

Will there be a doctor in the house?

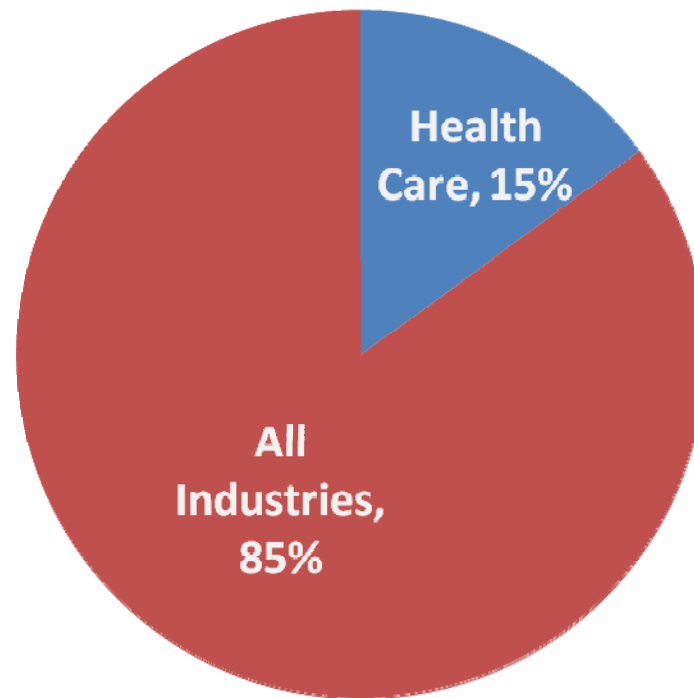


36th Annual Economic Outlook

Gregg Davis, Health Policy Analysis

Health care as a “jobs machine”

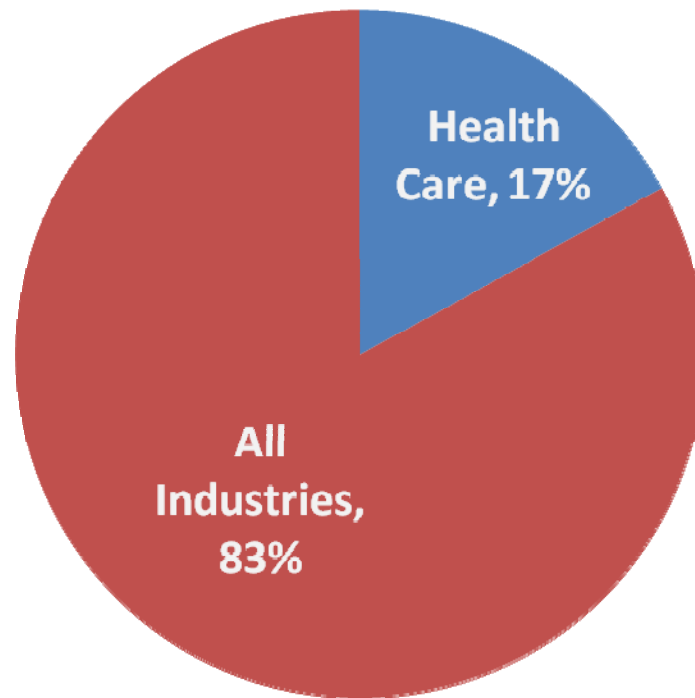
Health Care Private Employment Share of Total
Montana Economy, 2007



Source: Bureau of Labor Statistics.

