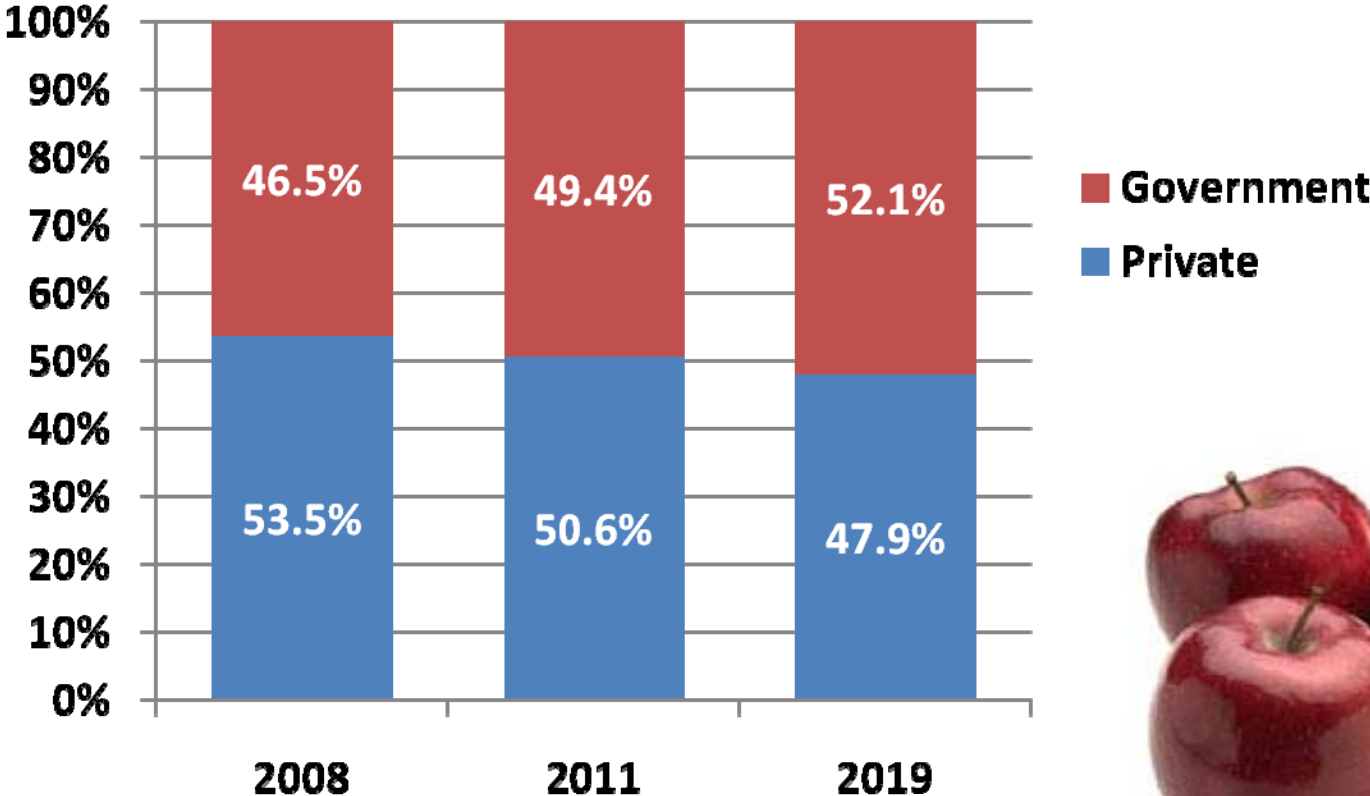
Percent Distribution of \$6.1 Billion PHCE, Montana



