2024
Medicaid
in MONTANA

How Medicaid Impacts Montana's
State Budget, Economy, and Health

MONTANA
HEALTHCARE
FOUNDATION

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Letter from Montana Healthcare Foundation CEO Dr. Aaron Wernham

Montana Medicaid provides health care coverage to nearly 300,000 Montanans, including low-income children, pregnant women, people with disabilities, and adults. We produce the Medicaid in Montana annual report to help Montanans and those responsible for health policy decisions understand the program's core functions, assess its effectiveness and costs, and identify opportunities to strengthen the program. The report is based on an analysis of Medicaid claims, economic data, and national health care research.

Medicaid coverage allows Montanans to access primary care, mental illness and substance use treatment, emergency and hospital care, and specialty services such as cancer care and surgery. Consistent with national research, this report shows for the third consecutive year that access to these services is contributing to better health outcomes for Montanans, accompanied by decreased emergency and hospital costs.

In 2015, the Montana State Legislature passed the Health and Economic Livelihood Partnerships (HELP) Act, which expanded Medicaid to cover adults with low income. Medicaid expansion offered a powerful new tool for addressing Montana's mental health crisis, both because it provided a payment source for people in need of care and because it enabled providers to expand services in Montana communities.

Building on the progress enabled by Medicaid expansion, recent actions by the governor and Legislature – including the Healing and Ending Addiction Through Recovery and Treatment (HEART) Initiative, the 2023 Medicaid behavioral health reimbursement rate increases, and 2023 House Bill 872 to create a Behavioral Health System for Future Generations – have created an unprecedented window of opportunity to improve outcomes for Montanans struggling with mental illness and addiction.

Medicaid expansion will end in 2025 without action by the Legislature and governor, however. The lack of a stable, ongoing source of reimbursement for mental health and substance use treatment would threaten the impact of the Legislature's recent investments and put Montana's progress on mental illness, substance use, and other key health care services at risk.

Special thanks to the Montana Department of Public Health and Human Services, who made this report possible by contributing data on the Montana Medicaid program.

Executive Summary: Medicaid Enrollment, Utilization, and Spending

Montana Medicaid provides Montanans with low income access to health care services that support their health and well-being.

» Medicaid provides health care coverage to more than one of every five Montanans, including two of every five children. On average, in 2023, Medicaid covered 289,000 Montanans (page 8).

» Medicaid enrollment decreased in 2023 compared to 2022 as Montana, like all states, redetermined eligibility for all members following the end of federal continuous coverage requirements put in place during the public health emergency (page 9).

» The use of preventive services continued to rise in 2022 following the significant decline in screenings for chronic health conditions and other preventive care during the COVID-19 pandemic (pages 15-16).

» Montanans are increasingly accessing care to support recovery from mental health conditions and substance use disorders. Claims for services related to opioid use disorder increased by 89% between 2018 and 2022 (page 17).

» The use of telehealth rose quickly and significantly during the COVID-19 pandemic. While the use of telehealth declined between 2021 and 2022, it remains above pre-pandemic levels, particularly in Montana's most geographically isolated communities (pages 19-20).

» While total Medicaid spending has risen each year since 2015, state spending on Medicaid has remained stable. Montana has spent approximately $300 million in state general funds on Medicaid each year since before the state implemented Medicaid expansion, accounting for approximately 13% of Montana's state general fund spending annually (pages 22-23).

Executive Summary: The Impact of Medicaid Expansion

In 2016, the Health and Economic Livelihood Partnership (HELP) Act expanded Medicaid to cover adults with low income. By implementing Medicaid expansion, Montana has been able to expand health care coverage, improve access to health care services, and control health care costs.

» Implementation of Medicaid expansion has reduced uninsured rates, providing coverage to nearly 110,000 adults with low income in 2023 on average (pages 33-34).

» Medicaid expansion is a critical source of coverage for the American Indian and Alaskan Native (AI/AN) population and rural communities. The AI/AN population comprises only 6.5% of the state's population but 19% of the Medicaid expansion population (page 34).

» Medicaid expansion improves access to necessary health services, including preventive services and care for chronic conditions. In 2022, more than 3,800 members enrolled in Medicaid expansion were newly treated for diabetes, nearly 35,000 received mental health services, and more than 6,100 received substance use disorder treatment (pages 35-37).

» Decreased use of the emergency department (ED) by Medicaid expansion members each year they were enrolled suggests that Medicaid expansion is improving health outcomes. During their first year of enrollment, 17,576 (approximately 40%) members enrolled in Medicaid expansion for at least three years had at least one ED visit. By their third year of enrollment, only 15,738 of those members visited the ED, a decline of 10.5% (page 40).

» ED use among expansion members for preventable dental conditions declined by about 30% over three years (page 42).

» Among expansion members, health care costs shifted from more intensive emergency and inpatient care to outpatient services and pharmacy. Emergency and inpatient costs comprised 28% of expansion member costs during their first year of enrollment. By their third year of enrollment, emergency and inpatient costs decreased to 24% of total costs (page 43).

» Implementing Medicaid expansion generated state budget savings of more than $28 million in SFY 2023 by providing higher match rates for some existing Medicaid populations and replacing state spending with new federal dollars (page 45).

Montana Medicaid is a joint federal-state program that provides health care coverage to eligible children, pregnant women, seniors, people with disabilities, and adults with low income.

Overview. Montana Medicaid and the Healthy Montana Kids program—collectively called "Medicaid" in this report—provide Montana residents with low income access to low- or no-cost health insurance.

» The Healthy Montana Kids program is the largest health insurance provider for children in the state.

» Medicaid covers Montanans who are blind and disabled, women who are pregnant or have breast or cervical cancer, and families with dependent children. Since 2016, Medicaid also covers adults with low income.

State-Federal Partnership. Medicaid is a joint federal-state partnership managed locally by the Montana Department of Public Health and Human Services (DPHHS) and federally by the U.S. Centers for Medicare and Medicaid Services (CMS). DPHHS and CMS agree to a "state plan" that outlines how DPHHS will administer the Medicaid program. The State Plan describes who is eligible for Medicaid, what services they are eligible to receive beyond those minimally required by CMS, and how Medicaid services will be delivered. The State Plan is modified by jointly agreed-to "waivers" of federal requirements.

Montana Medicaid Background

Background information on Montana's Medicaid program is available in the Montana Healthcare Foundation's report **"Montana Medicaid Background."** It describes:

» Which populations are eligible to receive health care coverage through Medicaid.

» Services covered by Medicaid to address members' health care needs.

» The critical role of Medicaid in supporting Montanans living in rural areas and AI/AN populations.

» The joint-federal partnership between DPHHS and CMS to administer and fund Medicaid.

» How Montana's Medicaid budget compares to peer states.

» How Medicaid is managed and overseen in Montana.

Data & Sources

Medicaid Enrollment

Medicaid provides health care coverage to more than one of every five Montanans, including approximately two of every five children.

Access to Medicaid helps reduce the number of people without health care coverage. It minimizes coverage gaps that could otherwise delay needed medical care and preventive services, such as chronic disease screenings, viral testing, and vaccinations.

In 2022, approximately one of every five Montanans was enrolled in Medicaid (21%). Medicaid is an especially valuable safety net program for children and youth, where nearly two of every five individuals aged 0-18 are covered by Medicaid (38%). Coverage for Montanans is similar to that of other states. Nationally, approximately 21% of Americans and 39% of children and youth are enrolled in Medicaid.

In 2023, Montana, like all states, redetermined eligibility for all Medicaid members following the end of the public health emergency. The redetermination process is resulting in significant declines in Medicaid enrollment across the country. This report uses the most recent available data. In some cases, 2023 data are not yet available; as a result, some analyses do not yet reflect the impact of the redetermination process.

