

# Outlook 2013

Is Montana's Health Care Workforce  
Ready for the Affordable Care Act?

[www.csi.mt.gov/health/reports.asp](http://www.csi.mt.gov/health/reports.asp)

- Leif Associates
  - Health Insurance Market Study
- Bureau of Business and Economic Research
  - The Status of Montana's Health Insurance Population
  - Montana's Health Insurance Market: Prospects for 2014 and Beyond
  - An Estimate of the Economic Ramifications Attributable to the Potential Medicaid Expansion on the Montana Economy

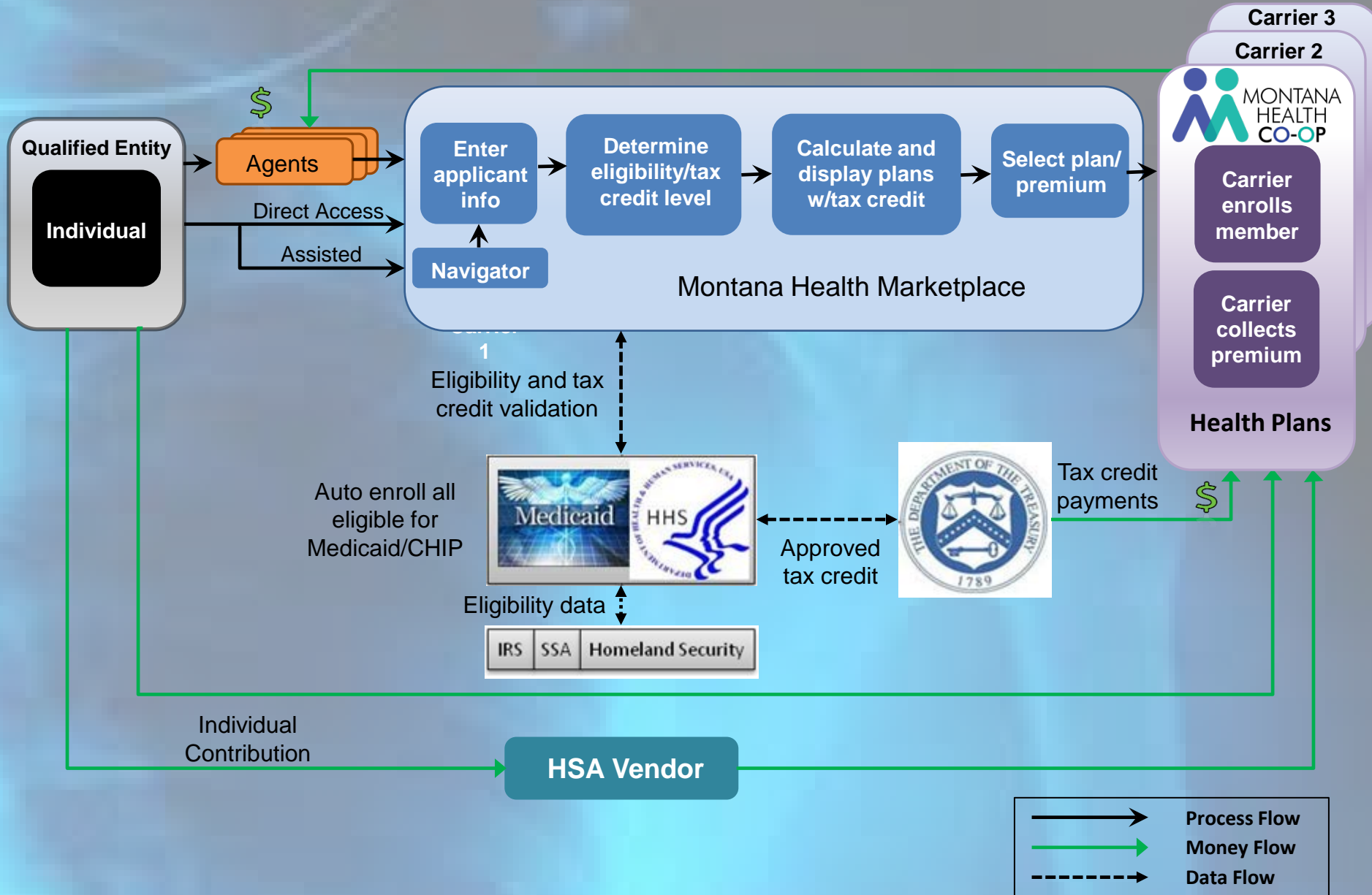
# Some Common Concerns about the ACA

- Impact on insurance premiums?
- Will businesses dump employees into FFE?
- Will Medicare beneficiaries struggle to find doctors?
- Will ACA bend the health care cost curve upward instead of downward?

