Outlook 2013

Is Montana’s Health Care Workforce Ready for the Affordable Care Act?
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
Lots of questions remain about the Affordable Care Act

• Will health insurance premiums increase?
• Will competition emerge in the Exchange, and will it have a favorable impact on consumers?
• Will businesses dump employees into the Exchange?
• 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 workforce to accommodate potential added demands as uninsured become insured.

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>16,000</td>
<td>55,000</td>
<td></td>
</tr>
<tr>
<td>87,000</td>
<td></td>
<td>69,000</td>
</tr>
</tbody>
</table>
Often Missing from the Discussion...

• Ability of health care infrastructure, primarily health care workforce, to absorb potential added demands..

16,000  55,000

87,000  69,000
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16,000  55,000

87,000  69,000
The numbers for Richland County...

- Uninsured eligible for Medicaid expansion
  - 658
- Uninsured eligible for advanceable premium tax credits
  - 881
- Uninsured eligible for both tax credits and cost-sharing reductions
  - 510
like shopping for corn flakes in the cereal isle of your local grocery store...

Montana Health Marketplace

Eligibility and tax credit validation

Auto enroll all eligible for Medicaid/CHIP

Eligibility data

HSA Vendor

Individual Contribution

Direct Access

Assisted

Qualified Entity

Individual

Agents

Enter applicant info

Determine eligibility/tax credit level

Calculate and display plans w/tax credit

Select plan/premium

Carrier

Carrier 2

Carrier 3

Carrier CO-OP

Carrier collects premium

Montana Health Marketplace

HHS, Medicaid

Approved tax credit

Process Flow

Money Flow

Data Flow

Tax credit payments

IRS, SSA, Homeland Security

Carrier

Tax credit payments

HSA Vendor

Health Plans

Like shopping for corn flakes in the cereal isle of your local grocery store...
Montana family of 4: Head of Household Age 40

<table>
<thead>
<tr>
<th>Family Income, % Federal Poverty Level</th>
<th>$23,425 (100% FPL)</th>
<th>$35,137 (150% FPL)</th>
<th>$58,562 (250% FPL)</th>
<th>$93,700 (400% FPL)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium for Silver Plan</td>
<td>Medicaid</td>
<td>$12,130</td>
<td>$12,130</td>
<td>$12,130</td>
</tr>
<tr>
<td>Family Monthly Premium, % of Income</td>
<td>Medicaid</td>
<td>$117 (4%)</td>
<td>$393 (8%)</td>
<td>$742 (9.5%)</td>
</tr>
<tr>
<td>Government Monthly Tax Credit</td>
<td>Medicaid</td>
<td>$894</td>
<td>$618</td>
<td>$269</td>
</tr>
<tr>
<td>Maximum out-of-Pocket, exc. Premium</td>
<td>Medicaid</td>
<td>$4,167</td>
<td>$6,250</td>
<td>$8,333</td>
</tr>
</tbody>
</table>
Many ACA provisions focus on primary care...

- Reimbursement (10% bonuses), parity between Medicaid and Medicare,
- Welcome to Medicare exams, preventive services with no cost sharing,
- Individual mandate,
- Comprehensive Primary Care Initiative pilot,
- Patient Centered Homes (ACO’s, Medical Homes),
- Community Health Centers
354,000 May Change Health Insurance

- Previously Eligible Medicaid: 1%
- Crowd-Out Medicaid: 4%
- Newly Eligible Medicaid: 11%
- Young Adults: 5%
- FFE Population without Subsidies: 26%
- FFE Population with Subsidies: 53%
Primary Care Provider Deficit: 2008 to 2025

- 52,000 more docs needed
  - 33,000 due to population growth
  - 10,000 due to aging
  - 8,000 due to Affordable Care Act

## Pre ACA Primary Care Demand in Montana, Richland County

<table>
<thead>
<tr>
<th>Expected Source of Payment</th>
<th>Montana</th>
<th>Richland County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer Sponsored Insurance</td>
<td>742,310</td>
<td>9,217</td>
</tr>
<tr>
<td>Direct Purchase</td>
<td>295,037</td>
<td>1,050</td>
</tr>
<tr>
<td>Medicare</td>
<td>415,287</td>
<td>4,281</td>
</tr>
<tr>
<td>Medicaid</td>
<td>141,863</td>
<td>2,244</td>
</tr>
<tr>
<td>No Insurance, Unknown</td>
<td>142,035</td>
<td>1,462</td>
</tr>
</tbody>
</table>

Source: American Community Survey, 2009-2011, National Ambulatory Medical Care Survey, BBER
## ACA Impact on Health Care Demand, Montana

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

Source: American Community Survey, National Ambulatory Medical Care Survey, BBER
### ACA Impact on Health Care Demand, Richland County

<table>
<thead>
<tr>
<th>Ambulatory Care Setting</th>
<th>Total Additional Office Visits</th>
</tr>
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<tbody>
<tr>
<td>Private Insurance</td>
<td></td>
</tr>
<tr>
<td>Primary Care</td>
<td>1,371</td>
</tr>
<tr>
<td>Surgical Specialty</td>
<td>410</td>
</tr>
<tr>
<td>Medical Specialty</td>
<td>340</td>
</tr>
<tr>
<td>Hospital Outpatient</td>
<td>(21)</td>
</tr>
<tr>
<td>Hospital ER</td>
<td>(206)</td>
</tr>
<tr>
<td><strong>Total Increase</strong></td>
<td><strong>1,895</strong></td>
</tr>
<tr>
<td>Medicaid</td>
<td></td>
</tr>
<tr>
<td>Primary Care</td>
<td>1,328</td>
</tr>
<tr>
<td>Surgical Specialty</td>
<td>76</td>
</tr>
<tr>
<td>Medical Specialty</td>
<td>75</td>
</tr>
<tr>
<td>Hospital Outpatient</td>
<td>520</td>
</tr>
<tr>
<td>Hospital ER</td>
<td>345</td>
</tr>
<tr>
<td><strong>Total Increase</strong></td>
<td><strong>2,345</strong></td>
</tr>
<tr>
<td><strong>Total Increase</strong></td>
<td><strong>4,240</strong></td>
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American Community Survey 2009-2011, National Ambulatory Medical Care Survey, BBER
Primary Care Capacity

• 2009 study by Davis, Roberts, White
  – Includes Family Practice, Internal Medicine, Pediatrics
  – Mid-level practitioners excluded (nurse practitioners, physicians’ assistants)

• 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

<table>
<thead>
<tr>
<th>Primary Care Supply</th>
<th>Primary Care Demand</th>
<th>Shortage (-) Surplus (+) Office Visits per Year</th>
</tr>
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<tbody>
<tr>
<td>2,079,000</td>
<td>1,997,814</td>
<td>+ 81,186</td>
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## Estimated Shortage/Surplus of Primary Care Office Visits, Richland County

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<th>Primary Care Supply</th>
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<td>21,000</td>
<td>20,954</td>
<td>+46</td>
</tr>
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</table>
Health Care Earnings, 2012-2014

- **2012**: Predicted 3.6%, Revised 2.9%
- **2013**: Predicted 2.5%, Revised 1.6%
- **2014**: Predicted 3.2%, Revised 5.1%
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