

# Health Care



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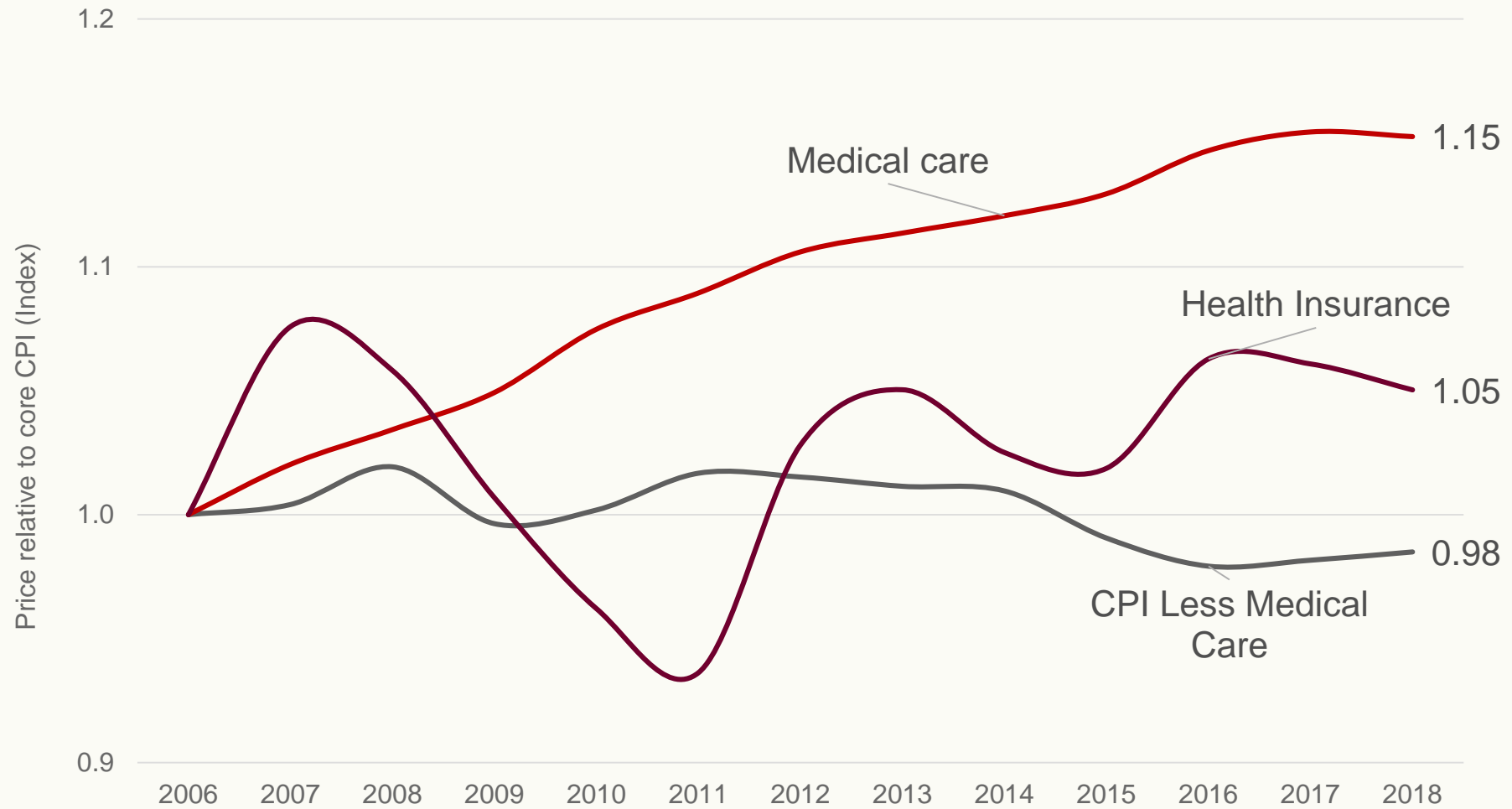


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# Overview



# Price of Health Care is Rising



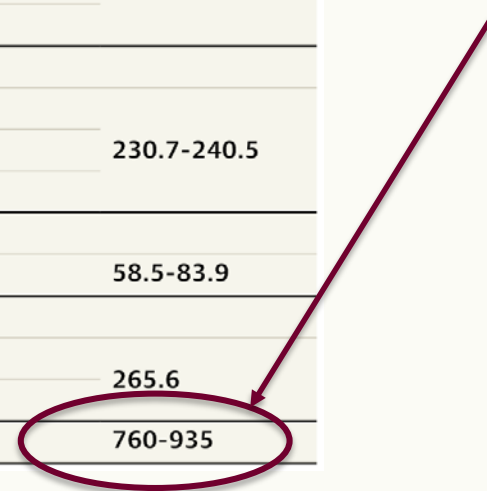
# Waste in health care

Source: Shrank, Rogstad, and Parekh N. "Waste in the US Health Care System: Estimated Costs and Potential for Savings" *Journal of the American Medical Association* (10/2019)

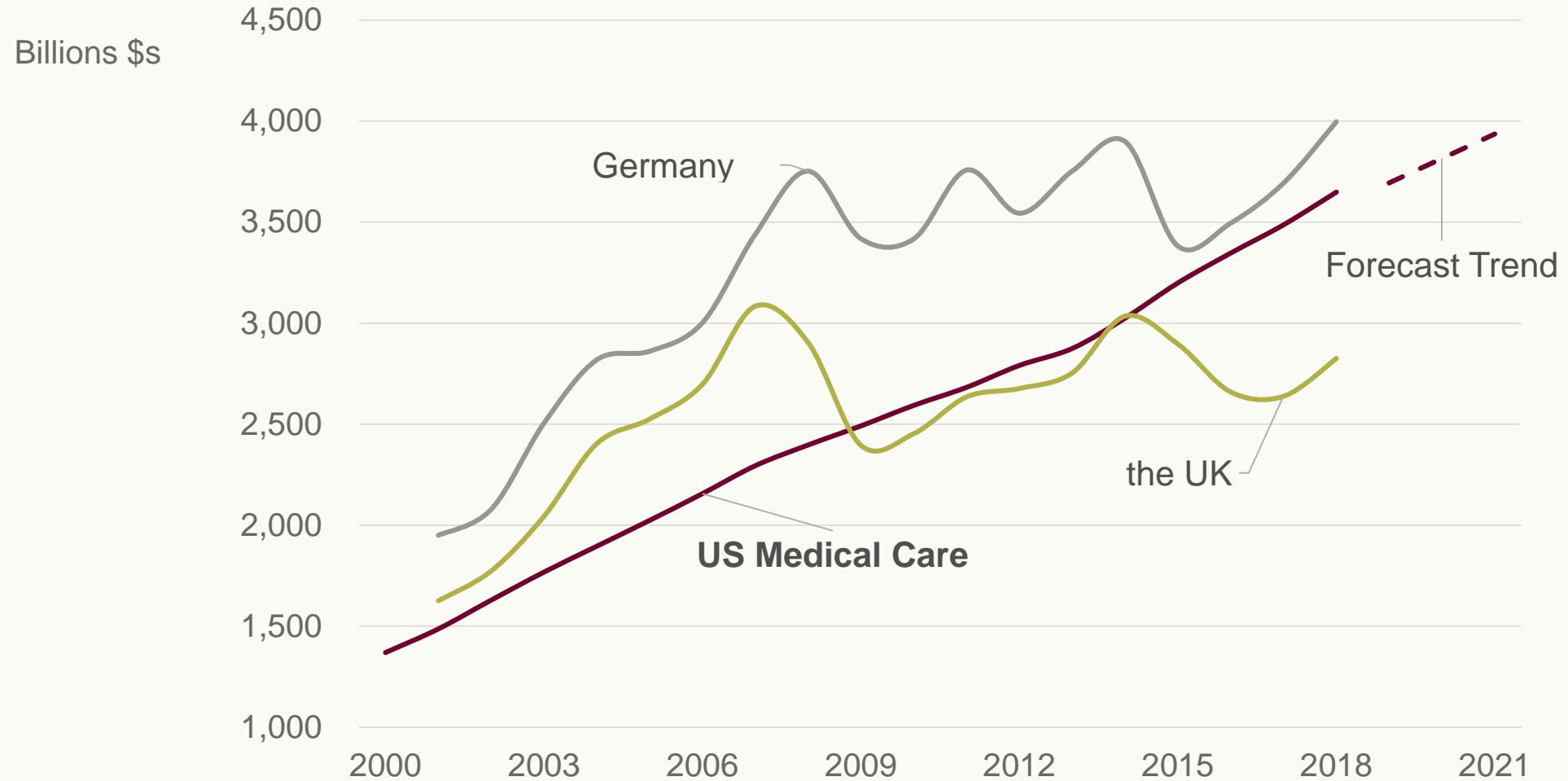
Table 2. Cost Estimates by Waste Domain

Domain	Costs, \$US Billion	
	Annual Estimates	Total Range
<b>Failure of Care Delivery</b>		
Hospital-acquired conditions and adverse events <sup>18-22</sup>	5.7-46.6	
Clinician-related inefficiency (variability in care, inefficient use of high-cost physicians) <sup>27,28</sup>	8.0	102.4-165.7
Lack of adoption of preventive care practices (obesity, vaccines, diabetes, hypertension) <sup>23-26</sup>	88.6-111.1	
<b>Failure of Care Coordination</b>		
Unnecessary admissions and avoidable complications <sup>19,29</sup>	5.9-56.3	27.2-78.2
Readmissions <sup>30,31</sup>	21.25-21.93	
<b>Overtreatment or Low-Value Care</b>		
Low-value medication use <sup>12,32-35</sup>	14.4-29.1	75.7-101.2
Low-value screening, testing, or procedures <sup>14,36,37</sup>	17.2-27.9	
Overuse of end-of-life care <sup>38</sup>	44.1	
<b>Pricing Failure</b>		
Medication pricing failure <sup>8</sup>	169.7	230.7-240.5
Payer-based health services pricing failure <sup>39,40</sup>	31.4-41.2	
Laboratory and ambulatory pricing <sup>41</sup>	29.7	
<b>Fraud and Abuse</b>		
Fraud and abuse in Medicare <sup>42-44</sup>	58.5-83.9	58.5-83.9
<b>Administrative Complexity</b>		
Billing and coding waste <sup>45</sup>	248	265.6
Physician time spent reporting on quality measures <sup>10</sup>	17.6	
<b>Total</b>		<b>760-935</b>

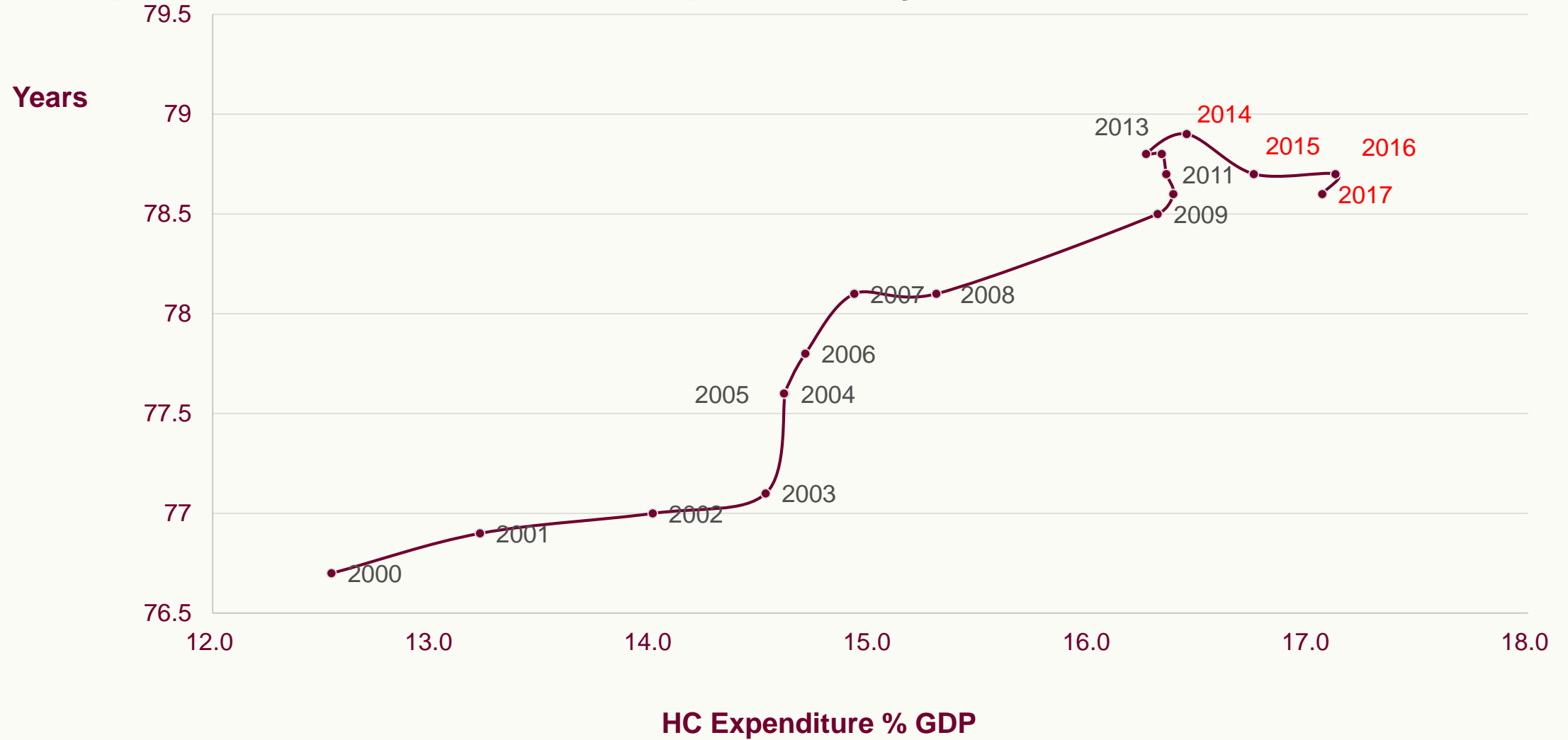
Waste: \$760-935 billion



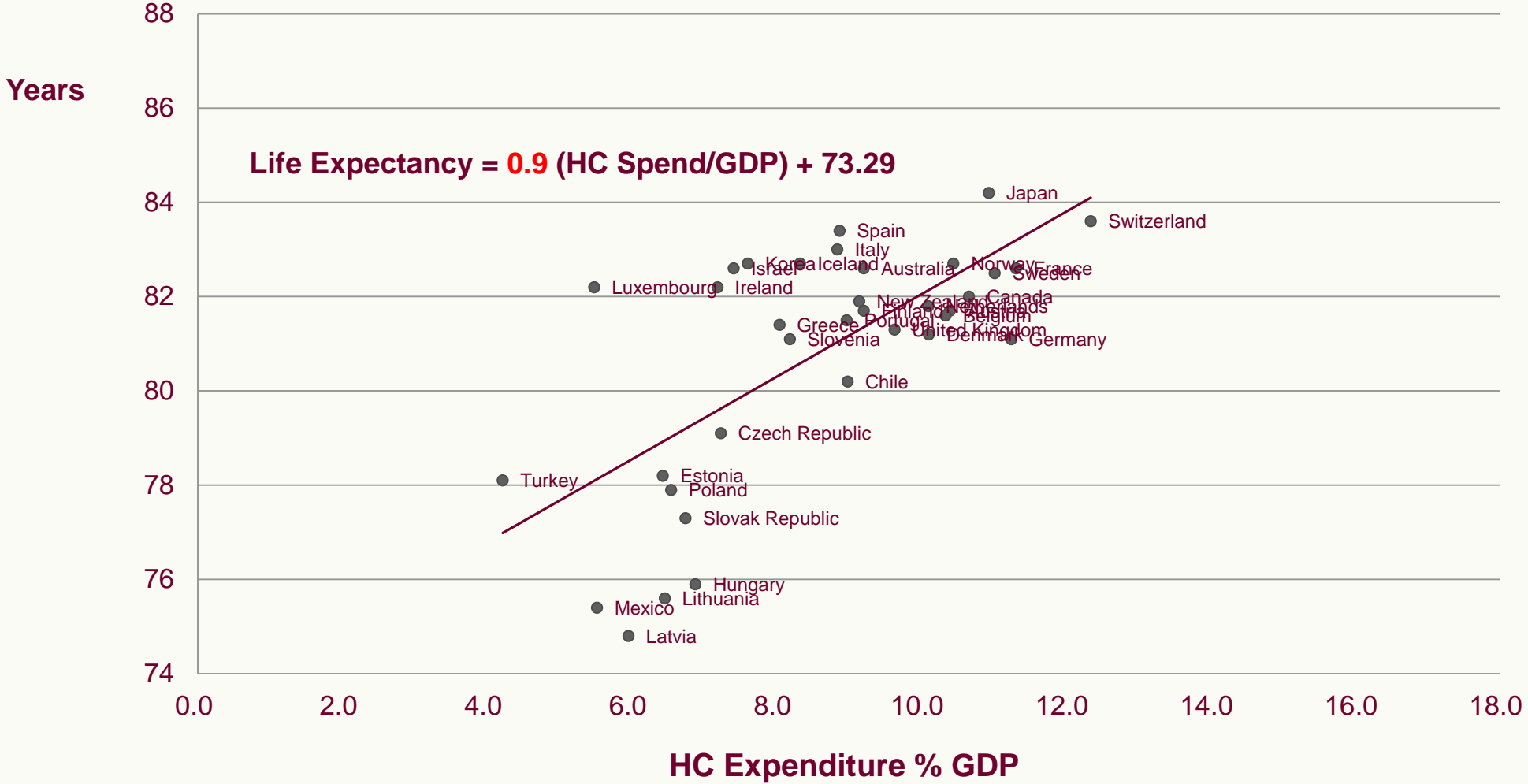
# “A-Medic-a” is growing: 5<sup>th</sup> largest global economy



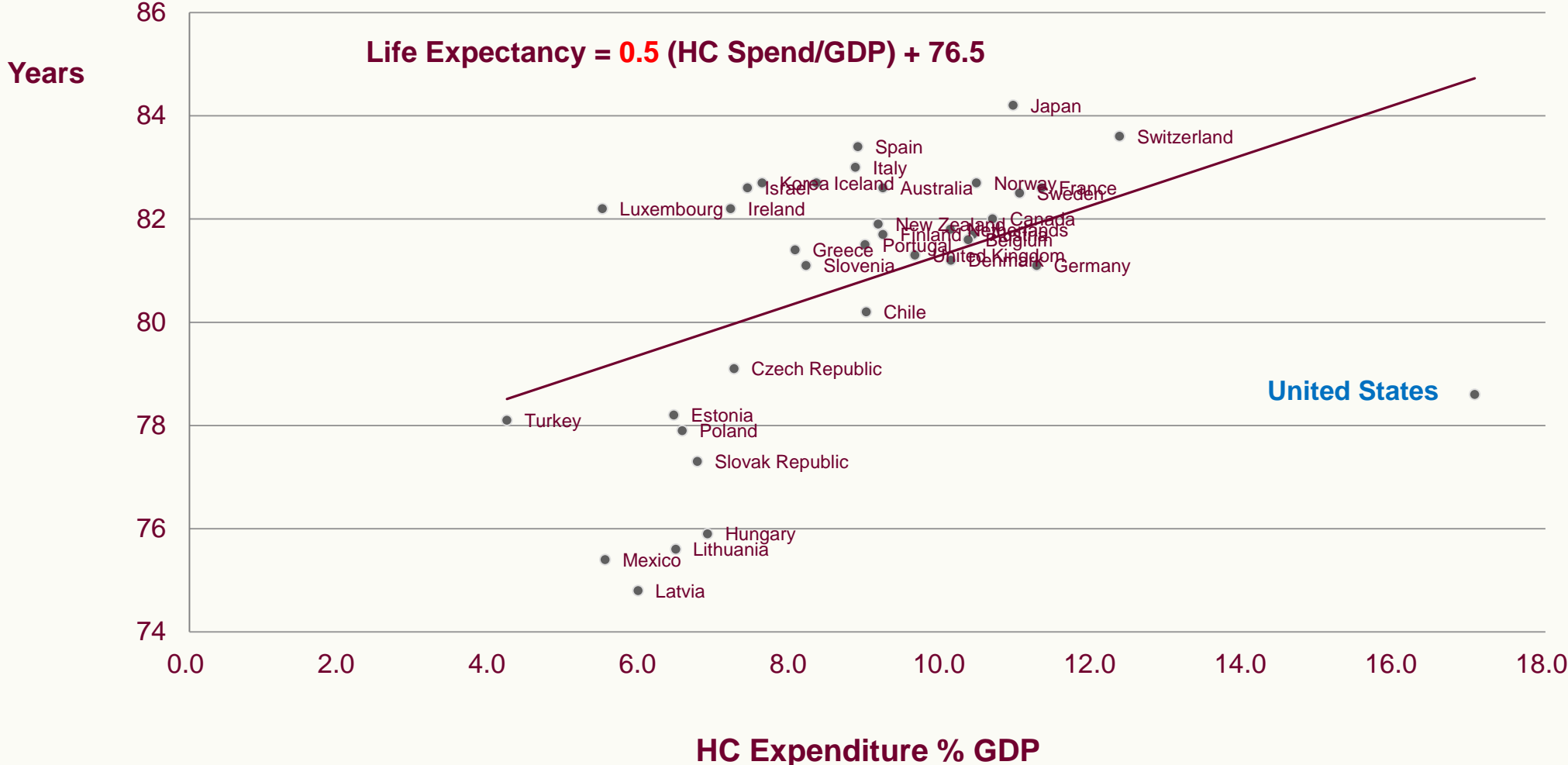
# US Expenditure and Life Expectancy



# Health Expenditure and Life Expectancy: OECD



# Health Expenditure and Life Expectancy: OECD



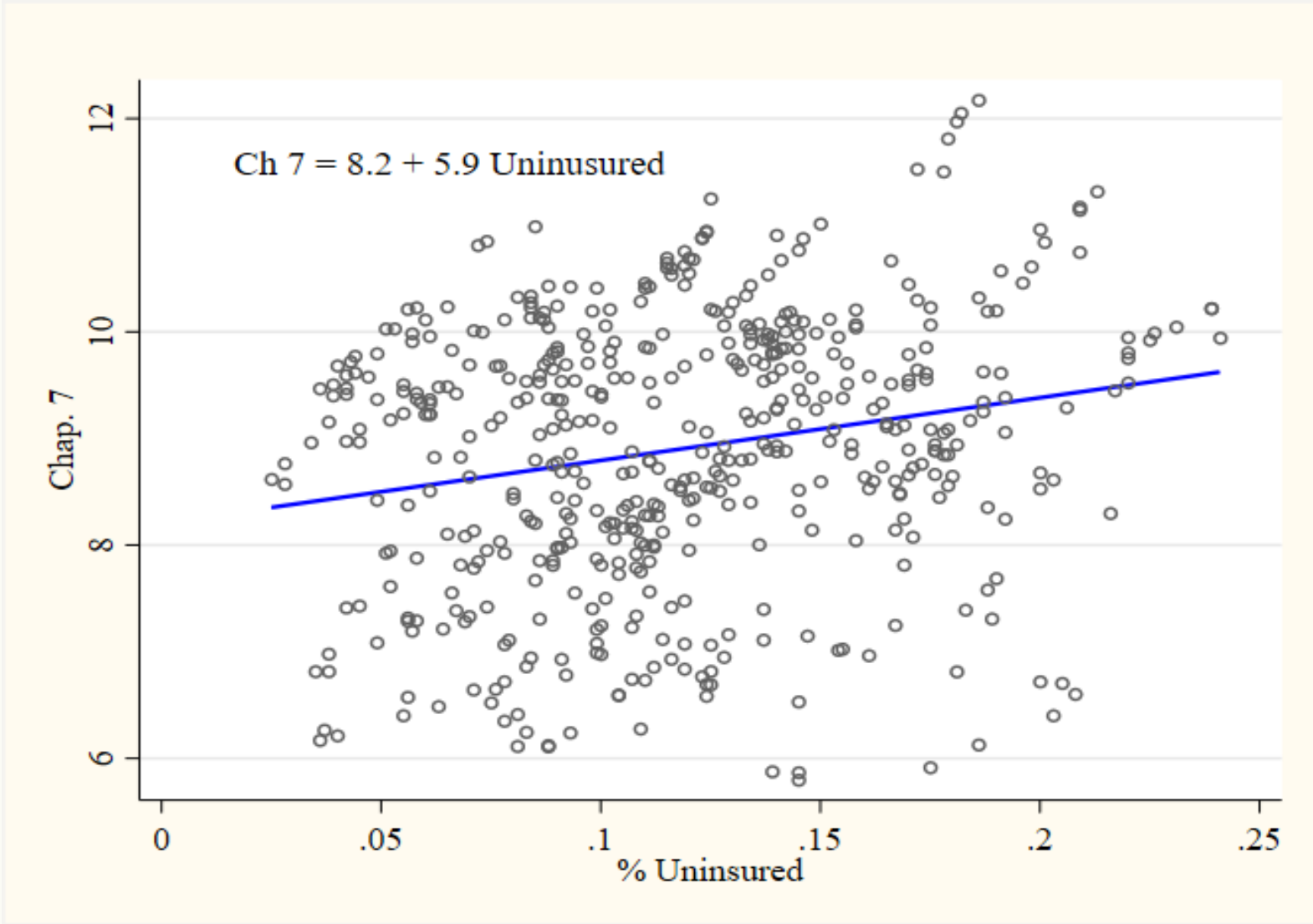


# Other Health Care Impacts



# US: Chapter 7 and % Uninsured

Nationally, 66%  
personal bankruptcy  
due to medical reasons



# Health care and foreclosure

- 13% of foreclosures due to medical expenses and illness
- Uninsured more likely to go into foreclosure



# Montana Health Care



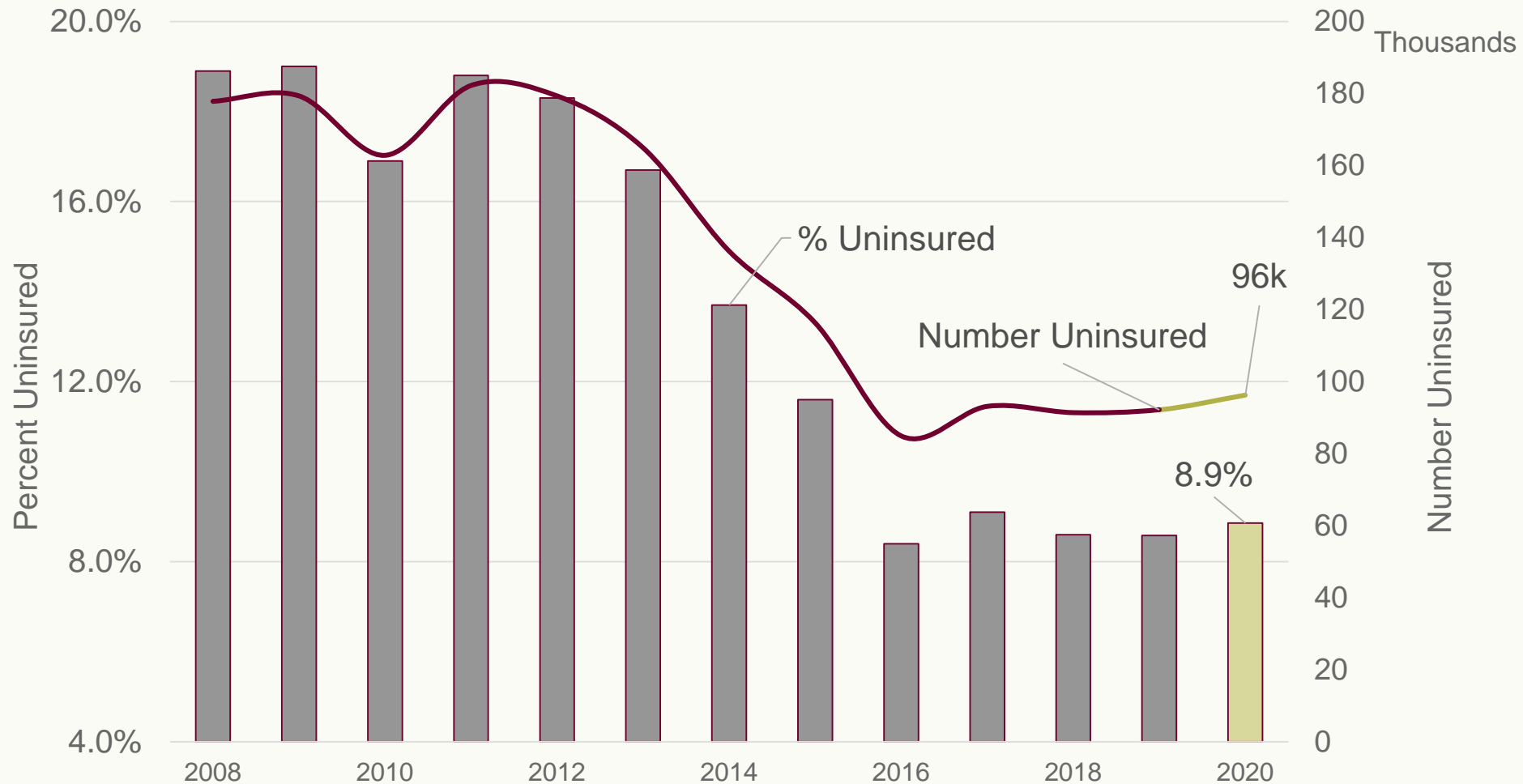
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# Medicaid extension passed, HB0658

- BBER study: 2016 – 2020
  - \$1.6 billion economic impact
  - 6,000 jobs
- Additional requirements
  - Work, education, caretaker, increase in premiums and paperwork
  - Expected  $\approx$  4,000 Montanans lose coverage (4%) → could reduce economic impact



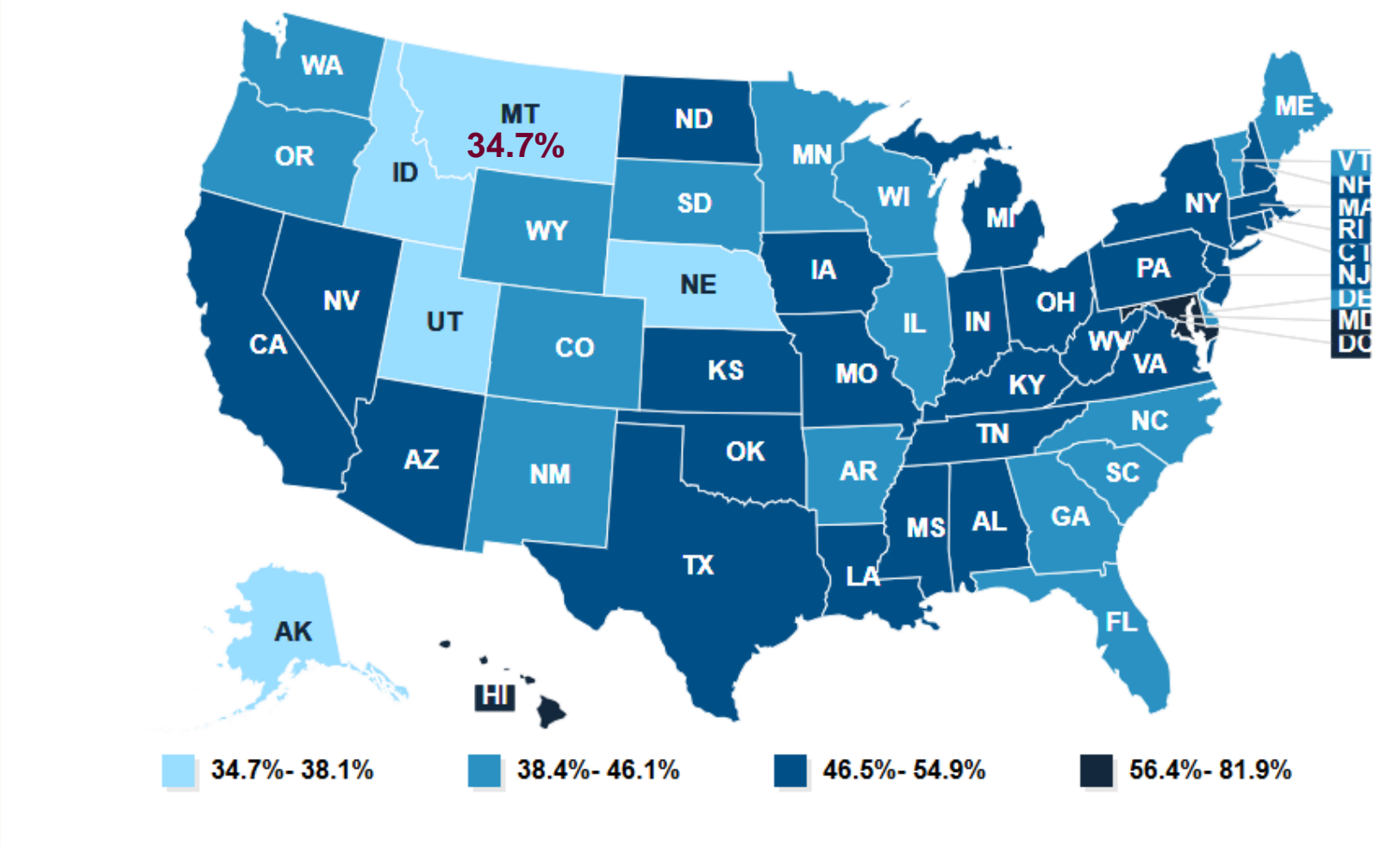
# Uninsured Montana



Lost insurance with additional requirements

AR: 25%  
NH: 40%

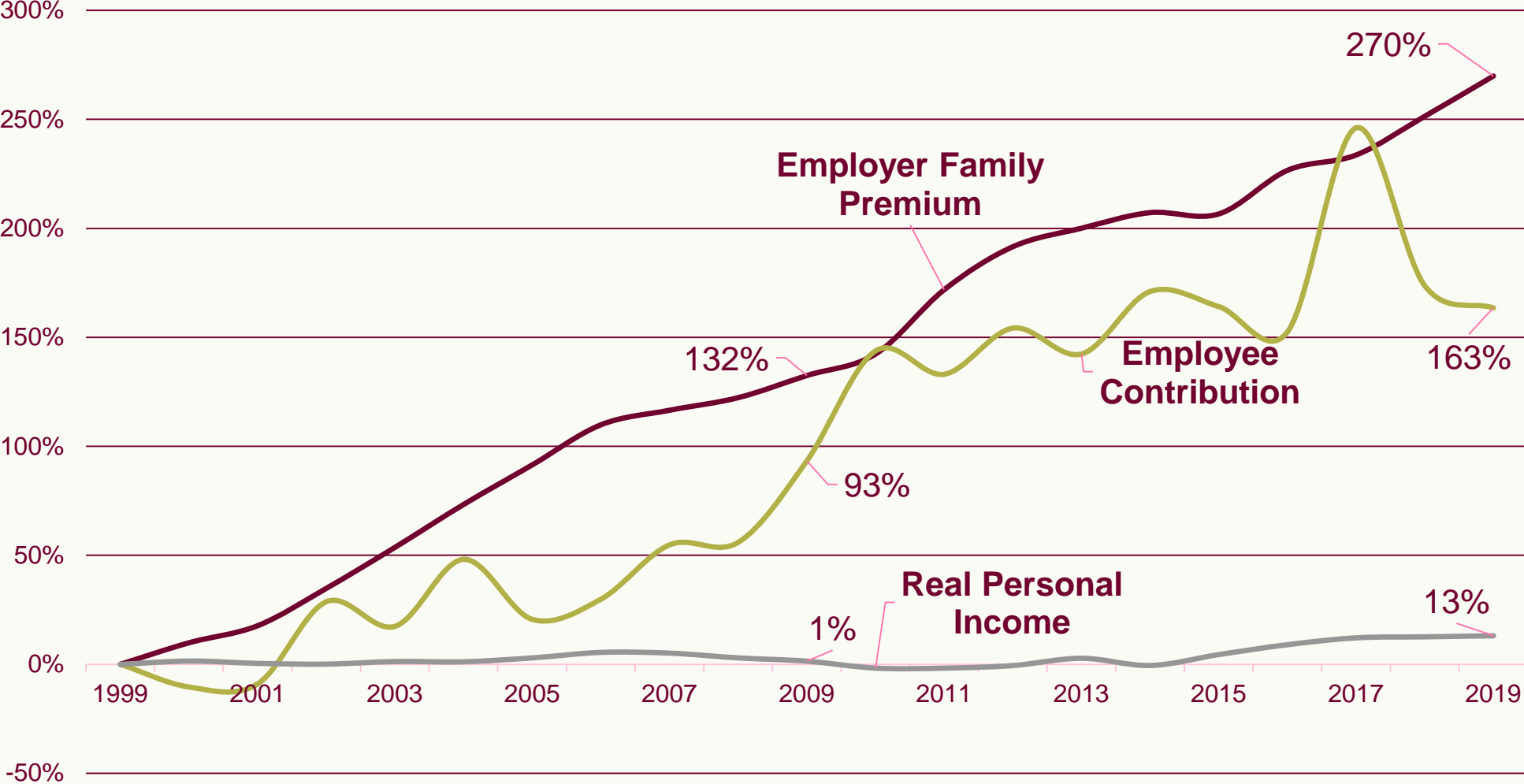
# Percent private firms offer insurance, 2018



(source: Kaiser Family Foundation)

