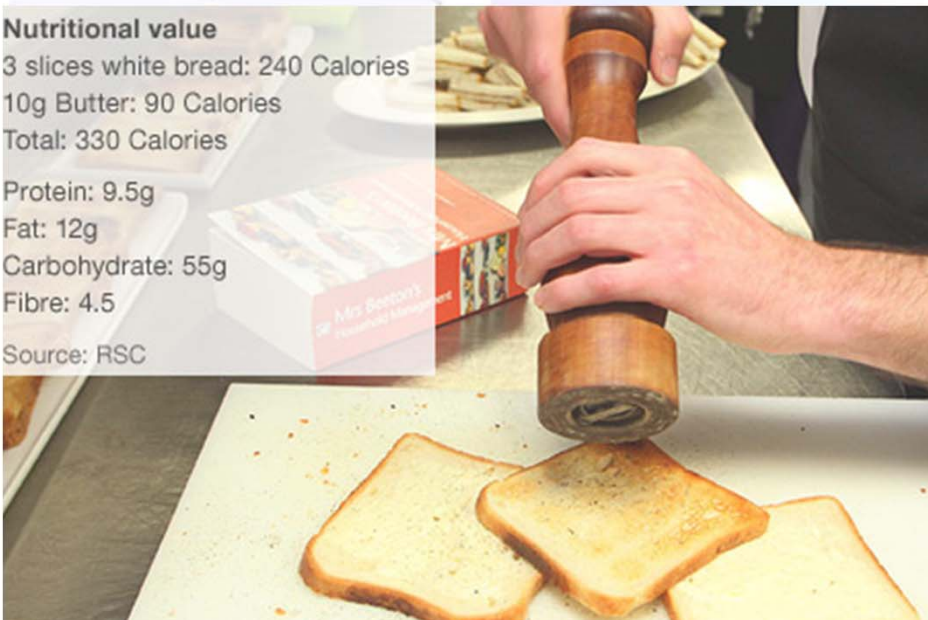




**Nutritional value**  
3 slices white bread: 240 Calories  
10g Butter: 90 Calories  
Total: 330 Calories  
  
Protein: 9.5g  
Fat: 12g  
Carbohydrate: 55g  
Fibre: 4.5  
  
Source: RSC



# The Affordable Care Act and Health Care Spending in Montana



# Health care spending is driven by . . .



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



MT 15%  
US 17%



MT 15%  
US 13%





Recession  
2007-2009

