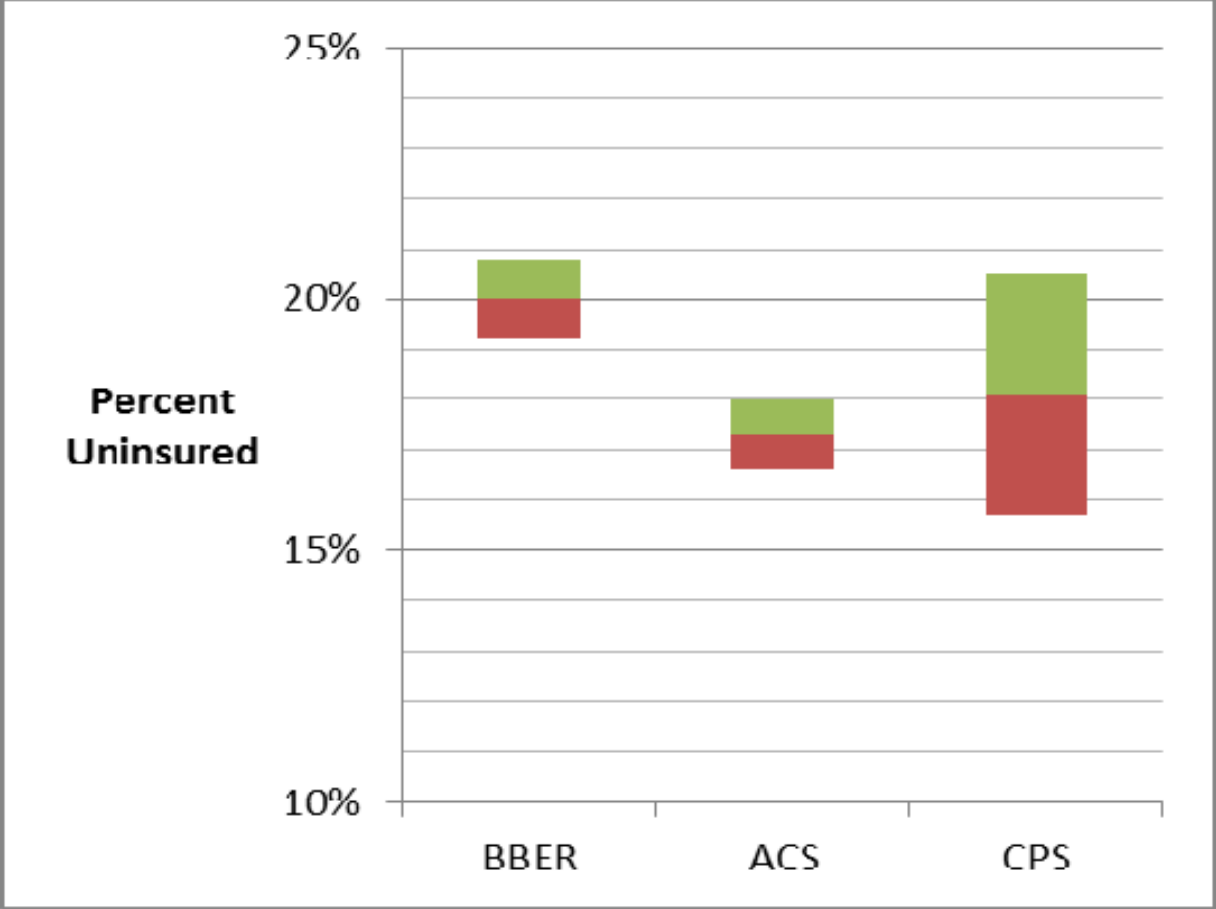


**Children, Families, Health, and
Human Services Interim Committee
August 20, 2012**

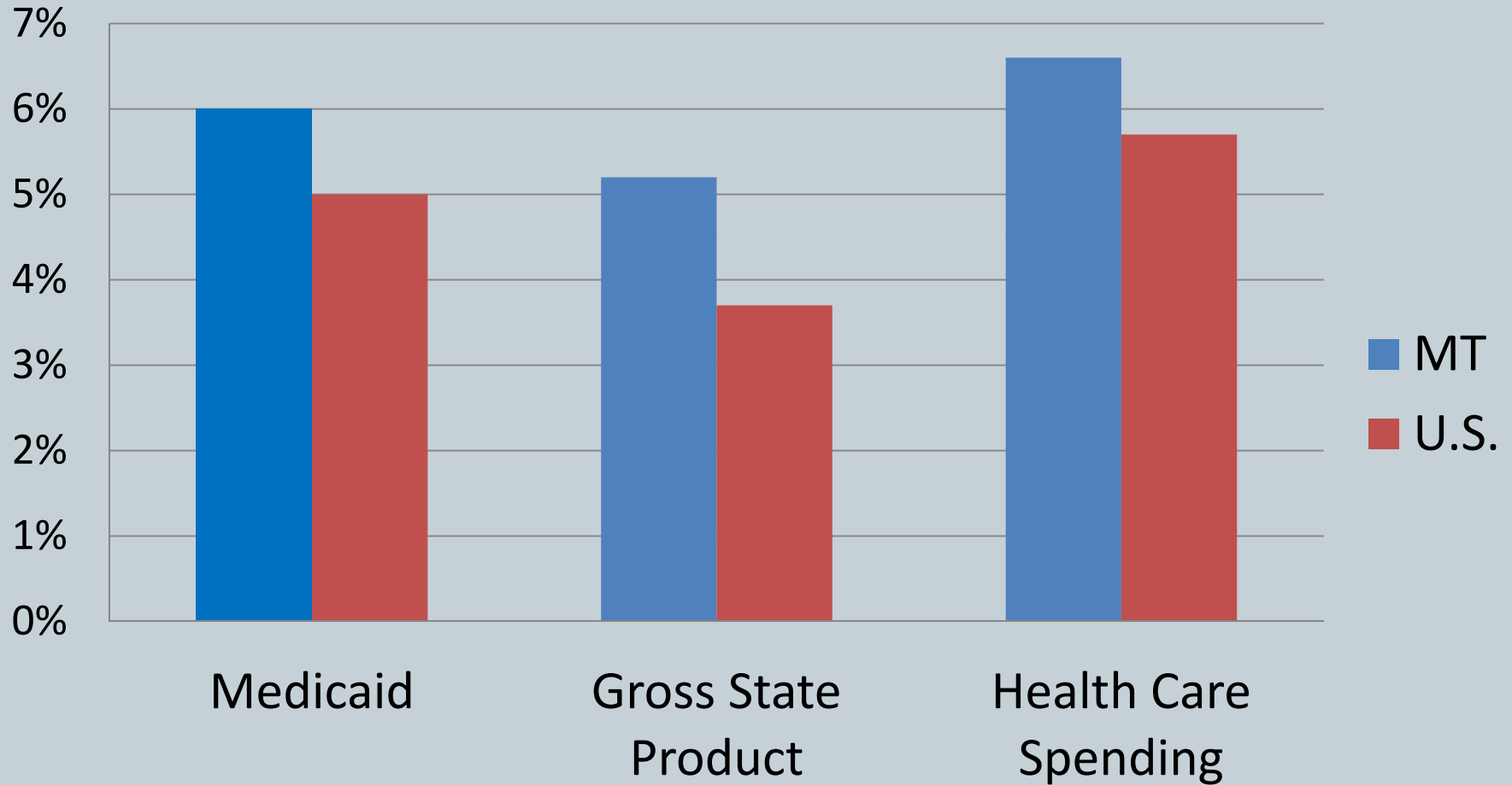


**BUREAU OF BUSINESS AND ECONOMIC
RESEARCH
THE UNIVERSITY OF MONTANA**

The Target Population: Montana's Civilian Non-Institutionalized Population without Insurance (195,000)



