

HJR 48:

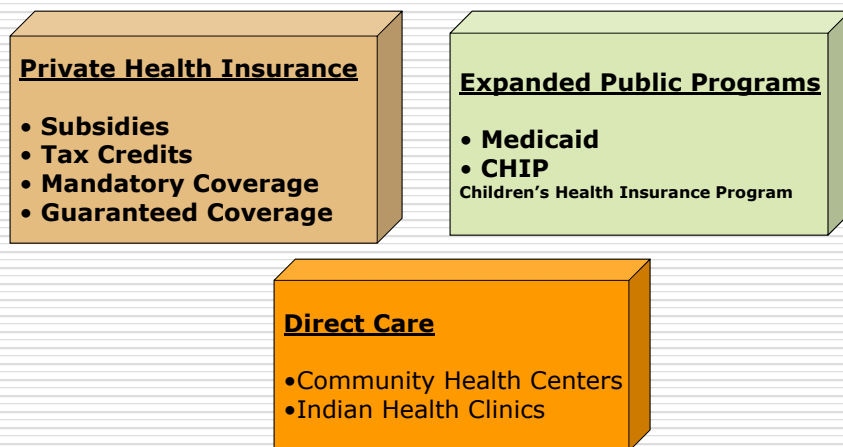
A Study of Health Care Financing

What are the Committee's Goals?

- Exploring Expanded Coverage?
- Addressing Health Care Costs?
- Addressing Health Care Access and Delivery?
- Addressing Health Care Quality, Effectiveness?
- Exploring Health Insurance Portability?
- Exploring Health Workforce & Educational Tie-Ins?
- Exploring Good/Bad of Information Technology?
- Education on Certain of These Topics?
- Legislation?

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Expanding Coverage



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Coverage – Who's insured?

U.S. Bureau of the Census Report for Montana, 2006

*Totals may not balance due to rounding or coverage by multiple groups

| Coverage by Type | Group Total | Ages 0-17 | 18-64 | 65-80+ |
|---|-------------|-----------|-------|--------|
| Total (in thousands)* | 931 | 212 | 602 | 118 |
| <input type="checkbox"/> Private Insurance | 67.7% 630 | 136 | 417 | 77 |
| --Employment-based | 54% 503 | 121 | 354 | 27 |
| --Own Employment-based | ~30% 279 | 0 | 257 | 21 |
| --Direct Purchase | 14.3% 133 | 16 | 65 | 52 |
| <input type="checkbox"/> Government Insur. | 27.7% 258 | 59 | 87 | 112 |
| --Medicare | 138 | 26 | 38 | 74 |
| --Medicaid | 108 | 54 | 43 | 11 |
| --Military | 48 | 5 | 32 | 11 |
| <input type="checkbox"/> Uncovered (17%) | 160 | 31 | 127 | 2 |

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Private Businesses Offering Health Care

2004 Survey – By Industry

| Employer by Industry | Medical Care | Dental Care |
|-------------------------------------|--------------|-------------|
| Mining | 54.7% | 30.6% |
| Utilities | 55.7% | 40.0% |
| Construction | 44.8% | 16.1% |
| Manufacturing | 56.0% | 30.3% |
| Retail Trade | 49.2% | 29.1% |
| Transportation and Warehousing | 54.0% | 32.3% |
| Finance and Insurance | 73.8% | 41.1% |
| Real Estate, Rental, Leasing | 32.8% | 13.0% |
| Professional, Scientific, Technical | 64.9% | 36.5% |
| Managers | 90.1% | 73.1% |

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Private Businesses Offering Health Care

2004 Survey – By Size

| Size of Employer | Medical Care | Dental Care |
|-------------------------|--------------|-------------|
| Fewer than 10 employees | 42.4% | 18.9% |
| 10 to 49 employees | 70.8% | 42.8% |
| 50 to 99 employees | 82.7% | 57.0% |
| 100 to 249 employees | 86.1% | 72.6% |
| 250 or more employees | 100.0% | 89.5% |