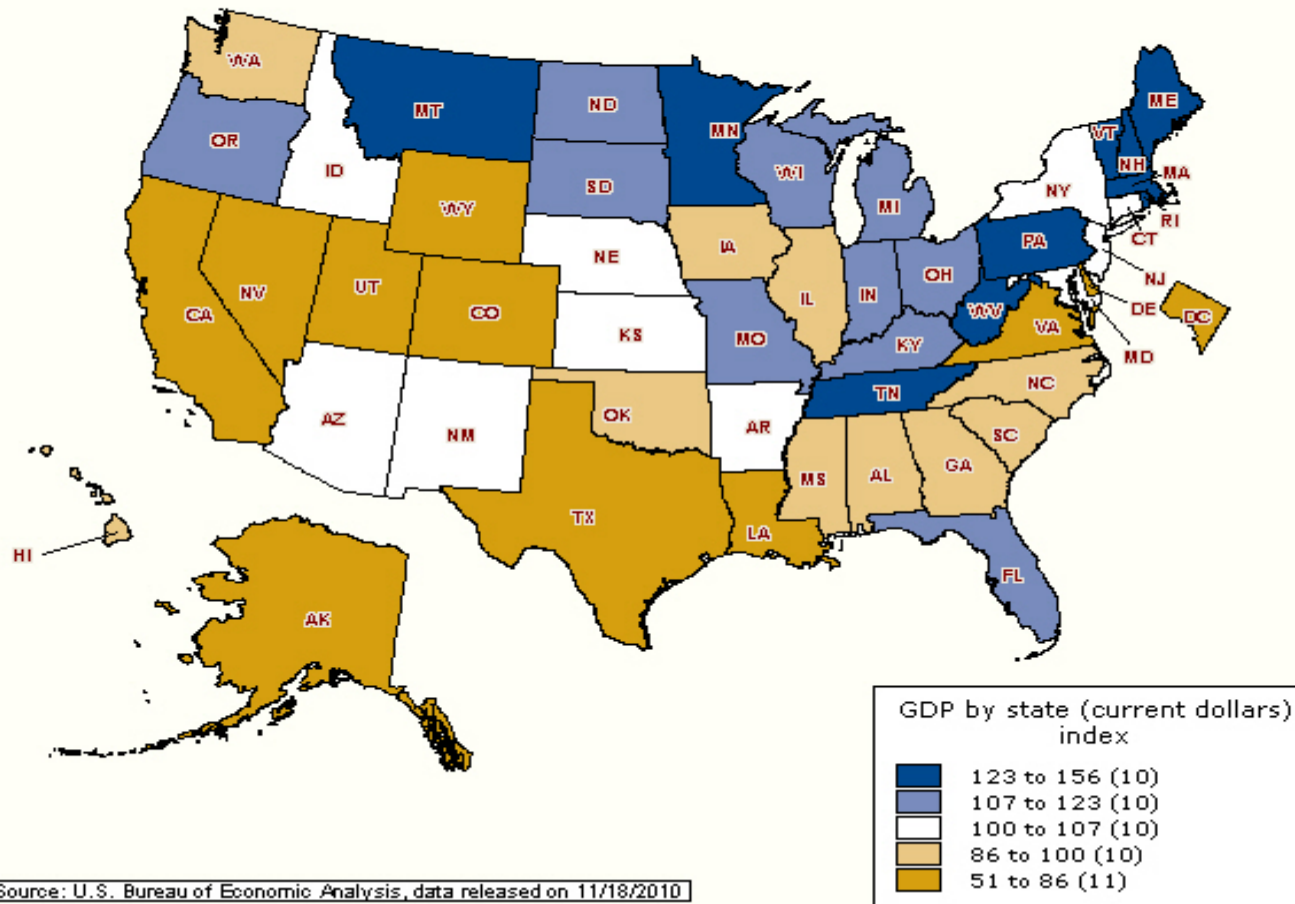
Health care's slice of the pie increased as the economy contracted

Health Care Private Employment Share of Total Montana Economy, 2009



Source: Bureau of Labor Statistics.

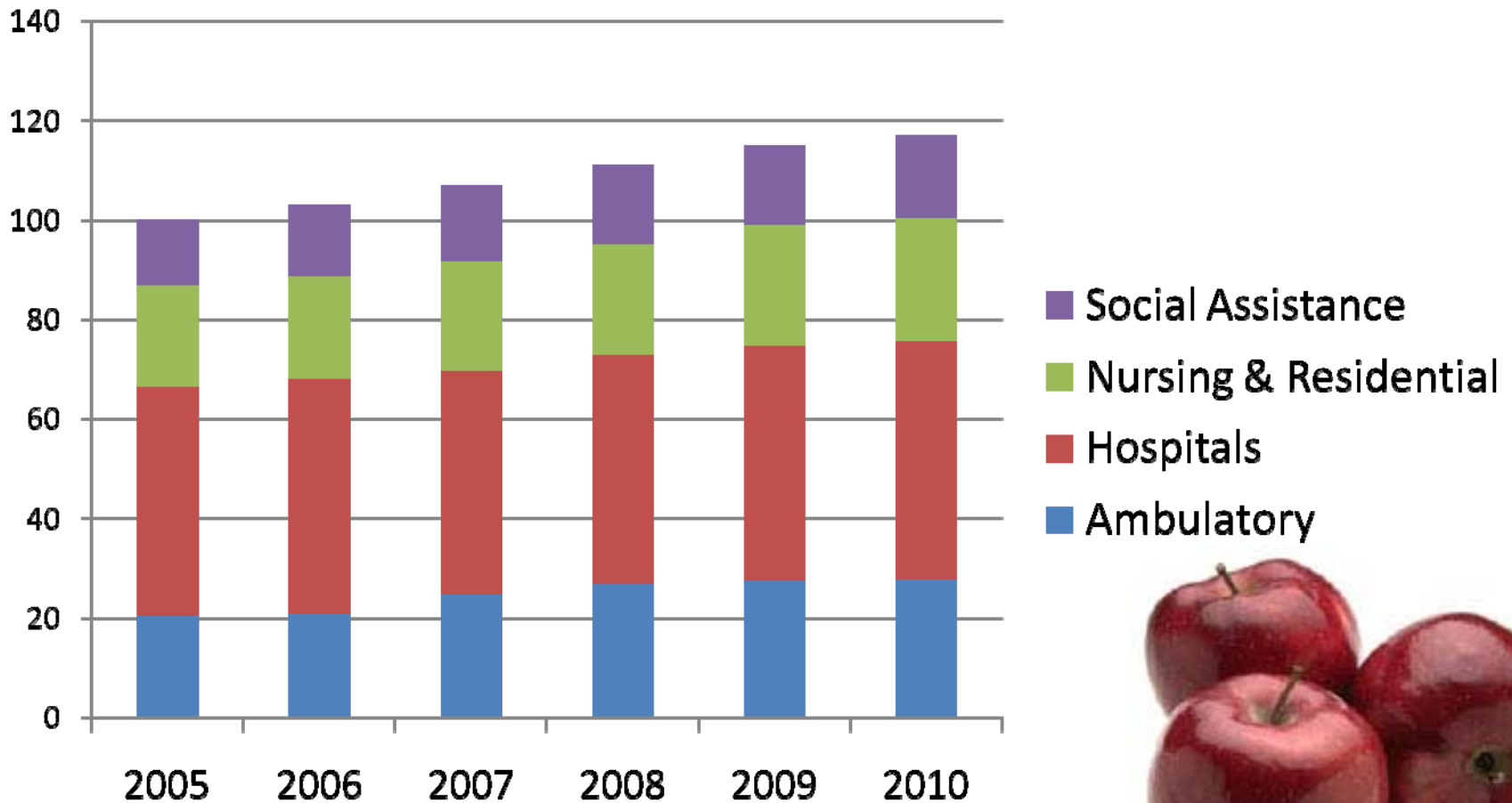
Only a few of states devote more of their GDP to health care...