Average Annual Growth Rates, 2004-2009



State Medicaid Economics

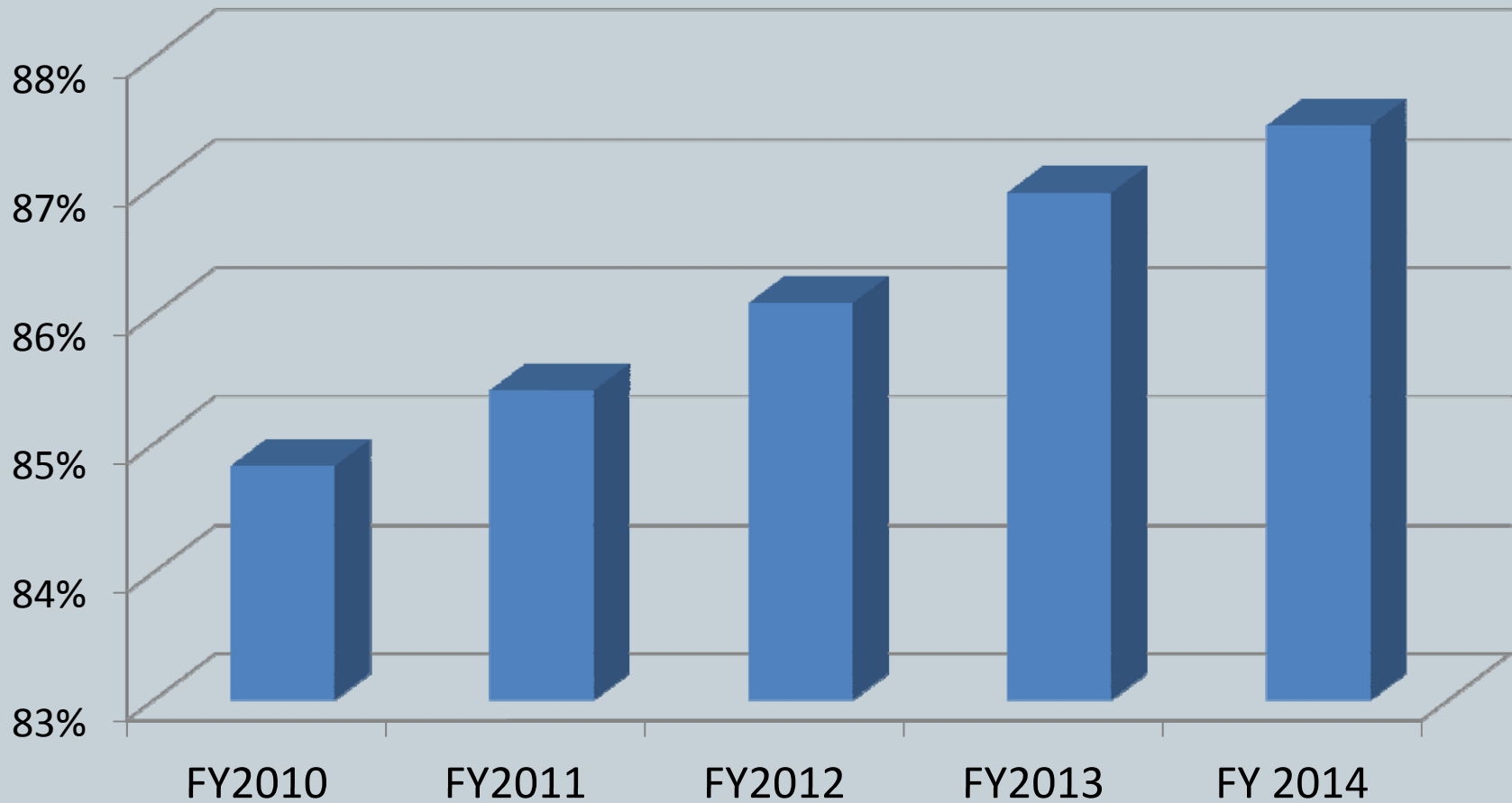


- **Annually revised FMAP for current beneficiaries**
- **Expansion FMAP = 100% for first 3 years for those enrolled under new eligibility standards**
- **Ramps down to 90% by 2020**
 - \$9.00 in federal funds matched for every \$1.00 in state funds)

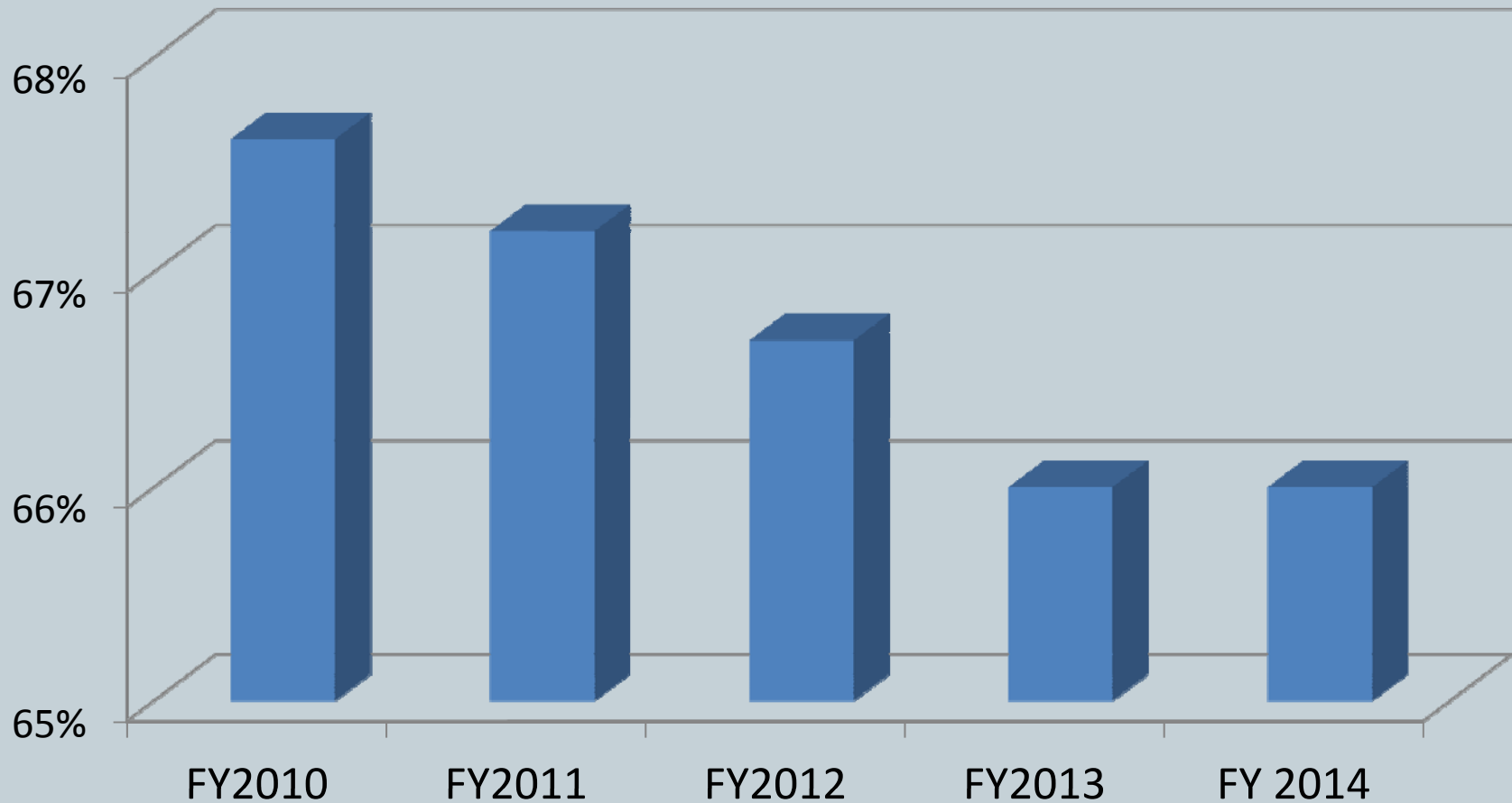
FMAP: Per Capita Incomes, Relationships Matter