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

# Who Pays for our Spending?

Distribution of PHCE by Funding Source

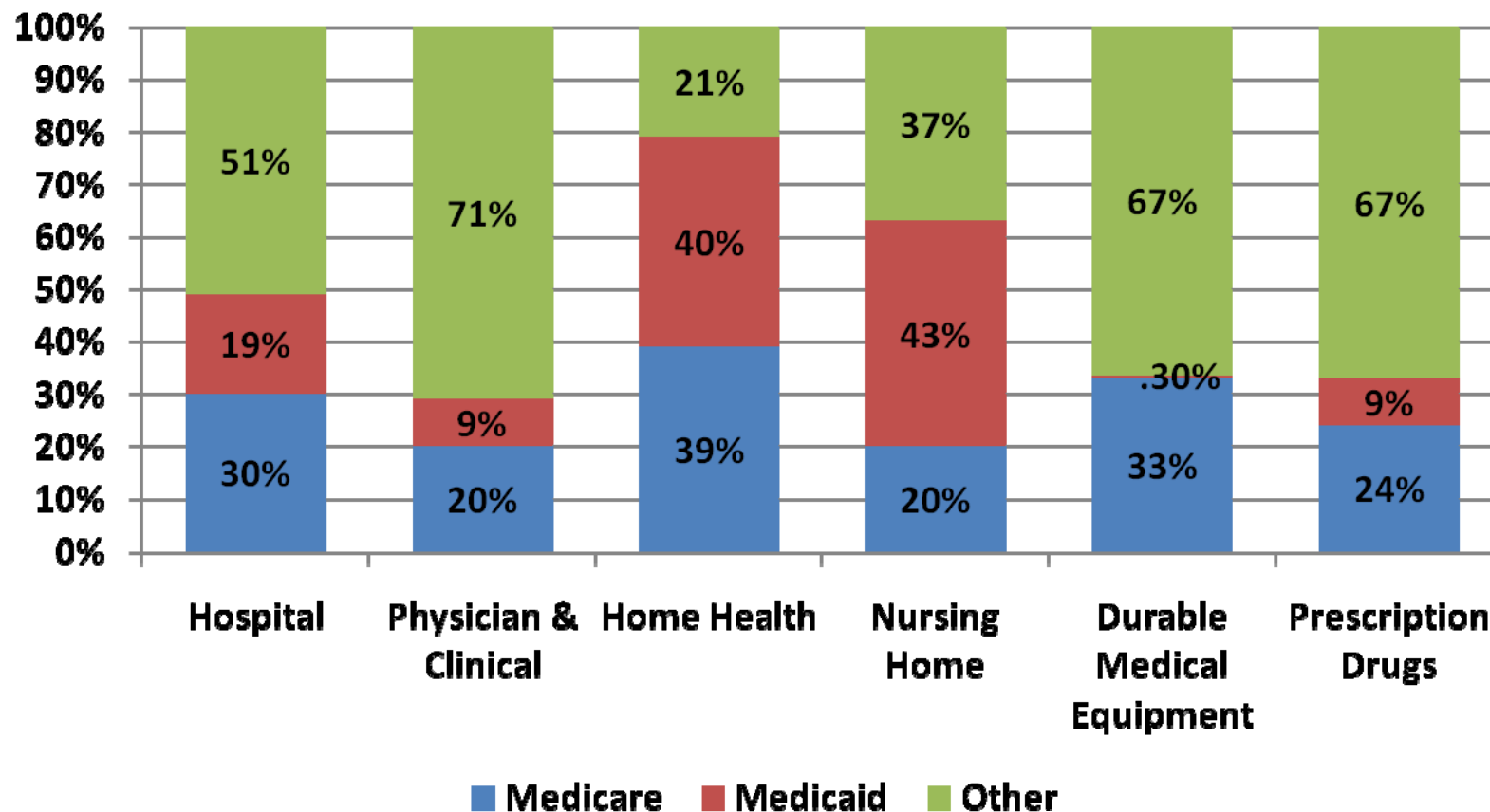


Source: Centers for Medicare and Medicaid Services.