Health care growth rates appear countercyclical but always positive

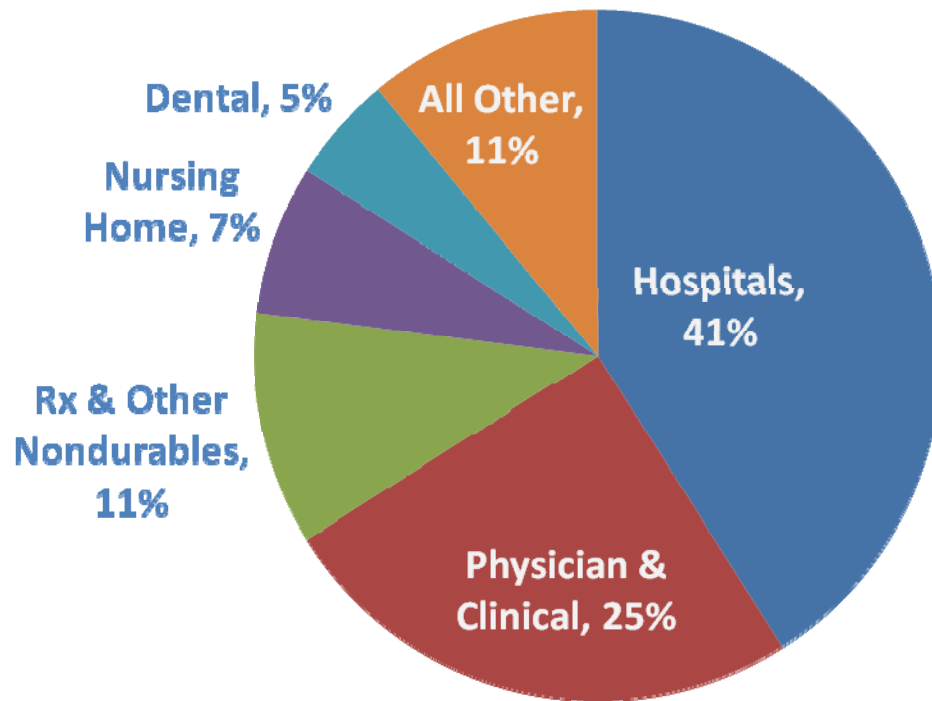


Composition of health care employment in Yellowstone County



Where Do We Spend?