# Often Missing from the Discussion...

- Ability of health care infrastructure, primarily health care workforce, to absorb potential added demands for health care due to...
  - Power of individual mandate
  - Federally Facilitated Exchange
    - Tax credits
    - Cost sharing subsidies
  - Medicaid expansion, maybe

# How Does the Marketplace Work?



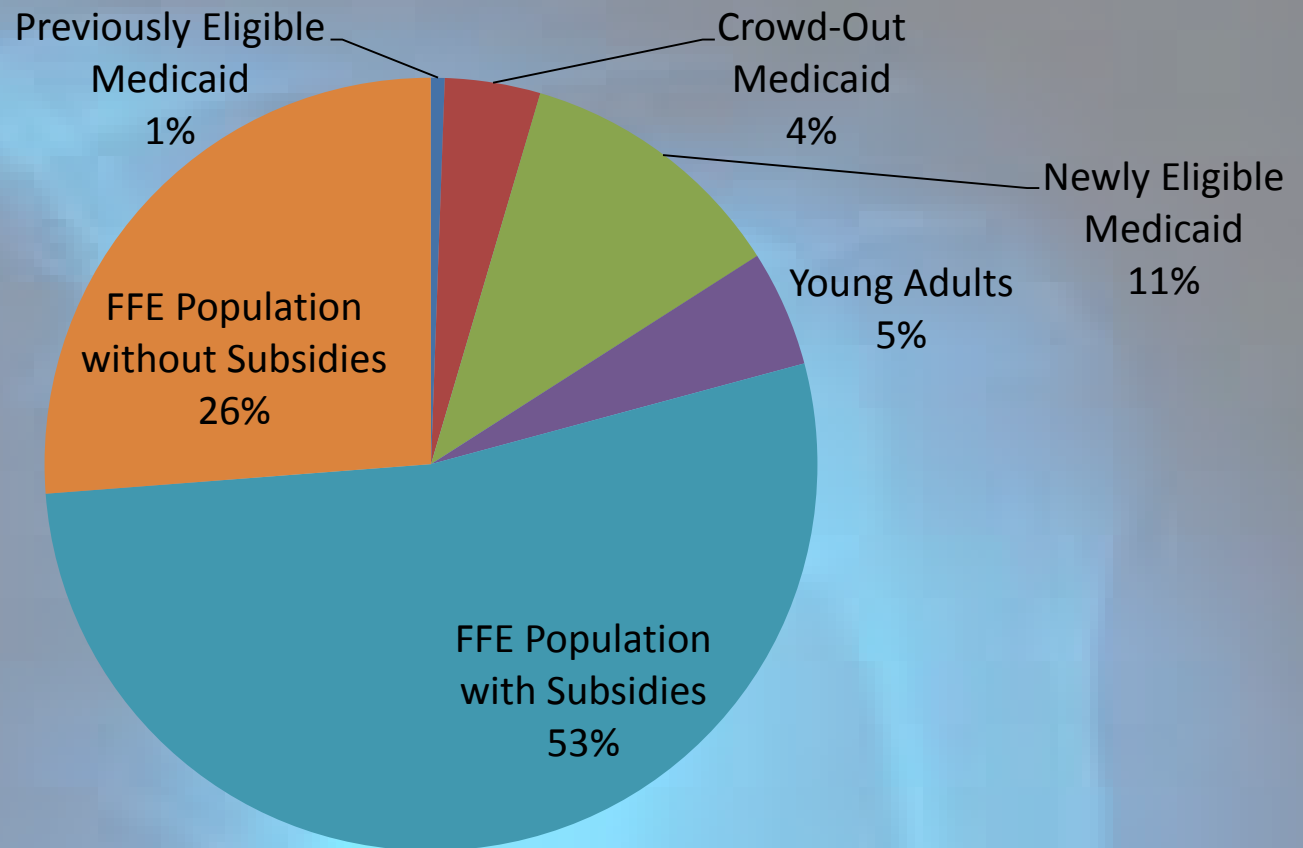
# Montana Family of 4: \$66,000 (282% FPL)