Health Care Coverage of Montanans (CY 2022)

Uninsured **8%**

Other** **10%**

Medicare* **18%**

Total Population **1,093,500**

Employer **43%**
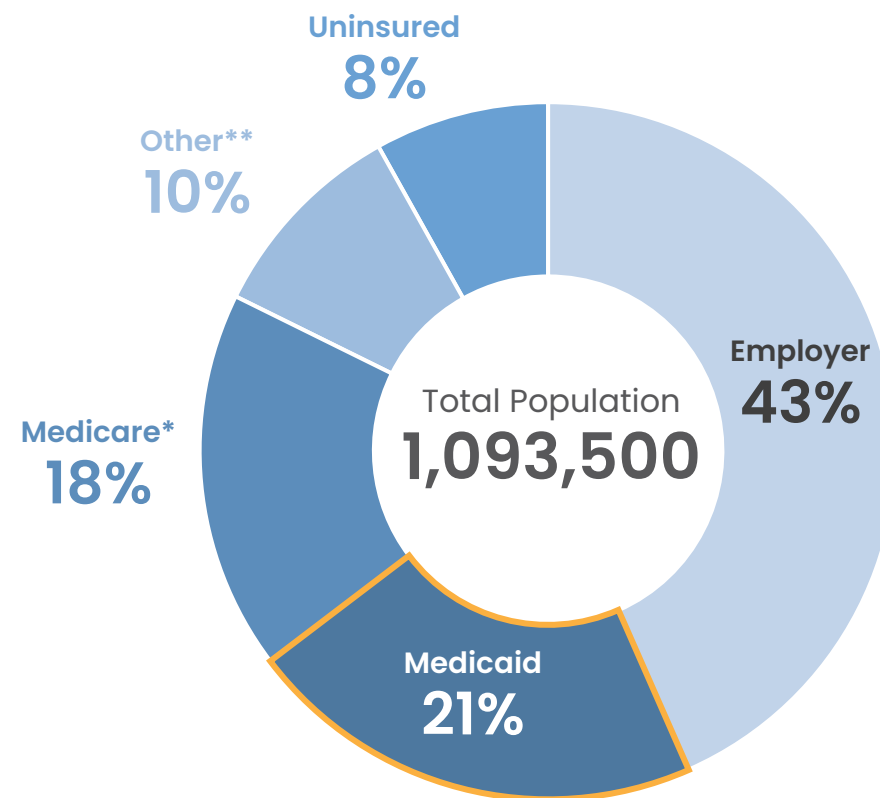
Medicaid **21%**

*The count of individuals with Medicare excludes those who report having both Medicare and Medicaid coverage, also known as "dual-eligibles."
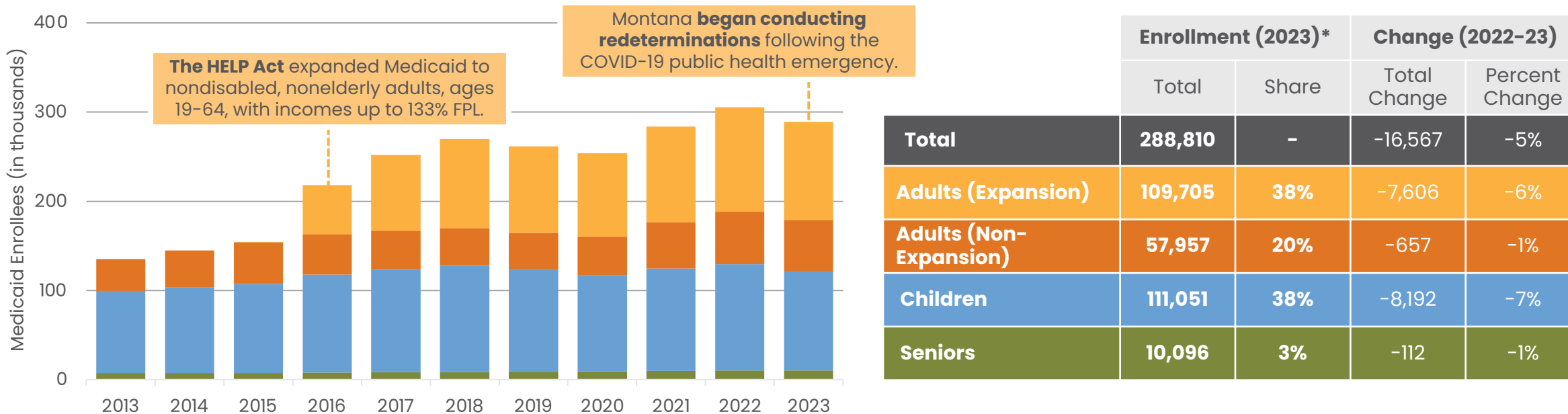**Includes those covered under the military or Veterans Administration and individuals and families who purchased or are covered as a dependent by non-group insurance.

Data & Sources

Average Medicaid enrollment declined between 2022 and 2023 as Montana, like all states, redetermined eligibility following the COVID-19 public health emergency.

Average Montana Medicaid Enrollment (CY 2013-2023)

The HELP Act expanded Medicaid to nondisabled, nonelderly adults, ages 19-64, with incomes up to 133% FPL.

Montana **began conducting redeterminations** following the COVID-19 public health emergency.

Medicaid Enrollees (in thousands)

Chart y-axis: 0, 100, 200, 300, 400

Years: 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023

	Enrollment (2023)*		Change (2022–23)	
	Total	Share	Total Change	Percent Change
Total	**288,810**	**-**	**−16,567**	**−5%**
Adults (Expansion)	**109,705**	**38%**	**−7,606**	**−6%**
Adults (Non-Expansion)	**57,957**	**20%**	**−657**	**−1%**
Children	**111,051**	**38%**	**−8,192**	**−7%**
Seniors	**10,096**	**3%**	**−112**	**−1%**

Medicaid enrollment has grown over the past decade through bipartisan program expansions for children (2008) and adults (2016) and to support a growing state population. Following implementation of the HELP Act beginning in 2016, program enrollment grew to 269,560 people in 2018, then decreased in 2019 and 2020. During the COVID-19 pandemic, enrollment increased as states maintained continuous coverage for Medicaid members during the public health emergency. In March 2023, the continuous coverage requirement ended, and states began conducting redeterminations, resulting in significant declines in Medicaid enrollment across the country. In 2023, Montana's Medicaid enrollment ranged from 322,062 (January) to 239,476 (December); on average, annual enrollment was 288,810 (–5% compared to 2022).

*Average annual enrollment. Consistent with previous reporting, totals include individuals enrolled in traditional Medicaid, Medicaid Expansion, CHIP, and the Plan First waiver. Enrollment categories may change in future years.
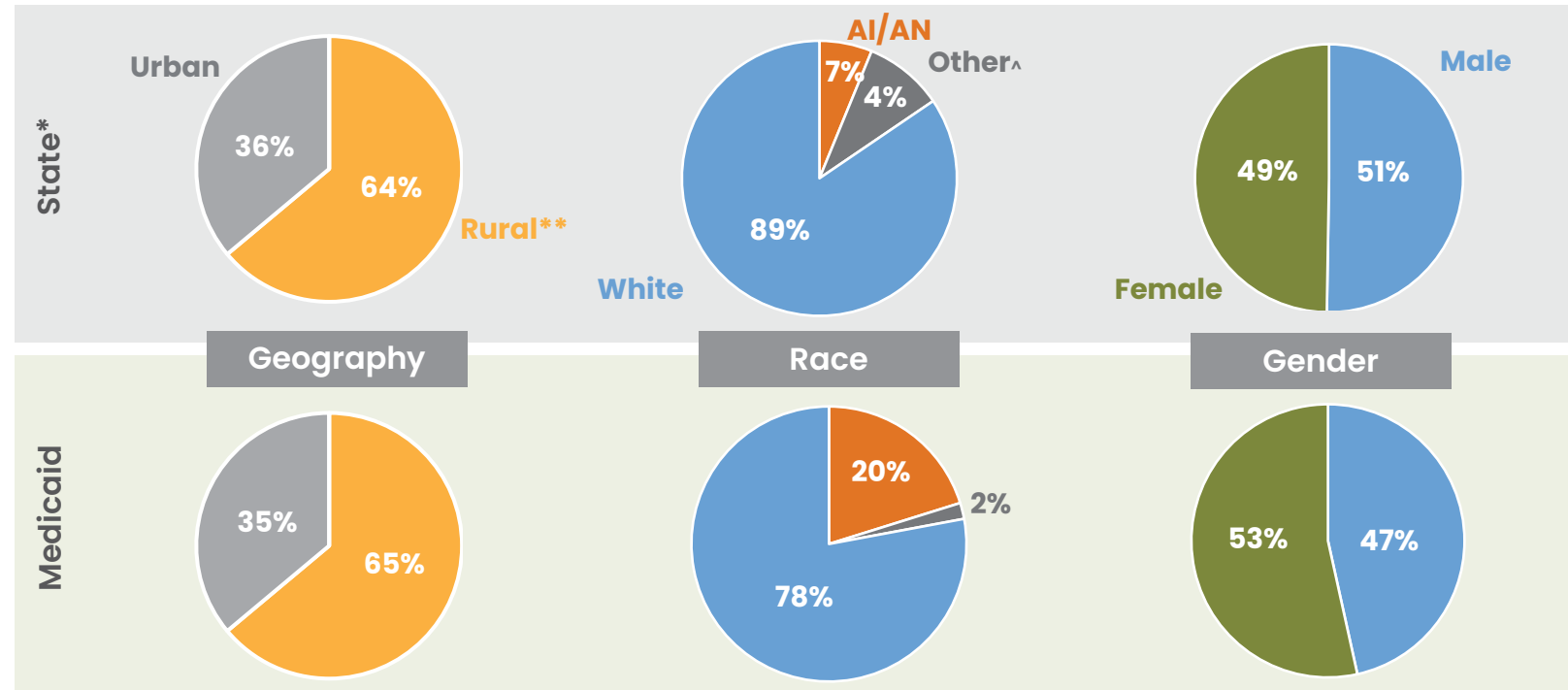
Data & Sources

Medicaid covers people across the state and is an important source of coverage for the American Indian and Alaskan Native population.

Medicaid Demographics in Comparison with State Demographics* (CY 2023)

Medicaid provides access to health care coverage across geographies, races and ethnicities, and genders. The demographics of the Medicaid population is representative of Montana's state population.

