The Affordable Care Act and Health Care Spending in Montana
Health care spending is driven by . . .

MT $35,068
US $39,945

MT 15%
Fergus 12%
US 17%

MT 15%
Fergus 22%
US 13%
Recession 2007-2009, and 2010

Biggest declines in health care spending *growth* in 51 years

Biggest decline in *nominal* GDP in 73 years

Biggest increase in health care *share* of GDP in 51 years
Health care is big in Montana...

- $7.2 billion in personal health care spending
- Health care share of economy
- Growth Rate
Real growth rates
Montana GDP and health care

Chart showing real growth rates for Montana GDP and health care from 2000 to 2010.
Health care *the big* contributor to 1.1% increase in Montana real GDP, 2009-2010
Recession and post-recession real earnings, Montana
Major provisions of ACA

2010
(26)

2011-2013
(44)

2014
(19)

2015-2018
(3)
ACA provisions

10% Tanning bed tax
7/1/2010

Adults under 26
9/23/10

Early Retiree Reinsurance Program
6/29/2010
Health insurance coverage for young adults

[Graph showing percentage with health insurance from 2009 to 2011, with a notable increase after September 2010. The graph includes a note: "September 2010: Affordable Care Act allows children to remain on parents’ plans until age 26"]
Distribution of $4.2 million ERRP Funds, Montana
Wasn’t so simple
Small Business Tax Credit

3 SIMPLE STEPS

If you are a small employer (business or tax-exempt) that provides health insurance coverage to your employees, determine if you may qualify for the Small Business Health Care Tax Credit by following these three simple steps:

1. Determine the total number of your employees (not counting owners or family members):
   - Full-time employees: ____________
     (enter the number of employees who work at least 40 hours per week)
   - Full-time equivalent of part-time employees: ____________
     (Calculate the number of full-time equivalents by dividing the total annual hours of part-time employees by 2080.)
     = ____________ total employees
     If the total number of employees is fewer than 25 GO TO STEP 2

2. Calculate the average annual wages of employees (not counting owners or family members):
   - Take the total annual wages paid to employees: ____________
     +
   - Divide it by the number of employees from STEP 1:
     (total wages ÷ number of employees)
     = ____________ average wages
     If the result is less than $50,000, AND

3. You pay at least half of the insurance premiums for your employees at the single (employee-only) coverage rate, then
   you may be able to claim the Small Business Health Care Tax Credit.
   Find out more information at IRS.gov
<table>
<thead>
<tr>
<th></th>
<th># of Gap Beneficiaries</th>
<th>Total Gap Discount</th>
<th>Average Gap Discount</th>
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</thead>
<tbody>
<tr>
<td>MONTANA</td>
<td>10,415</td>
<td>$6,409,940</td>
<td>$615</td>
</tr>
<tr>
<td>Lewistown</td>
<td>140</td>
<td>$89,438</td>
<td>$639</td>
</tr>
<tr>
<td>Denton</td>
<td>13</td>
<td>$6,938</td>
<td>$534</td>
</tr>
<tr>
<td>Fergus County</td>
<td>188</td>
<td>$117,798</td>
<td>$627</td>
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Premiums increase if you are a person of “means”

### Medicare Part B Premiums

<table>
<thead>
<tr>
<th>Joint Tax Return (000’s AGI)</th>
<th>Monthly Increase</th>
<th>Total Monthly Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>≤$170</td>
<td>$0</td>
<td>$115.40</td>
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<tr>
<td>&gt;$170 ≤$214</td>
<td>$46.10</td>
<td>$161.50</td>
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<tr>
<td>&gt;$214 ≤$320</td>
<td>$115.30</td>
<td>$230.70</td>
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<tr>
<td>&gt;$320 ≤$428</td>
<td>$184.50</td>
<td>$299.90</td>
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<tr>
<td>&gt; $428</td>
<td>$253.70</td>
<td>$369.10</td>
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### Medicare Part D Premiums

<table>
<thead>
<tr>
<th>Joint Tax Return (000’s AGI)</th>
<th>Monthly Increase</th>
<th>Total Monthly Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>≤ $170</td>
<td>$0</td>
<td>$41.43</td>
</tr>
<tr>
<td>&gt; $170 ≤ $214</td>
<td>$12.00</td>
<td>$53.43</td>
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<tr>
<td>&gt; $214 ≤ $320</td>
<td>$31.10</td>
<td>$72.53</td>
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<tr>
<td>&gt; $320 ≤ $428</td>
<td>$50.10</td>
<td>$91.53</td>
</tr>
<tr>
<td>&gt; $428</td>
<td>$69.10</td>
<td>$110.53</td>
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</table>
### Medicare and Medicaid per enrollee spending in Montana

<table>
<thead>
<tr>
<th></th>
<th>Average Annual Growth (%)</th>
<th>% of MT total personal health care spending</th>
<th>% of U.S. per enrollee spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicare</td>
<td>6.3</td>
<td>6.3</td>
<td>17.4</td>
</tr>
<tr>
<td>Medicaid</td>
<td>3.3</td>
<td>5.9</td>
<td>13.7</td>
</tr>
</tbody>
</table>
Personal health care spending and health care earnings, Montana, 1990-2009
Projected annual percent change in real health care earnings, Montana
Fergus County Health Care Employment Growth

-8%  -6%  -4%  -2%  0%  2%  4%  6%  8%  10%
2006  2007  2008  2009  2010  2011

- Health Care-Montana
- Total-Montana
- Health Care Fergus
- Total Fergus
Economic recovery?

Challenge to the ACA?

No historical experience for ACA reforms?

Provider responses?
“The health care industry is facing greater uncertainty than in any time in memory”

Questions?
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