	Age 40	Age 50	Age 60
Premium for Silver Plan	\$12,130	\$16,858	\$24,042
Family Responsibility	\$5,921 (\$493/month)	\$5,921 (\$493/month)	\$5,921 (\$493/month)
Government Tax Credit	\$6,209	\$10,937	\$18,122
Maximum Out-of-Pocket, exc. Premiums	\$6,250	\$6,250	\$6,250

# Affordable Care Act

- Many of ACA provisions focus on primary care
  - Reimbursement (10% bonuses), parity between Medicaid and Medicare
  - Welcome to Medicare exams, preventive services with no cost sharing
  - Comprehensive Primary Care Initiative pilot
  - Patient Centered Homes (ACO's, Medical Homes)
  - Community Health Centers
  - No cost prevention services

# 354,000 May Change Health Insurance





# Primary Care Provider Deficit: 2008 to 2025

- 52,000 more primary care docs needed
  - 33,000 due to population growth
  - 10,000 due to aging
  - 8,000 due to ACA

Source: Winston Liaw et al, Annals of Family Medicine, November/December, 2012

# Pre ACA Primary Care Demand in Montana, Missoula & Ravalli Counties

	Expected Source of Payment					
	Employer Sponsored Insurance	Direct Purchase	Medicare	Medicaid	No Insurance	Unknown
Montana	742,310	295,037	415,287	141,863	94,653	47,382
Missoula County	89,937	33,335	36,019	14,480	12,871	3,298
Ravalli County	26,003	13,709	23,627	7,733	4,088	488

Source: American Community Survey, 2009-2011, National Ambulatory Medical Care Survey, BBER

# ACA Impact on Health Care Demand, Montana

	Primary Care	Surgical Specialty	Medical Specialty	Hospital Outpatient	Hospital Emergency	Total Additional Office Visits
Private Coverage	<b>131,999</b>	39,485	32,713	(1,979)	(19,795)	182,423
Medicaid	<b>129,283</b>	10,853	10,102	44,846	27,713	222,797
Total Additional Office Visits	<b>261,281</b>	50,338	42,815	42,867	7,919	405,220

Source: American Community Survey, National Ambulatory Medical Care Survey, BBER

# ACA Impact on Health Care Demand, Missoula County

	Ambulatory Care Setting					Total Additional Office Visits
	Primary Care	Surgical Specialty	Medical Specialty	Hospital Outpatient	Hospital ER	
Private Insurance	<b>13,309</b>	3,981	3,298	(200)	(1,996)	18,393
Medicaid	<b>17,436</b>	1,464	1,362	6,048	3,738	30,048
Total Increase	<b>30,745</b>	5,445	4,661	5,849	1,742	48,441

# ACA Impact on Health Care Demand, Ravalli County

	Ambulatory Care Setting					Total Additional Office Visits
	Primary Care	Surgical Specialty	Medical Specialty	Hospital Outpatient	Hospital ER	
Private Insurance	<b>6,035</b>	1,805	1,496	(90)	(905)	8,340
Medicaid	<b>5,265</b>	442	411	1,826	1,129	9,074
Total Increase	<b>11,300</b>	2,247	1,907	1,736	224	17,414

# Primary Care Capacity

- 2009 study by Davis, Roberts, White
  - Includes Family Practice, Internal Medicine, Pediatrics
- U.S. DHHS Guideline of 4,200 office visits/year
  - Contrasts with 5,400 office visits per AMA guidelines

# Estimated Shortage/Surplus of Primary Care Office Visits, **Montana**

<b>Primary Care Supply</b>	<b>Primary Care Demand</b>	<b>Shortage (-) Surplus (+) Office Visits per Year</b>
2,079,000	1,997,814	+ 81,186