Medicaid is a particularly critical source of coverage for the AI/AN population, which comprise only 6.5% of the state's population but 20% of its Medicaid enrollment.

State*

Geography: Urban 36%, Rural** 64%
Race: White 89%, AI/AN 7%, Other^ 4%
Gender: Male 51%, Female 49%

Medicaid

Geography: Urban 35%, Rural 65%
Race: White 78%, AI/AN 20%, Other 2%
Gender: Male 47%, Female 53%

*State demographic data only available for 2022. Numbers may not total to 100% due to rounding.

**Rural/urban definitions are from the University of Washington Rural Health Research Center's RUCA Census data crosswalk.

^In previous reports, "Other" Medicaid demographics comprised both "Other" and "Unknown" race categories. Current report excludes the "Unknown" race category.

[Data & Sources](#)

Medicaid provides coverage for people in Montana's urban centers and rural regions.

Medicaid Enrollment as Percent of Population by County (CY 2023)

Legend:
- > 34.1%
- 26.9 –34.0%
- 22.9 –26.8%
- 17.4 –22.8%
- 14.0 –17.3%
- Reservation
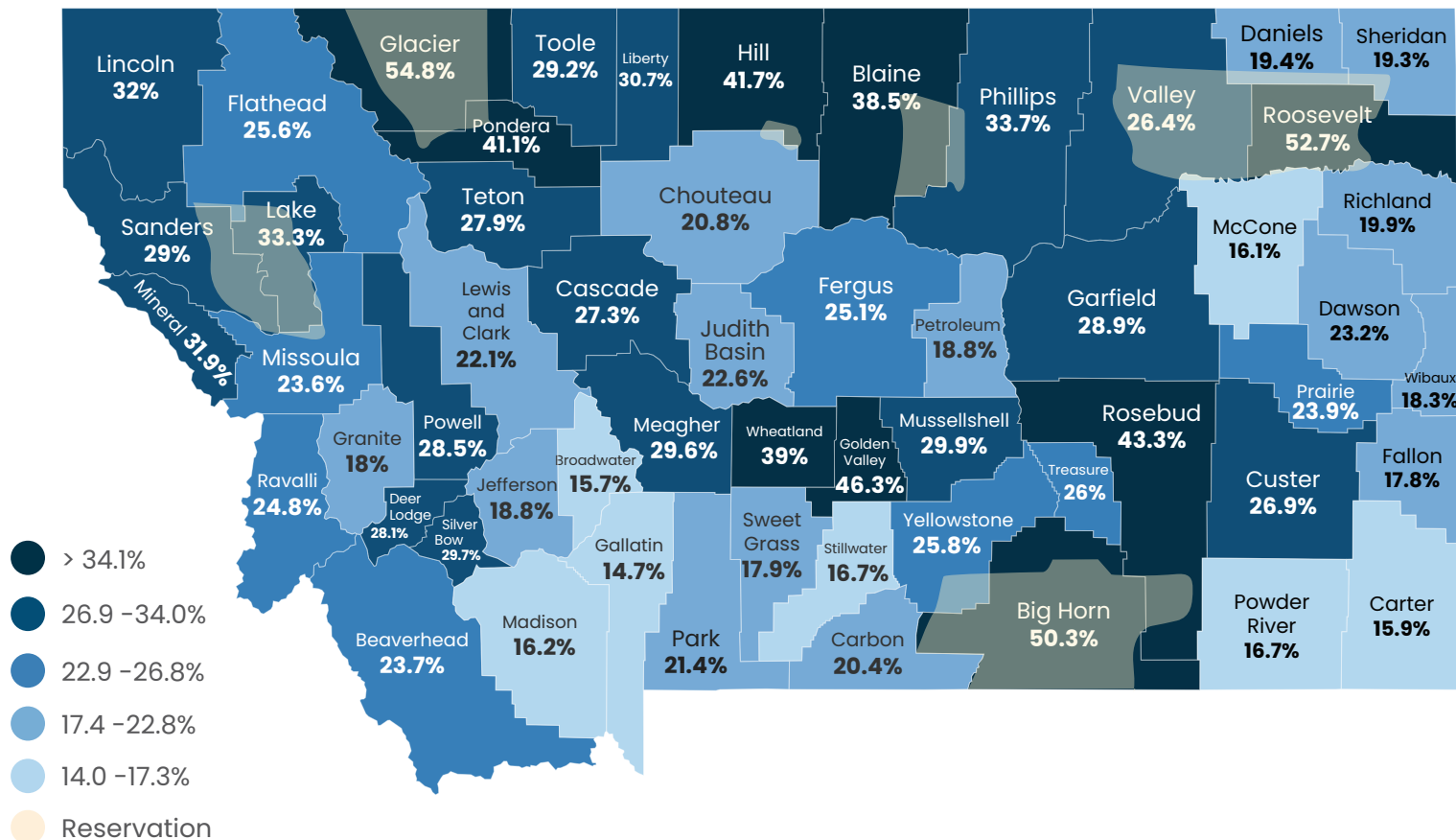
Counties With Highest Medicaid Enrollment as a Proportion of Population (CY 2023)

County	Population*	Medicaid (est.)
Glacier County	13,681	54.8%
Roosevelt County	10,572	52.7%
Big Horn County	12,851	50.3%
Golden Valley County	835	46.3%
Rosebud County	8,088	43.3%
Hill County	16,068	41.7%
Pondera County	6,078	41.1%
Wheatland County	2,032	39.0%
Blaine County	6,936	38.5%
Phillips County	4,240	33.7%

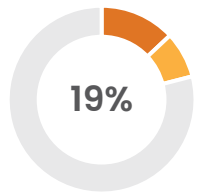*Population data only available for 2022.

[Data & Sources](#)

Medicaid supports adults with low income and their employers: two-thirds of Medicaid-enrolled adults are employed or in school.
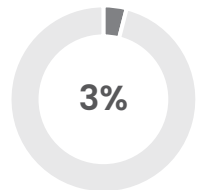
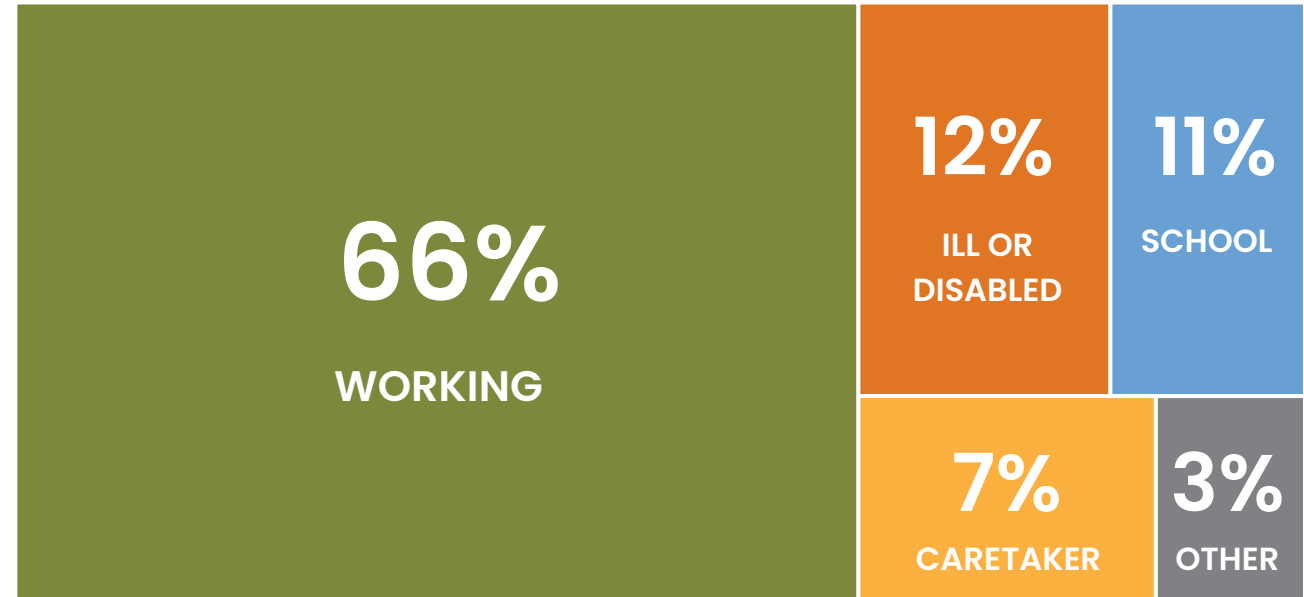## Employment Status of Adult Medicaid Enrollees (CY 2022)*

77%
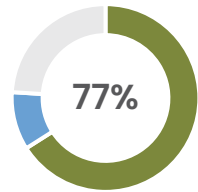
77% of Montana's adult Medicaid enrollees aged 19-64 reported working full time or part time (66%) or attending school (11%).

19%

19% of adult Medicaid enrollees reported a disability or other impairment to work (12%) or reported being a caretaker (7%).

3%

3% of adult Medicaid enrollees reported not working and having no impediments to work.

