Children, Families, Health, and Human Services Interim Committee
March 19, 2012

BUREAU OF BUSINESS AND ECONOMIC RESEARCH

THE UNIVERSITY OF MONTANA

Health Care Markets are *Regional*

➢ In order to understand how future policy changes in health care affect Montanans, we need to know the socio-economic-demographic characteristics of the population and its relationship to health care spending

➢ The ACA has brought these changes to the forefront

➢ Understanding how consumers of health care, both insured and uninsured, as well as businesses respond to these changes is vital for good policy decision making

Understanding Montana's Health Care Markets

- BBER-UM will fill in some of the information gaps
- Crucial to understanding how policy changes will affect Montana is to obtain baseline data on the health insurance industry and consumers of health care services
- BBER-UM process is data driven
- Assess how policy will affect Montana using other state/national experiences applied to Montana's circumstances
- Montana's "circumstances" have changed....

Recession Has Knocked Montana Employment Off Its Pre-Recession Trend
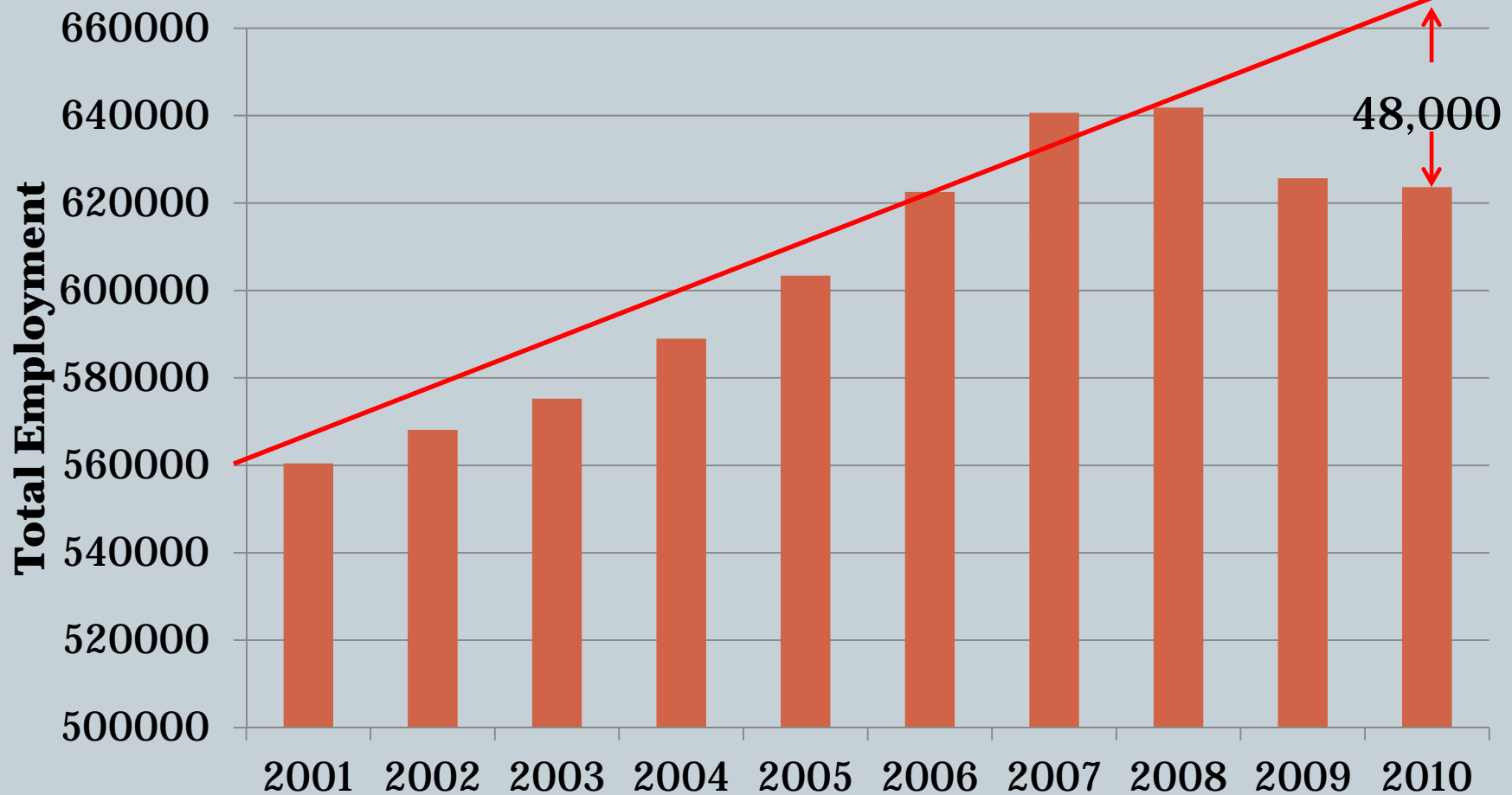
Health Insurance is Top Concern for Montana Manufacturers
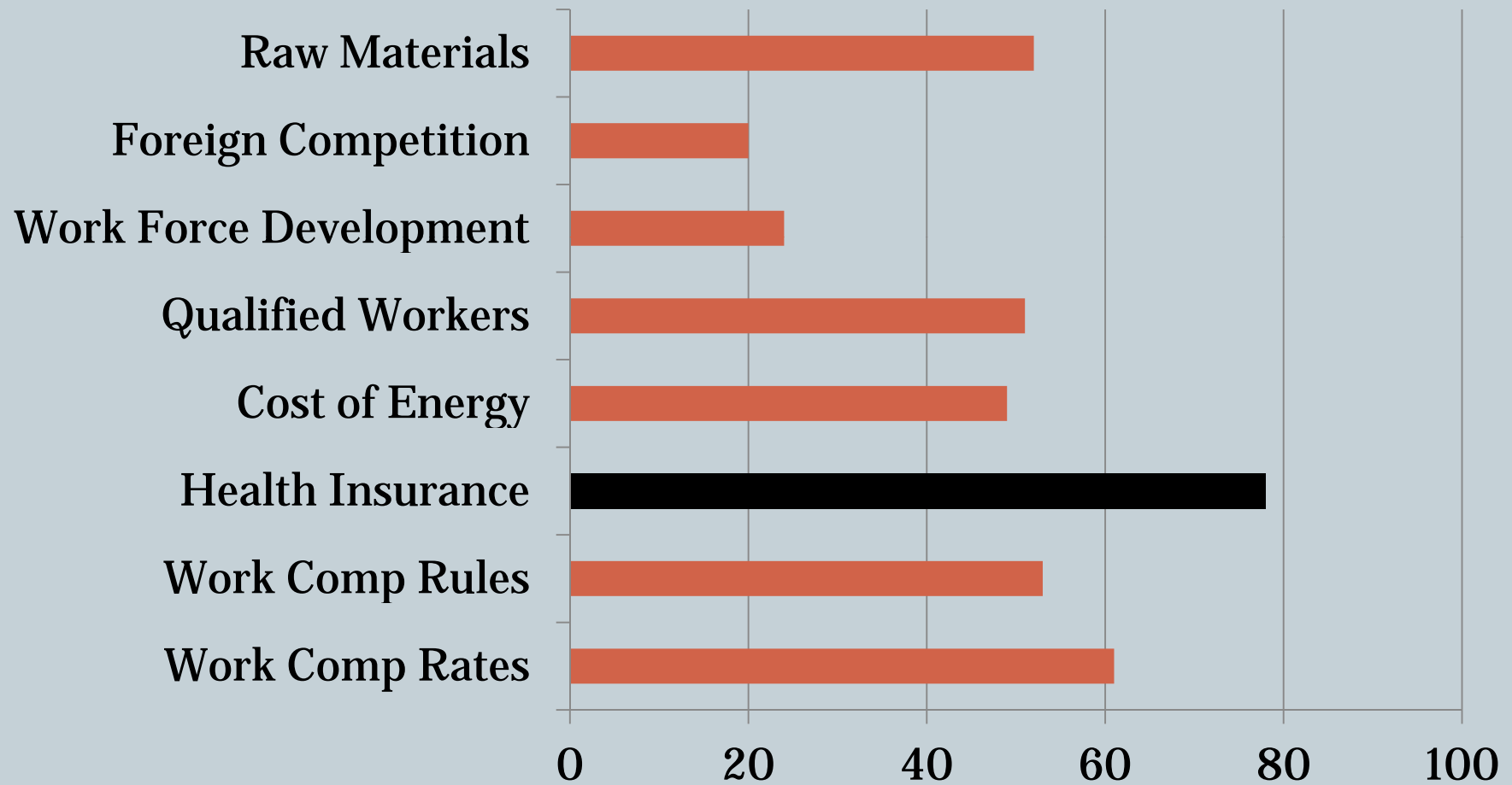
Study Objective 1: The Insured, Uninsured, and Underinsured

- An evaluation of Montana's population by insurance status
  - Stratified by income, age, employment and health status
- Reason(s) for lack of health insurance if uninsured
- Who will be eligible for
  - Medicaid
  - Healthy Montana Kids
  - Premium tax credits and cost sharing
- Projected trends in number of newly insured
- Who will enter the federally facilitated exchange?

