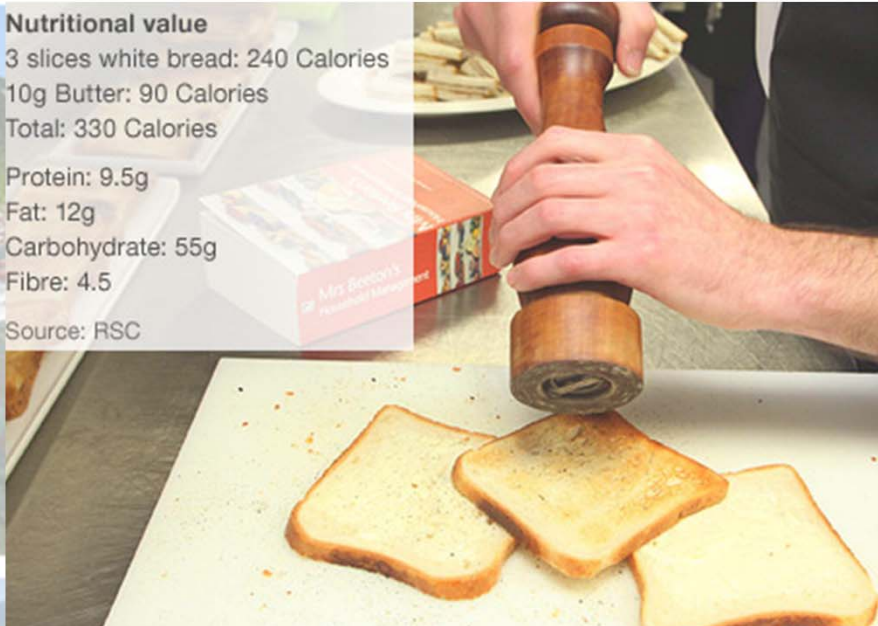




Nutritional value
3 slices white bread: 240 Calories
10g Butter: 90 Calories
Total: 330 Calories
Protein: 9.5g
Fat: 12g
Carbohydrate: 55g
Fibre: 4.5
Source: RSC



The Affordable Care Act and Health Care Spending in Montana



Health care spending is driven by . . .



MT \$35,068
US \$39,945



MT 15%
Flathead 14.4%
US 17%

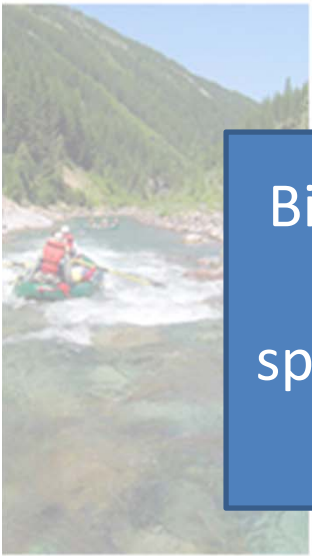


MT 15%
Flathead 14.4%
US 13%



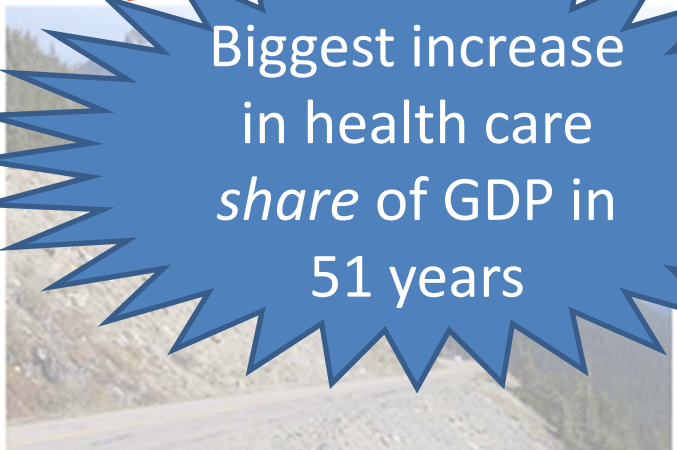


2007-2009
Recession,
and 2010



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 business in Montana...