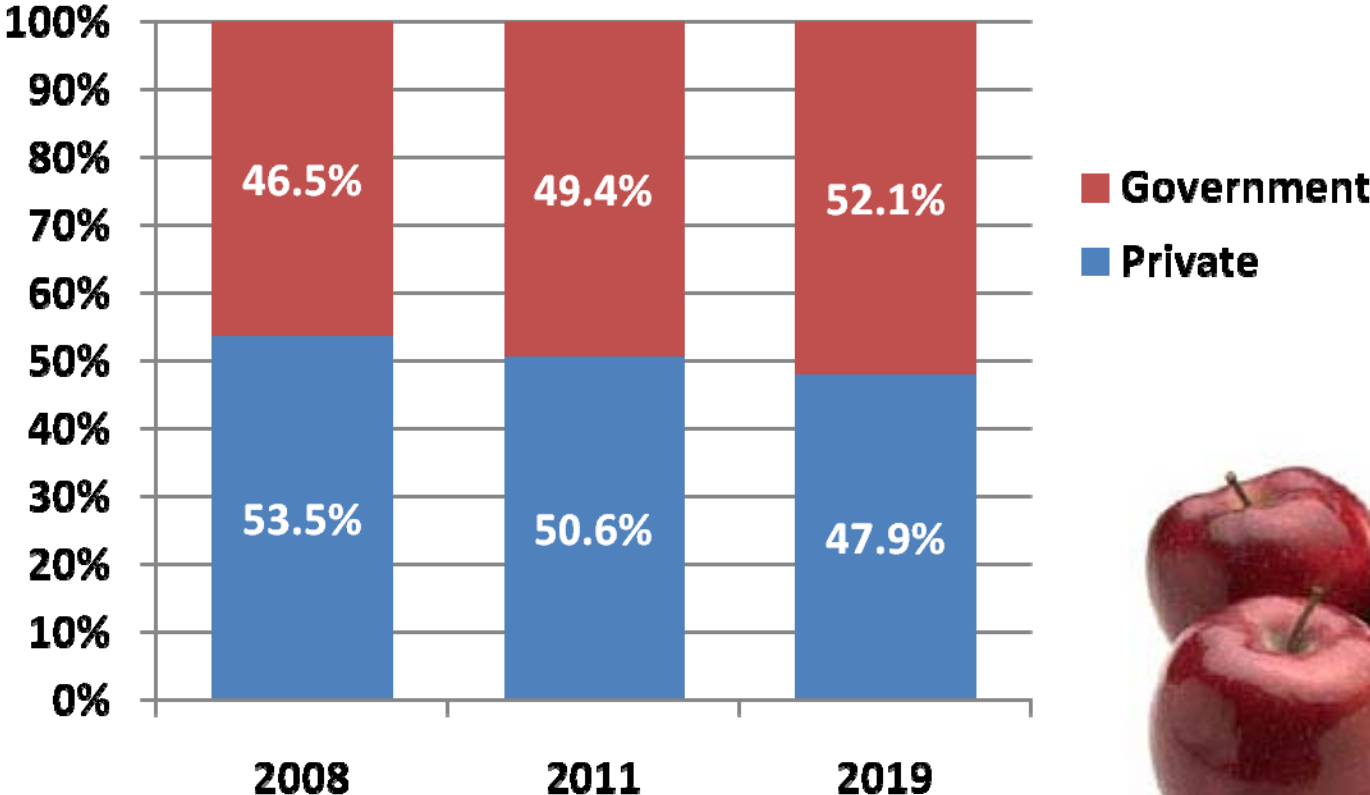
Percent Distribution of \$6.1 Billion PHCE, Montana



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

Who Pays for our Spending?