Ratio that determines the FMAP: 3 Year Per Capita Income



When our economy does better than the national economy, the FMAP goes down

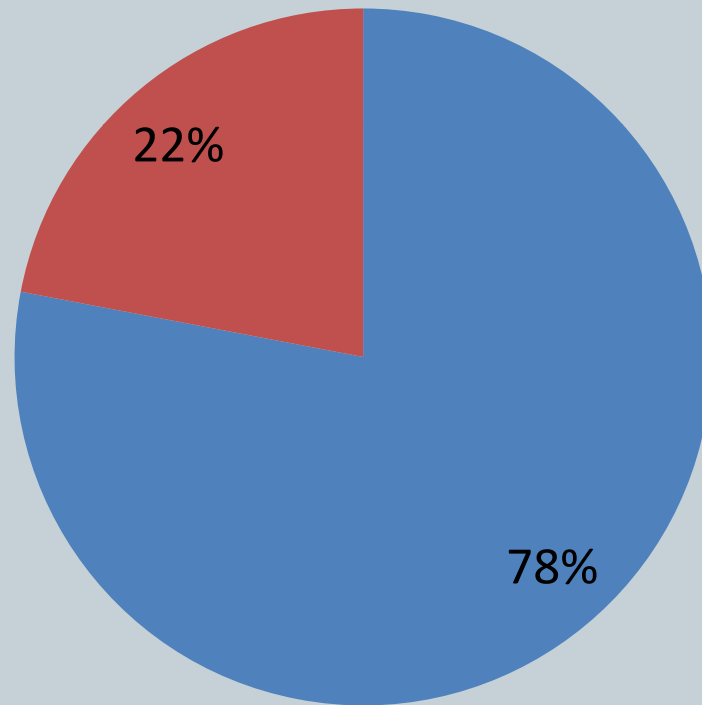


Montanans with Health Insurance

(n=807,000)