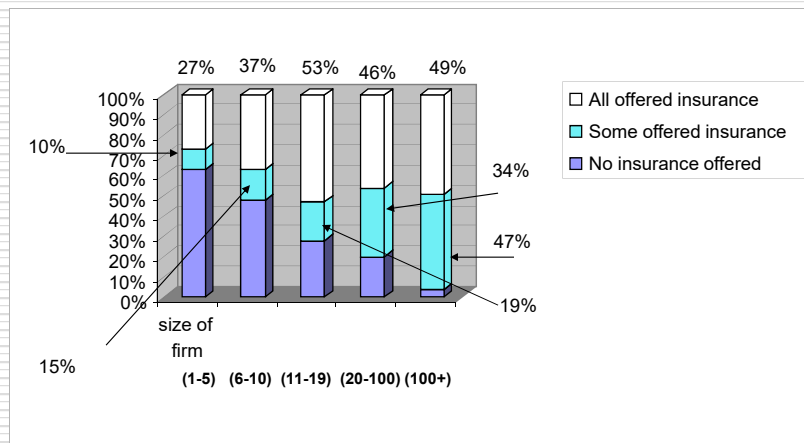
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Health Insurance by Size of Firm

2003



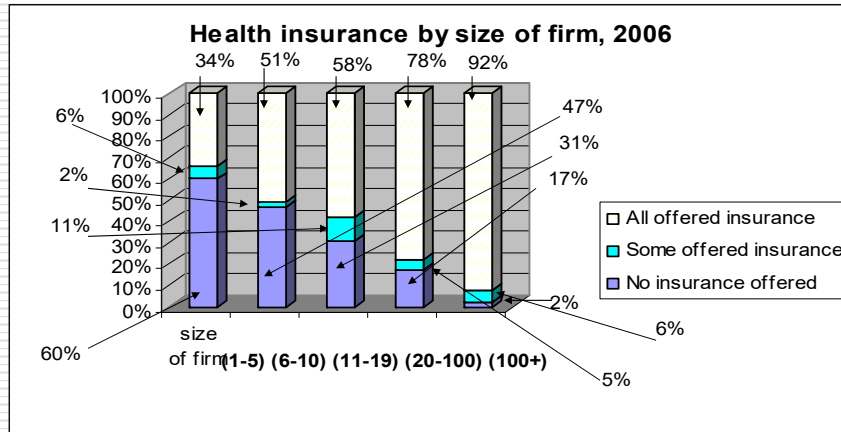
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Health Insurance by Size of Firm

2006



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Health Care Cost Contributors

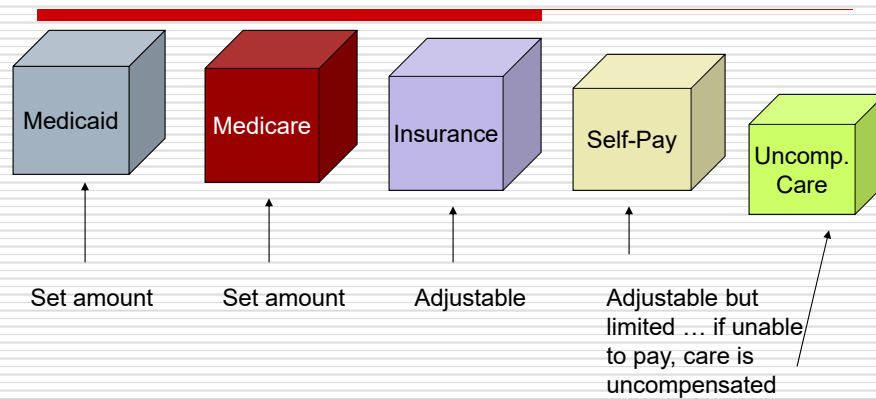
- Technology
- Uncompensated Costs
- Cost of Educating Providers
- Malpractice Insurance
- In Montana, Limited Competition

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Building Blocks for Medical Costs -- or -- how costs shift to various payors



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Competition and Market Approaches

□ What is needed:

