

Background and Demographic Information Related to Health Insurance and the Health Care Industry in Montana and Comparison States.

Prepared for the SJR 22 Subcommittee on Health Care and Health Insurance
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Senate Joint Resolution No. 22 (SJR22) provided that the Legislature study the issue of health care and health insurance costs and make recommendations to the 58th Legislature to address a variety of pressing health policy issues. Central among those concerns are the rising cost of health care and health insurance and the higher than average rate of uninsured in the state. Lawmakers, consumers, medical care providers, and the insurance industry all recognize that a problem exists and that developing quality, targeted solutions is a daunting task. This paper attempts to provide the most basic background on health insurance coverage in the state in comparison to other states in the country who have, through a number of policy changes, made strides in expanding health insurance coverage. Future research papers will outline the primary policy ideas. For now, it is important to know where we are. The states referenced in this paper were chosen using two characteristics. First, each state listed has a lower rate of uninsured people relative to Montana. Secondly, an effort was made to correlate low uninsured populations with policy changes

According to the Kaiser Commission on Medicaid and the Uninsured, growth in the uninsured nationally grew from 16.2 percent in 1989 to 18.4 percent in 1998. During the same reporting period, Medicaid enrollment grew to 10.4 percent from 7 percent. It reached a high enrollment rate of 12.5 percent in 1994-1995. In 1989, 66 percent of Americans were covered under employer-sponsored plans. That number declined slightly to 65 percent following a decade low of 60 percent in 1993.

Currently, the percentage of uninsured in Montana is 18.4 percent.¹ Table 1, below, details the distribution of health insurance coverage in the state by type of coverage. Private insurance, whether employer-sponsored or purchased in the individual market accounts for the bulk of health insurance in the state.

¹U.S. Census Bureau, Current Population Survey, March 1999, 2000, and 2001. There are various estimates of the percentage of uninsured in Montana. Differences in reporting periods or data gathering may account for slight variations. However, most annual indices place the percentage between 18.4 and 19.

Table 1: Montana's Population Distribution by Insurance Status, 1997-1999

	Number	Percent
Employer	466,690	52
Individual	68,700	8
Medicaid	88,900	10
Medicare	103,390	11
<i>Uninsured</i>	<i>174,340</i>	<i>18.4(see footnote 1)</i>
Total	902,020	100

Sources: Urban Institute and Kaiser Commission on Medicaid and the Uninsured based on pooled March 2000, 1999, and 1998 Current Population Surveys.

Table 2, shown below, details the uninsured population in Montana by the Federal Poverty Guidelines. This information begins to establish the importance of targeting policy ideas to reduce the uninsured population. As the Subcommittee will see as they continue uncovering information related to solutions, some recommendations to make health insurance more affordable are more effective when they are applied to distinct populations within the uninsured population. Also, some ideas may be more suited to addressing the issue of affordable coverage for those people having access to health insurance through either an employer or in the individual market.

Table 2: Distribution of Nonelderly Uninsured in MT, 1997-1999

by FPL	Number	Percent
Under 100%	66,899	39
100-199%	50,916	29
200 % or more	55,918	32
Total	173,733	100

Sources: Urban Institute and Kaiser Commission on Medicaid and the Uninsured based on pooled March 2000, 1999, and 1998 Current Population Surveys.

The table shown below provides a glimpse into where Montana stands in relation to other states in the areas of uninsured population, median income, and state expenditures for health care in the aggregate and per capita. The information presented allows the Subcommittee to draw some conclusions related to higher median income and lower percentages of uninsured, and with one exception, state health care expenditures and the uninsured rate.

Table 3: Comparing Uninsured Rates, Median Income, and State Health Care Expenditures of Various States, FY 1999.

State	Rate of Uninsured	Median Income	Rank	State Health Care Expenditures per Capita	Rank	State Health Care Expenditures (in millions)	Rank
Montana	19%	\$25,682	49	\$654	43	587	46
Minnesota	9%	\$38,449	5	\$807	25	3,879	20
Washington	13%	\$38,006	6	\$954	11	5,401	13
New Hampshire	11%	\$37,916	7	\$762	34	956	41
Utah	14%	\$37,691	8	\$519	49	1,113	39
Wisconsin	10%	\$36,000	14	\$766	32	4,136	16
Oregon	14%	\$31,681	25	\$744	30	2,640	27
Maine	13%	\$31,289	27	\$1,084	9	1,377	36

Compiled from Urban Institute and Kaiser Commission on Medicaid and the Uninsured based on pooled March 2000, 1999, and 1998 Current Population Surveys.

State Health Care Expenditures include state-funded health care expenditures for Medicaid, the State Children's Health Insurance Program, state employees' health benefits, corrections, higher education, insurance and access expansion, public health-related expenditures, state facility-based services, and community-based services. Sources of state expenditures include general funds, other state funds, and federal funds.

Within the health care arena, the Kaiser 50-State review, generates some interesting information on the number of health care providers, hospital beds, emergency room visits.² Montana has approximately 5 hospital beds per 1,000 people, the 4th highest rate in the nation. North and South Dakota rank 2 and 3, respectively.

Montana ranks 19th in Nurses per 10,000 people, ties for 25th in Physician Assistants, and is 46th in the nation for total health care-related employment. The number of emergency room visits per 1,000 people is just under 300, putting the state 42nd in the nation. There are many other measures that can be listed to help establish where Montana sits in relation to the rest of the nation and to develop a sense of what policymakers might consider recommending in order to address the goals of affordable health insurance and cost-effective, quality health care. In terms of whether solutions that are successful in other states, the information provided by the Kaiser

²State Health Facts Online is a searchable repository of facts related to health care and health insurance. The online site allows people to conduct searches for individual states and a 50-state comparison. The Internet address is: <<http://www.statehealthfacts.kff.org>>.

Commission could help the Subcommittee determine, to a certain extent, whether increased public spending, the nature of a state's economy, demographic indices, or other measures had an effect on increasing coverage or providing access to care. Whether Montana can duplicate the success other states have seen requires a better understanding of what the problem looks like in this state, and whether conditions here are comparable to conditions in other states.

Finally, because several people had asked for information on Federal Poverty Guidelines, the following paragraph and table establish the FPL dollar values by family size and percentage multipliers.

The Federal Poverty Guidelines are published annually by the U.S. Department of Health and Human Services and used to determine eligibility for a variety of federal programs. The dollar amount listed is the federal Adjusted Gross Income for a family unit. Adjusted Gross Income is gross income less allowable deductions.

The following table describes the Federal Poverty Guidelines and income levels reflected by multiplying those guidelines by various percentages.

Federal Poverty Guidelines and Percentage Multipliers

Size of Family Unit	48 Contiguous States	@150%	@185%	@200%
1	\$8,590	\$12,885	\$15,981	\$17,180
2	\$11,610	\$17,415	\$21,478	\$23,220
3	\$14,630	\$21,945	\$26,975	\$29,260
4	\$17,650	\$26,475	\$32,472	\$35,300
5	\$20,670	\$31,005	\$37,969	\$41,340
6 or more persons	Add \$3,020 per additional person	Add \$4,530 per additional person	Add \$5,497 per additional person	Add \$6,040 per additional person

Source: *Federal Register*, Vol. 66, No. 33, February 2001, pp.10695-10697. Poverty Guidelines using percentage multipliers calculated by Legislative Services Division Staff