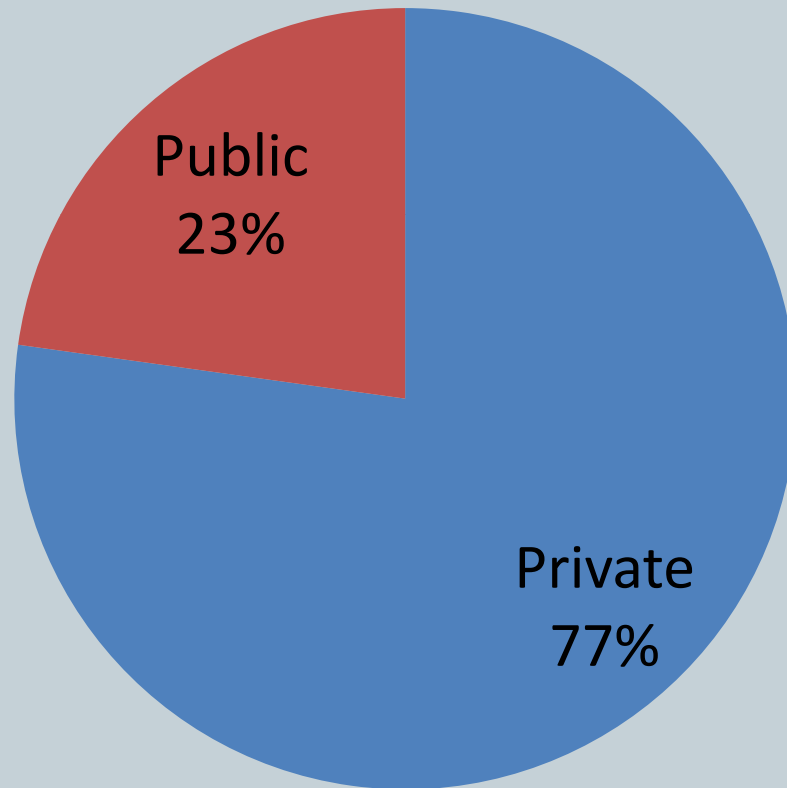


■ One Plan ■ Two or More Plans



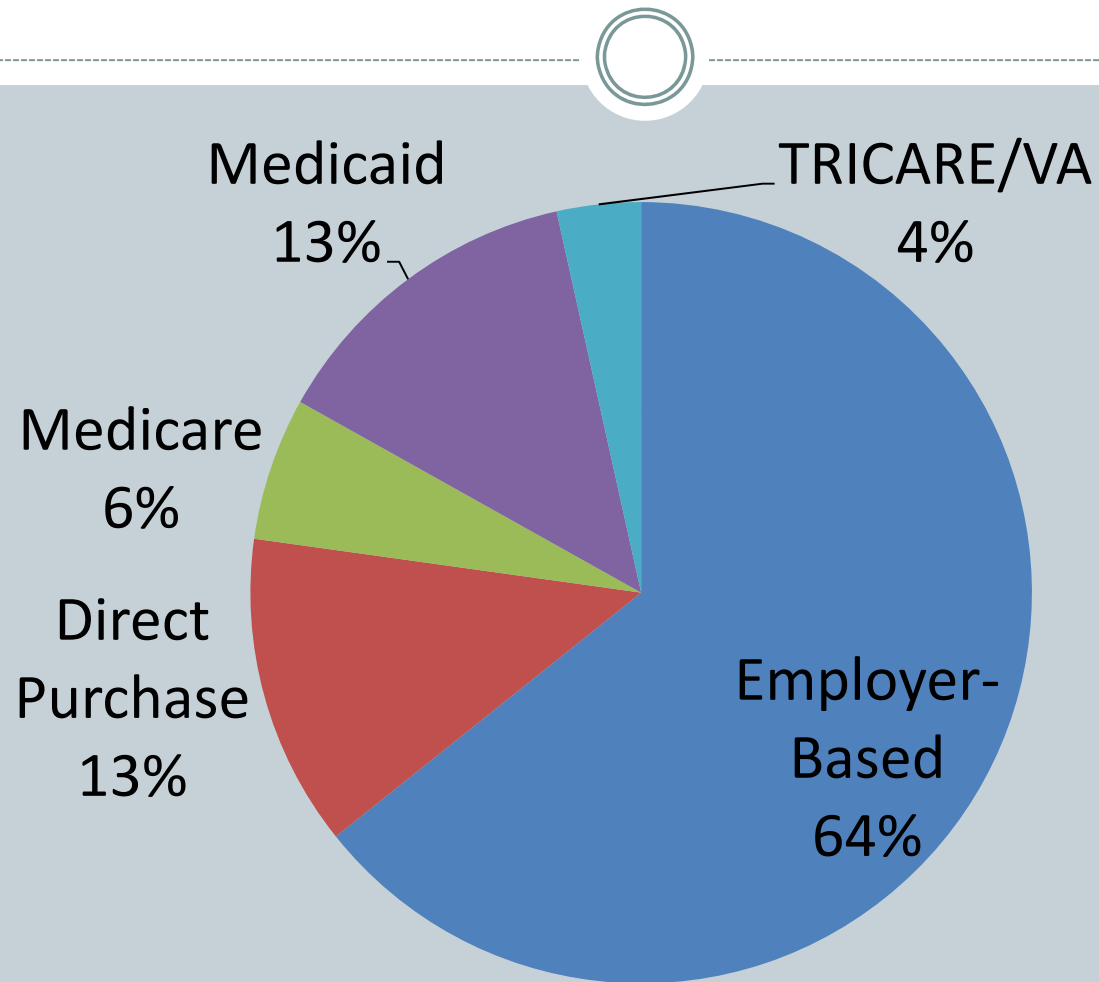