# Who Pays Depends on What We're Buying

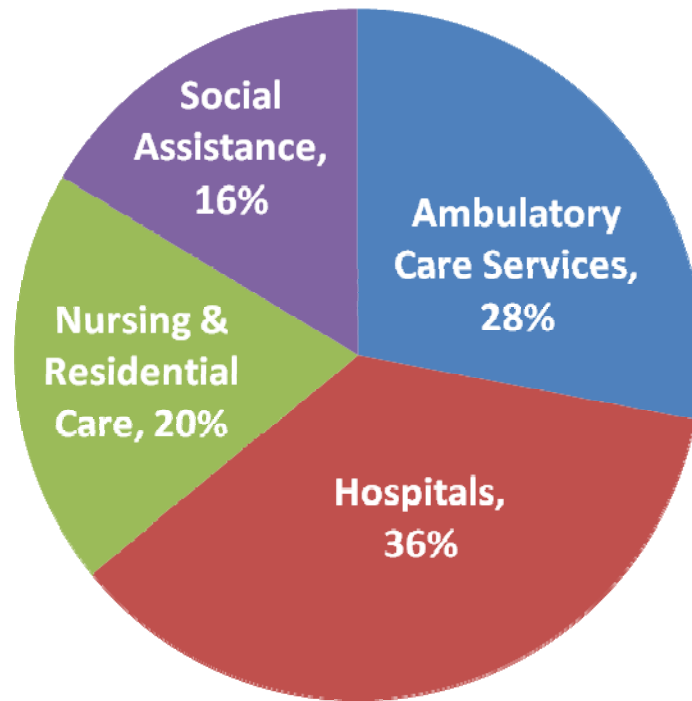
Medicare's Share of Total Personal Health Care Spending, est. 2011



Source: Centers for Medicare and Medicaid Services.

# Most Health Care Employment is in Hospitals

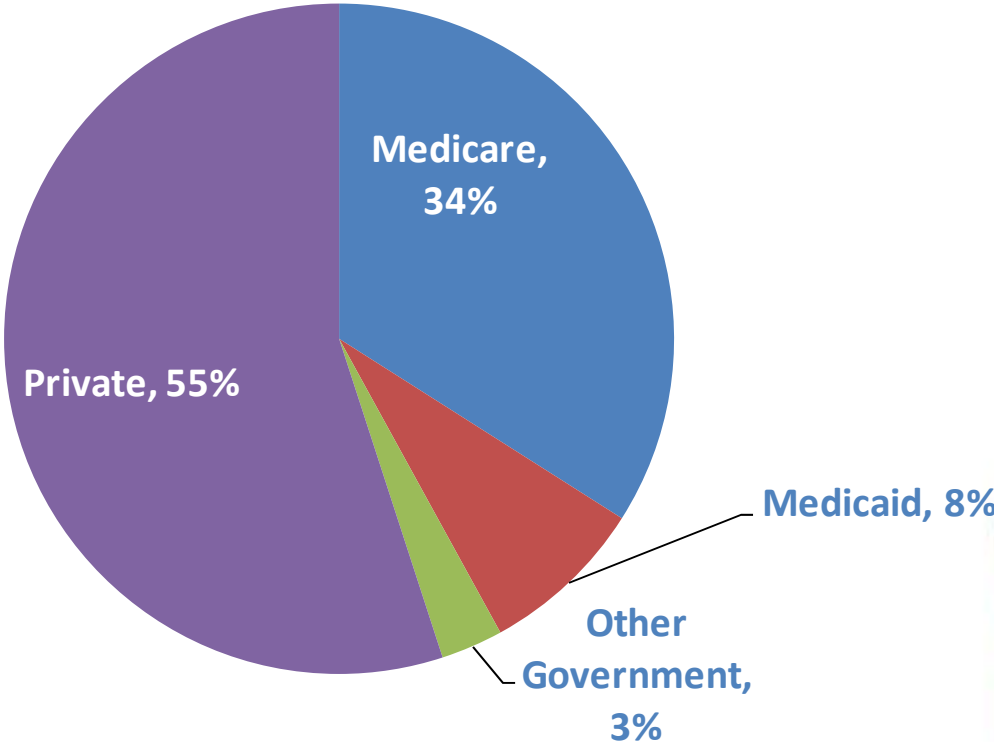
Share Total Health Care Employment, by Sector, 2009 (61,569)



Source: Montana Department of Labor and Industry.