Biggest decline 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 PHCE



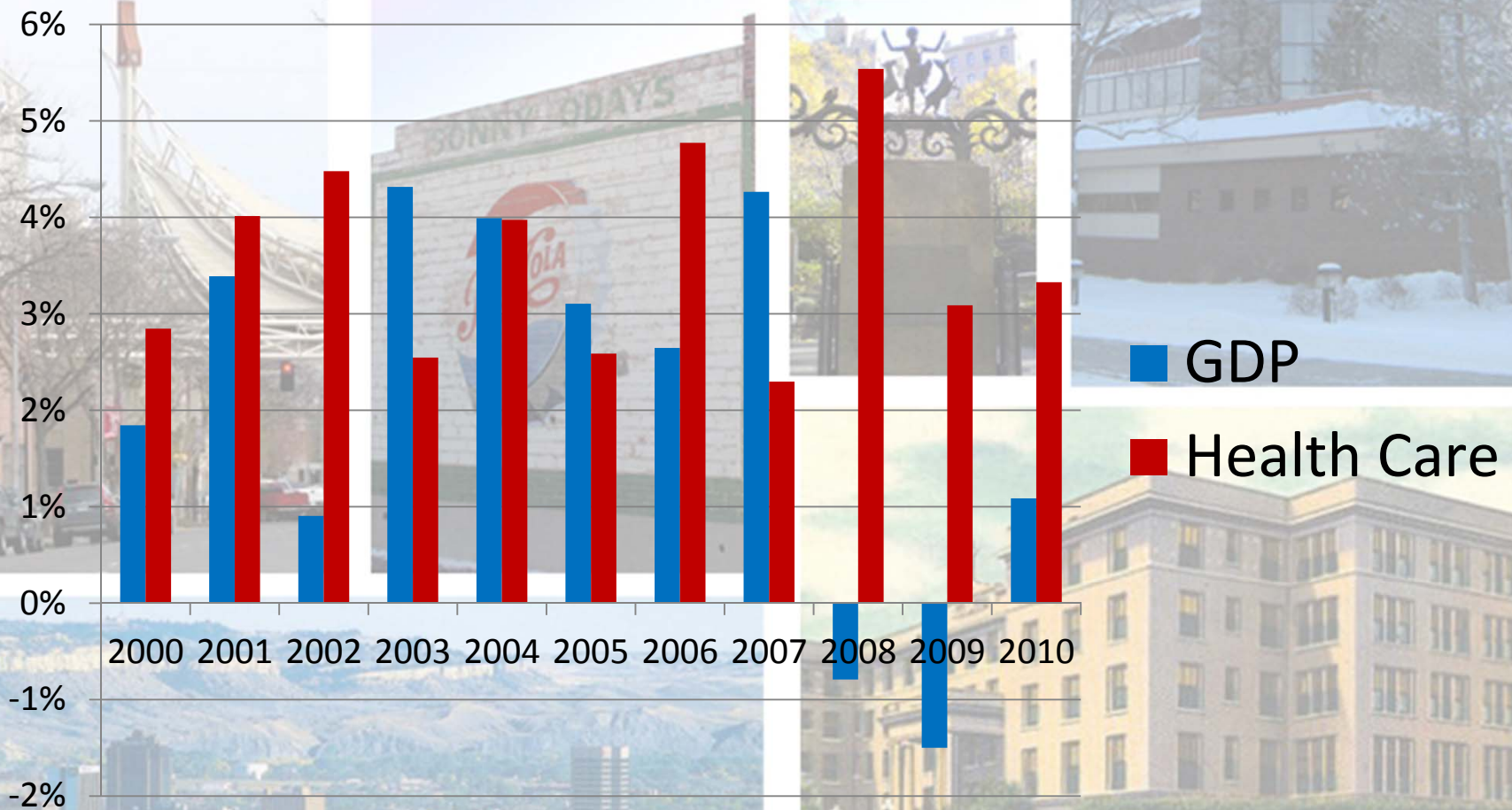
Health care  
share of  
economy



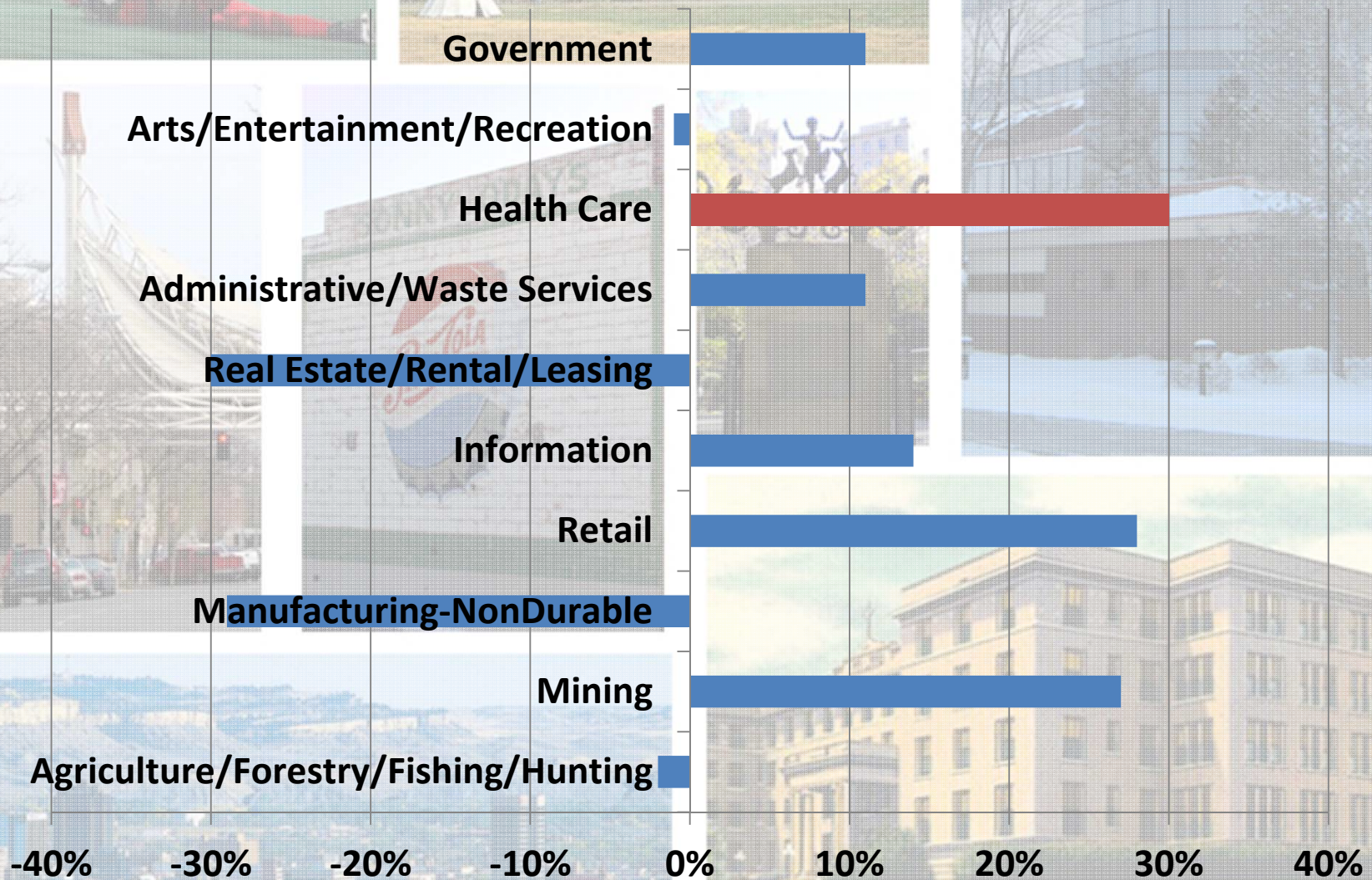
Growth  
Rate



# Real growth rates Montana GDP and health care



# Health care *the big* contributor to 1.1% increase in Montana real GDP, 2009-2010



# Major provisions of ACA

2015-2018

(3)

2014

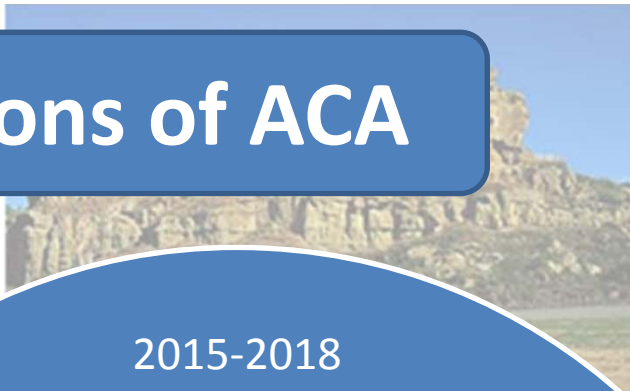
(19)

2011-2013

(44)

2010

(26)



# ACA provisions



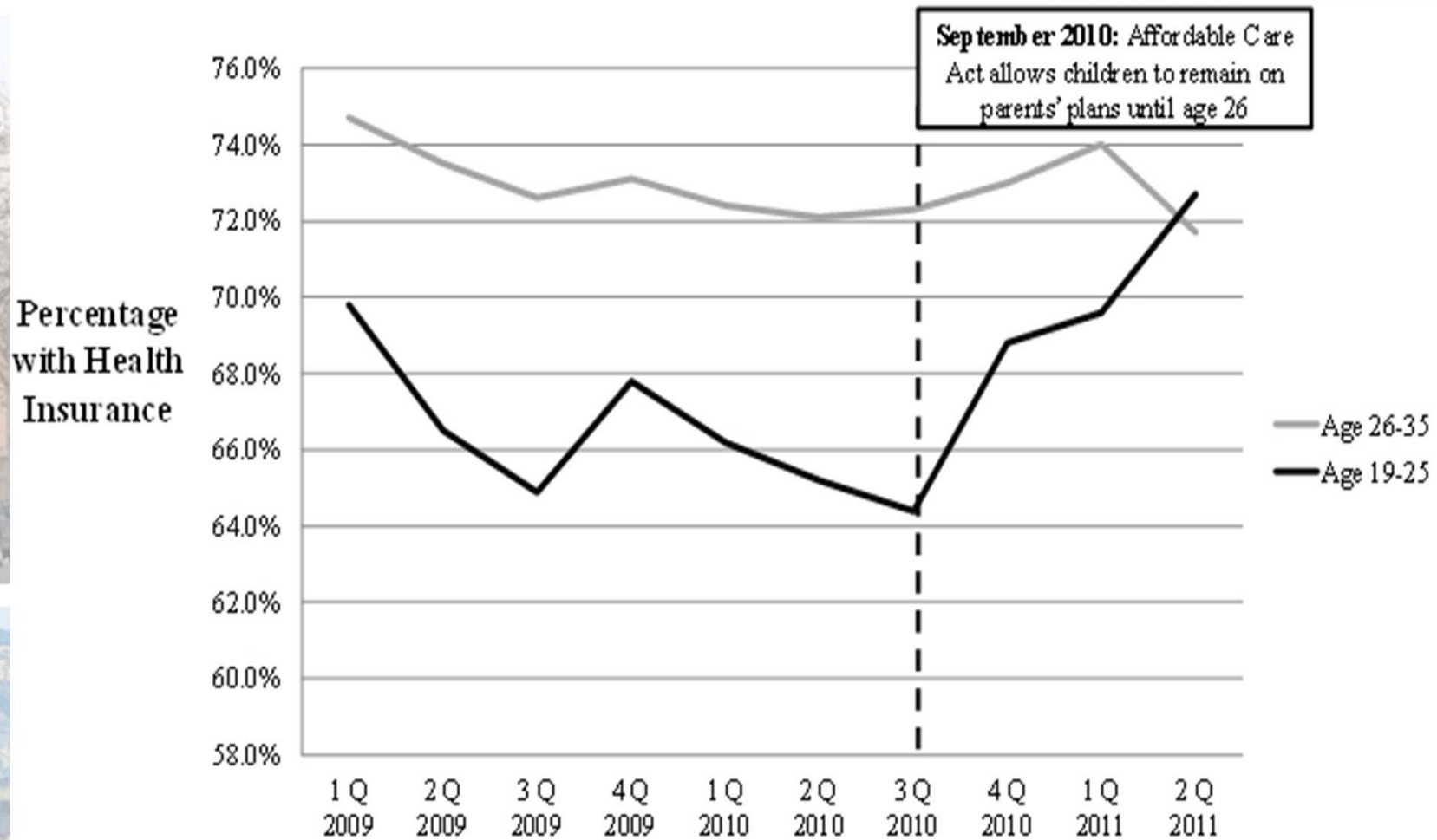
10%  
Tanning bed  
tax  
7/1/2010

Adults  
under 26  
9/23/10

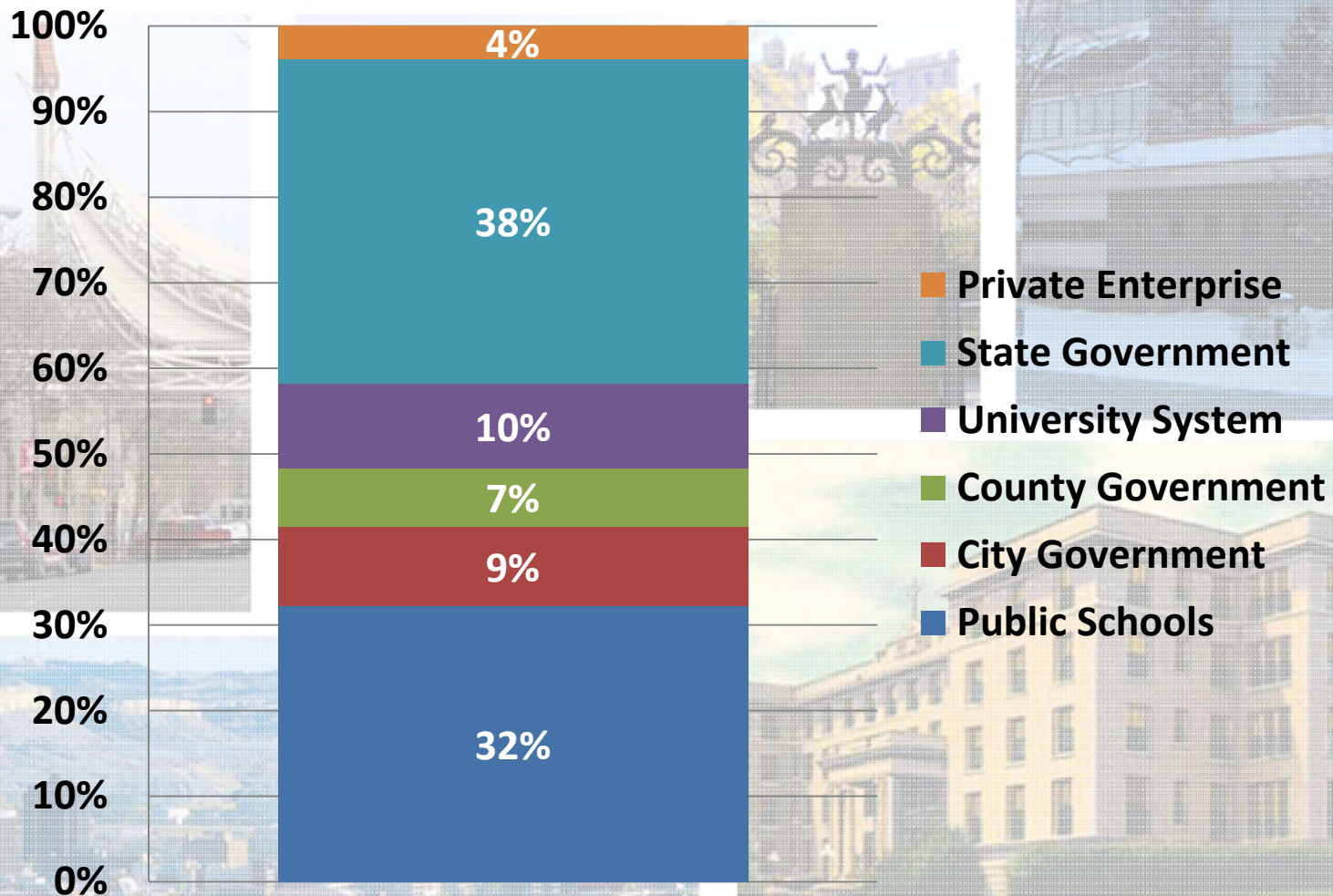
Early  
Retiree  
Reinsurance  
Program  
6/29/2010



# 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](http://IRS.gov)





Coverage Begins (Jan. 1st)

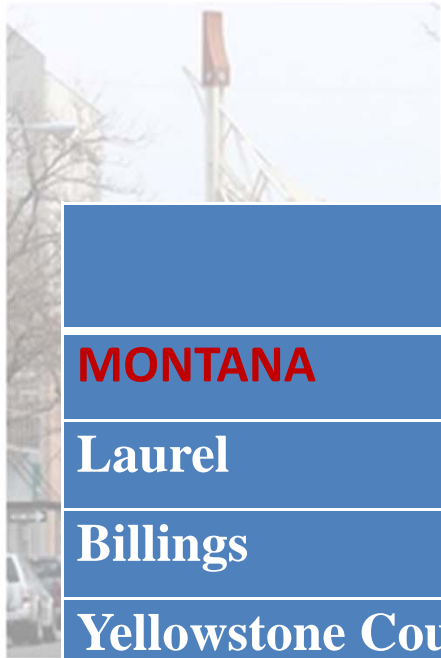
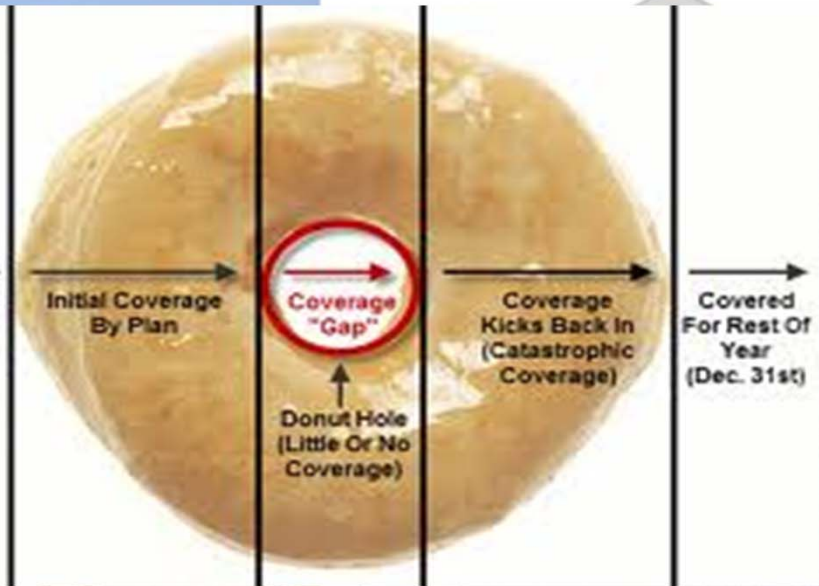
Initial Coverage By Plan

Coverage "Gap"

Coverage Kicks Back In (Catastrophic Coverage)

Covered For Rest Of Year (Dec. 31st)

Donut Hole (Little Or No Coverage)