Insured by One Plan Only

(n=629,000)



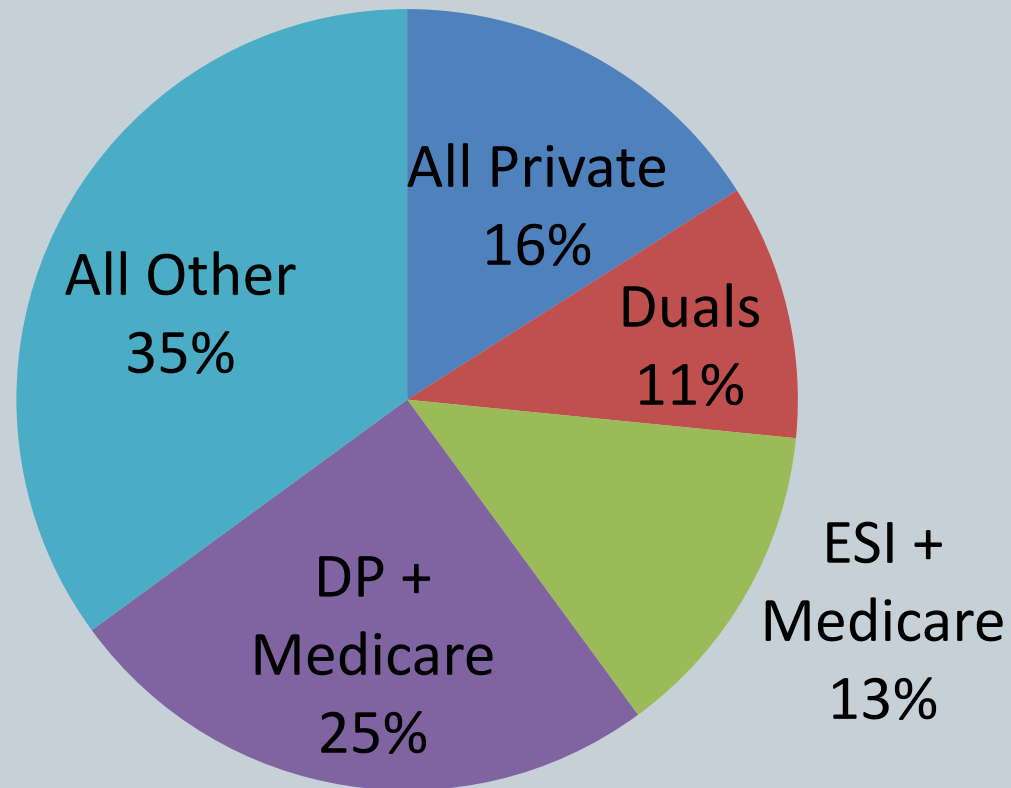
One Plan Only, by Type of Insurance

(n=629,000)