Study Objective 2: Montana's Health Insurance Market

- Plans available, size of market, likelihood carrier will participate in exchange
- Evaluate methods to increase enrollment in FFE
- Estimate number eligible for but not enrolled in health insurance plans, public and private
- Estimate number eligible for catastrophic plan in FFE
- Identification of standardization parameters for insurance in and out of FFE
- Analysis adverse selection risks and mitigation thereof
  - Occurs between insurers, benefit plan, markets

Study Objective 3: Assessment of Insurance cycling in Montana

- Reasons for cycling
- How have other states addressed cycling?
- Mitigation strategies for cycling
- Identify special needs of cycling population

Data Obtained via BBER-UM CATI System

- **Business Survey (500+) $\pm$ 4.3%**
  - 2003, 2006, and 2011
- **Household Survey (2,500+) $\pm$ 2.0%**
  - adapted from SHADAC nationally recognized survey
  - began in September 2011 (large sample required for inferences on relatively rare events)
  - cell phone users (disproportionately younger, lower income)
    - Large enough sample to distinguish from land line sample
- **Insurance Carrier Survey**
  - Leif Associates Incorporated

Info to be Gleaned from Business Survey...

- If insurance offered, who is eligible?
  - Hours/week, months of employment, top management only, etc.
- If not offered, reasons why?
- Always offered, if not, why dropped?
- $ amount paid by employer, employee?
- Deductibles, co-pays, co-insurance, max out-of-pocket?
- Acceptance rate by employees? If opt out, why?
- Dental, Rx, retiree health insurance?
- Apply for small business tax credits?
- Likelihood of sending employees to federally facilitated exchange?
- Mini-med waiver?
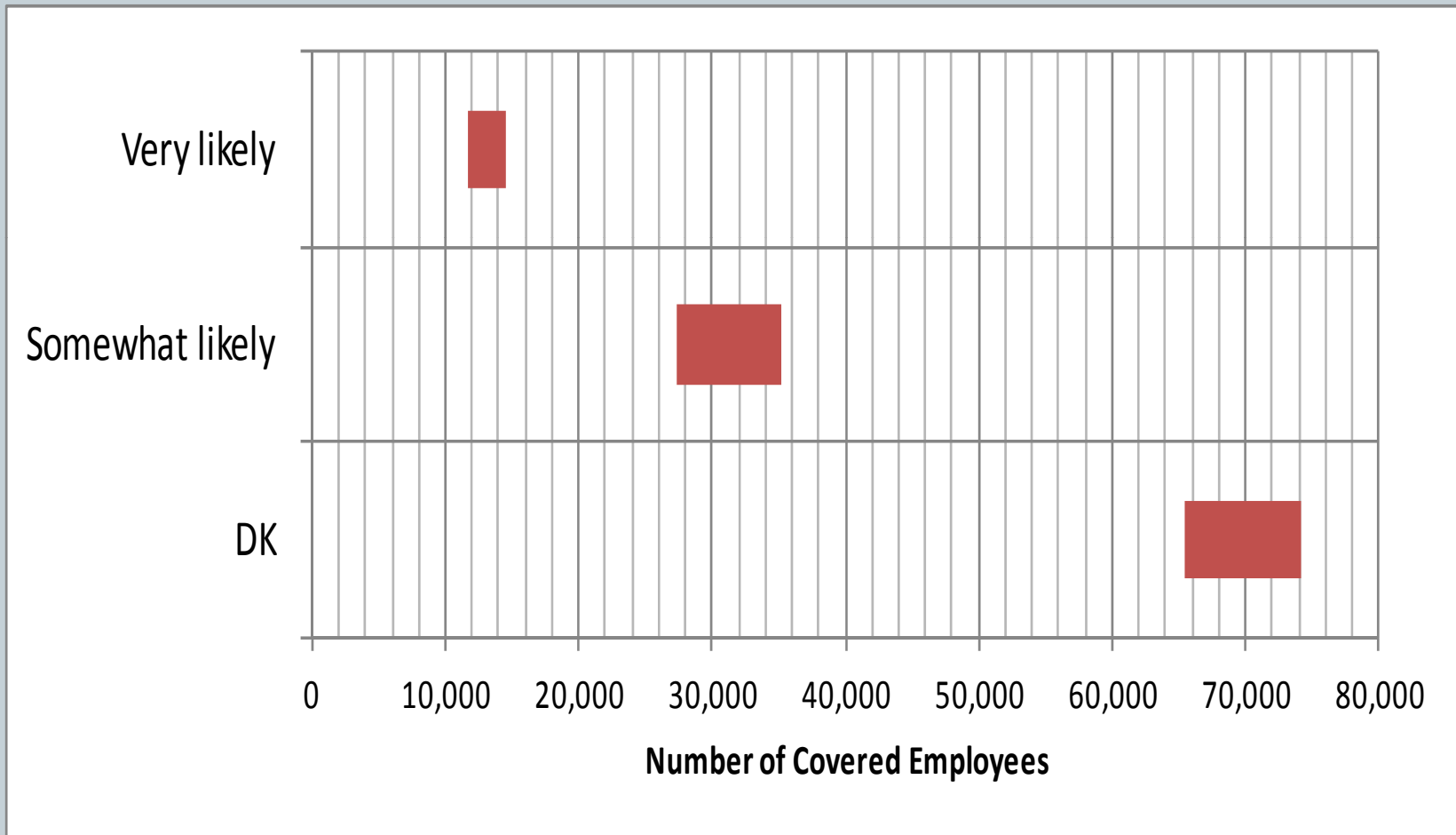
Info Gleaned from Household Survey…