# Where Do Montana Hospitals Get Their Revenue?

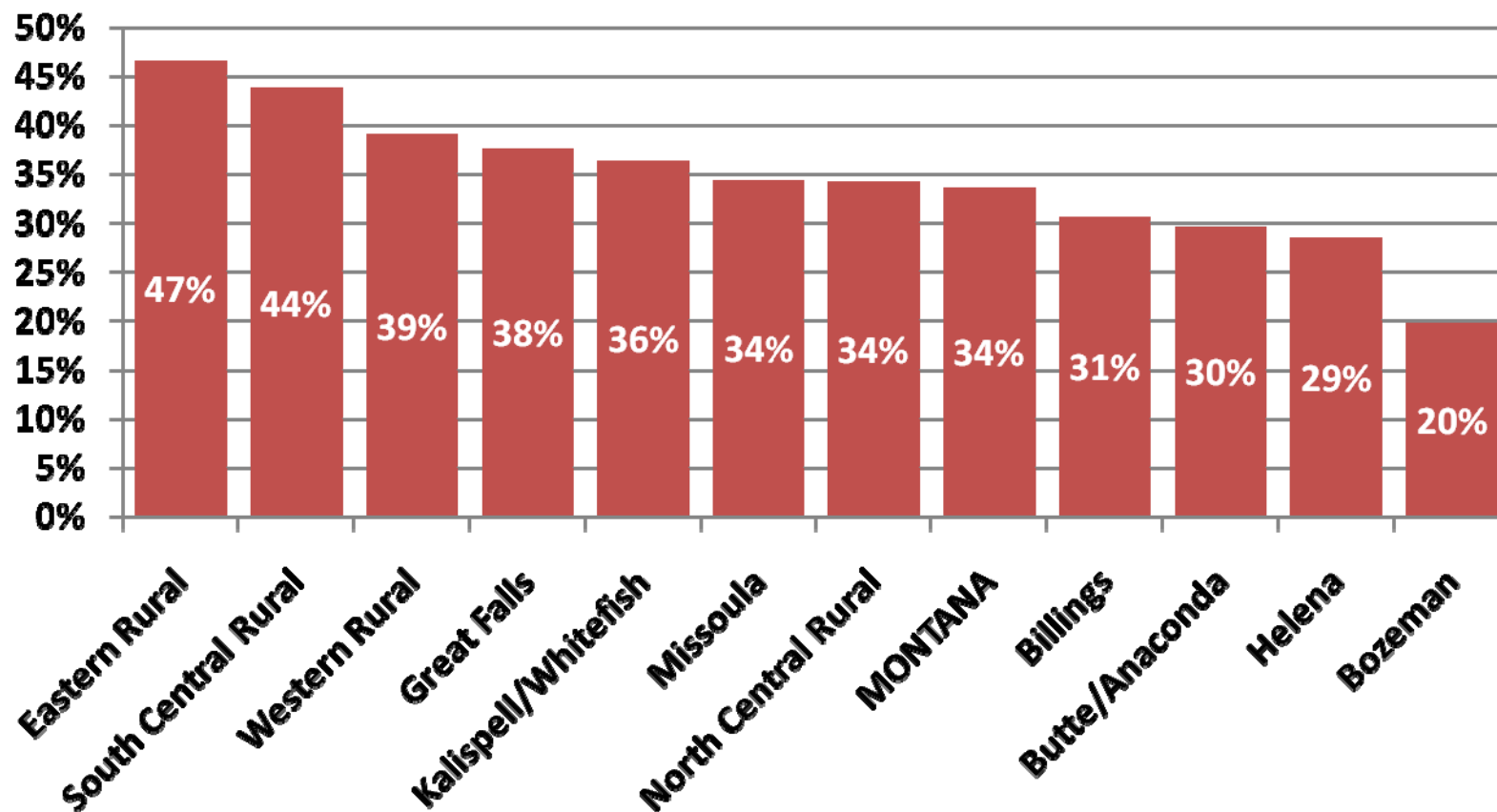
Hospital Revenues by Funding Source, Montana, 2009



Source: Unpublished data, Montana DPHHS.

