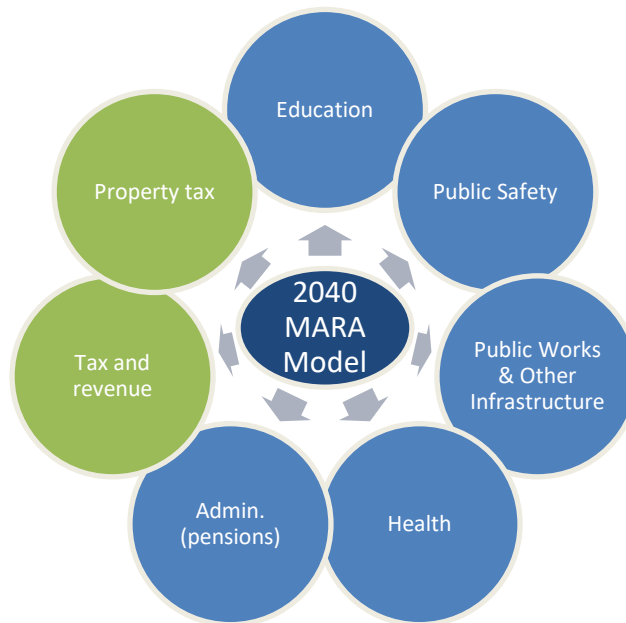


HEALTHCARE MODULE

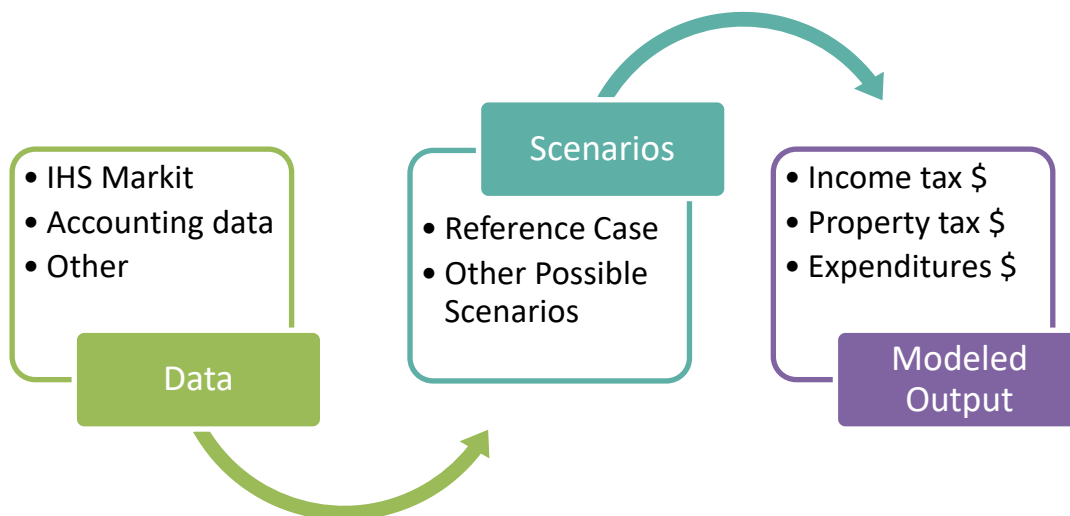
The 2040 MARA model will be broken into “modules”. The modules reflect different aspects of the revenues and expenditures of state government, local government, and school districts. The diagram below shows the revenue components in green and the expenditure components in blue. Healthcare expenditures will be developed in the health module. The health expenditures module includes programs like Medicaid, child welfare, the Supplemental Nutrition Assistance Program (SNAP), state employee health, and other programs.

Modules



Data Driven

All modules will rely on a consistent set of data. Examples include econometric data from IHS Markit, Regional Economic Models, Inc (REMI), and others. The graphic depicts the flow of data into the model, scenarios, and the modeled outputs.



Health Reference Case

The present-2040 expenditure impact of health programs (like Medicaid) is calculated with the following simple formula:

In a given year, total expenditures in a program = Cost per enrollee x Number of enrollees

Cost per enrollee is calculated by examining historic cost per enrollee and inflating this cost going forward with some type of inflation mechanism. Number of enrollees is calculated by assuming that some percentage of Montana's population will be enrolled in a particular program in a given year and applying that percentage to an existing projection of Montana's future population/demographic characteristics. State costs and federal costs are then disaggregated based on the financing structure of the particular program.

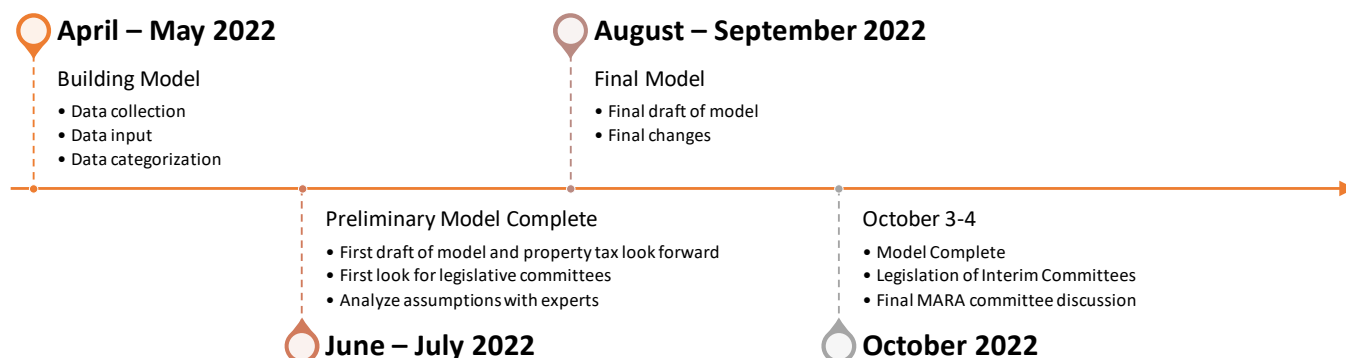
Health Module Process

The health module process will begin with the following tasks:

- Gather these data:
 - past 20 years of state and local government revenues and expenditures by fiscal year
 - Demographics of existing and new in-migration
 - Socioeconomic data
- Develop isolated scenarios
- Reach out to stakeholders: Department of Public Health and Human Services, Governor's Office of Budget and Program Planning, Children, Families, Health, and Human Services Interim Committee, Section B Interim Budget Committee, and nationally recognized healthcare experts
- Develop a small group of experts for sounding board

Analysis: evaluate the data with ideas from stakeholders and experts, consider how to incorporate changes in technology, population, etc. into the module.

Timeline



The first draft of the model will be available in June. Additional legislator, stakeholder, and expert feedback will be sought during the summer months for suggested improvements to the model. The final version of the model is expected in early September. If you have questions about the modules or final model, or would like to provide feedback, please contact Susie Lindsay at slindsay@mt.gov.