Montanans Insured by 2 or More Plans

(n=177,000)



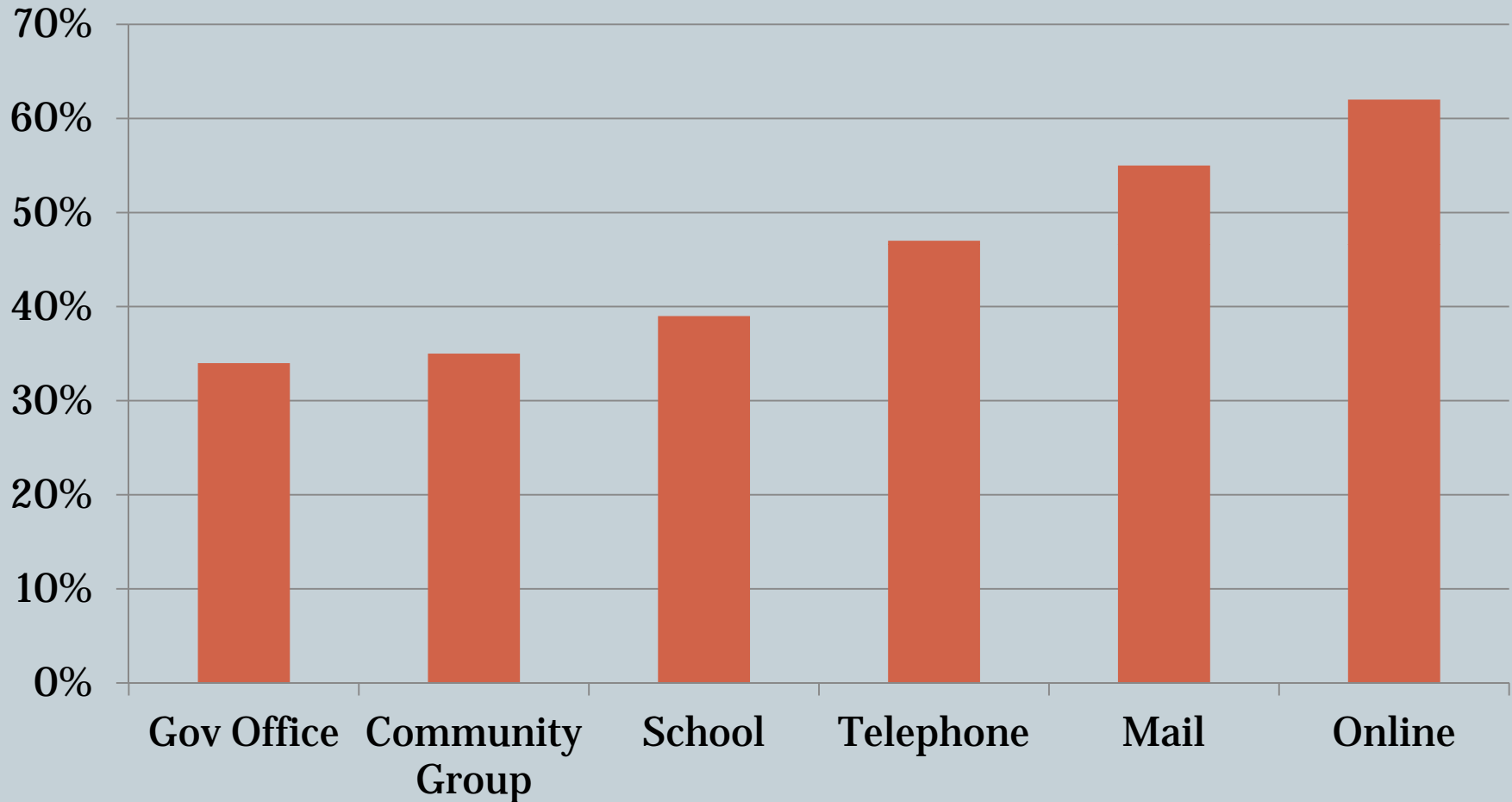
Medicaid Expansion to <138% FPL, How Many?



- Use of MAGI for eligibility
- Take-up rates vary significantly among states
- How aggressively will states market expansion?
- “Newly eligible” will be mostly childless adults
- “Woodwork effect” (3,500 previously eligible)
- Young adults stay on parent’s policy (17,000)

Enrollment Preferences

2011 Study “Parents’ Views of CHIP & Medicaid”



The Number of Potential New Medicaid Enrollees



- Kaiser Family Foundation

38,000 - 57,000

- BBER-UM

47,000 - 55,000

The Bubble Population (>138% and <150%)



9,700 uninsured

14,000 insured

The Donut Hole Population (>33% and <100%)



72,000

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	32% (26%)	28% (38%)
100% – 250%	Yes	Yes	8% (16%)	30% (29%)
250% - 400%	Yes	No	-- (11%)	-- (23%)
400%+	No	No	-- (9%)	-- (12%)

Health Care Resource Utilization



	Primary Care Offices	Hospital Outpatient Departments	Hospital Emergency Departments
Medicaid & CHIP compared to Uninsured	3.9	4.4	2.0
Medicaid & CHIP compared to Private Insurance	1.3	4.9	3.6
Uninsured compared to Private Insurance	0.3	1.1	1.8

Budgetary Impact, **2020**



- **Assumptions:**

- Montana Medicaid spending per enrollee (\$9,937 in 2009) inflated to 2020 assuming 6% (2004-2009) annual growth
- 90% FMAP in 2020 for newly eligible (stays at 90% 2020 and after)
- 66% FMAP “Others” (\$1.94 in federal funds sent to Montana for every \$1.00 state spending)
- 2011 Medicaid population as estimated by BBER-UM

“Incremental Cost” of **New** Medicaid Enrollees in 2020



\$101.9 million - \$118.9 million

***If* brought Medicaid spending per enrollee down to U.S. average**

\$70.0 million - \$81.7 million

Estimated Federal Dollars Sent to MT 2020



**“Additional” federal dollars sent to Montana in
2020 for newly eligible**

\$757.1 million - \$909.9 million

2010 Study by the Urban Institute



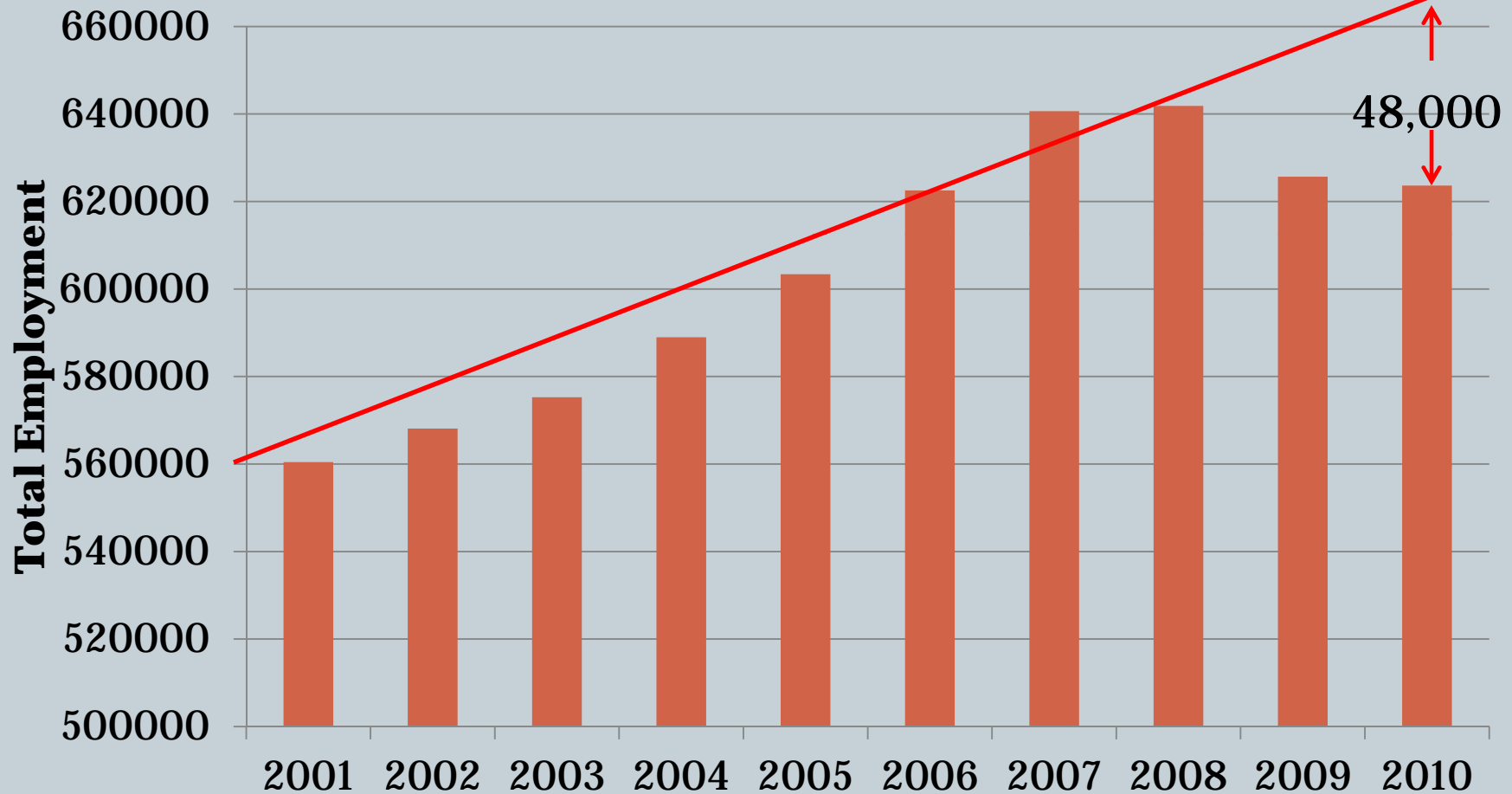
- State by state examination of the Medicaid expansion
- Used 133% FPL instead of 138%
- Older data, different data sources for cost per enrollee, different growth rates
- New enrollees estimated between 57,000 – 78,000, BBER 47,000 -55,000
- Examined impact over 2014-2019, excluded 2020
- Incremental state cost =\$100 million - \$155 million
- Federal portion of cost estimated at \$2.2 billion – \$2.6 billion