# Changes in Medicare may have differential impacts...

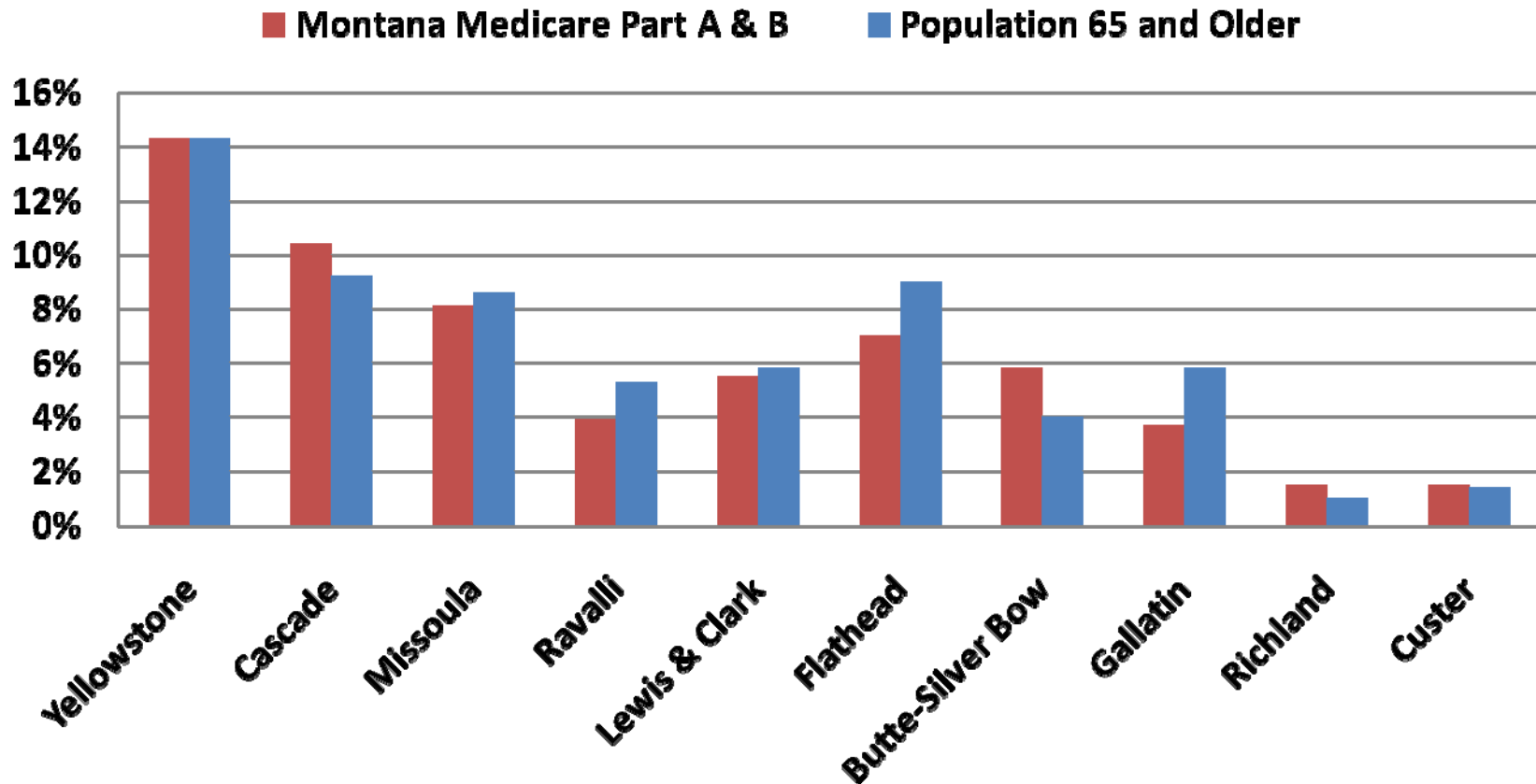
Share Hospital Revenue from Medicare, 2009



Source: Unpublished data, Montana DPHHS.