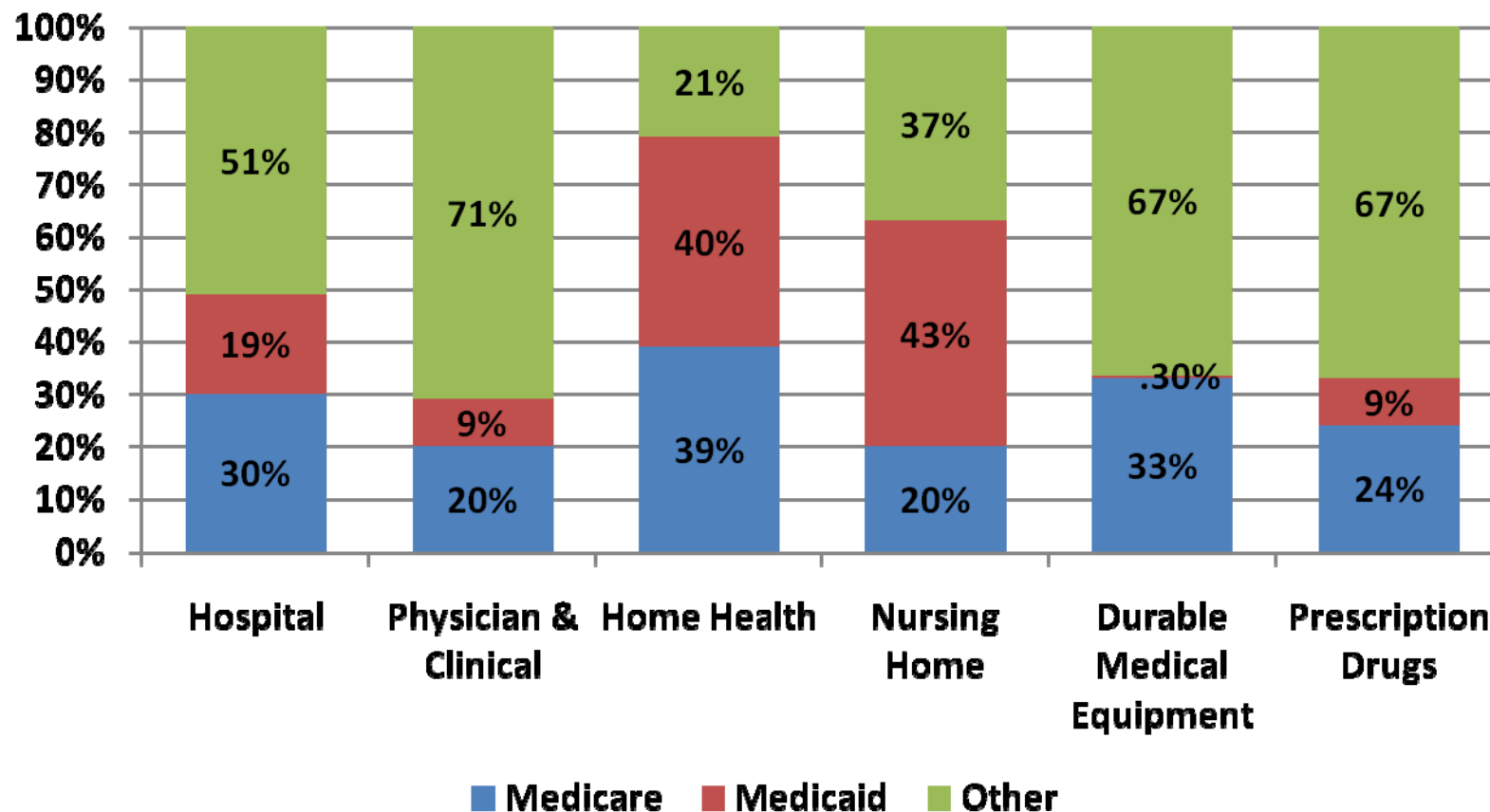
Distribution of PHCE by Funding Source



Source: Centers for Medicare and Medicaid Services.

Who Pays Depends on What We're Buying

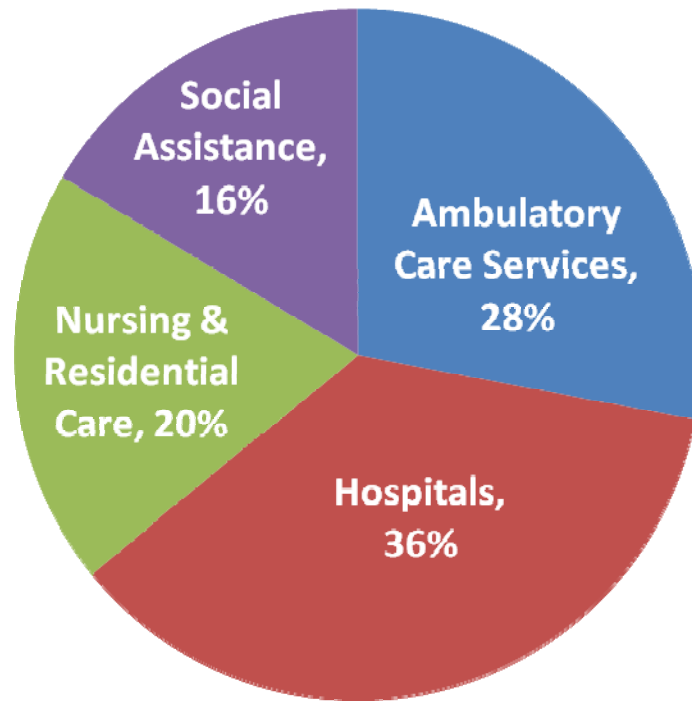
Medicare's Share of Total Personal Health Care Spending, est. 2011



Source: Centers for Medicare and Medicaid Services.

Most Health Care Employment is in Hospitals

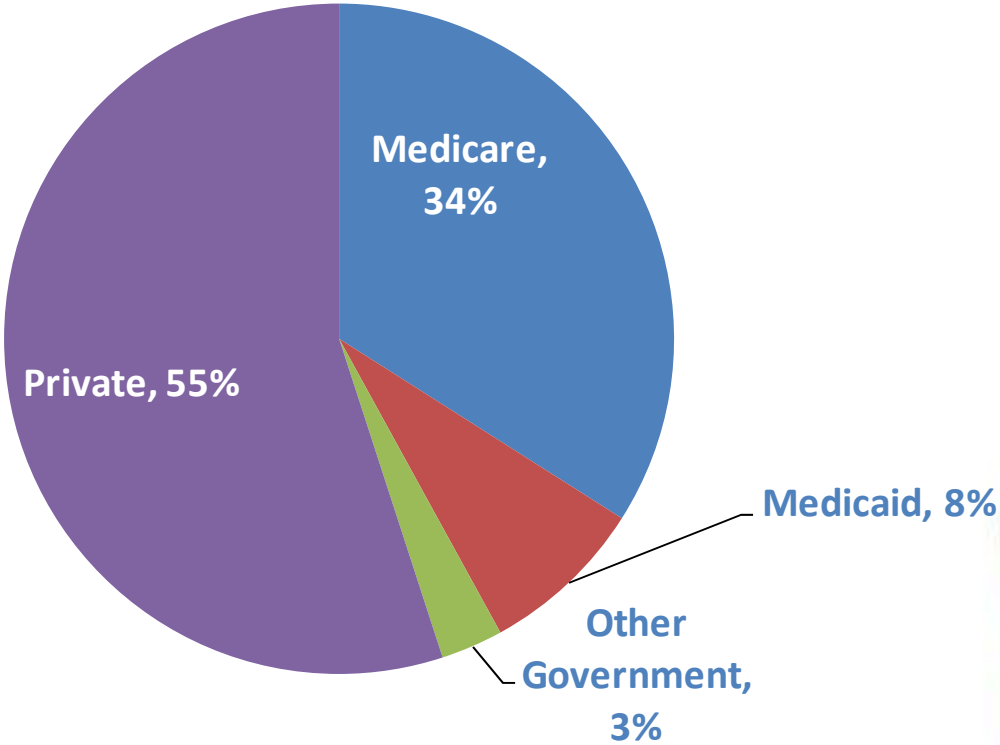
Share Total Health Care Employment, by Sector, 2009 (61,569)



Source: Montana Department of Labor and Industry.