\$7.2 billion in personal health care spending



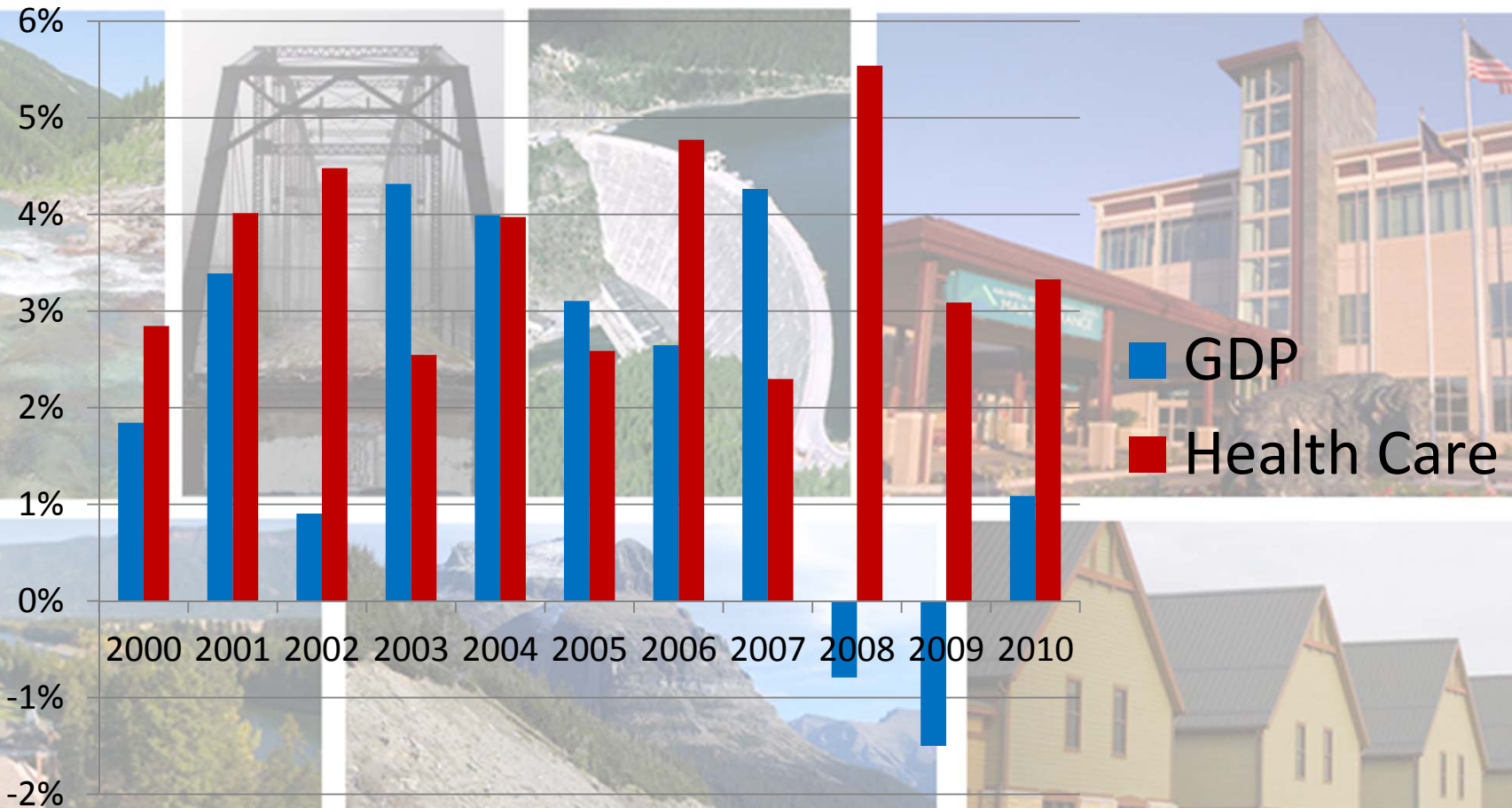
Health care share of economy