# Medicare and “Late Adulthood” Population Match Almost Perfectly

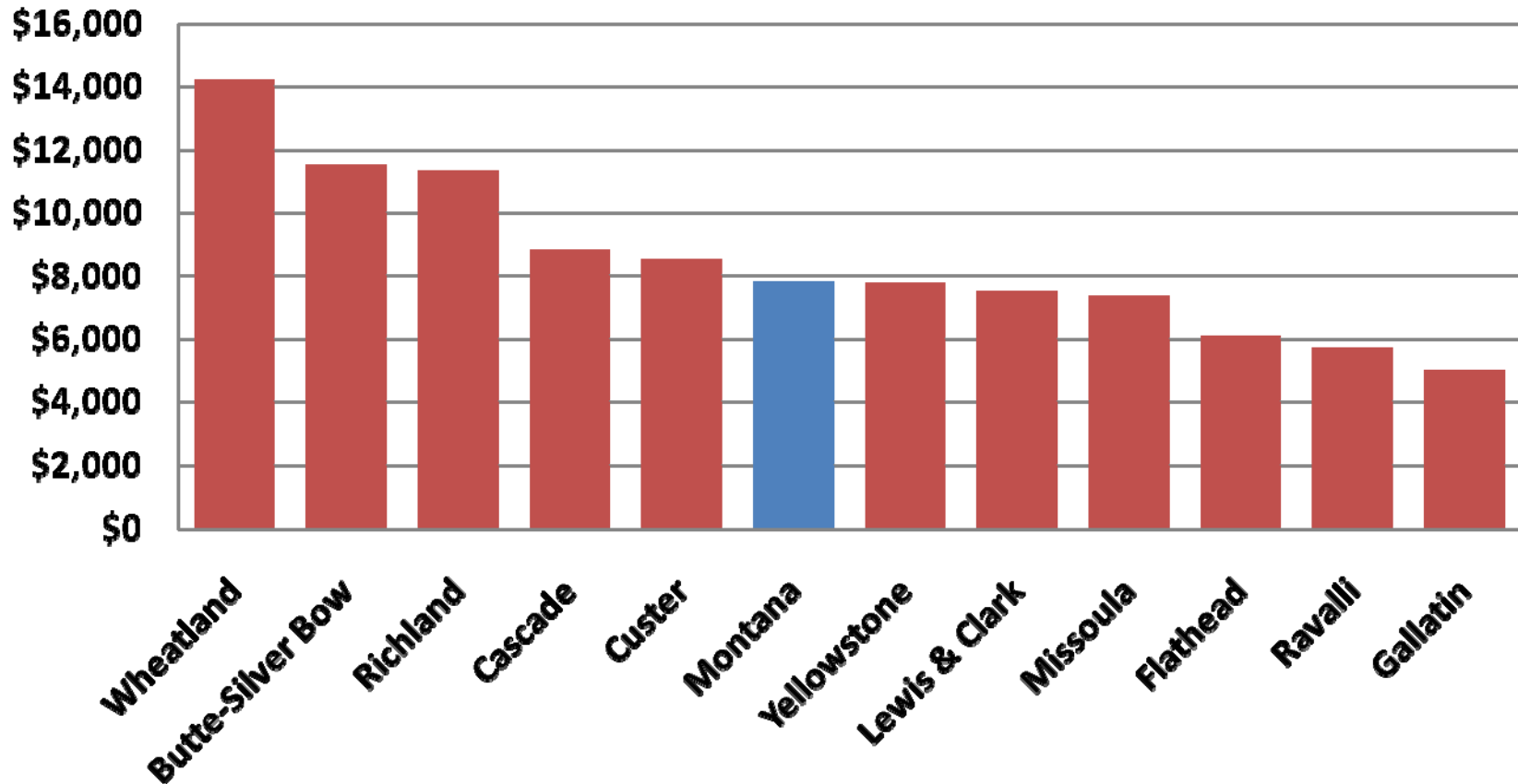
## Medicare Funding by County



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

# But Big Differences in Spending per Capita

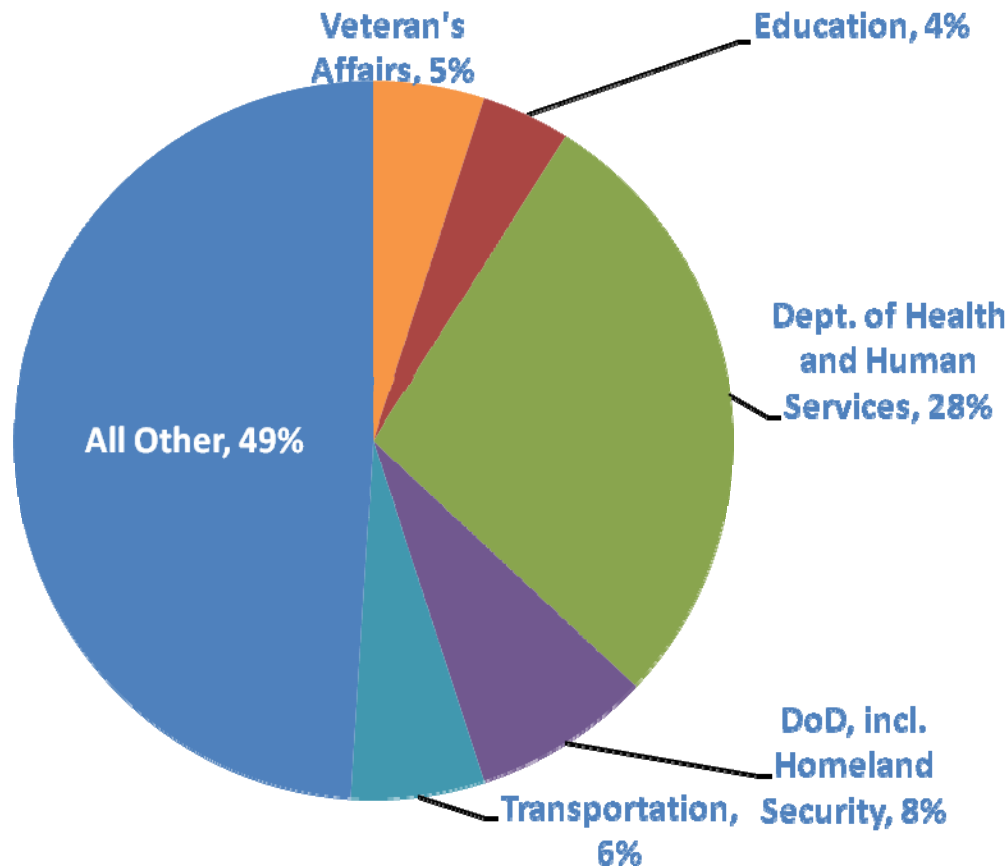
Medicare Spending/65 and Older Population



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 was \$1.8 billion in 2009

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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



# From the hospital's perspective...

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- PPACA impact: 64% uncertain, 28% unfavorable, 3% favorable
- Increase use of mid-levels (90%)
- Mergers and/or bankruptcies (59%)
- Marcus Welby Effect: (92%)
- Move to ACO's (64% uncertain)
- Staffing
  - Increase need for nurses, physicians, paraprofessionals and laboratory
  - No changes in imaging and ancillary
- Challenges ahead: workforce, capital



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# Questions?

Gregg Davis

[gregg.davis@business.umt.edu](mailto:gregg.davis@business.umt.edu)