What Could Change Estimates?

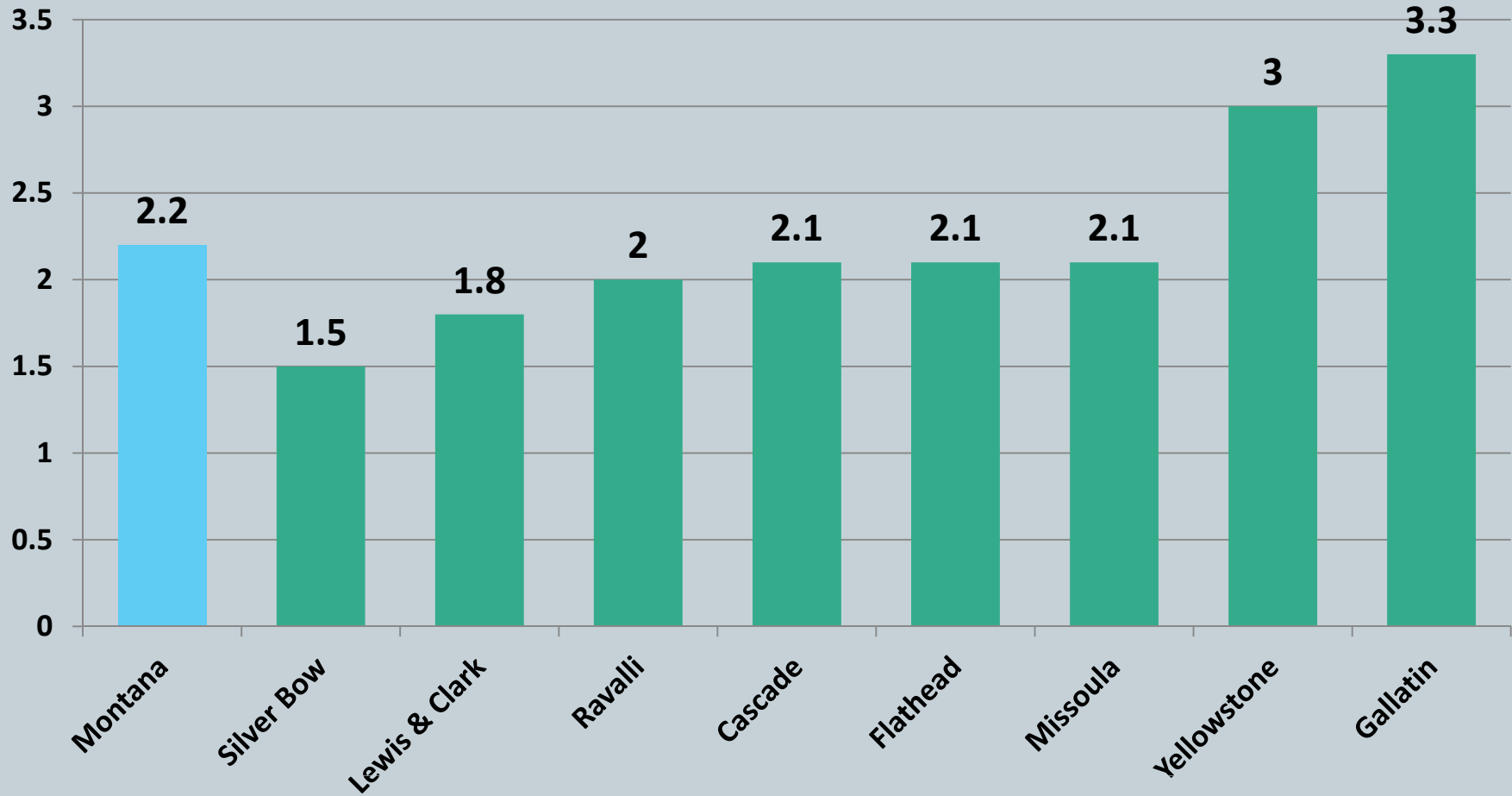


- Changes to the PPACA
- Take-up rates
- Per enrollee spending
- FMAP in 2020 (depends on Montana economy)
- Number of uninsured
- Accounting for the *under*-insured
- Subpopulations (mental illness and disabilities)
- Dynamics of Montana's health insurance markets

Recession Has Knocked Montana Employment Off Its Pre-Recession Trend



Non Farm Annual Earnings Growth, 2012-2015



Thank you for your time



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