66%
WORKING

12%
ILL OR DISABLED

11%
SCHOOL

7%
CARETAKER

3%
OTHER

More than three-quarters of adult Medicaid enrollees are employed or attending school. Many Medicaid members in Montana and nationally work in low-wage, seasonal, or "gig" industries that do not offer commercial insurance coverage. For example, more than 34% of all adults who work as maids and housekeepers and 30% of adults who are cooks or food preparation workers in Montana are enrolled in Medicaid. Medicaid supports those workers and their employers by offering a stable source of health care coverage and ensuring care is accessible for physical and mental health conditions.

*Analysis of 2022-2023 CPS-ACES data (covering CY 2021-2022). Numbers may not total to 100% due to rounding.

Data & Sources

Medicaid Service Utilization

Medicaid covers a continuum of physical health, dental and behavioral health services.

Office Visits and Outpatient Services

Medicaid covers preventive care, screenings, and other services and procedures delivered during office visits or outpatient settings, including care delivered by Montana's Federally Qualified Health Centers and Rural Health Centers. More members access outpatient office visits than any other Medicaid service**: in 2023, more than 156,000 Medicaid members had a 20-minute outpatient office visit recorded on a claim, including approximately 95,000 adults and 54,000 children.**

Inpatient Hospitalization and Emergency Services

Medicaid covers inpatient care for individuals admitted to a hospital and emergency services when needed. **In 2023, nearly 74,000 Medicaid members had an emergency department visit of low severity, and nearly 59,000 members had an emergency department of moderate severity.***

Behavioral Health Services

Medicaid covers services for individuals with mental illness and substance use disorders, including screenings, outpatient treatment, crisis services, and inpatient care when needed. **In 2023, approximately 36,500 Medicaid members had a 60-minute therapy appointment, including nearly 11,000 children.**

Dental Services

Medicaid covers essential dental services, including exams, cleanings, fillings, and dentures. Montana is one of 39 states that cover preventive dental services for adults. **In 2023, approximately 67,500 Medicaid members received a dental exam, two-thirds of which were children (44,796).**

Hearing and Vision Services

Medicaid covers hearing and eye exams, as well as hearing aids, glasses, and contact lenses when needed. **Nearly 30,000 Medicaid members received an eye exam and treatment in 2023, including more than 11,000 children.**

*There may be duplication across specific services; for example, an individual may have both a low-severity emergency department visit and a moderate-severity emergency department visit recorded on a claim in the same time period.

Data & Sources

Medicaid covers essential preventive services that help people identify and address health problems early.

Access to preventive services is a crucial driver of long-term health and well-being. Screenings and preventive treatment for both children and adults can avoid the need for more intensive and costly specialty care in the future.

In 2022, Medicaid supported the delivery of more than 68,000 wellness exams and 125,000 preventive dental services. Access to preventive services like well-child visits is especially critical for children and youth: in 2022, Medicaid supported more than 44,000 wellness exams for children and youth.

Preventive Service Utilization By Population Group (CY 2022)

| Service	Children	Adults (Non-expansion)	Adults (Expansion)	Seniors	Disabled**
Preventive/Wellness Exams	44,369	6,920	16,485	403	1,859
Physical and Behavioral Health Screenings*					
Alcohol Abuse Screening	53	193	783	23	46
Breast Cancer Screening	1	1,508	5,080	132	592
Cervical Cancer Screening	15	3,872	8,587	32	451
Cholesterol Screening	2,455	7,509	21,848	501	3,088
Colorectal Cancer Screening	1,392	3,926	10,200	381	1,309
Diabetes Screening	2,834	8,223	18,005	636	2,922
Hepatitis B Screening	231	1,848	3,701	48	306
Hepatitis C Screening	359	3,556	7,537	40	518
Sexually Transmitted Disease Screening	1,637	6,449	12,312	14	593
Tobacco Use Counseling & Interventions	16	352	954	19	164
Dental Preventive Services	72,689	18,206	31,769	2,830	7,297
Vaccinations	28,982	6,848	13,948	460	2,421

*Billed screenings only; may undercount regularly conducted screenings such as for alcohol abuse. **Disabled counts not mutually exclusive of other population groups.

Data & Sources

The use of preventive services continued to rise in 2022 following the significant decline during the public health emergency.

Preventive Service Utilization (CY 2019-2022, Percent Change CY 2021-2022)
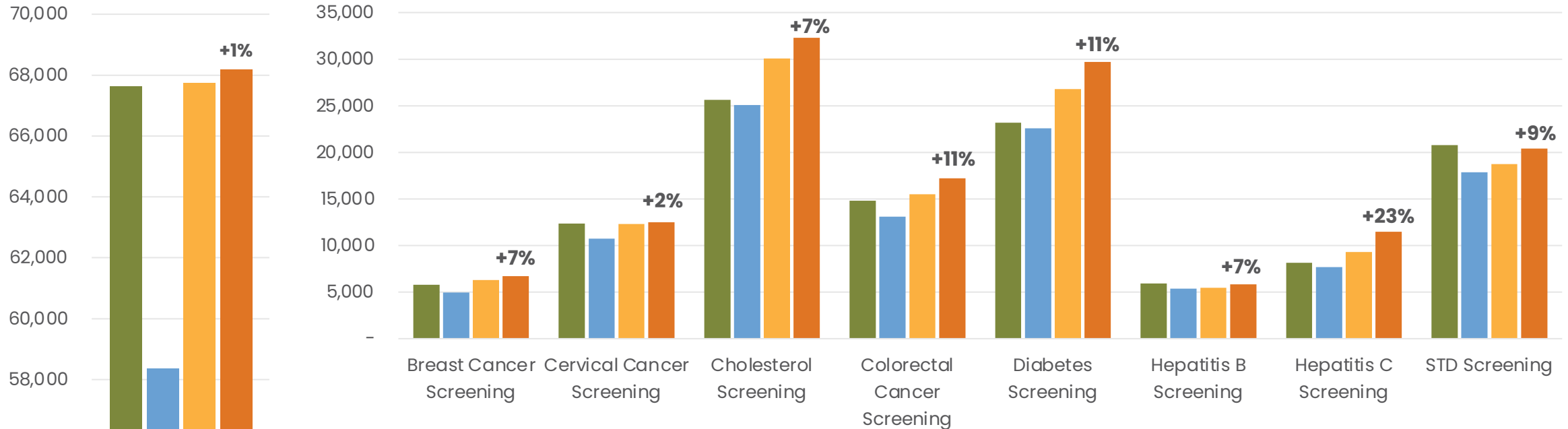
Both nationally and in Montana, many Medicaid enrollees delayed or avoided receiving preventive care in 2020 due to COVID-19-related concerns. Following the pandemic, in-person visits rose in 2021 and 2022, reaching or exceeding pre-pandemic levels. In 2022, the number of Medicaid-supported wellness exams increased for the first time since 2019 (+1% compared to 2019) while condition-specific screenings, including screenings for breast cancer, cholesterol, and diabetes, continue to rise (+2% to +23% compared to 2021). Only Hepatitis B and STD screening remained below pre-pandemic levels (-2% compared to 2019).

Data & Sources

Medicaid provides access to care for members with mental health conditions and substance use disorders.

Montana consistently has among the highest rates of behavioral health conditions in the country. In 2022, nearly one of every three Medicaid members (92,983) had a behavioral health diagnosis,* an increase of 9% since 2018. Medicaid covers a continuum of screening, outpatient, and specialty services for members with mental health conditions and substance use disorders. Specialty care can include consultation, outpatient, intensive (frequent) outpatient care, case management, and inpatient or residential treatment when needed. As the number of Medicaid members with behavioral health diagnoses has increased, utilization of behavioral health services has also risen at high rates. Between 2018 and 2022, the number of behavioral health claims related to opioid use disorder increased by 89%, and the number of claims related to anxiety disorders increased by 48%, pointing to increased access to care, particularly for members with less complex needs.