# Estimated Shortage/Surplus of Primary Care Office Visits, **Missoula & Ravalli Counties**

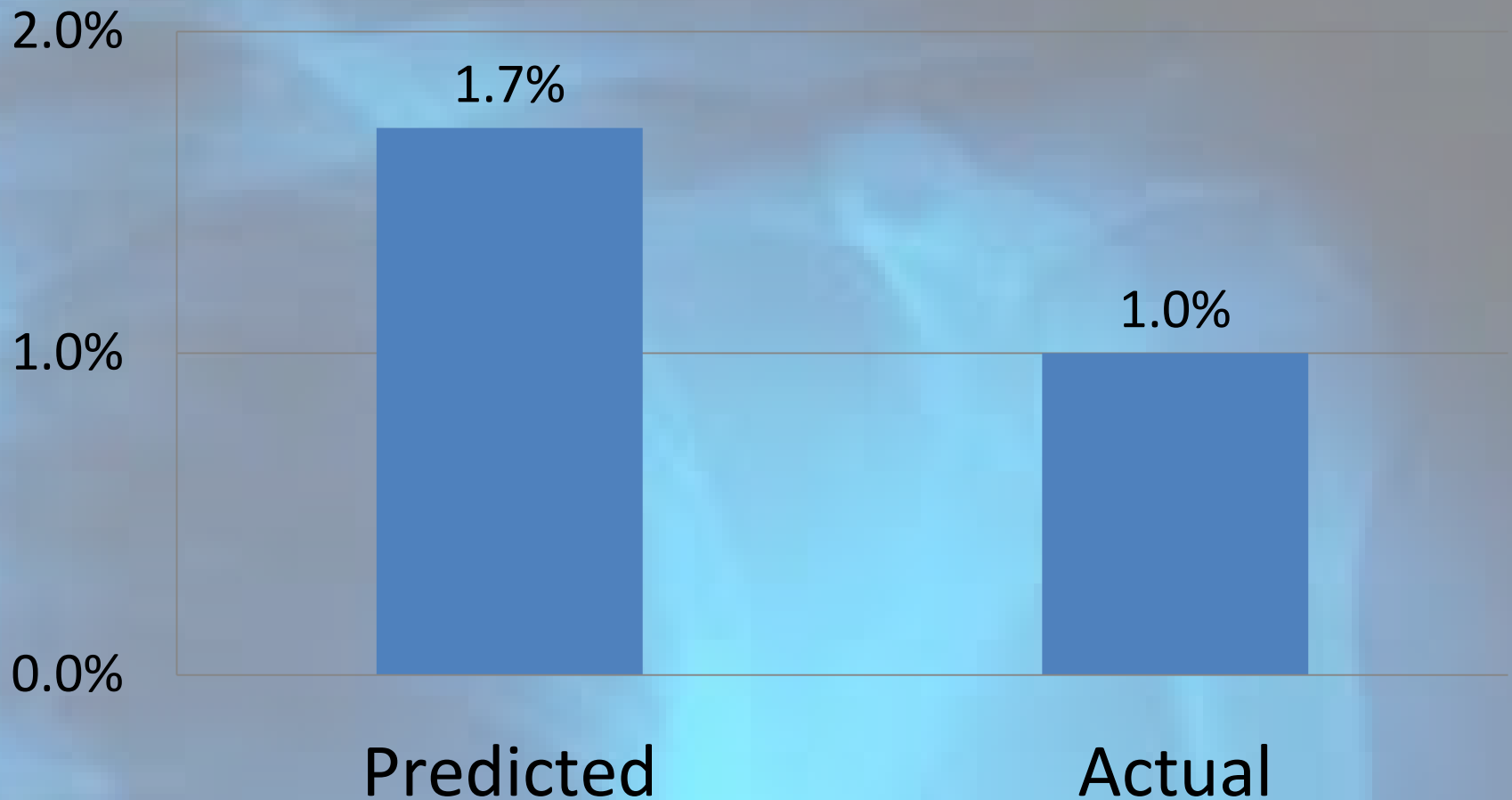
	Primary Care Supply	Primary Care Demand	Shortage (-) Surplus (+) Office Visits per Year
Missoula County	201,600	220,684	- 19,084
Ravalli County	58,800	86,947	- 28,147