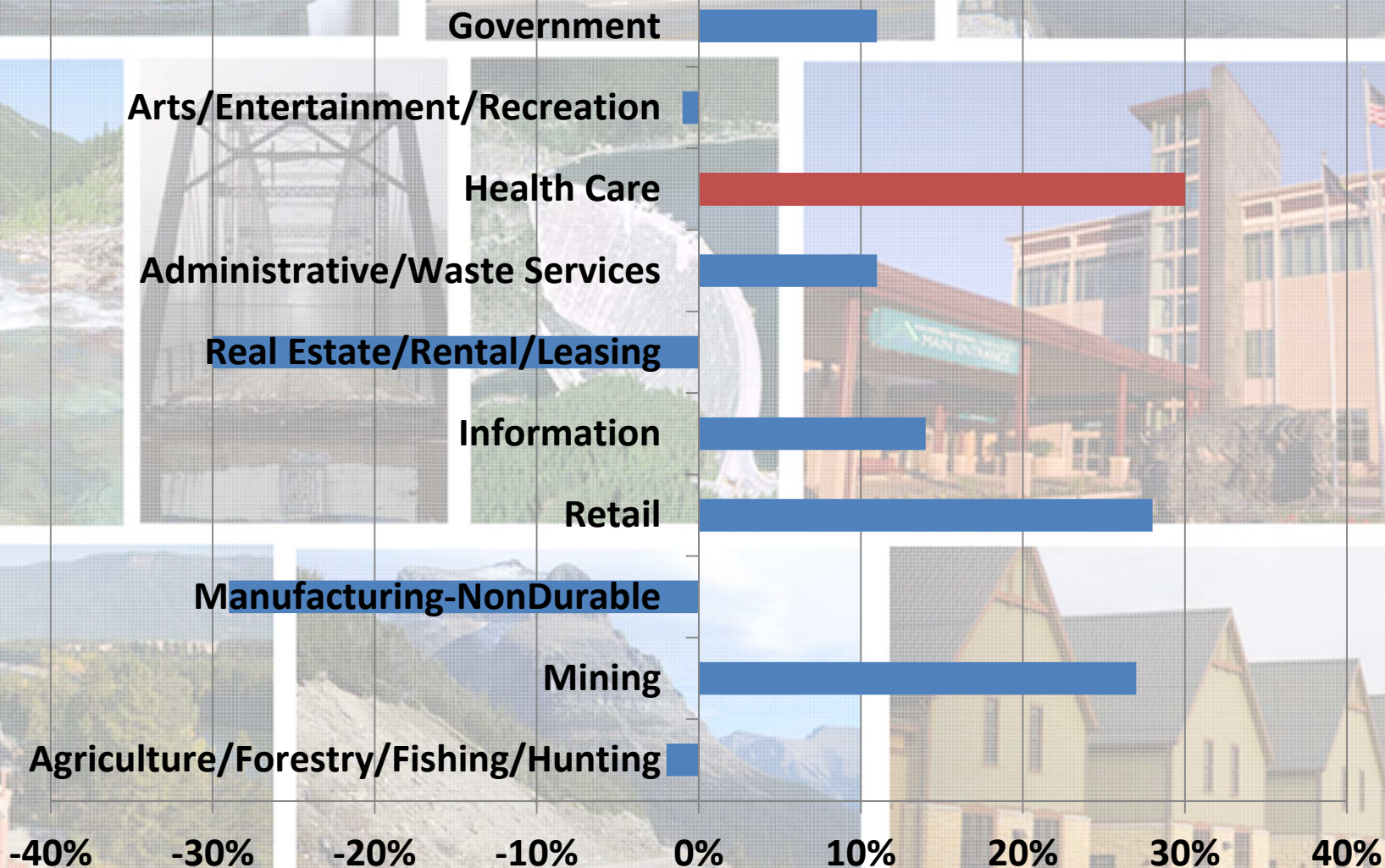
Growth Rate



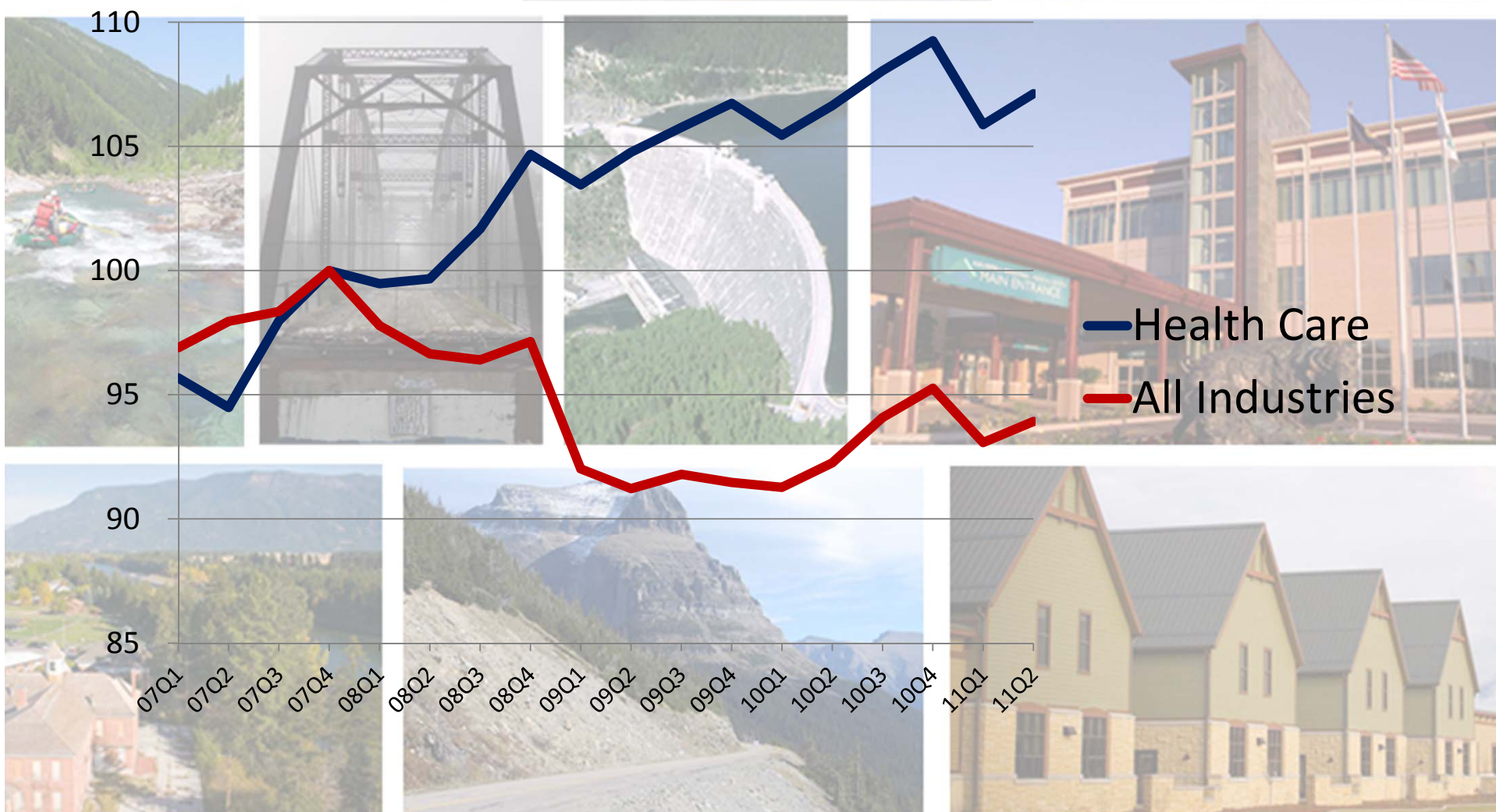
Real growth rates Montana GDP and health care