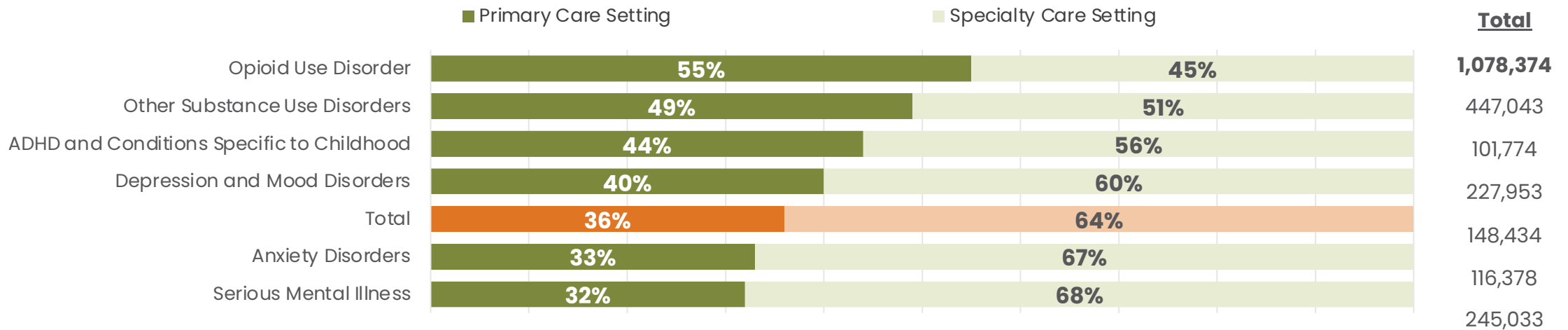## Behavioral Health Services Delivered to Medicaid Members by Diagnosis Type (CY 2018, 2022)
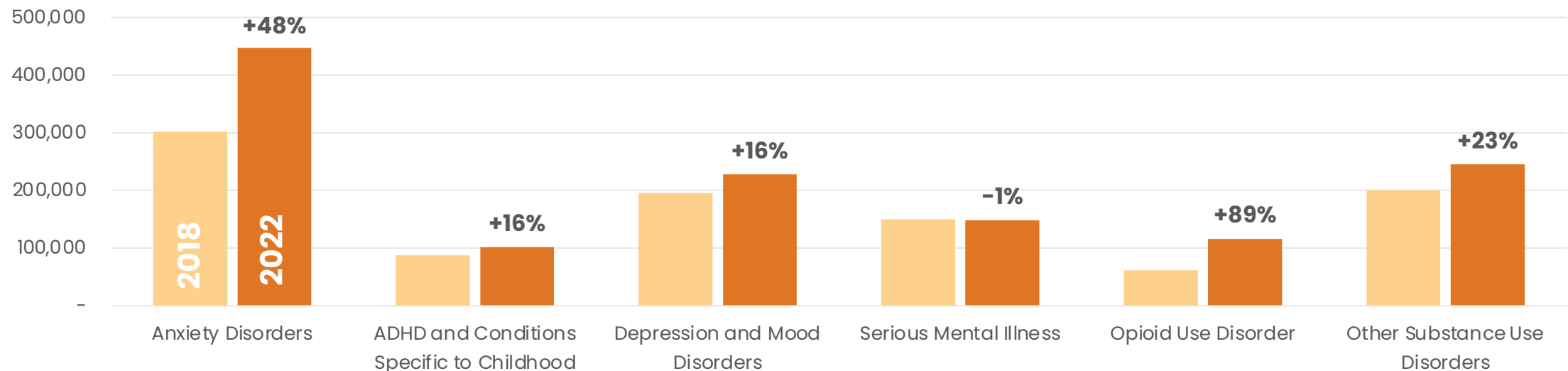
*Recorded on a claim.

Primary care providers play a central role in delivering behavioral health services.

Behavioral Health Utilization by Setting and Diagnosis Type (CY 2022)

■ Primary Care Setting   ■ Specialty Care Setting

| Diagnosis Type	Primary Care Setting	Specialty Care Setting	**Total**
Opioid Use Disorder	**55%**	**45%**	**1,078,374**
Other Substance Use Disorders	49%	51%	447,043
ADHD and Conditions Specific to Childhood	44%	56%	101,774
Depression and Mood Disorders	40%	60%	227,953
Total	36%	64%	148,434
Anxiety Disorders	33%	67%	116,378
Serious Mental Illness	32%	68%	245,033

Primary care providers play an essential role in delivering behavioral health services in Montana and nationwide. Primary care providers are well-positioned to screen for behavioral health conditions, prescribe and manage medications, and refer individuals to specialty services when needed. Individuals with less acute conditions typically receive more behavioral health treatment from primary care providers than do those with more significant needs. In 2022, 55% of the substance use disorder services provided to Medicaid members with an opioid use disorder took place in primary care settings, as did 49% of substance use disorder services for people with other substance use disorders, including alcohol, cannabis, stimulant-related disorders, and nicotine dependence.

The Montana Healthcare Foundation's "**2024 Issue Brief**" includes more information on the behavioral health needs of Medicaid members and the critical role primary care providers play in addressing those needs.
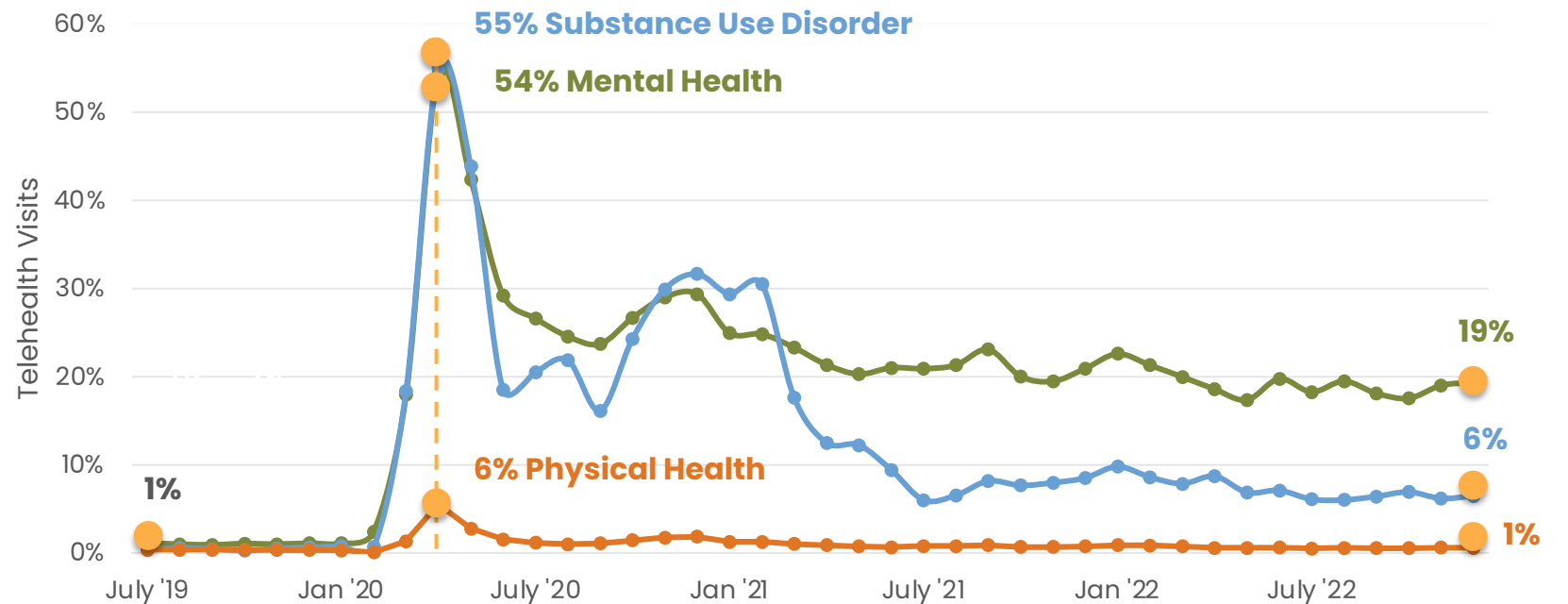
Data & Sources

While many returned to in-person care following the public health emergency, telehealth remains above pre-pandemic levels.

Total Telehealth Service Claims (CY 2019-2022)
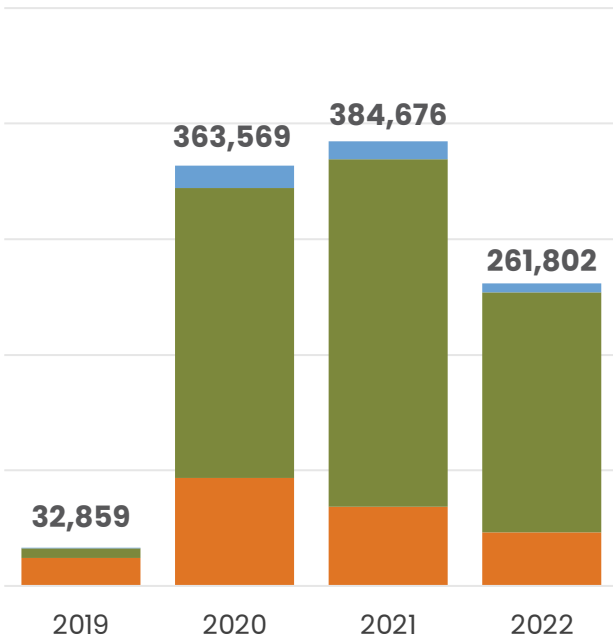
Proportion of Services Conducted by Telehealth (Claims Incurred in a Single Day, CY 2019-2022)