Where Do Montana Hospitals Get Their Revenue?

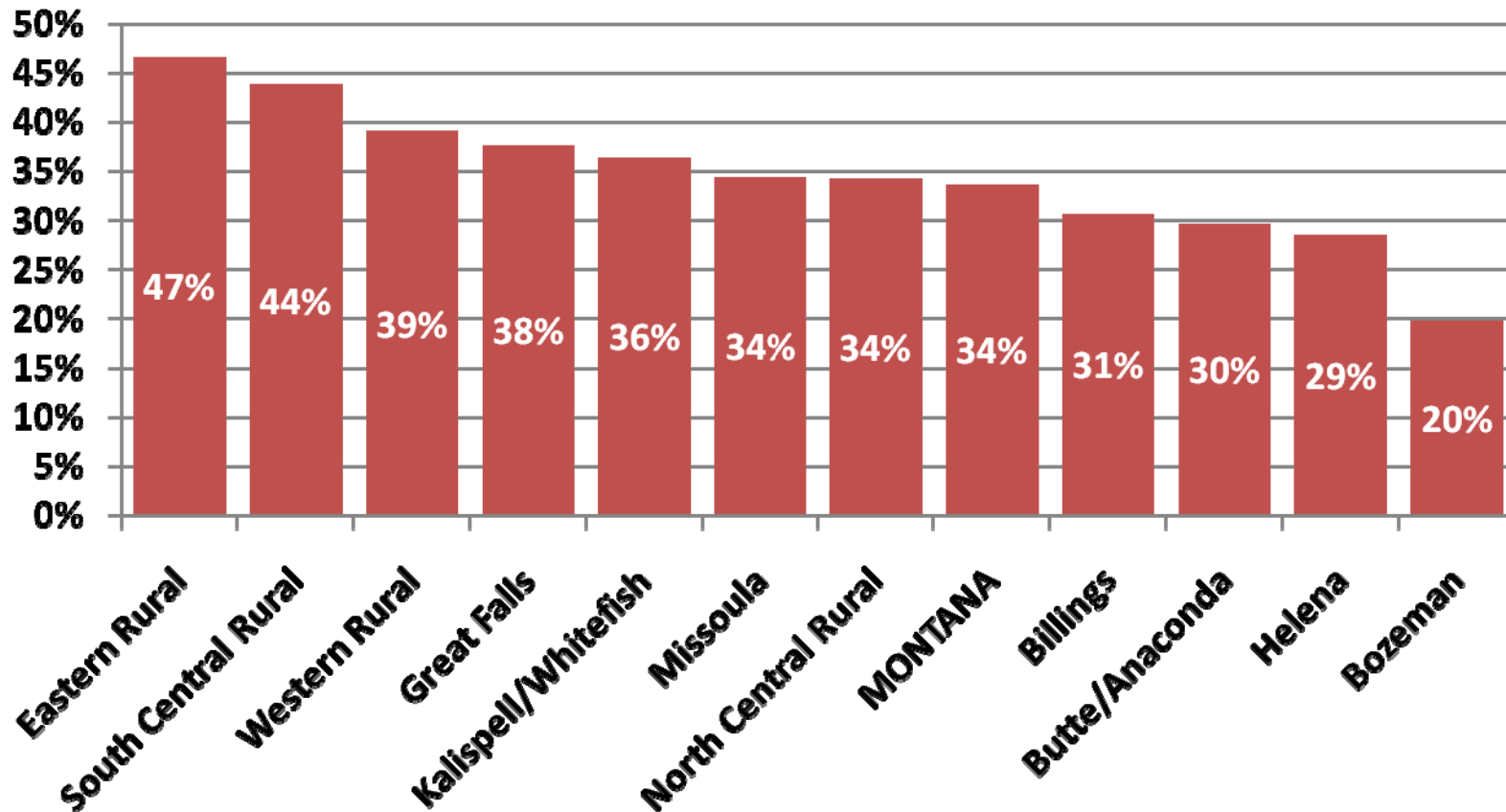
Hospital Revenues by Funding Source, Montana, 2009



Source: Unpublished data, Montana DPHHS.