- Health insurance status (public, private, discount plan, specific disease coverage, etc.)
- Health coverage longevity-reason(s) for change
- Why uninsured
- Usual source of care
- ER visits
- Socio-demographic gold mine
- Self reported health status
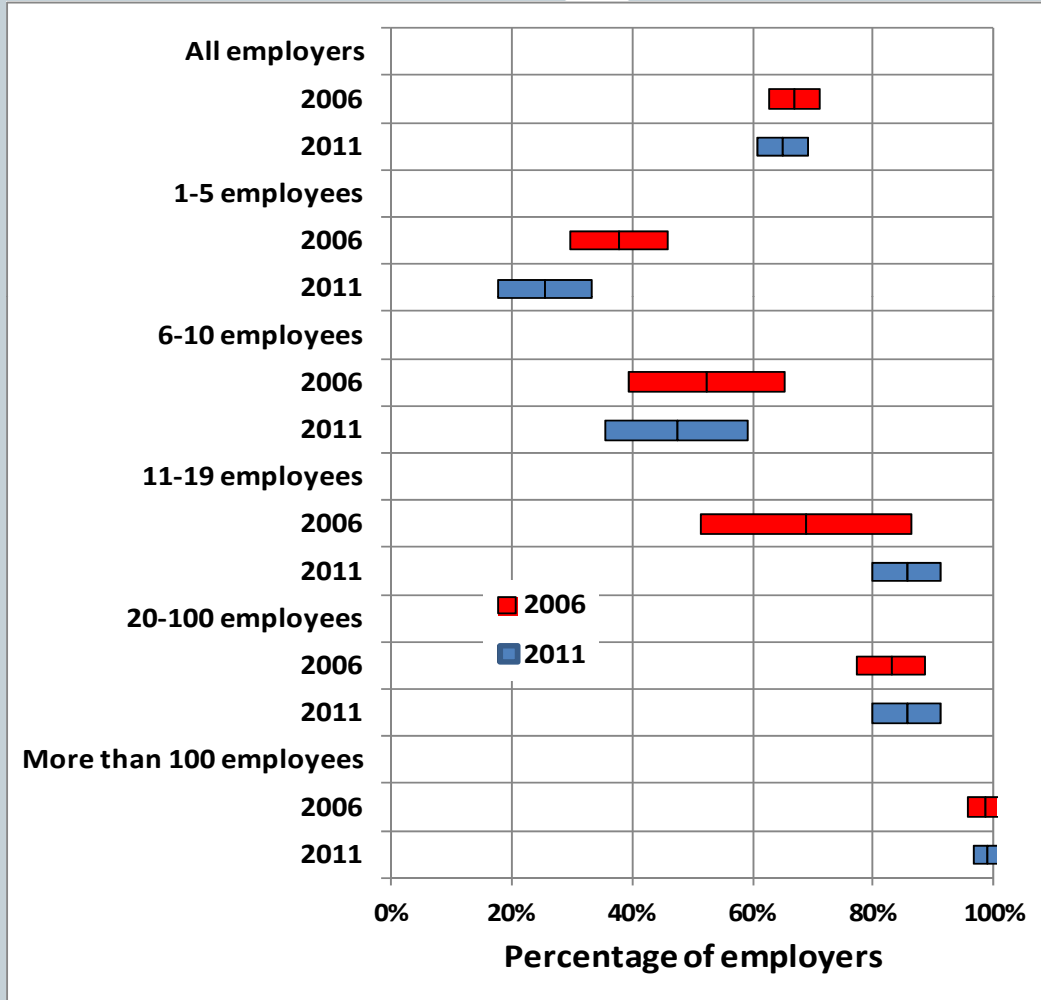
Income-Health Gradient in Silver Plan

Family Income as % of Federal Poverty Level	Eligible for Exchange Credit?	Eligible for Cost Sharing Subsidy (if in Silver Plan)?	Fair or Poor Health, Uninsured Adults	
			30-49 Years Old	50-64 Years Old
< 138%	Medicaid	Medicaid	26%	38%
138% – 250%	Yes	Yes	16%	29%
250% - 400%	Yes	No	11%	23%
400%+	No	No	9%	12%

Employers Providing Health Insurance

Good data

BETTER POLICY