During the public health emergency, Medicaid waived in-person service delivery requirements for many physical and behavioral health services and authorized reimbursement for telehealth services at the same rate as in-person visits. Telehealth use rose significantly from 2019 to 2020, with Medicaid-covered telehealth visits peaking in April 2020, representing 55% of all substance use disorder claims (3,749 claims), 54% of all mental health service claims (45,632 claims), and 6% of all physical health service claims (22,696 claims). While overall use of telehealth decreased in 2022 compared to 2020 and 2021, the number of services delivered via telehealth has remained significantly higher than pre-pandemic rates.
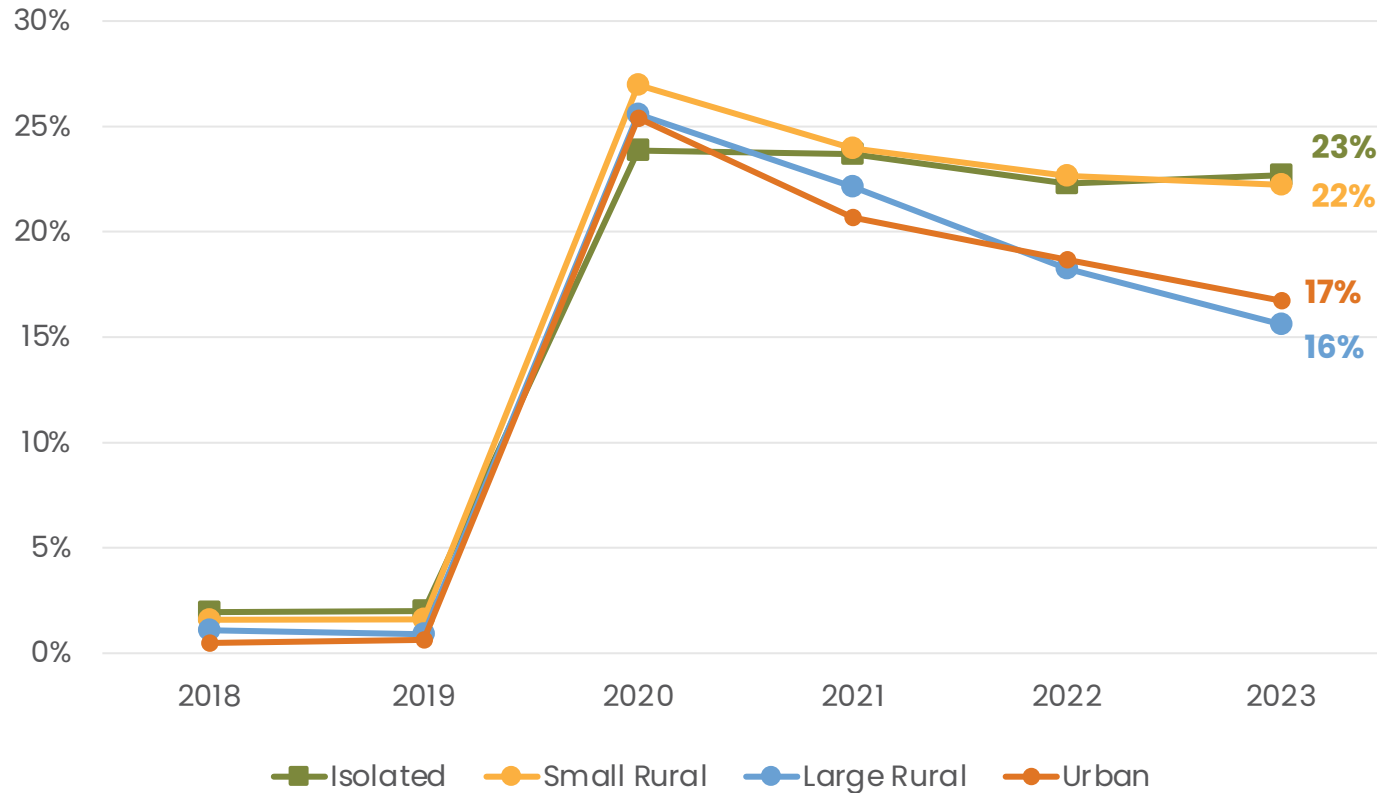
Data & Sources

The use of telehealth to access mental health services is critical for Medicaid members living in rural communities.

Proportion of Mental Health Services Delivered by Telehealth by Geography* (CY 2018–2023)

Legend: Isolated, Small Rural, Large Rural, Urban

Endpoint labels: 23%, 22%, 17%, 16%

Telehealth can play an important role in increasing access to health care services in remote areas with limited availability of specialty care providers. Telehealth is particularly critical in supporting the delivery of mental health services in rural Montana. In 2019, there was only one practicing psychiatrist and one adult community mental health center in the eastern third of the state.

The use of telehealth for mental health services fundamentally shifted during the COVID-19 pandemic. Across the state, utilization remains structurally higher than pre-pandemic levels. However, while the use of telehealth for mental health services decreased between 2020 and 2023 (25% to 17%) in urban centers, the proportion of mental health services delivered by telehealth remains near 2020 levels in the most geographically isolated areas of the state (24% to 23%), pointing to sustained access to behavioral health services for rural communities.

*Rural/urban definitions are from the University of Washington Rural Health Research Center's RUCA Census data crosswalk. "Urban" areas include zip codes surrounding Billings, Helena, and Missoula.

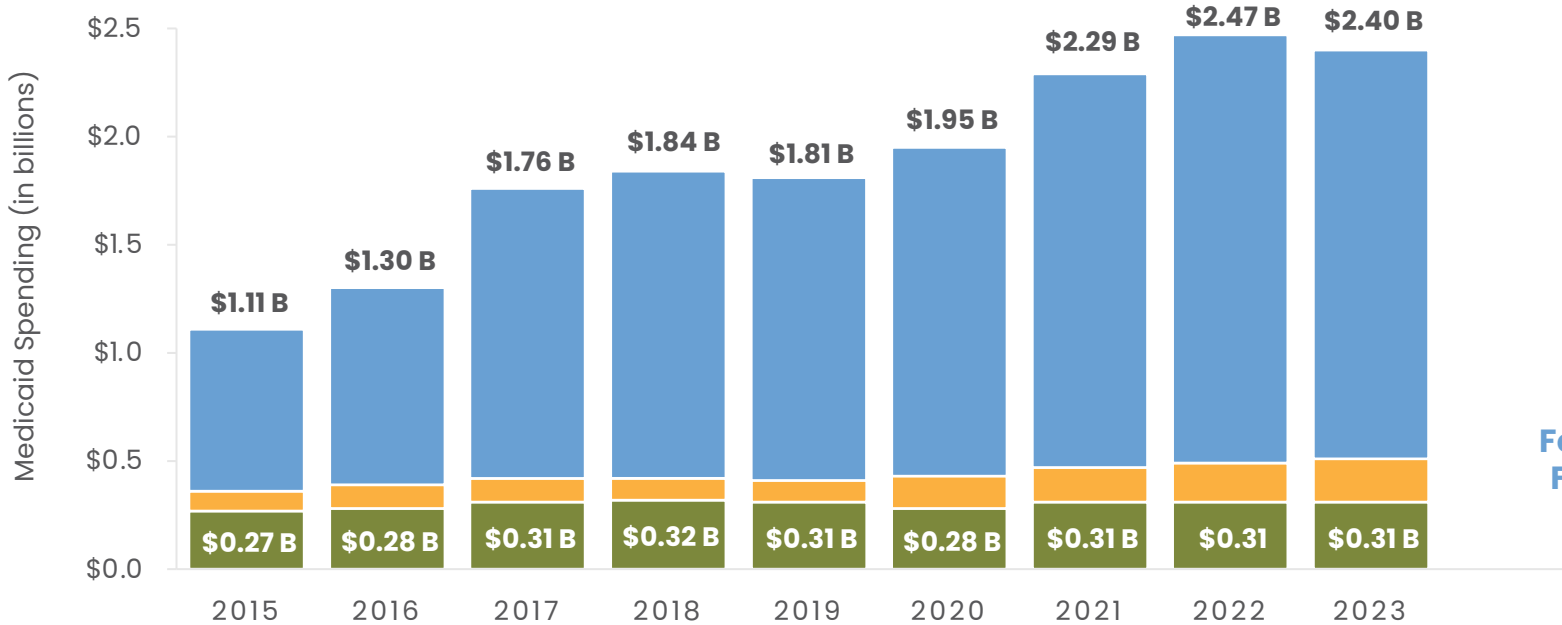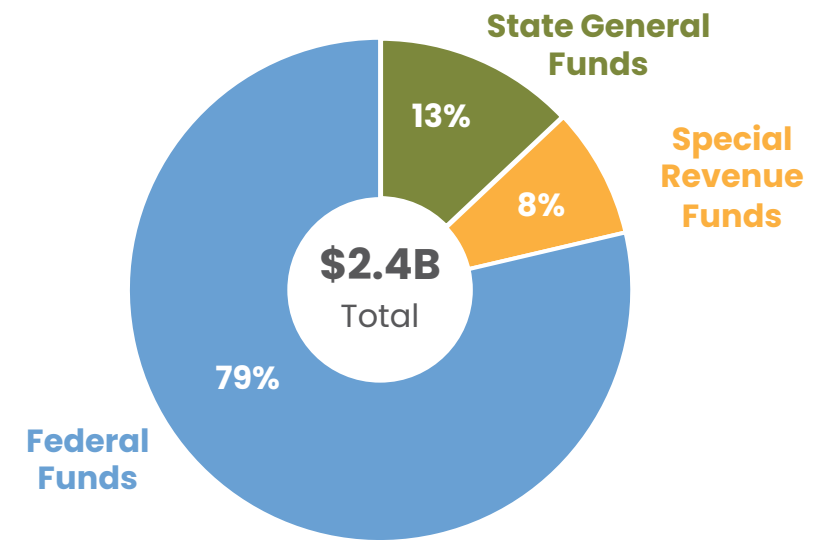Data & Sources

Medicaid in Montana – April 2024

Medicaid Spending

The federal government reimburses Montana for approximately 80% of Medicaid spending each year.