But Big Differences in Medicare Revenues Emerge Based on Location

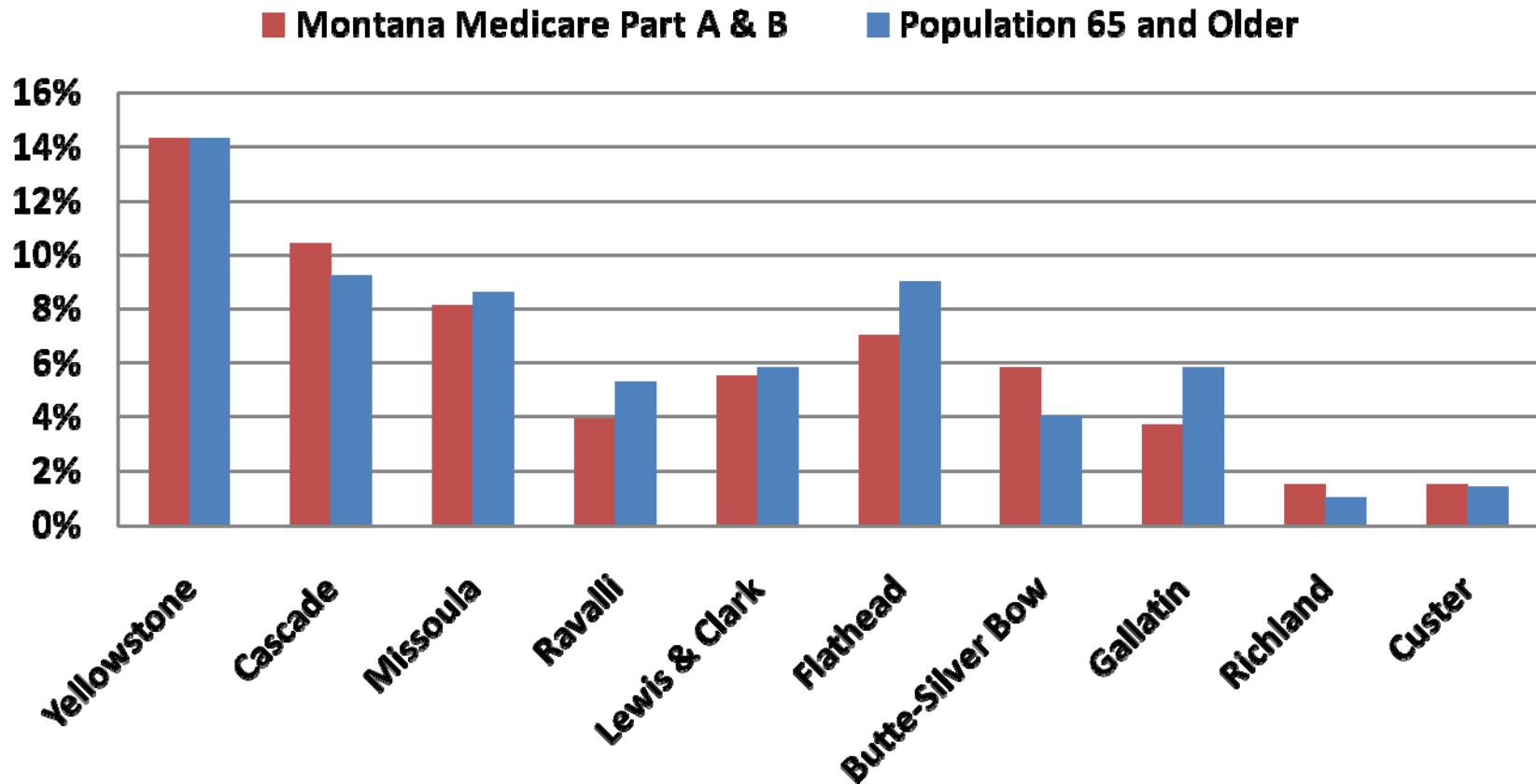
Share Hospital Revenue from Medicare, 2009



Source: Unpublished data, Montana DPHHS.