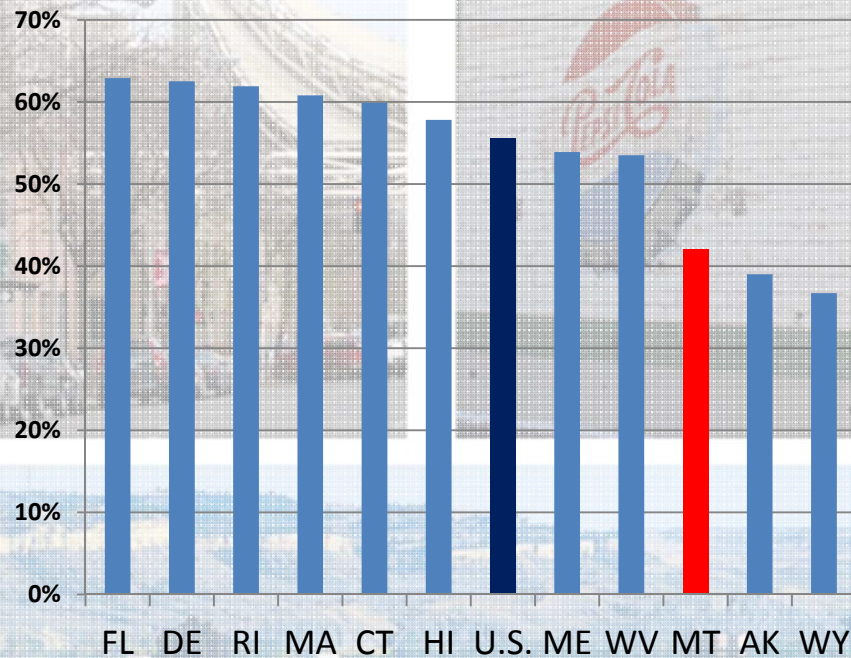
	# of Gap Beneficiaries	Total Gap Discount	Average Gap Discount
<b>MONTANA</b>	<b>6,075</b>	<b>\$3,511,260</b>	<b>\$578</b>
<b>Laurel</b>	<b>75</b>	<b>\$45,550</b>	<b>\$607</b>
<b>Billings</b>	<b>890</b>	<b>\$507,758</b>	<b>\$571</b>
<b>Yellowstone County</b>	<b>1,016</b>	<b>\$586,556</b>	<b>\$577</b>



# No cost sharing

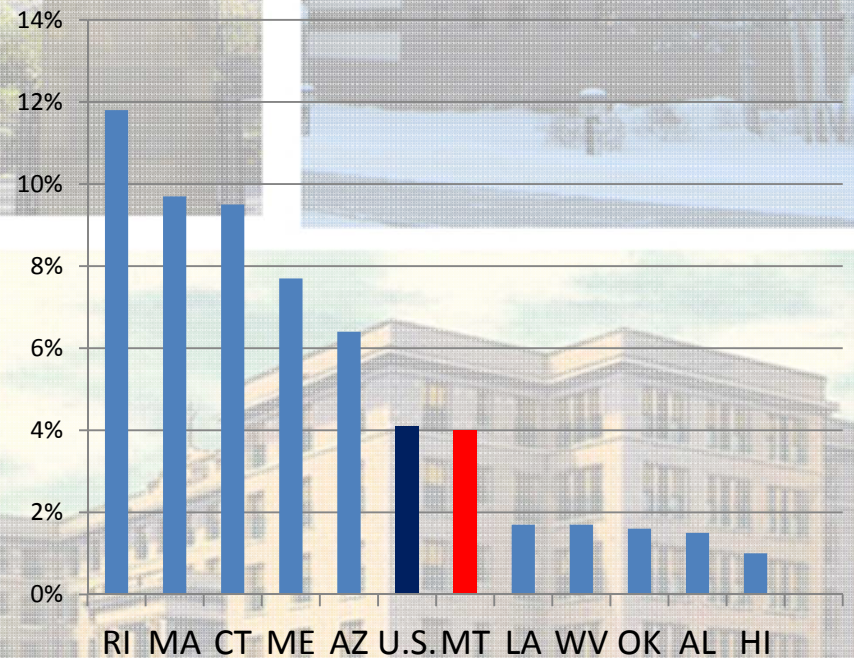
## Medicare Preventive Services

Beneficiaries Using One or More Preventive Services



## Medicare Annual Wellness Exam

Beneficiaries Using Wellness Exam



# 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

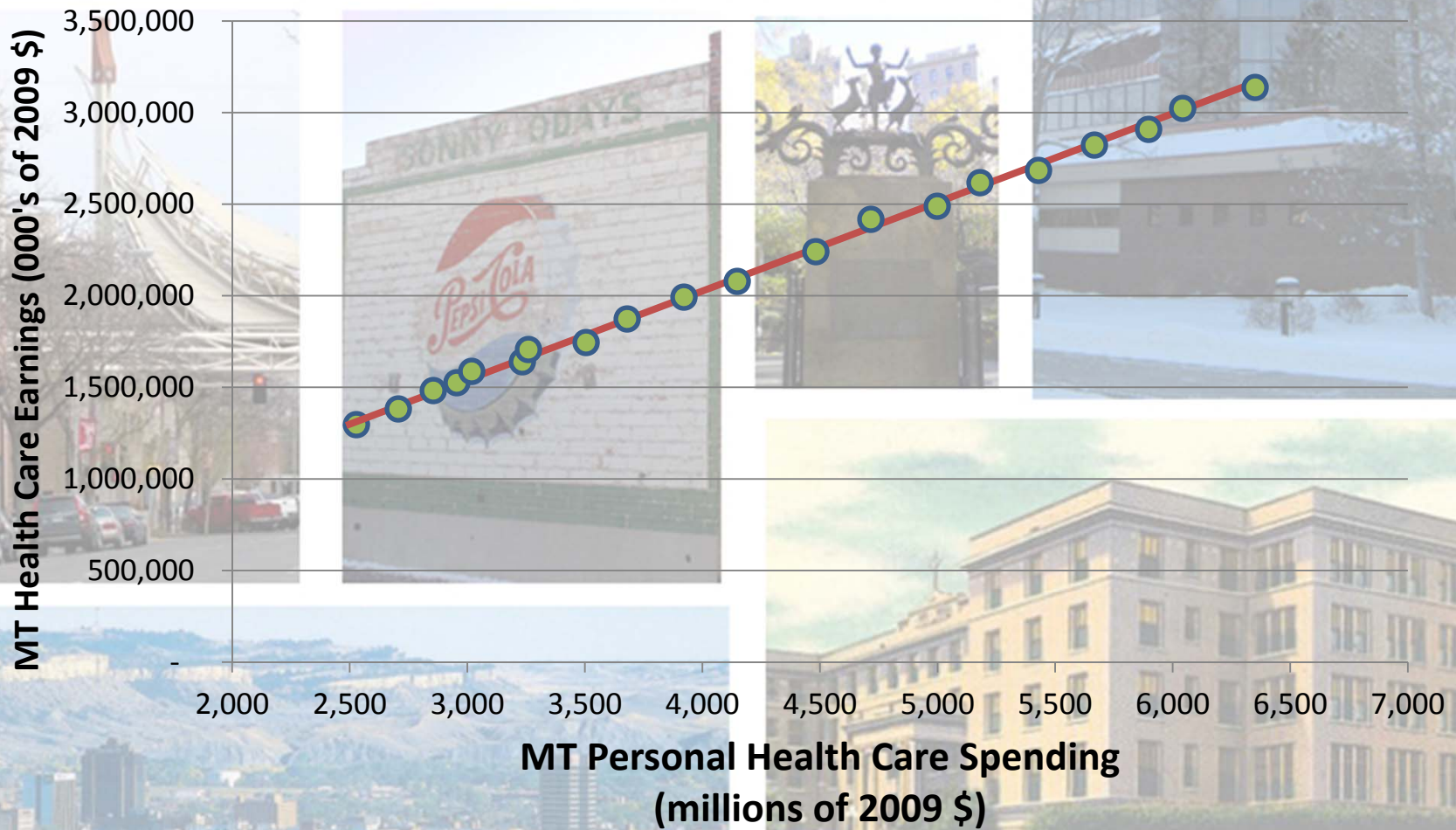
## Medicare Part D Premiums

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

# Medicare and Medicaid per enrollee spending, Montana

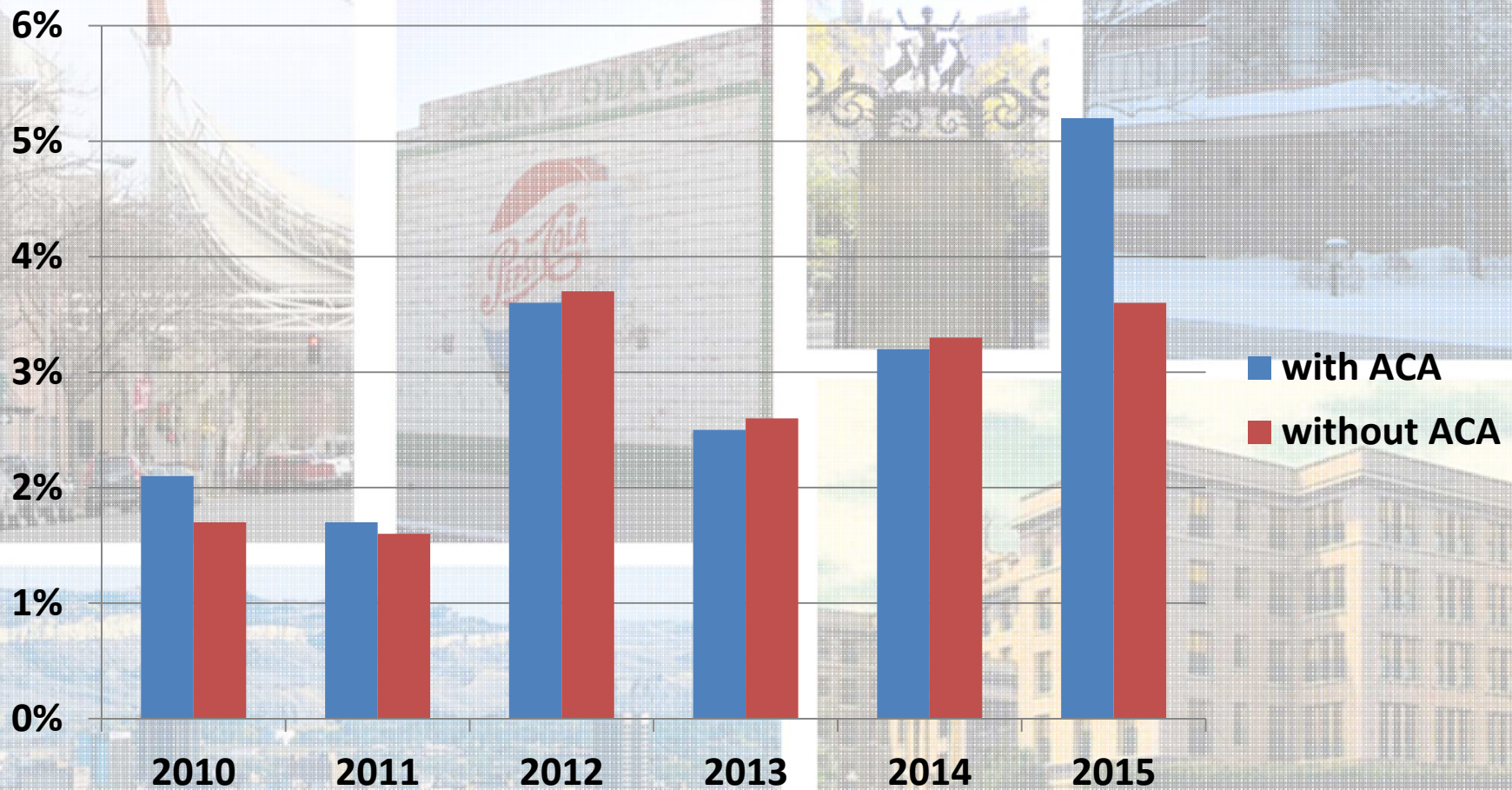
	Average Annual Growth (%)		% of MT total personal health care spending			% of U.S. per enrollee spending		
	'98-'04	'04-'09	1998	2004	2009	1998	2004	2009
Medicare	6.3	6.3	17.4	17.2	19.3	73	76	73
Medicaid	3.3	5.9	13.7	13.5	13.2	122	123	146

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

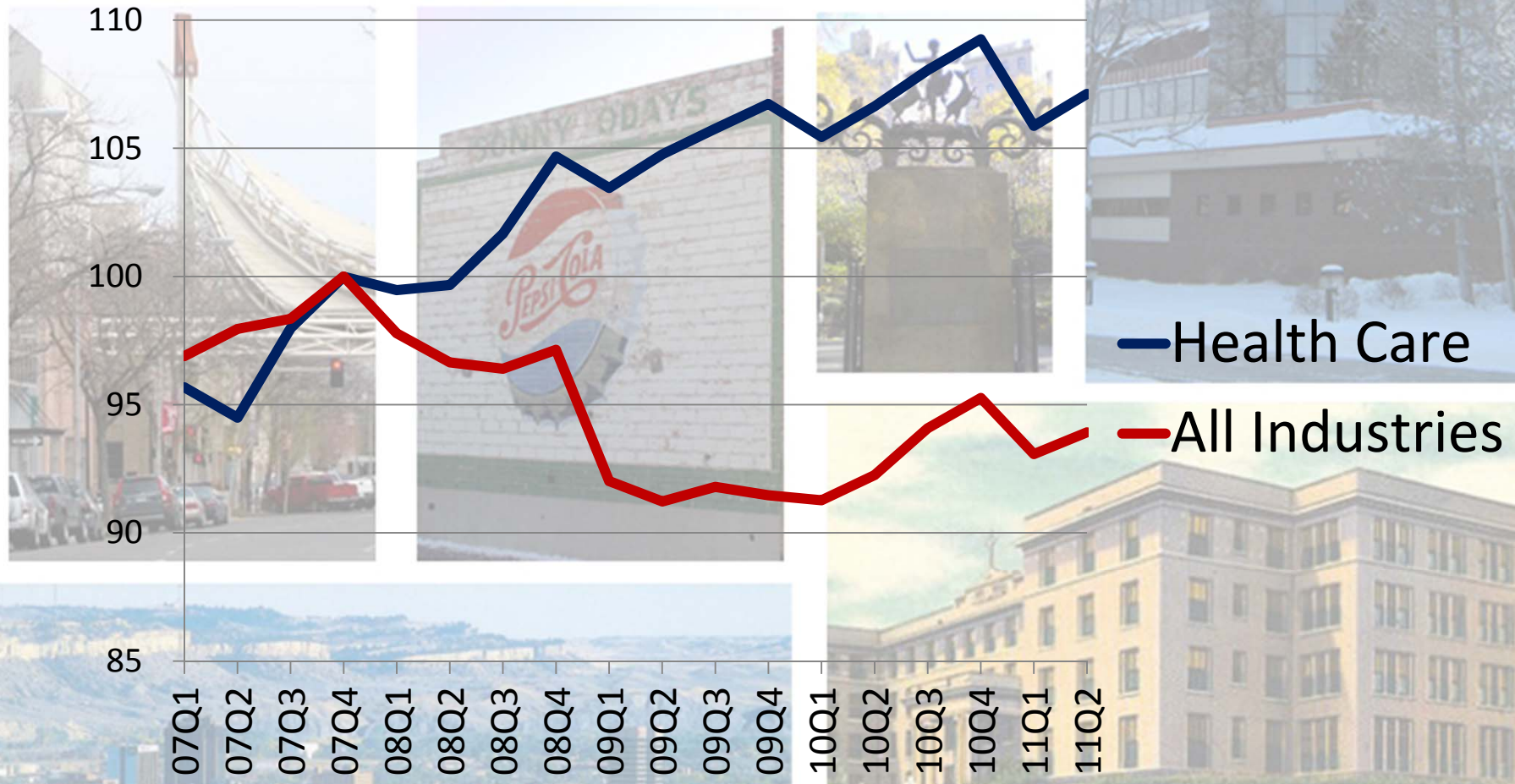




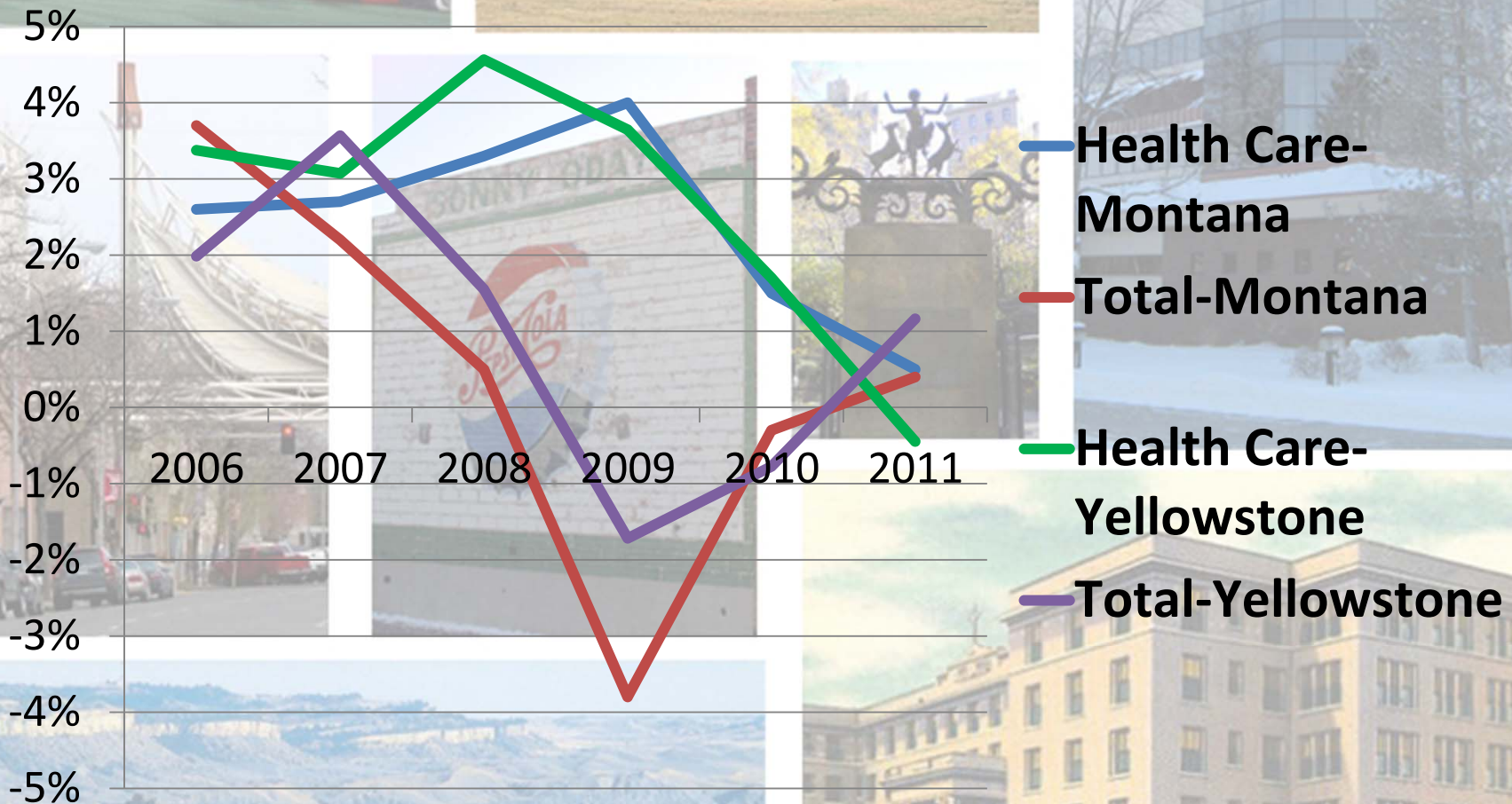
## Projected annual percent change in real health care earnings, Montana



# Recession and post-recession real earnings, Montana



# Health Care Employment

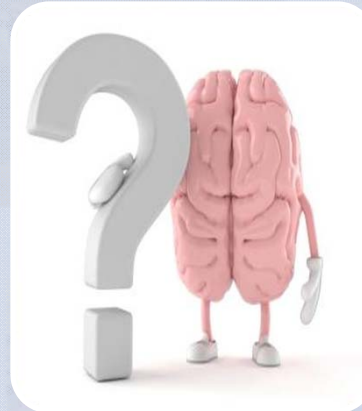




**Economic recovery?**



**Challenge to the ACA?**

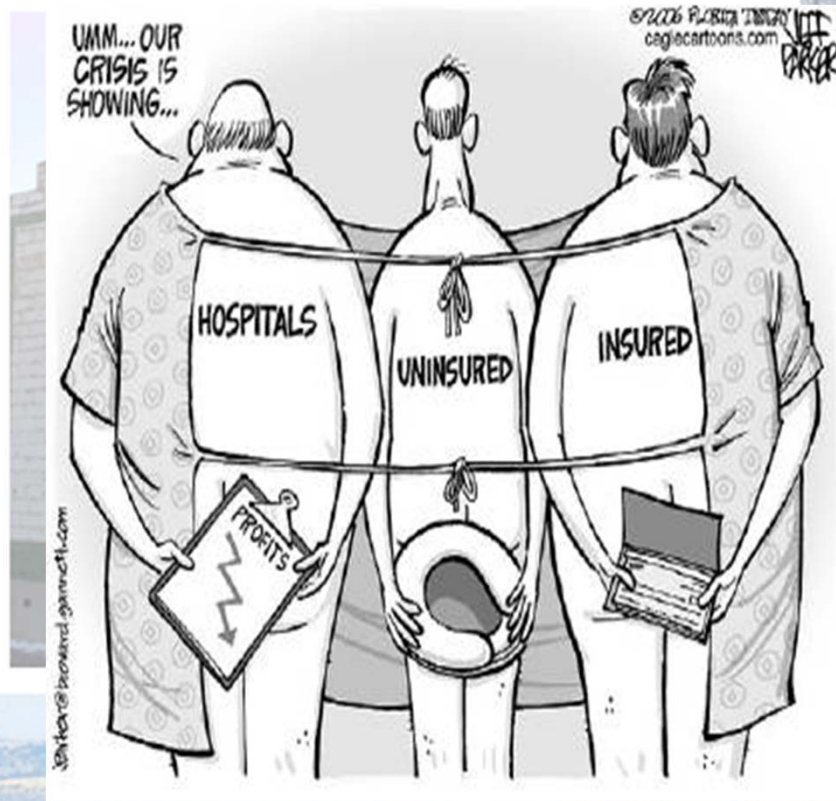


**No historical experience for ACA reforms?**



**Provider responses?**

**“The health care industry is facing greater uncertainty than in any time in memory”**



**Questions?**

**gregg.davis@business.umt.edu**