Spending on Montana Medicaid (SFY 2015-2023)


Montana Medicaid Budget (SFY 2023)

In SFY 2023, Montana's Medicaid budget was $2.40 billion, 79% of which ($1.89 billion) was reimbursed by the federal government. Like other states, Montana's total Medicaid spending has increased over time. The federal government reimbursed almost all new spending, mainly due to a high reimbursement rate – or Federal Medical Assistance Percentage (FMAP) – for the Medicaid expansion population. State general fund spending on Medicaid, however, has remained stable. In 2015, before Medicaid expansion, state general fund expenditures were approximately $270 million. Since Medicaid expansion, state general fund expenditures have ranged from $280 million to $320 million annually. In addition to state general funds, Montana uses special revenue funds, including assessments and fees restricted to Medicaid, to fund the state share of Medicaid. Since 2019, special revenue funds have included a hospital utilization fee to partially fund the cost of Medicaid expansion.

__Data & Sources__

Medicaid consistently accounts for approximately 13% of Montana's state general fund spending.

Medicaid as a Percentage of State General Fund Spending (SFY 2015–2022)
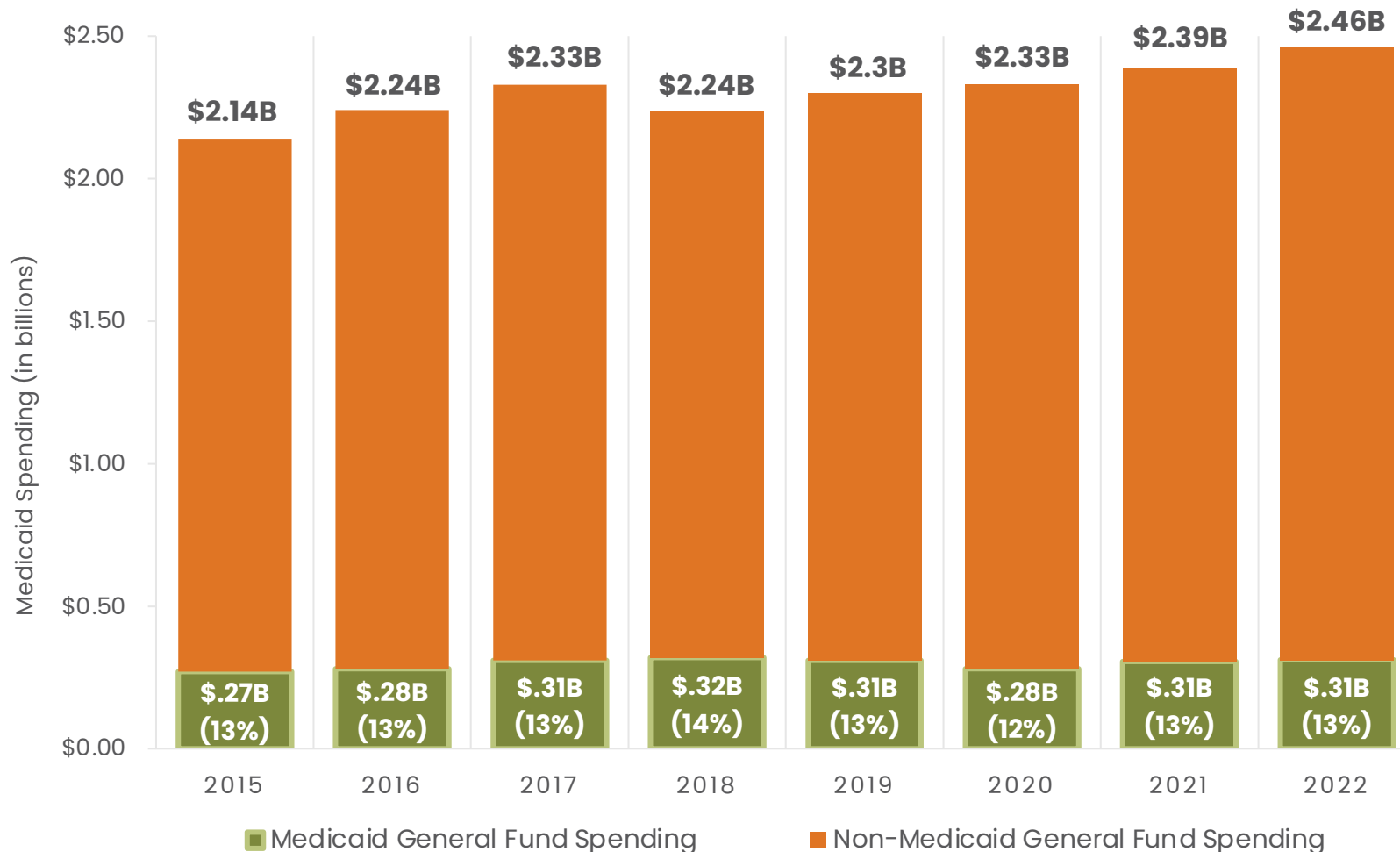
Medicaid spending has accounted for approximately 13% of Montana's state general fund spending each year between SFY 2015 – before Medicaid expansion – and 2022.

Increases in state general fund spending on Medicaid between 2015 and 2022 were generally proportional with overall general fund spending increases on other non-Medicaid programs including education, transportation, public welfare, and corrections.

■ Medicaid General Fund Spending   ■ Non-Medicaid General Fund Spending

<u>Data & Sources</u>

Seniors and individuals with disabilities comprise only 13% of Medicaid enrollment but account for 35% of expenditures.

Medicaid Enrollment and Spending by Population Group* (SFY 2022)

Children + Adults
(Including Expansion Adults)

Enrollment — 87%

Spending — 65%

Seniors**
13% · 5%

Individuals With Disabilities
22% · 8%
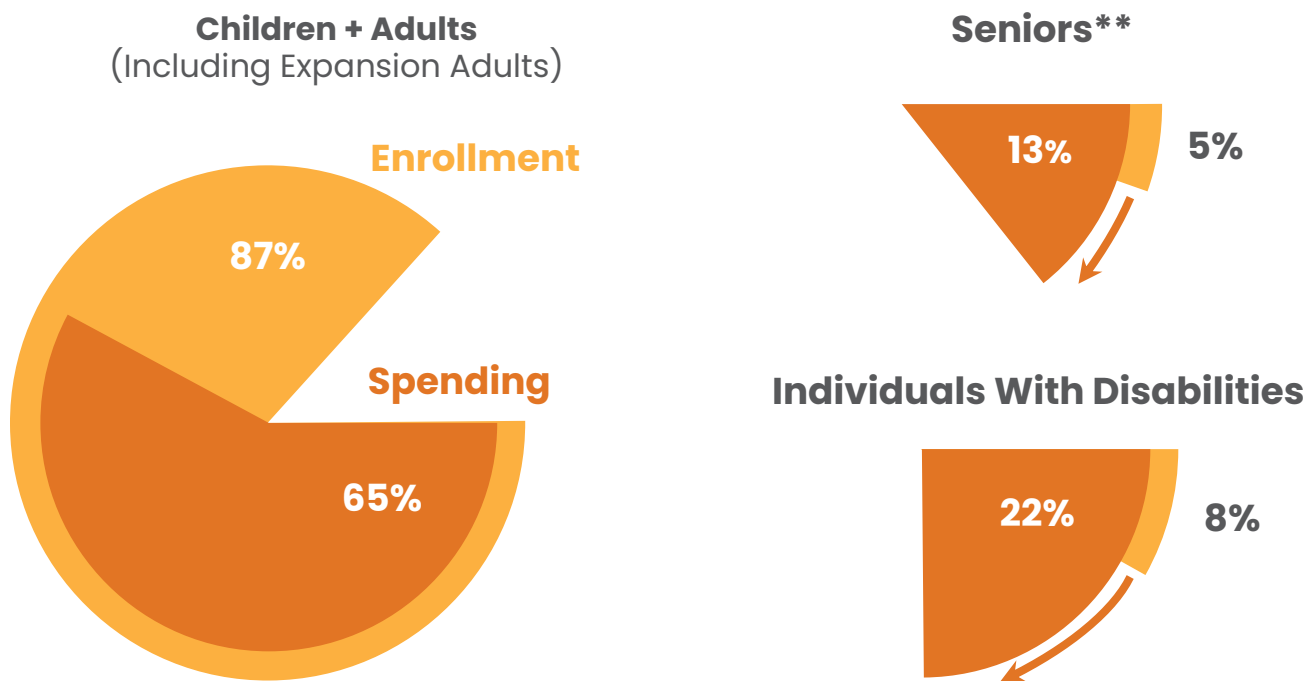
Medicaid spending varies by age group and disability status. Nondisabled children and adults comprise most of Medicaid enrollment (87%) but contribute to a lower proportion of Medicaid spending (65%).

Seniors and individuals with disabilities, on the other hand, often require high-intensity and high-cost services to support their daily living. In 2021, seniors and individuals with disabilities comprised only 13% of Medicaid enrollment but accounted for 35% of Medicaid spending. Similar spending patterns are observed nationally.

*Medicaid spending only, excludes Medicare spending. CHIP spending is estimated based on aggregate budget data. Spending excludes Disproportionate Share Hospital (DSH) and supplemental provider payments. Enrollment percentages are based on member months and may not align with other values in this report.
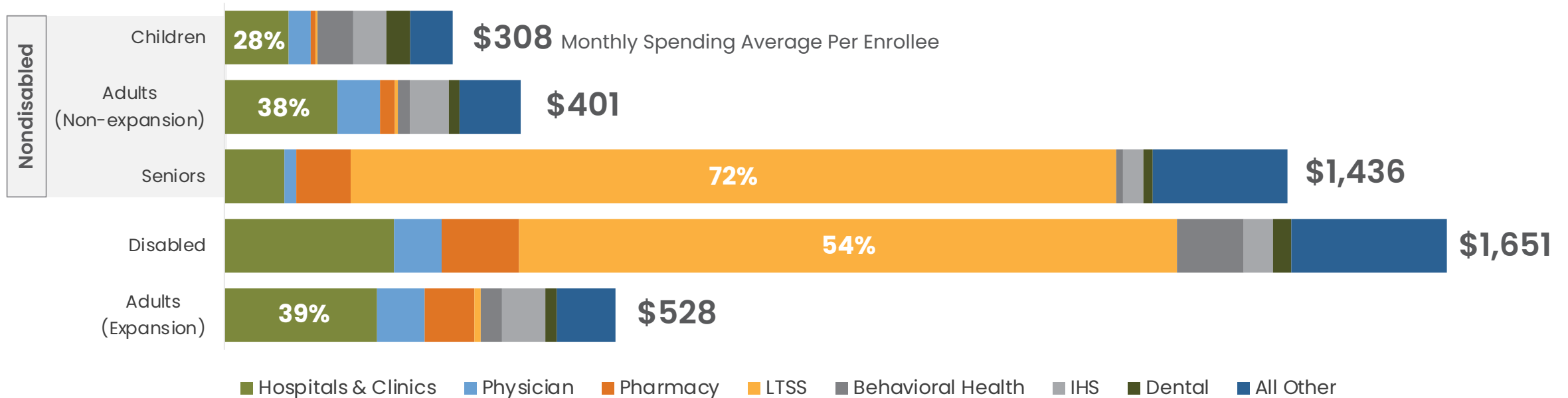
**"Individuals with disabilities" includes individuals from all age categories. "Seniors" excludes "individuals with disabilities" who are otherwise captured by the "individuals with disabilities" category.

Data & Sources

While adults and children rely on Medicaid for hospital and clinic services, seniors and people with disabilities depend on Medicaid for expensive long-term services and supports that are not otherwise covered by Medicare.

Average Enrollee Spending per Month by Population Group and Service Category* (SFY 2022)

Nondisabled

Children	28%	**$308** Monthly Spending Average Per Enrollee
Adults (Non-expansion)	38%	**$401**
Seniors	72%	**$1,436**
Disabled	54%	**$1,651**
Adults (Expansion)	39%	**$528**

Legend: ■ Hospitals & Clinics ■ Physician ■ Pharmacy ■ LTSS ■ Behavioral Health ■ IHS ■ Dental ■ All Other

Many seniors and people with disabilities rely on Medicaid for long-term services and supports (LTSS), including nursing home care and home and community-based services that are not otherwise covered by Medicare. In 2022, nearly three-quarters of Medicaid spending on seniors and more than half of Medicaid spending on people with disabilities was for LTSS. Medicaid spending on children and adults, including expansion adults, remains more concentrated on hospital and clinic services.

*Medicaid spending only (excludes Medicare and CHIP).   **Workers with disabilities who meet eligibility criteria are permitted to "buy in" to Medicaid coverage.
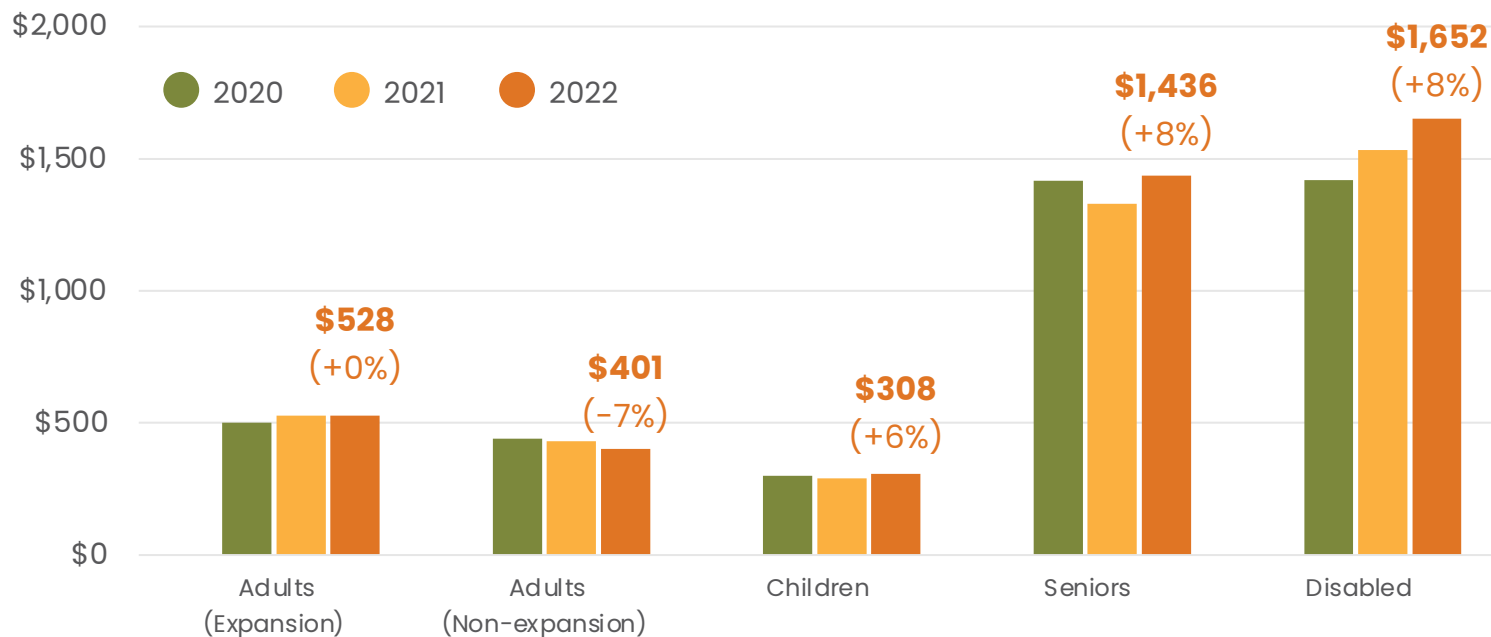
<u>Data & Sources</u>

In 2022, average monthly Medicaid spending increased for children, seniors and people with disabilities.

Per-capita health care costs increase over time due to rising drug prices, increased service costs, and other external factors. Nationally, per-person spending on health care increased by 26% between 2010 and 2022.*

In Montana, total Medicaid spending increased between 2021 and 2022 as program enrollment grew. Average monthly spending per member also increased for some groups, including children (+6%), seniors (+8%), and people with disabilities (+8%). On the other hand, average monthly spending for adults decreased (non-expansion adults) or remained constant (expansion adults) between 2021 and 2022, despite increases in enrollment.

*Using inflation-adjusted dollars.

## Average Monthly Medicaid Spending per Member (SFY 2020-2022)

Legend: ● 2020 ● 2021 ● 2022

Adults (Expansion): $528 (+0%)
Adults (Non-expansion): $401 (−7%)
Children: $308 (+6%)
Seniors: $1,436 (+8%)
Disabled: $1,652 (+8%)

Medicaid Spending (Average PMPM)				Change (2021-2022)	
	2020	**2021**	**2022**	**Total**	**Change (%)**
Adults (Expansion)	$500	$528	$528	$0	0%
Adults (Non-expansion)	$441	$431	$401	-$30	−7%
Children	$301	$290	$308	+$18	+6%
Seniors	$1,416	$1,329	$1,436	+$107	+8%
Disabled	$1,419	$1,533	$1,652	+$119	+8%

Data & Sources

Medicaid spent approximately $1.95 billion to support patient care in 2022, with more than 25% of payments going to hospitals and clinics.

In 2022, approximately $1.95 billion was paid to health care providers to support care for members, the majority of which was reimbursed by the federal government. