

TO: Senator David Wanzenried, Chair,
and Committee Members,
Interim Committee Children, Families, Health, and Human Services.
FROM: Aart Dolman, Advocate for Mental Health 
DATE: May 9, 2014
RE: The Expansion of the Medicaid Infrastructure in Montana

Dear Senator Wanzenried and members of the Interim Committee:

I am writing in regard to my short statement presented during the afternoon of the March 14, 2014, Interim Committee meeting. This is in response to the Agenda Item of the Patient Protection & Affordable Care Act (ACA) discussion. I had stated that the “possible implementation of the ACA in Montana should not be based on reinventing the wheel.”

At that time, I was aware that there were non-profit Community Health Care Centers delivering preventive Physical and Mental Health care in Cascade County. They have a medical service area consisting of some 13 to 15 counties in what is known as the Golden Triangle into northeast Montana. Ever since the War on Poverty had created Medicaid in 1965 community physical and mental health care centers and preventive health care was an important component. At first they served those who had no accessibility to the employer driven health insurance programs such as the elderly or aged, blind, disabled, and pregnant women. If they received care and could not pay for it, these costs were shifted to those who had adequate medical insurance policies. Then as poverty increased the number of those who could not purchase adequate insurance policies consisted of high deductions and restrictions on care. In fact in case of serious health care issues many had to file for bankruptcy.

When Congress passed the 2010 ACA, it expanded the popular Medicaid program. The idea was to provide low cost health insurance for those who were below the federal poverty line. The ACA Market Place registered that 36,854 Montanans obtained this low cost medical insurance, but it left about 70,000 people without insurance. For the latter group this means that physical and mental issues were not part of insurance accessibility. This means for those who pay for the emergency care and hospital stays it is then cost-shifted to those who have adequate medical insurance.

In any case, the large uninsured population is forced to depend upon the expensive emergency care and hospital stays. This issue was one of the many issues raised during the 2013 Legislative session. Seldom, if at all, it was mentioned that Medicaid payments, as with Social Security and Medicare, would flow directly into local community health care centers. And it would mean the ACA insurance would partially pay for preventive and expensive stays in hospitals.

An additional benefit for rural communities was, to the best of my knowledge not raised in public. The ACA program has additional funds available for infrastructure expansion and improvement for updating community health care centers. Funding is available for the establishment of a National Health Service Corps. This means for Montana's rural population that trained preventive care personnel can serve in counties, small communities, and urban neighborhoods. In addition, there are moneys available for developing preventive care in local schools and for community centers nurse-managed health clinics.

Medicaid expansion means that preventive care services are a short distance away and in other communities this needs to be expanded to accommodate those who are insured. Since the Golden Triangle has four non-profit community health care centers in Blaine, Cascade, Glacier, and Hill counties, they need to be in compliance with the standards outlined in the ACA program. Already they have offered valuable preventive care services such as medical, dental, mental, and primary health care. This includes case management and other support services for low income, working families. This type of medical service is lower cost than in other settings such as hospital emergency care in case of a minor cold.¹ With an expanded and insured population, the time has come to consider that expansion and updating the infrastructure of Community Health Care Centers.

In Blaine County, the city of Harlem is a Satellite health care model connected to Chinook's Sweet Medical Center. The Great Falls Center for Mental Health is expanding its services to other communities within its service area. Medicaid expansion can mean that one has access to preventive health care in crisis situations. As Ms. Connie Wethern presented in her testimony before this Interim Committee during the morning of March 14, 2014, rural populations have long distances to travel when they are seeking emergency care for a family member in a mental crisis situation. The establishment of a preventive care Satellite system could not only shorten the distance for emergency care but also active participation in its programs at the local level.²

The establishment of a internal regional Satellite system such as the Golden Triangle for preventive care would also lower the costs for medical insurance. Since non-profit health care centers cannot refuse physical and mental health care, they have to shift the unpaid costs to those who pay for higher insurance premiums. This is known as Cost-Shifting and it means that its costs are incorporated in medical insurance premiums.

¹ There are no non-profit community health care centers in north and eastern Montana. See the Website Map of Community Health Care Centers in Montana: <http://leg.mt.gov/content/Committees/Interim/2011-2012/Efficiency-in-Government/Meeting-Documents/August-2011/community-health-center-fact-sheet-august2011.pdf>

² See Medicaid, "A Closer Look at the Impact of State Decisions not to Expand Medicaid Coverage for Uninsured Adults," The Henry J. Kaiser Family Foundation, April 2014,

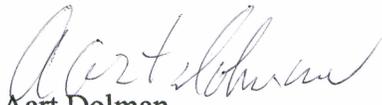
See also the Gregg Davis, Testimony, Power Point (Exhibit #7), Legislative Interim Committee on Children and Families, March 14, 2014. This testimony records that those who are uninsured in Montana (some 18.1% higher than the national (15.4%) have low wage jobs, expensive medical insurance premiums, and forced employment.

In 2011, there were 185,904 (22%) uninsured people who utilized health care services in Montana. The result was that non-profit medical facilities and providers had more than \$400 Million dollars a year of uncompensated care. This amount was Cost-Shifted to those who had adequate medical insurance policies. Medicaid expansion would mean that adequate and low cost medical insurance be available for all Montanans. This would lower the issue of Cost-Shifting and benefit those who have full medical insurance coverage. So far it has been estimated that Cost-Shifting will cost insured citizens \$104 Million from 2014 through 2021-2024 if the 2015 Legislature decides not to expand Medicaid.³

In short, I request that the Interim Committee recommends to the 2015 Montana Legislature that it enact Medicaid expansion. It is essential that adequate preventive physical and mental health care be brought to all parts of the State of Montana.

Please, let me know if I can provide the Interim Committee with additional information.

Sincerely,



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³ See: Montana Hospital Association, University of Montana Bureau of Business and Economic Research, http://csi.mt.gov/health/media/BBER_MedicaidExpansion.pdf