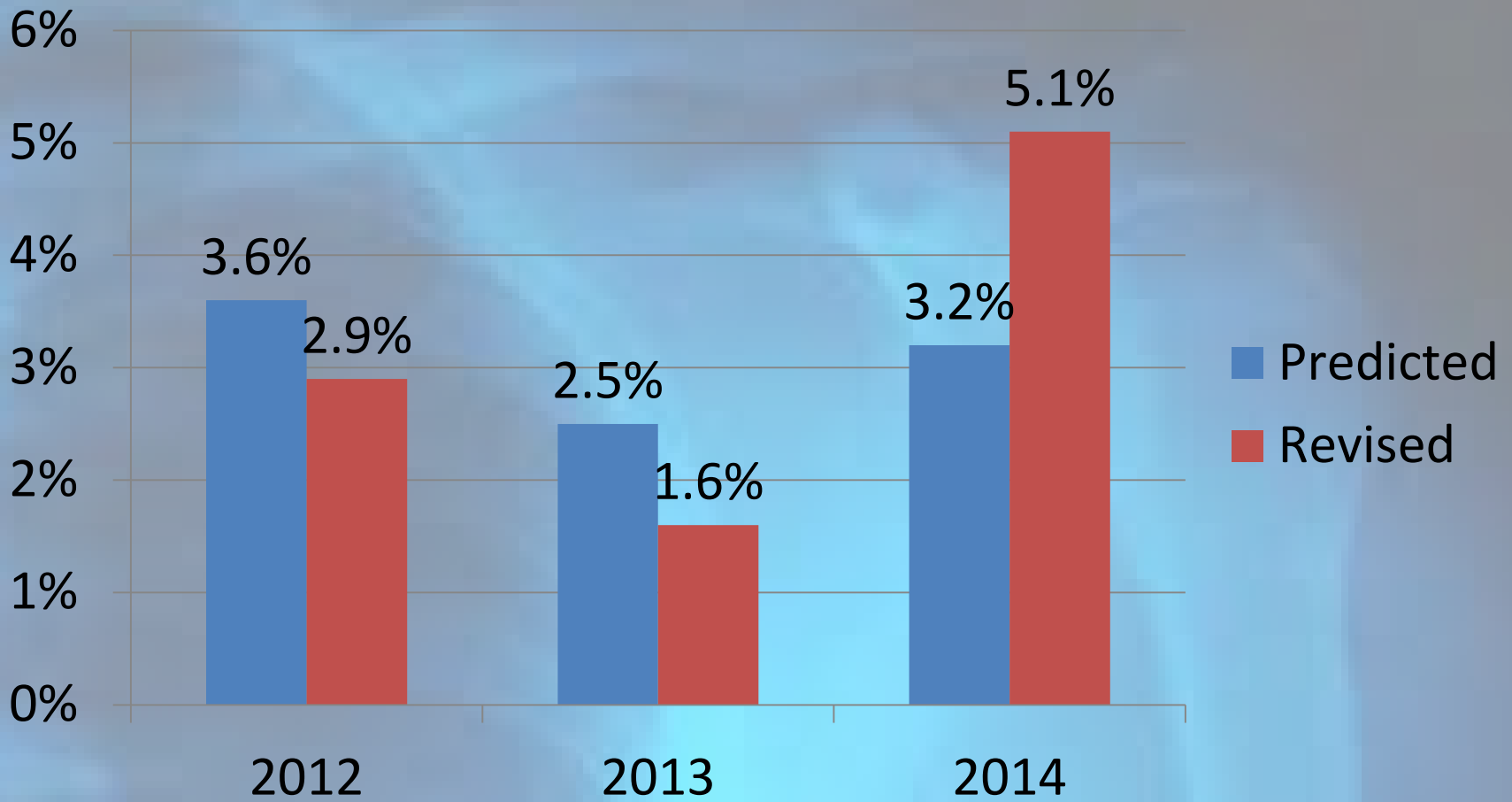
# And the earnings forecast from last year?

- Depends on whether you view glass as half full or half empty
- Major revisions in key growth rates 2010-2011
  - BEA revised health care earnings growth from 3.9% to 3.2 % (18% change)
  - CMS revised PHCE growth from 4.6% to 3.9% (15% change)
- Impact of outsourcing

# Oops...Health Care Earnings 2010-2011



# Health Care Earnings, 2012-2014



gregg.davis@business.umt.edu

- “I don’t believe there’s any problem in this country, no matter how tough it is, that Americans, when they roll up their sleeves, can’t completely ignore.”

– George Carlin 1937-2008

