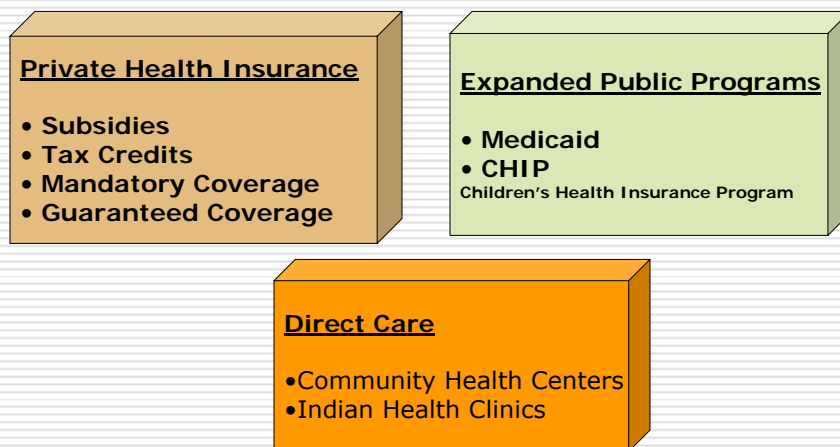


HJR 48: A Study of Health Care Financing

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?

Expanding Coverage



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	630	136	417	77
--Employment-based	503	121	354	27
--Own Employment-based	279	0	257	21
--Direct Purchase	133	16	65	52
<input type="checkbox"/> Government Insur.	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

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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4

Private Businesses Offering Health Care

2004 Survey – By Size

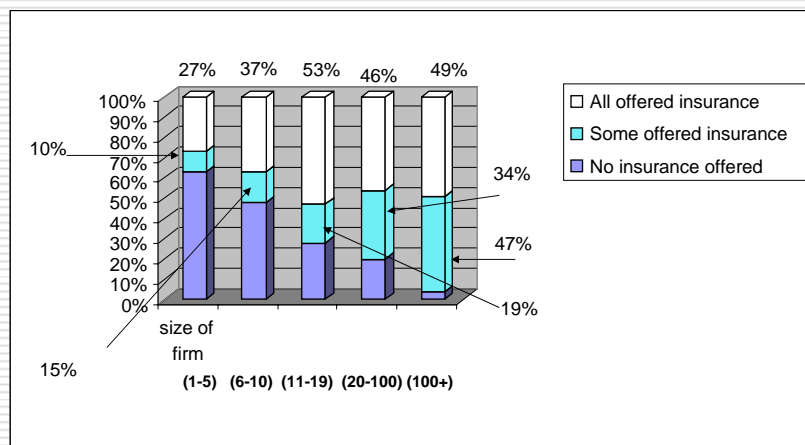
Size of Employer	Medical Care	Dental Care
Fewer than 10 employees	42.4%	18.9%
10 to 49 employees	70.8%	42.8%
50 to 99 employees	82.7%	57.0%
100 to 249 employees	86.1%	72.6%
250 or more employees	100.0%	89.5%

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5

Health Insurance by Size of Firm

2003

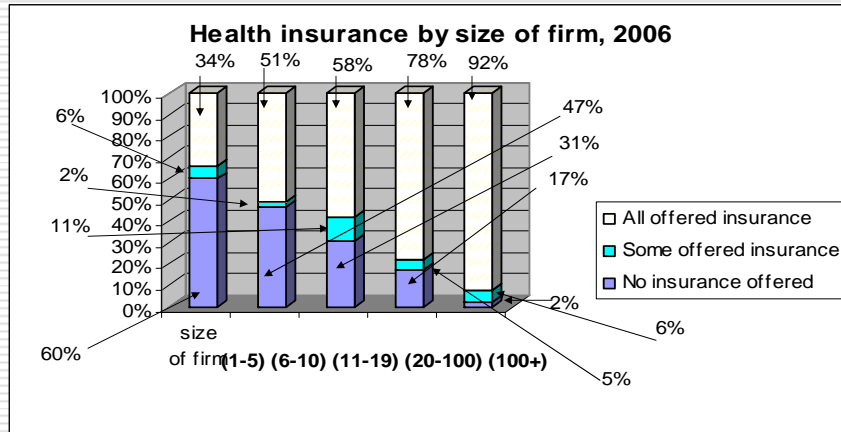


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6

Health Insurance by Size of Firm

2006



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7

Health Care Cost Contributors

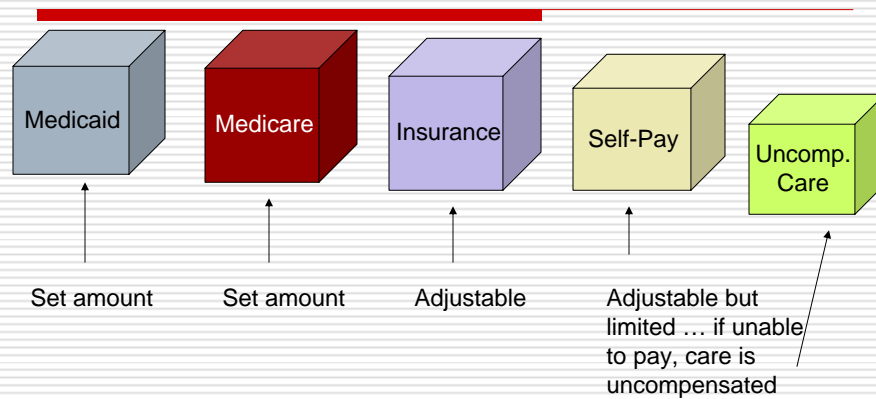
- Technology
- Uncompensated Costs
- Cost of Educating Providers
- Malpractice Insurance
- In Montana, Limited Competition

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8

Building Blocks for Medical Costs

-- or -- how costs shift to various payors

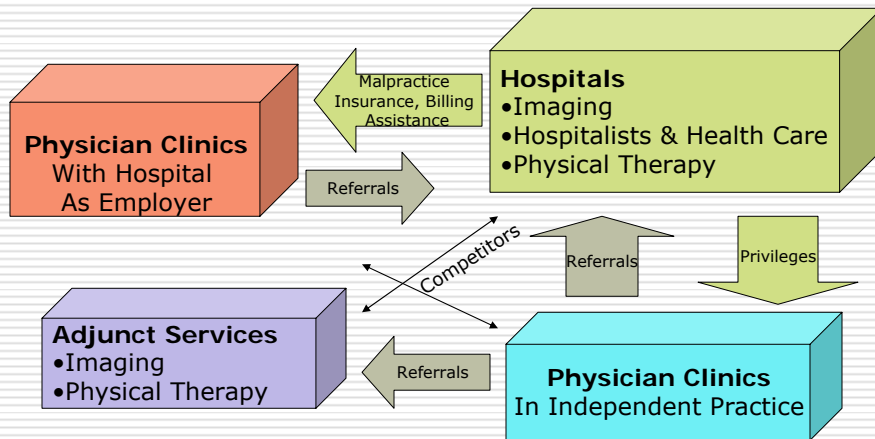


Competition and Market Approaches

□ What is needed:

- Informed Public
- Competition Among Providers
- Competition Among Insurers

Access and Delivery



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11

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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12

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

Portability

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

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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15

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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16

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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17

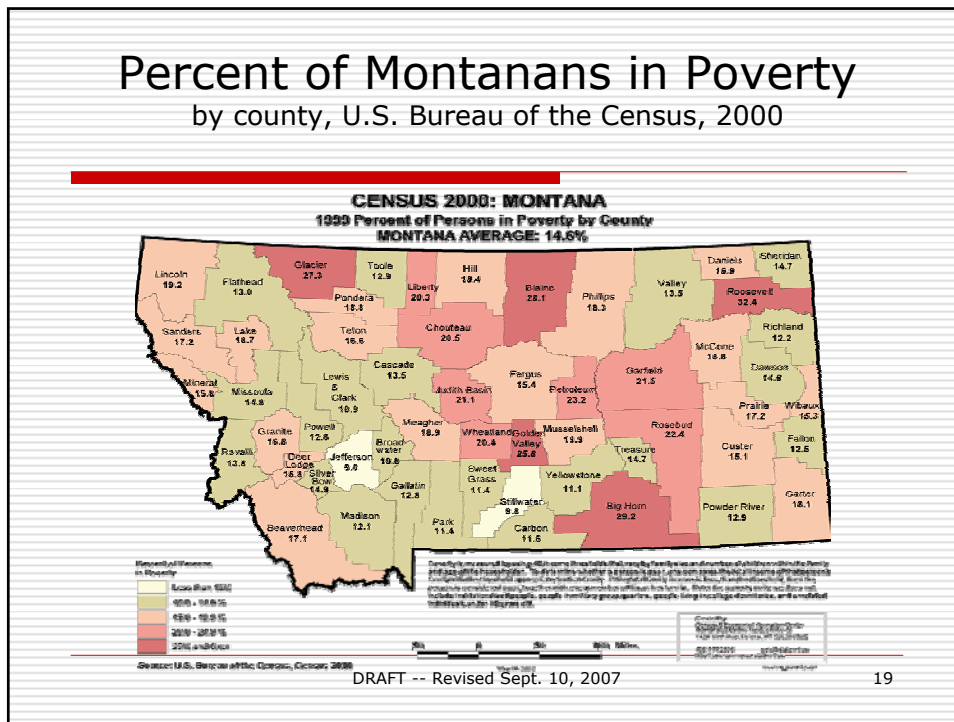
Below Poverty Montanans

- 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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18

Percent of Montanans in Poverty by county, U.S. Bureau of the Census, 2000



What Topics to Cover?

- Exploring Expanded Coverage (Private/Public)?
- 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?
- Education on Certain of These Topics?
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