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

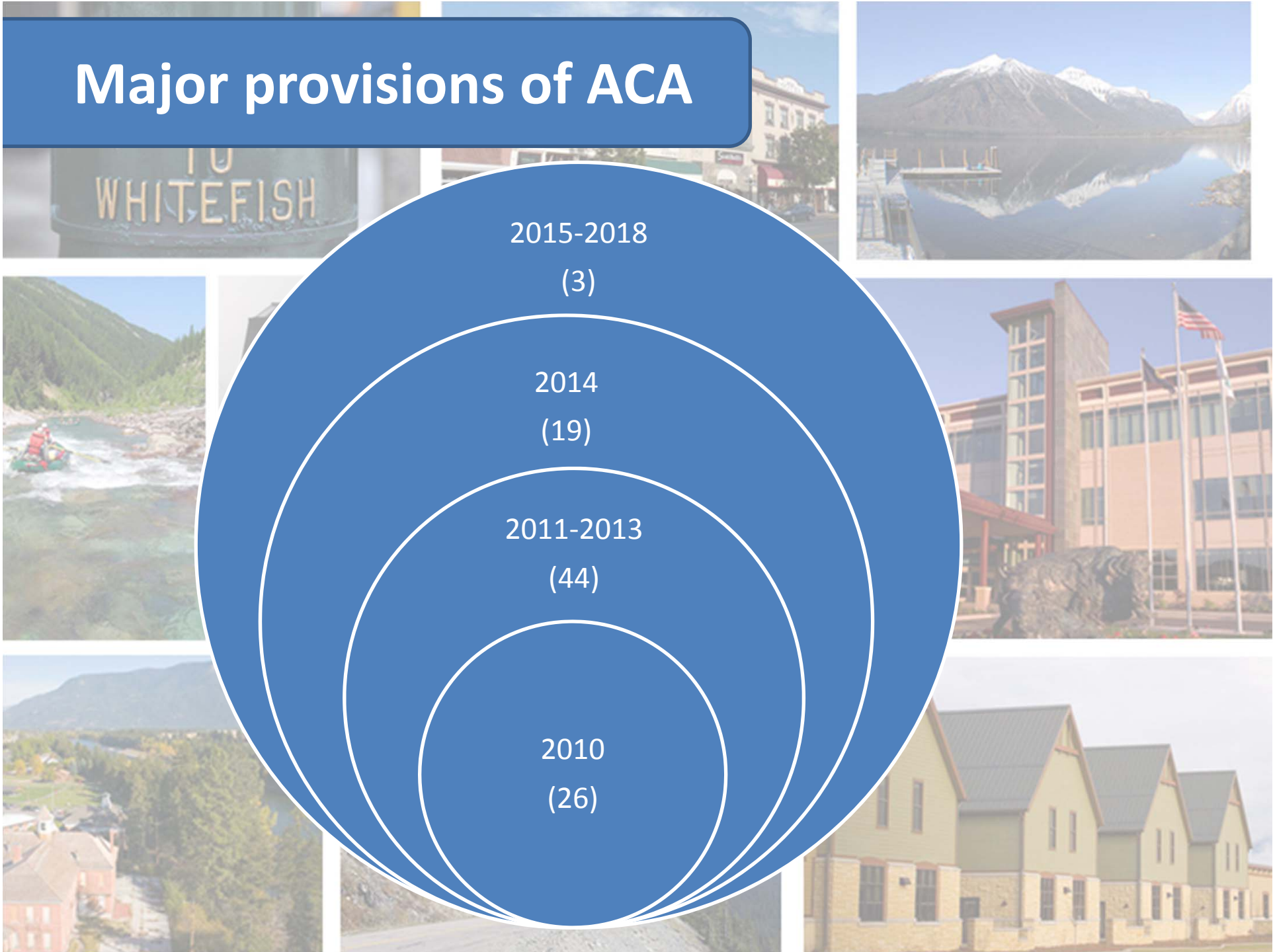
(19)

2011-2013

(44)

2010

(26)



Some early out-of-the gate ACA provisions...