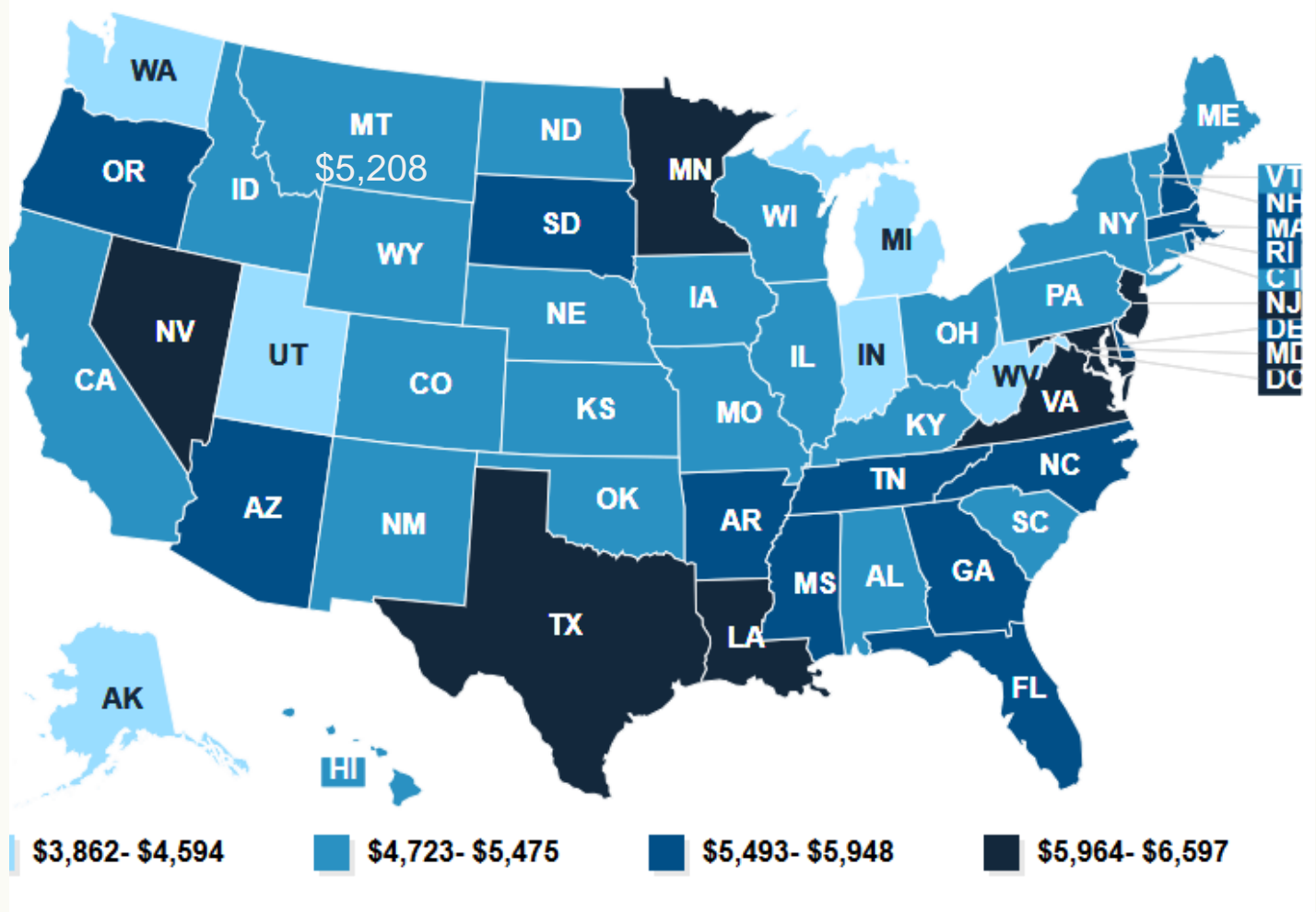


# Cumulative growth in Western states 1999 - 2019





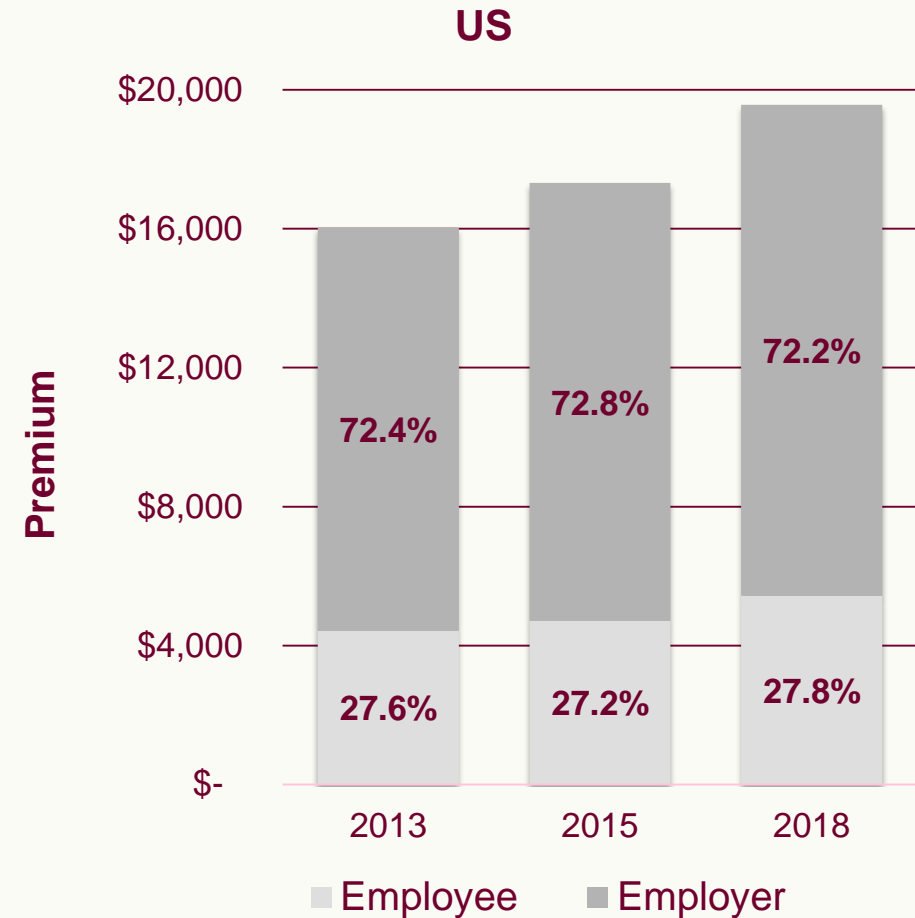
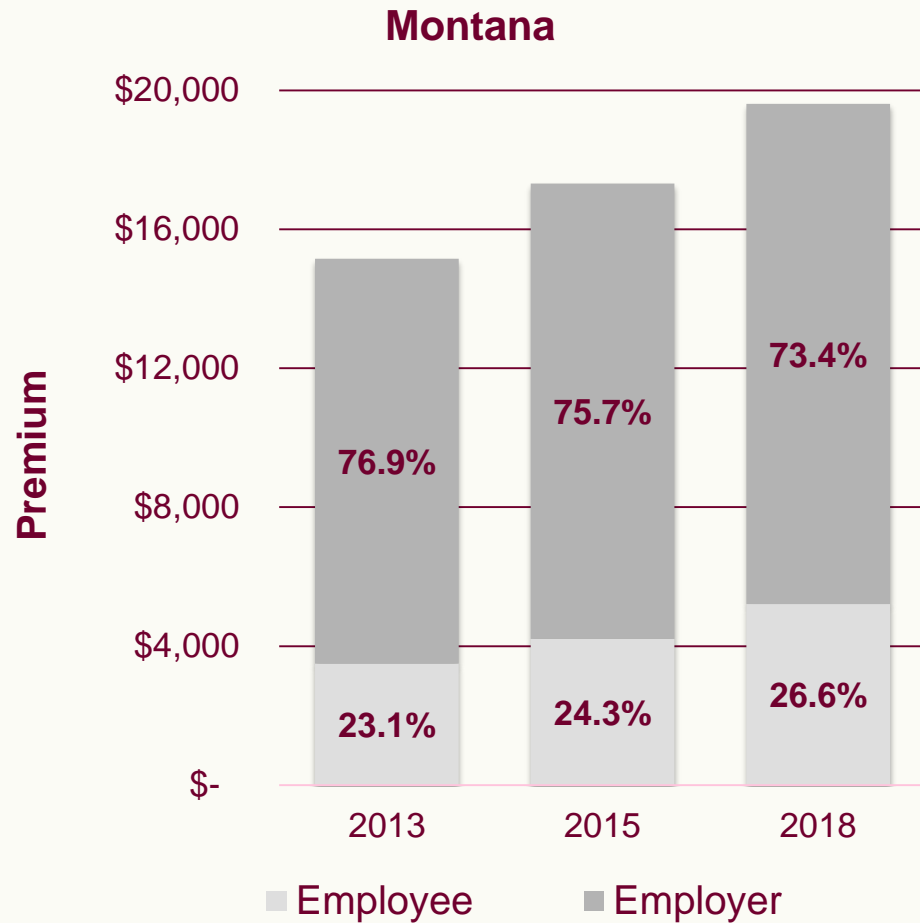
# Average annual family premium 2018



(source: Kaiser Family Foundation)

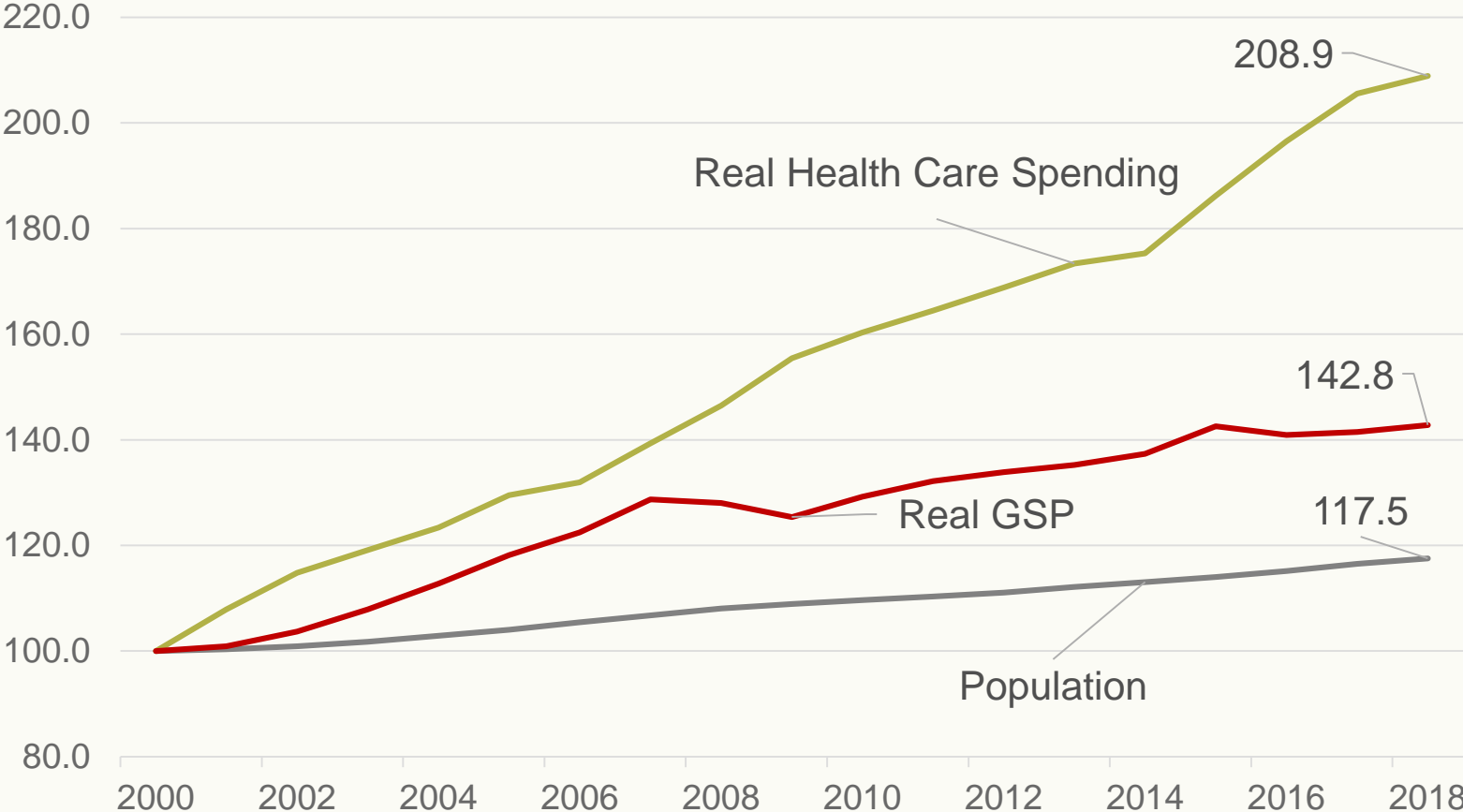


# Insurance premium contributions

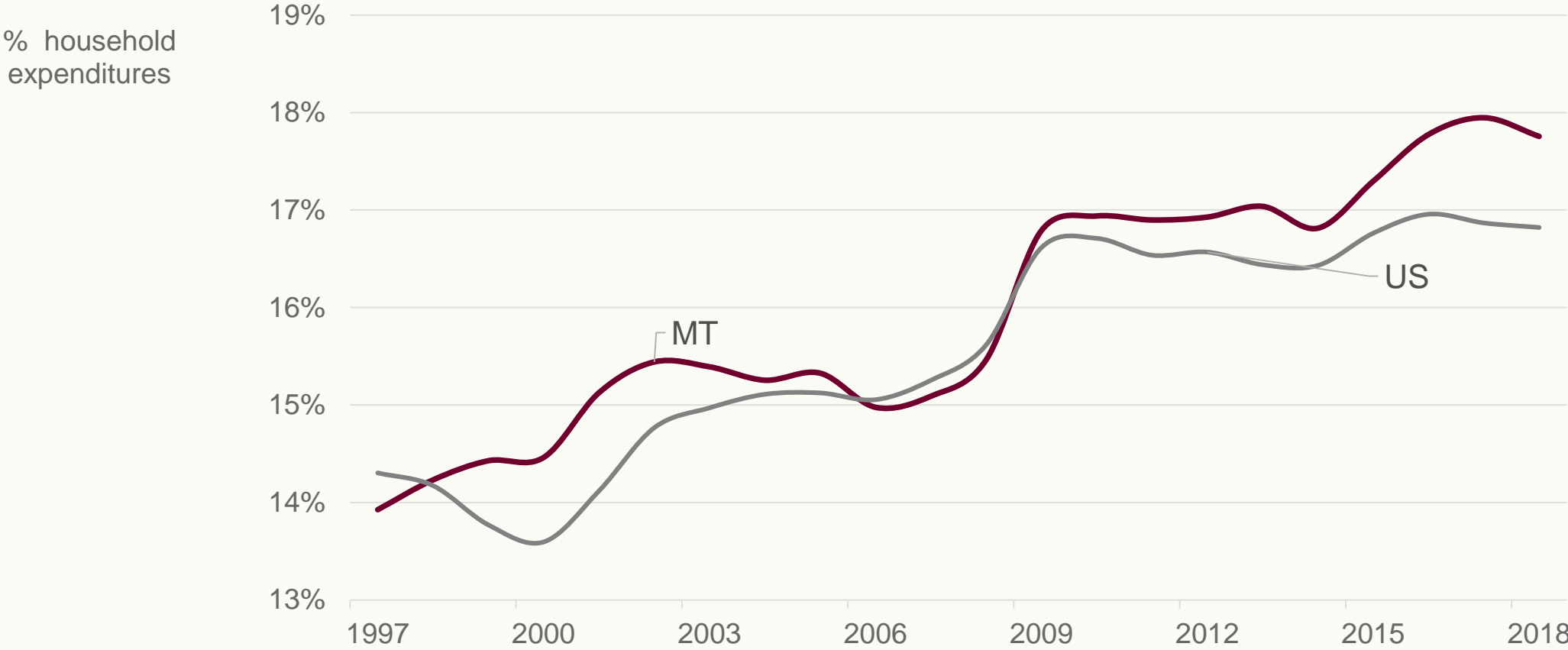


# MT: Health Care, Real GSP, Population

Index: 2000 = 100

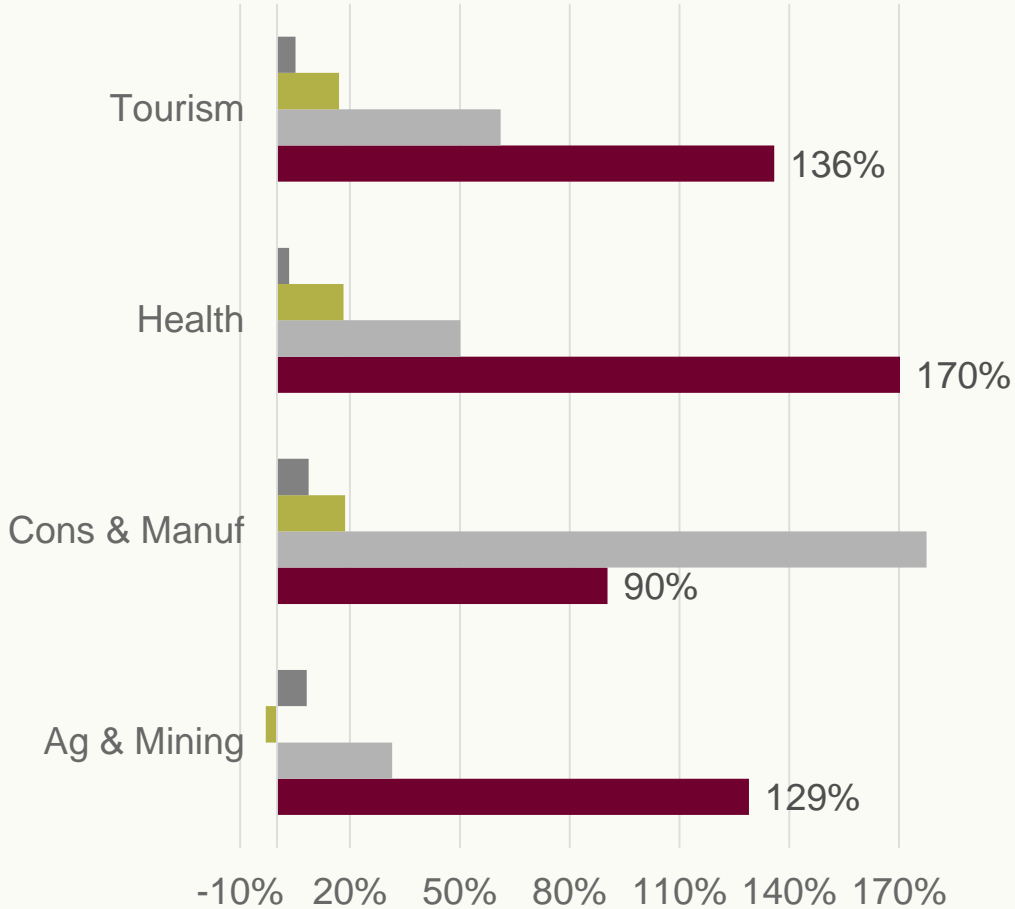


# Healthcare share of household expenditures

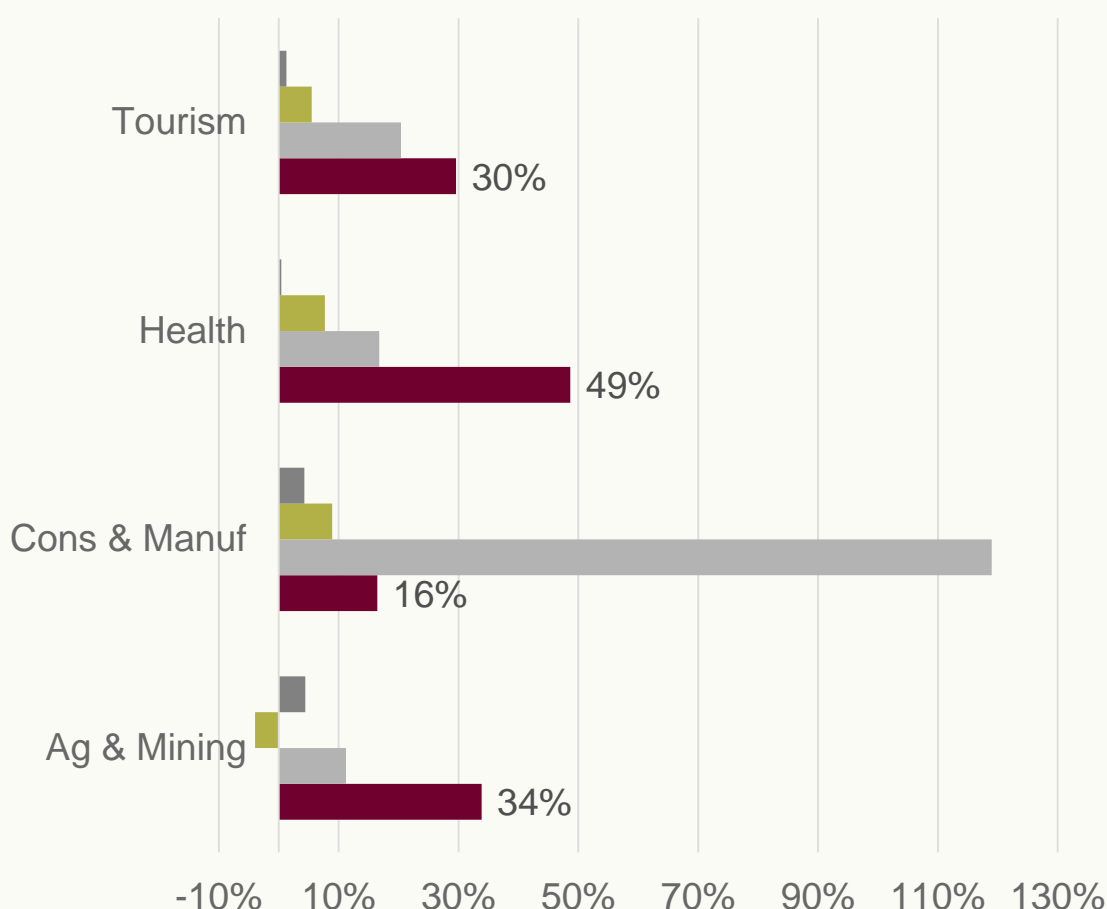


# Cumulative growth by sector from 20\_ to 2018

Wages since 2017 2015 2010 2001



Employment since 2017 2015



# MT Health “Score Card”

	US	Montana
% Children Immunized	70.4%	66.2%
Smoking	16.4%	17.2%
Alcohol Dependence	5.8%	8.0%
Opioid Misuse	4.3%	4.4%
Life Expectancy (years)	78.7	78.6
Physical Activity	73.4%	75.0%
Adult Obesity	65.4%	62.2%
Infant Mortality (per 1,000)	5.9	5.8
Heart Disease (per 100,000)	165.0	155.0
Diabetes (per 100,000)	21.5	21.6
Firearms (per 100,000)	12.0	22.5
Suicide (per 100,000)	14.0	28.9
Cancer (per 100,000)	152.5	152.6
Hypertension	32.4%	29.0%
Hospital inpatient expenses/day	\$2,424	\$1,070

(Source: Kaiser Family Foundation, green/red better/worse than national average)



# MT: Urban-Rural Divide

	Urban	Rural
Age-Adjusted Mortality (per 1,000)	349.0	348.6
Infant Mortality Rate (per 1,000)	5.4	8.0
% Frequent Physical Distress	10.3	10.8
% Frequent Mental Distress	10.7	11.1
% Diabetic	8.0	9.2
% Food Insecure	12.7	12.5
% Uninsured	14.2	19.0
Costs	\$7,616	\$7,708
Firearm Fatalities Rate (per 1,000)	20.1	28.6

Urban = <35% rural and Rural = >75% rural



## ACA premium **Silver** with 40 yr old with income \$40,000

- average age in MT is 40
- Median real per capita income in MT is \$46k
- **“Silver Loading”**

## Change in Lowest-Cost Metal Plan Before and After Tax Credit, 2019-2020

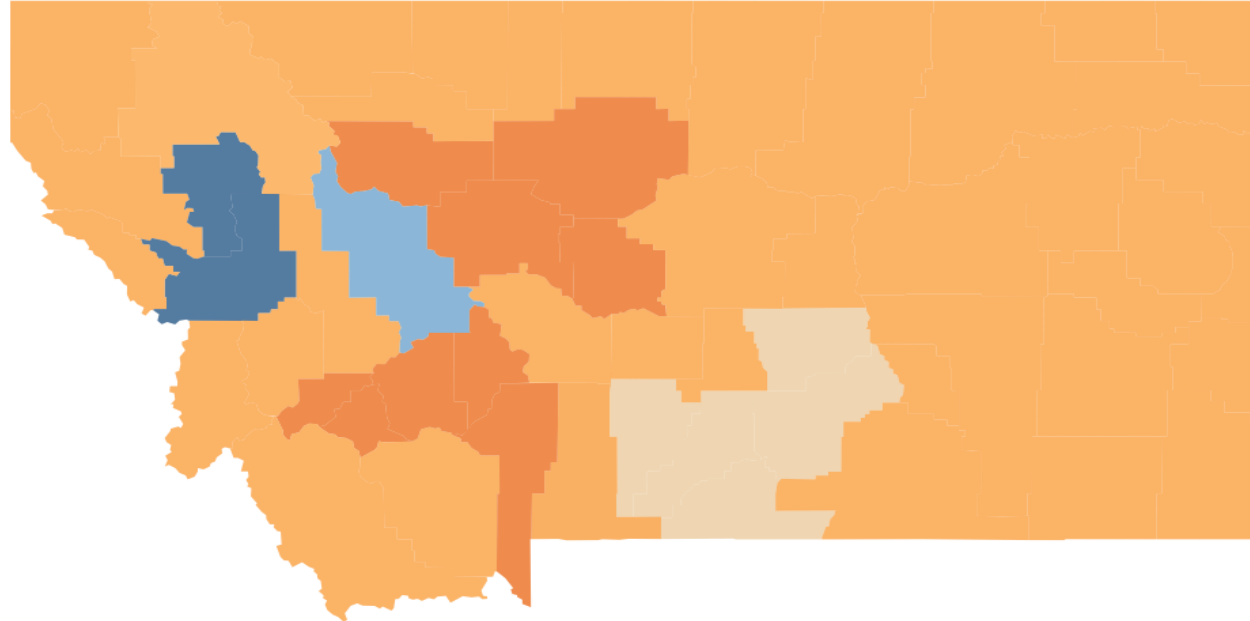
Metal Level  
Silver

Example Age and Income  
40-year-old with income of \$40,000 (320% of poverty)

Select State (Optional)  
Montana

Change in Lowest-Cost Monthly Premium, 2019-2020

-\$31  \$15



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SOURCE: Kaiser Family Foundation analysis of premium data from Healthcare.gov and a review of state rate filings.  
NOTES: California, Vermont, and Massachusetts offer additional income-based subsidies not reflected in the premiums shown here. In Minnesota and New York, some low-income enrollees are eligible for alternative Basic Health Program coverage. For most states running their own exchange, premiums are at the rating area level. All premiums are displayed as the full price, rather than just the portion that covers essential health benefits.





ACA premium **Gold** with 40 yr old with income \$40,000

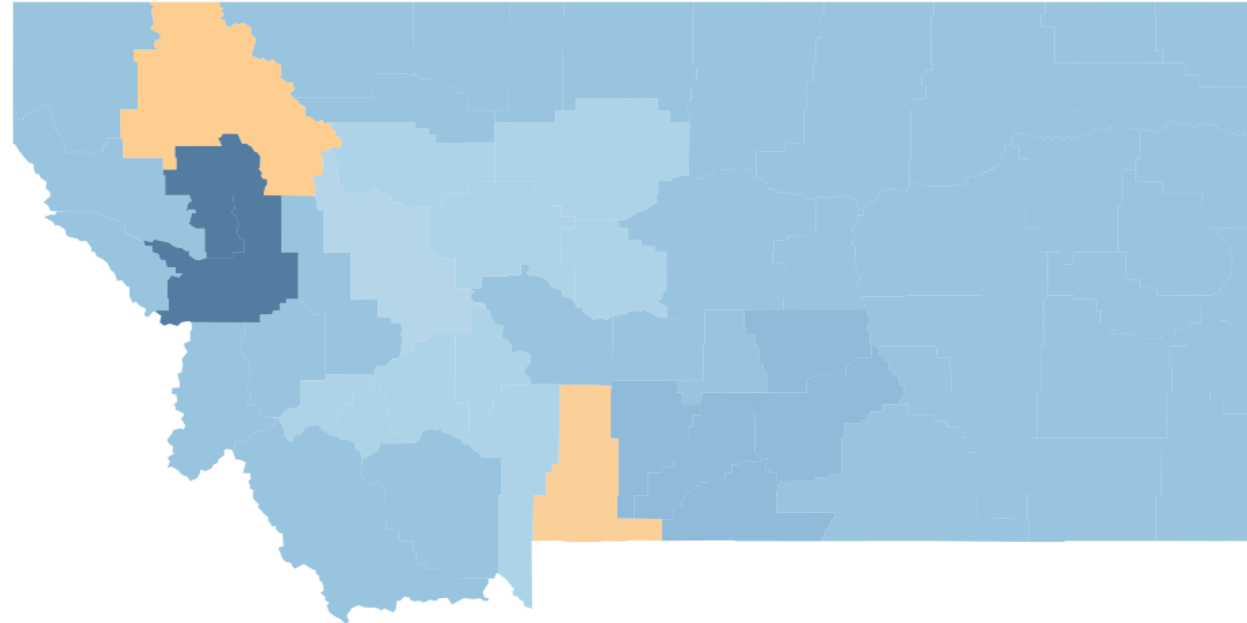
## Change in Lowest-Cost Metal Plan Before and After Tax Credit, 2019-2020

Metal Level  
Gold

Example Age and Income  
40-year-old with income of \$40,000 (320% of poverty)

Select State (Optional)  
Montana

Change in Lowest-Cost Monthly Premium, 2019-2020



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# Thank You

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