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

MT $35,068
US $39,945

MT 15%
Hill 14.6%
US 17%

MT 15%
Hill 13%
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
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

2015-2018
(3)

2014
(19)

2011-2013
(44)

2010
(26)
ACA provisions, early starters...

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

- September 2010: Affordable Care Act allows children to remain on parents' plans until age 26.

**Graph:**
- X-axis: Time (quarters from Q1 2009 to Q2 2011)
- Y-axis: Percentage with Health Insurance
- Two line graphs:
  - Age 19-25
  - Age 26-35
Distribution of $4.2 million ERRP Funds, Montana

- Private Enterprise: 4%
- State Government: 38%
- University System: 10%
- County Government: 7%
- City Government: 9%
- Public Schools: 32%
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>Location</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>Box Elder</td>
<td>18</td>
<td>$12,935</td>
<td>$719</td>
</tr>
<tr>
<td>Havre</td>
<td>150</td>
<td>$93,124</td>
<td>$621</td>
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<tr>
<td>Rudyard</td>
<td>12</td>
<td>$12,413</td>
<td>$1,034</td>
</tr>
<tr>
<td>Hill County</td>
<td>203</td>
<td>$135,716</td>
<td>$669</td>
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</table>
**Preniums increase if you are a person of “means”**

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

- 0%
- 1%
- 2%
- 3%
- 4%
- 5%
- 6%

2010 2011 2012 2013 2014 2015

with ACA

without ACA
Health Care Employment Growth

- Health Care - Montana
- Total - Montana
- Health Care Hill
- Total Hill
Economic recovery?  
Challenge to the ACA?  
2-1.5-1-1  
No historical experience for ACA reforms?  
Provider responses?
“The health care industry is facing greater uncertainty than in any time in memory”

Questions?
gregg.davis@business.umt.edu