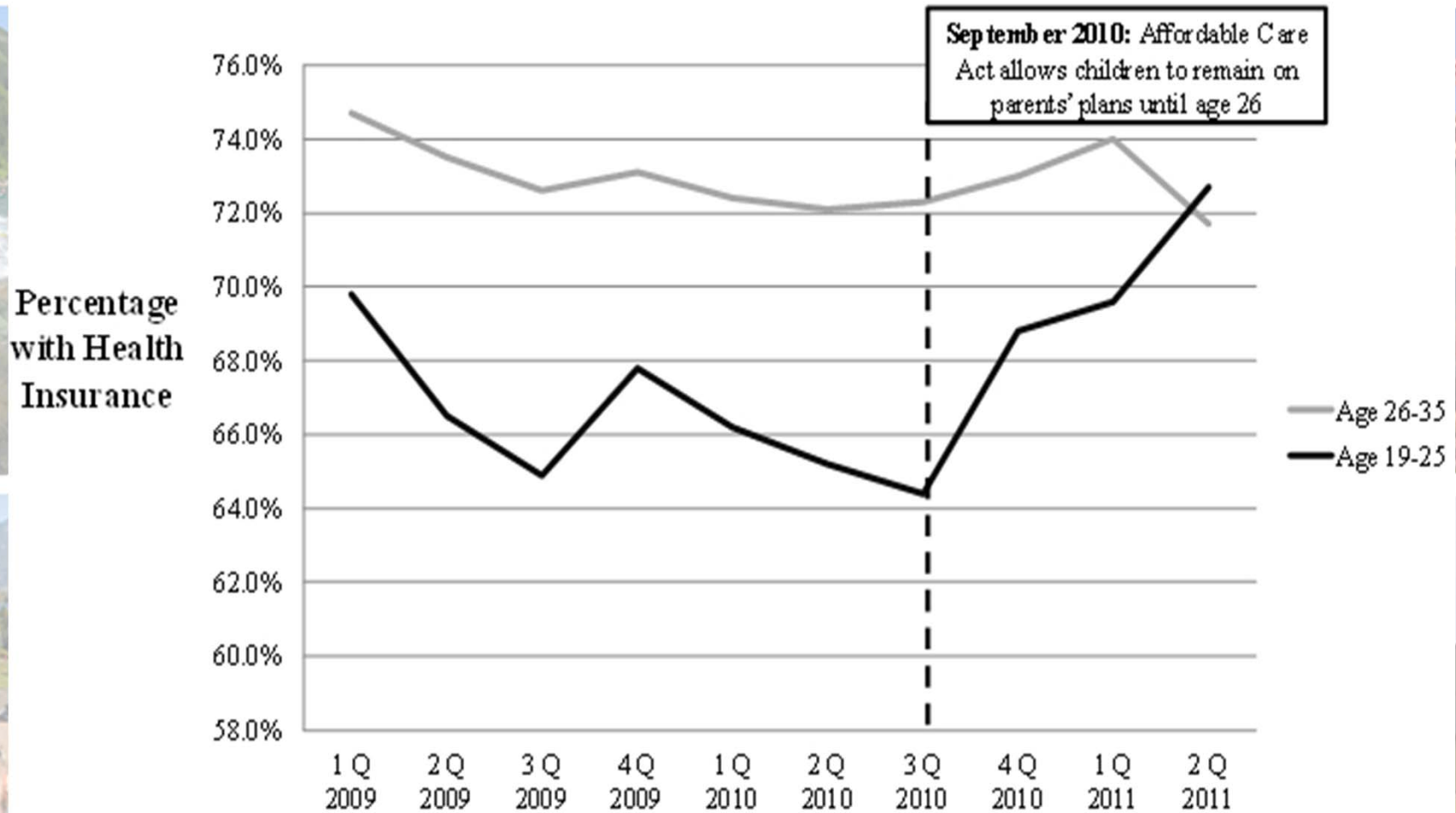


10%
Tanning bed
tax
7/1/2010

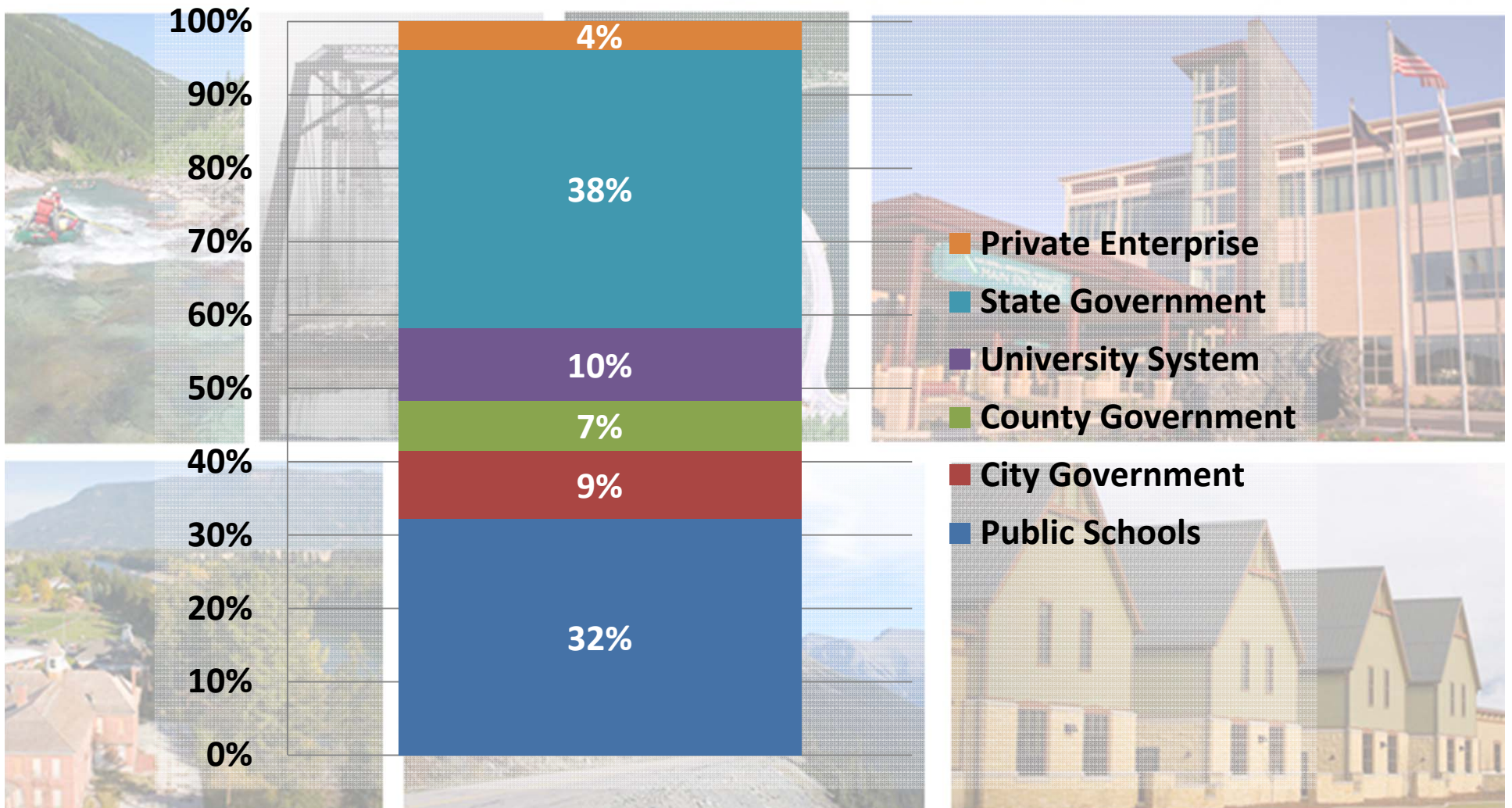
Adults
under 26
9/23/10

Early
Retiree
Reinsurance
Program
6/29/2010

Health insurance coverage for young adults



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)

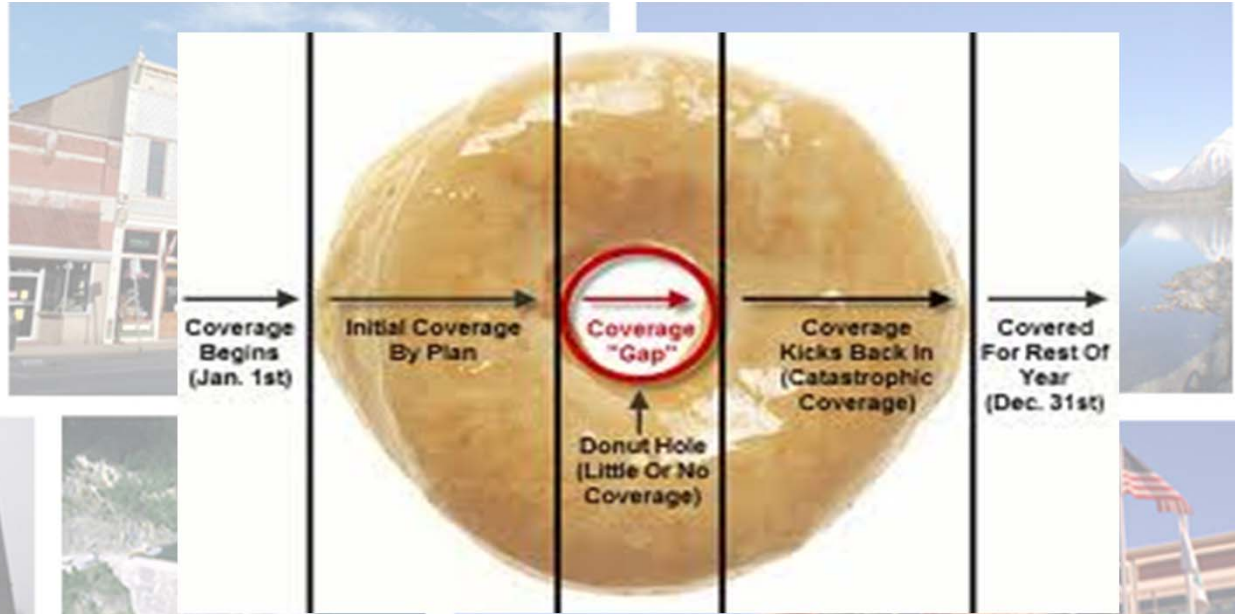
= average wages

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**





	# of Gap Beneficiaries	Total Gap Discount	Average Gap Discount
MONTANA	10,415	\$6,409,940	\$615
Big Fork	117	\$84,970	\$726
Kalispell	441	\$262,014	\$594
Lakeside/Somers	44	\$32,035	\$728
Columbia Falls	124	\$74,717	\$603
Whitefish	126	\$75,686	\$601
Flathead County	924	\$577,554	\$625

Premiums increase if you are a person of “means”

Medicare Part B Premiums

Joint Tax Return (000's AGI)	Monthly Increase	Total Monthly Premium
≤\$170	\$0	\$115.40
>\$170 ≤\$214	\$46.10	\$161.50
>\$214 ≤\$320	\$115.30	\$230.70
>\$320 ≤\$428	\$184.50	\$299.90
> \$428	\$253.70	\$369.10

