
Health Care: Avg. Annual Growth = 7.0%

Total: Avg. Annual Growth = 5.2%

Source: Centers for Medicare and Medicaid Services and Bureau of Economic Analysis
The Health Care System

Inputs
- Human Resources
- Financing
- Facilities and Equipment

Process
- Hospitals
- Doctors Offices
- Nursing Homes
- Home Care

Outputs
- Accessible Care
- Quality of Care
- Cost of Care
Montana’s 195,000 Uninsured: How ACA Can Help

- Medicaid Eligible (<138% FPG), 69,000
- Remains Uninsured, 86,000
- Eligible for Low Income Subsidy, 40,000
## Flathead County and Montana: The Uninsured

<table>
<thead>
<tr>
<th></th>
<th>Flathead County</th>
<th>Montana</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Uninsured</td>
<td>18,807</td>
<td>195,000</td>
</tr>
<tr>
<td>Percent of Total County Pop Uninsured</td>
<td>20.8%</td>
<td>20%</td>
</tr>
<tr>
<td>Number Covered by Medicaid before ACA</td>
<td>6770</td>
<td>106,000</td>
</tr>
<tr>
<td>Number Eligible for Medicaid after ACA</td>
<td>19,030</td>
<td>175,000</td>
</tr>
<tr>
<td>Hospital Cost of Uncompensated Care (2010)</td>
<td>$10,602,031</td>
<td>$244,900,000</td>
</tr>
<tr>
<td>Physicians and Other Community Providers (Est)</td>
<td>$6,778,348</td>
<td>$156,700,000</td>
</tr>
<tr>
<td>Total Uncompensated Care (Est)</td>
<td>$17,380,379</td>
<td>$401,600,000</td>
</tr>
<tr>
<td>Uncompensated Care Reduction</td>
<td>$4,327,784</td>
<td>$100,000,000</td>
</tr>
</tbody>
</table>
Health Insurance Exchange

• Functions
  – Internet virtual marketplace for individuals and small employers to shop for insurance
  – Provide consumer choice (bronze, silver, gold, platinum)
  – Increase transparency of products and prices
  – Ensure all plans offer “essential health benefits”
Montana Number of Employers by Employee Category, 2012

Size of Employee by Number of Employees

- 1 to 4: 25,327
- 5 to 9: 6,899
- 10 to 19: 4,337
- 20 to 49: 2,382
- 50 to 99: 686
- 100 to 249: 264
- 250 to 499: 53
- 500 to 999: 9
- 1000 or more: 8
Financing Moves Away from Fee For Service

Performance Risk

Cost of Care

Quality of Care

Utilization Risk

Volume of Care

Bundled Pricing

- Episodic Efficiency
- Readmission Reduction
- Care Standardization

Pay-for-Performance

- Process Reliability
- Clinical Quality
- Patient Experience

Shared Savings

- Chronic Care Management
- Care Substitution
- Disease Prevention

Source: Health Care Advisory Board Interviews and Analysis
© 2011 The Advisory Board Company- 21648
Financing Moves Away from Fee For Service

<table>
<thead>
<tr>
<th>Performance Risk</th>
<th>Utilization Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of Care</td>
<td>Volume of Care</td>
</tr>
<tr>
<td>Quality of Care</td>
<td></td>
</tr>
</tbody>
</table>

- **Bundled Pricing**
  - Episodic Efficiency
  - Readmission Reduction
  - Care Standardization

- **Pay-for-Performance**
  - Process Reliability
  - Clinical Quality
  - Patient Experience

- **Shared Savings**
  - Chronic Care Management
  - Care Substitution
  - Disease Prevention

Source: Health Care Advisory Board Interviews and Analysis
© 2011 The Advisory Board Company- 21648
Financing Moves Away from Fee For Service

**Performance Risk**
- Cost of Care
- Quality of Care

**Utilization Risk**
- Volume of Care

### Bundled Pricing
- Episodic Efficiency
- Readmission Reduction
- Care Standardization

### Pay-for-Performance
- Process Reliability
- Clinical Quality
- Patient Experience

### Shared Savings
- Chronic Care Management
- Care Substitution
- Disease Prevention

*Source: Health Care Advisory Board Interviews and Analysis*
Primary Care Physicians Per 100,000 Population, 2005

- Urban: 71
- Large Rural: 61
- Small Rural: 59
- Isolated Small Rural: 36
Primary Care Shortage in Montana

Distribution of Residents Engaged in Graduate Medical Education
(August 1, 2005)
Number of Resident Physicians per 100,000 Population

Source: JAMA September 6, 2006
Montana Physicians in Active Practice by County

- 0 Doctors (10 Counties)
- 1-5 Doctors (20 Counties)
- 6-20 Doctors (12 Counties)
- 21-100 Doctors (8 Counties)
- 100+ Doctors (6 Counties)