Medicare and “Late Adulthood” Population Match Almost Perfectly

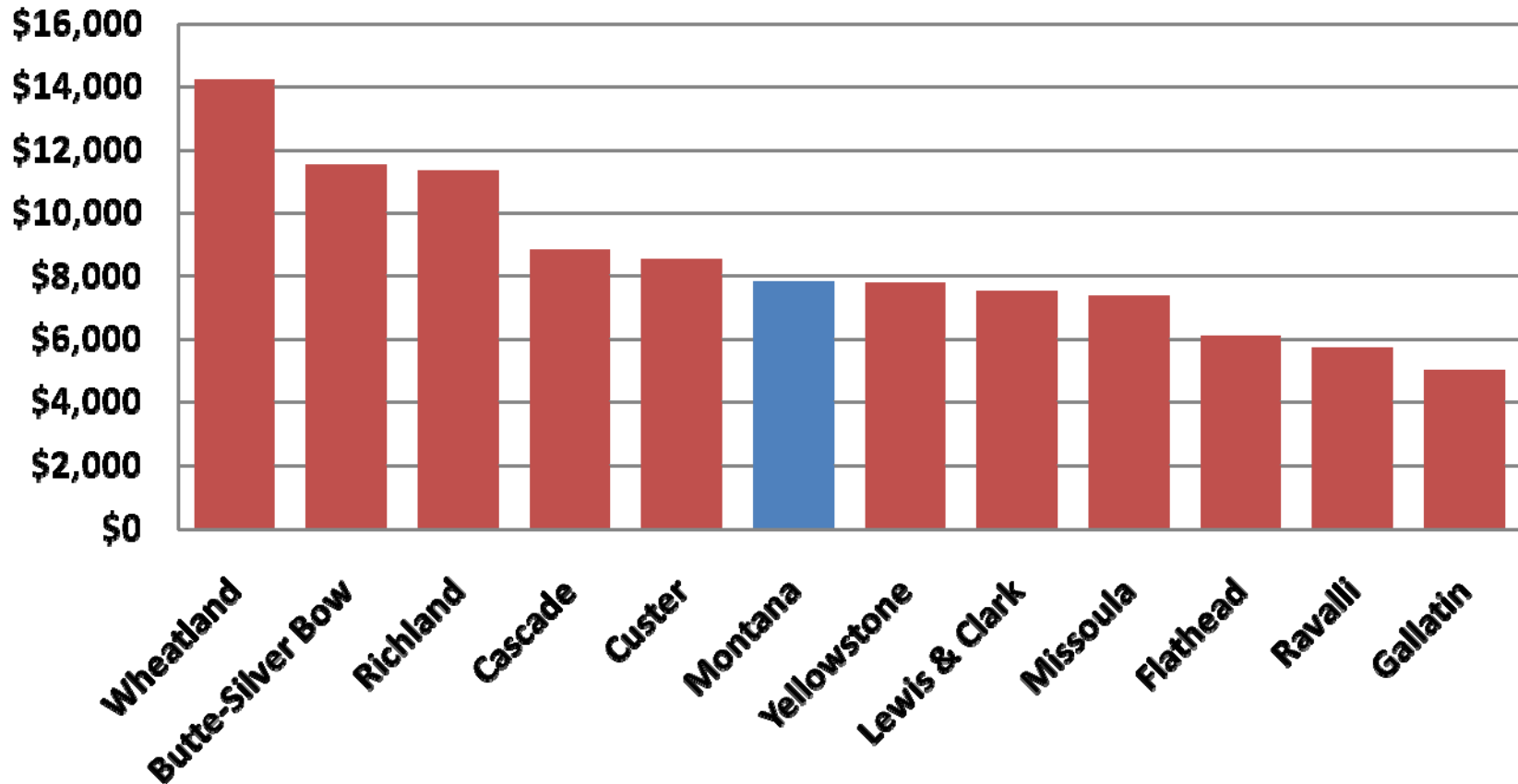
Medicare Funding by County



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

But Big Differences in Spending per Capita

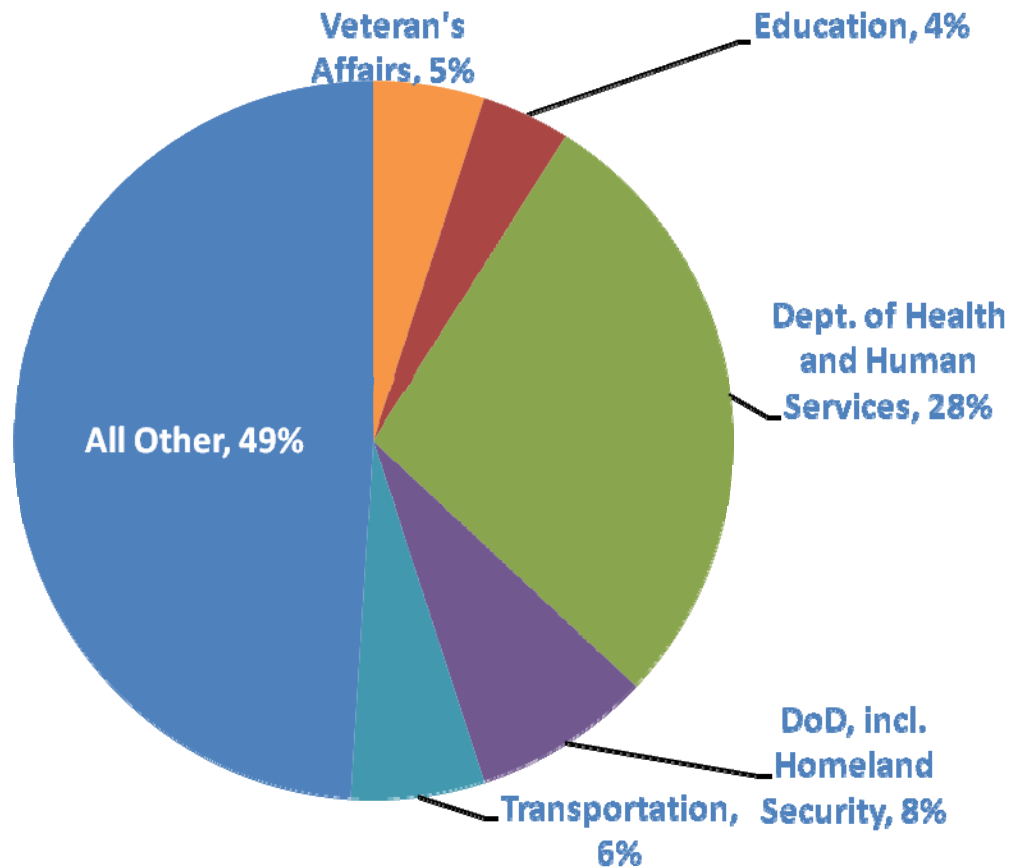
Medicare Spending/65 and Older Population



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

Source: BBER-UM.



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



From the Montana hospital perspective...

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



Questions?

Gregg Davis

gregg.davis@business.umt.edu