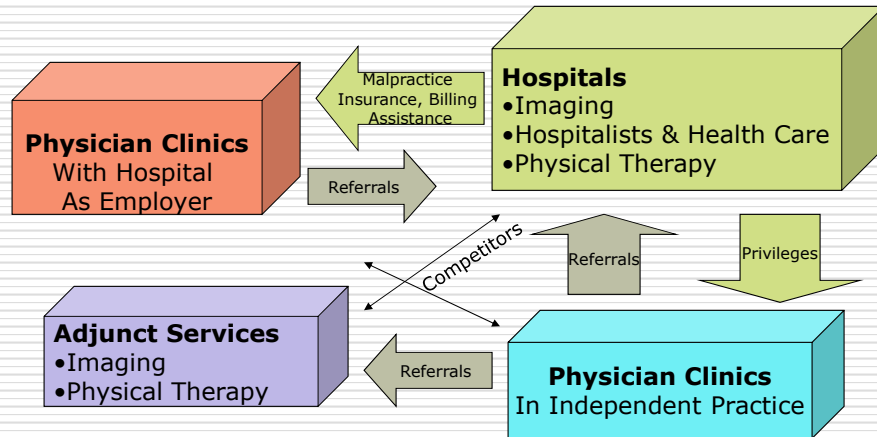
- Informed Public
- Competition Among Providers
- Competition Among Insurers

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Access and Delivery



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Cost Transparency

□ Status Quo:

- Voluntarily done by certain hospitals
- Requires a patient able to travel (in MT) to benefit from comparing prices
- Benefits from clarification of a difference between costs and charges

□ Options:

- Other states require transparency posting

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Quality – Effective Care

- Physician Credentialing by Insurers**
 - Provides way to monitor providers
 - States vary in ways to streamline this
- Data Bases Listing Best Practices**
 - National Practitioner Data Base
 - Hospital Data Bases

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Portability

- Health Insurance Exchange
- National Charters for Insurance
(requires action by Congress)
- Association Insurance (across borders)
(requires action by Congress)
- Expanded COBRA

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Personal Responsibility Factors

- Incentive-based tiers on insurance
 - State Employee Proposal
- Health-savings accounts
 - Indiana Plan
- How to avoid inappropriate use – just because care is affordable, should it be used?
 - Squeeze-out factor (unnecessary use squeezes out ability to give needed care)

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Access – Provider Availability

- Community Health Centers
 - Direct Care Model – Can serve uninsured, boost primary care, lower uncompensated costs, decrease hospitalizations
 - In rural areas – assists those unable to travel to larger medical service areas
 - Paired with catastrophic only insurance
 - Discounted Services by Providers
- Adequate Provider Compensation
 - Short-changed providers don't participate

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Access Shortfalls

□ Dentists

- 14 Montana counties have no dentist or no dentist participating in Medicaid
- 14 additional Montana counties have only 1 dentist willing to take Medicaid patients

□ Psychiatrists

- 50 of 56 counties are federally designated as mental health shortage areas
- 8 of 56 counties have psychiatrists

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Below Poverty Montanans

- 37% of Montanans (325,617 people) have incomes below 200% of poverty
 - Medicaid expansion = ?? added
- Children living in poverty = more than 53,000 of 228,170 children here
 - CHIP expansion = ?? added
- Eleven Montana counties have more than 1 in 5 residents \leq 100% of FPL

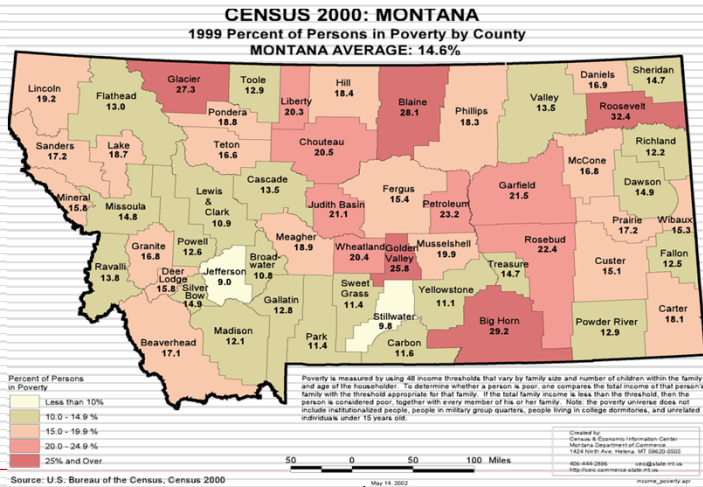
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Percent of Montanans in Poverty

by county, U.S. Bureau of the Census, 2000



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What Topics to Cover?

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- Addressing Health Care Costs (CON, Transparency)?
- Addressing Health Care Access and Delivery?
- Addressing Health Care Quality, Effectiveness?
- Exploring Health Insurance Portability?
- Exploring Good/Bad of Information Technology?
- Exploring Workforce and Educational Tie-ins?
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