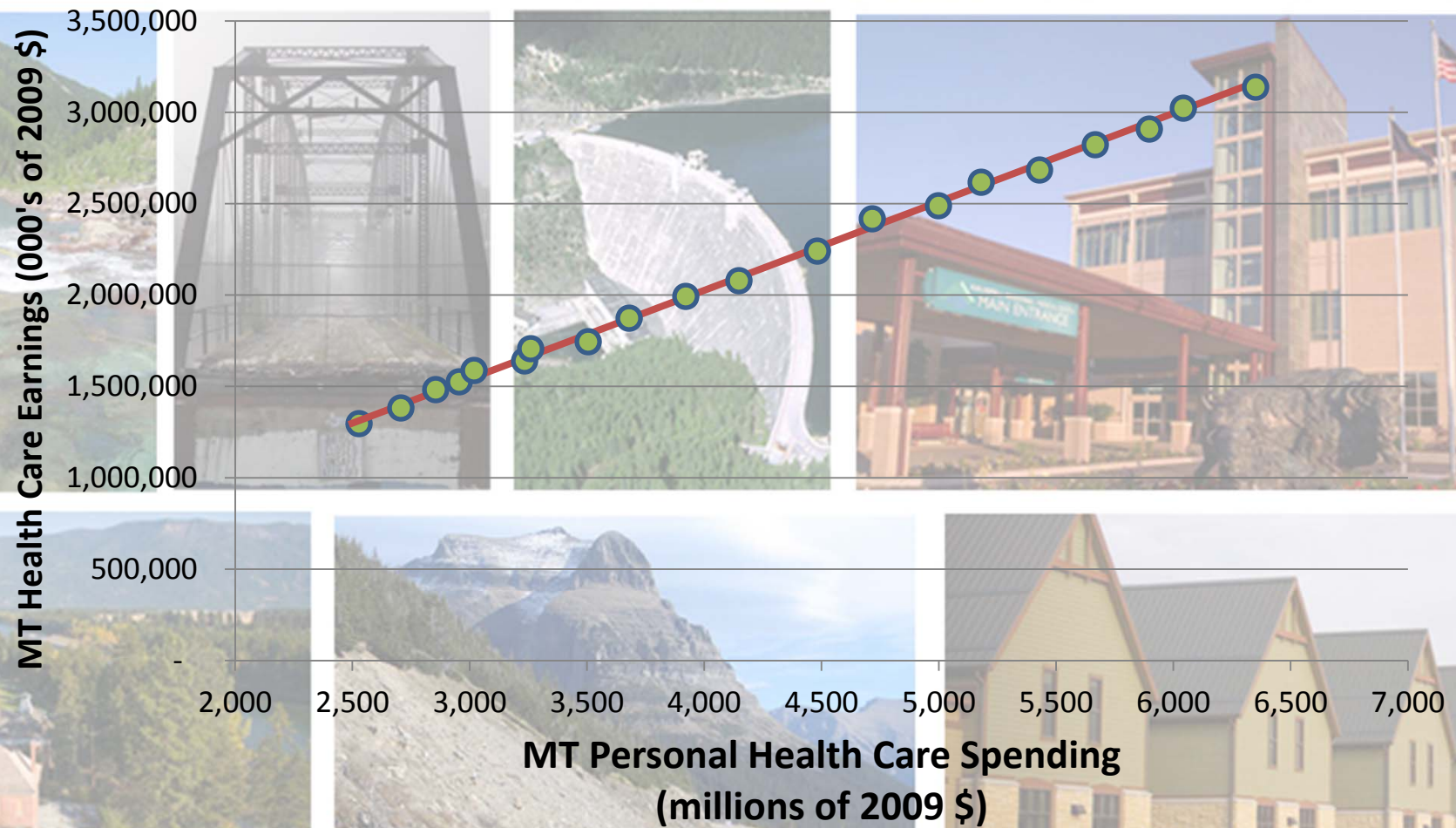
Medicare Part D Premiums

Joint Tax Return (000's AGI)	Monthly Increase	Total Monthly Premium
≤ \$170	\$0	\$41.43
> \$170 ≤ \$214	\$12.00	\$53.43
> \$214 ≤ \$320	\$31.10	\$72.53
> \$ 320 ≤ \$428	\$50.10	\$91.53
> \$428	\$69.10	\$110.53

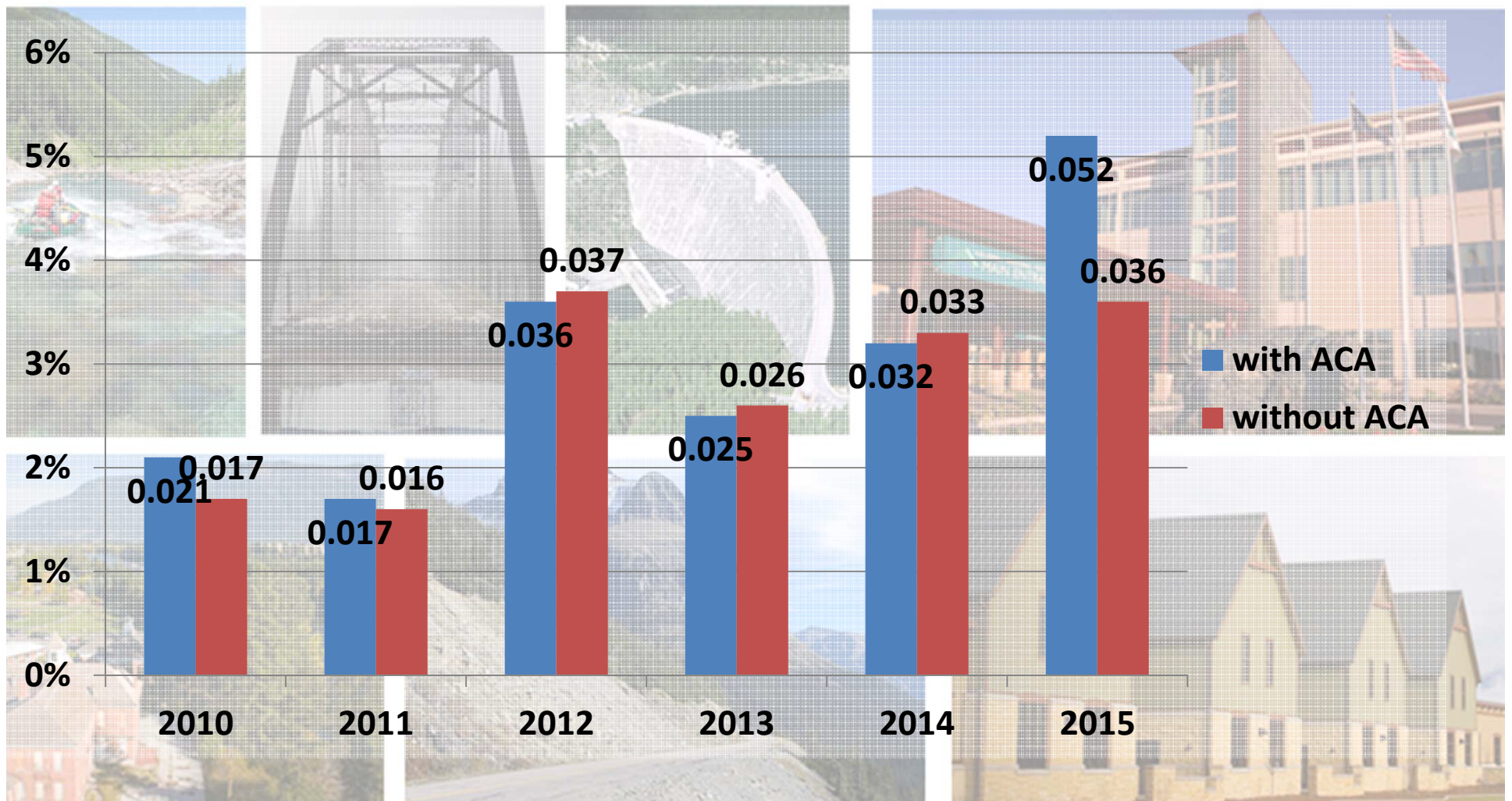
Medicaid and Medicare per enrollee spending in Montana

	Average Annual Growth (%)		% of MT total personal health care spending			% of U.S. per enrollee spending		
	'98-'04	'04-'09	1998	2004	2009	1998	2004	2009
Medicare	6.3	6.3	17.4	17.2	19.3	73	76	73
Medicaid	3.3	5.9	13.7	13.5	13.2	122	123	146

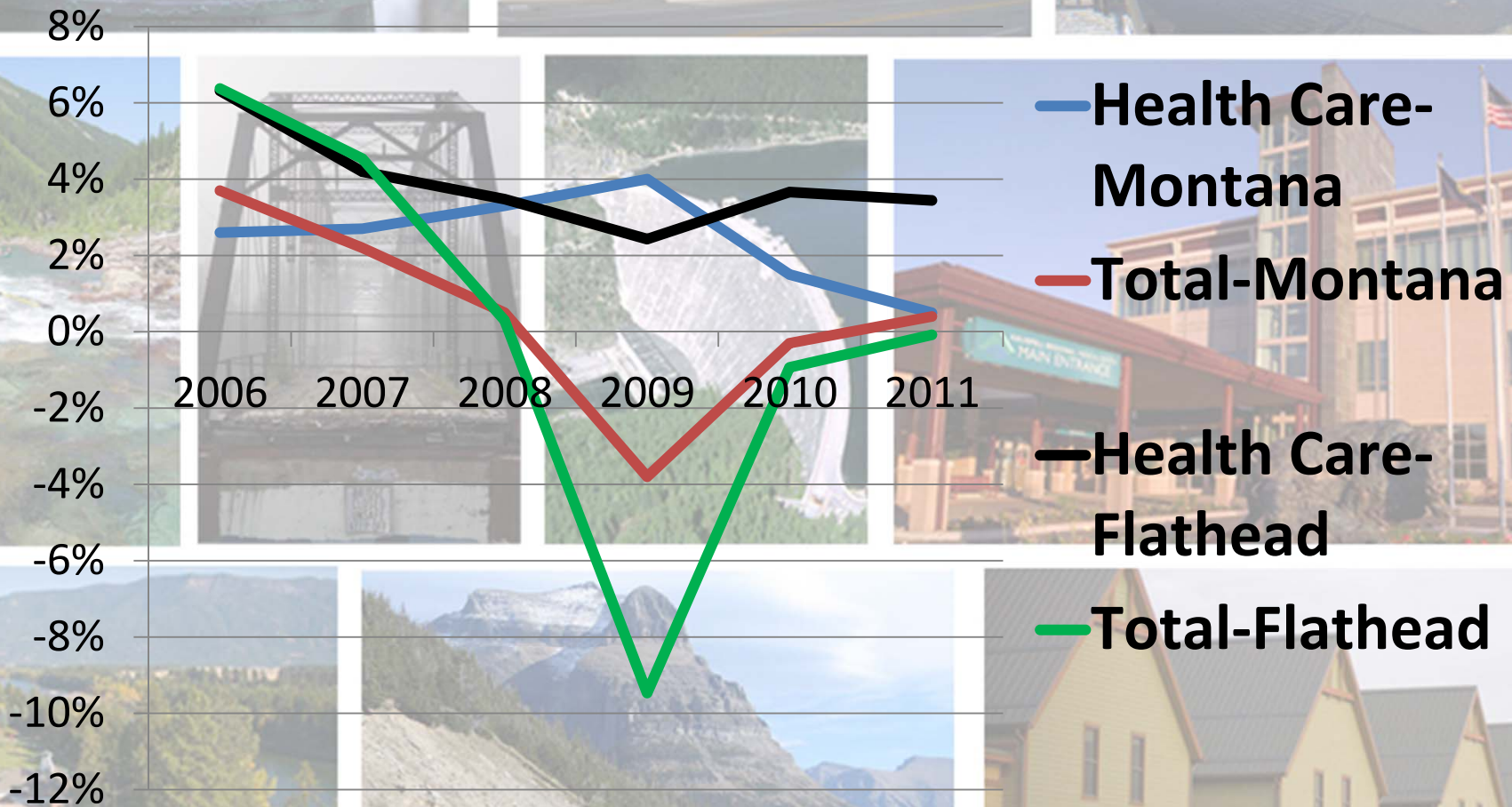
Personal health care spending and health care earnings, Montana, 1990-2009

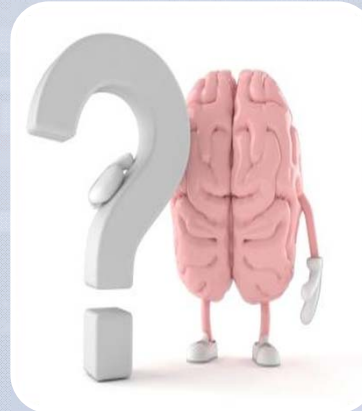


Projected annual percent change in real health care earnings, Montana



Health Care Employment percent change Q2 to Q2





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?
gregg.davis@business.umt.edu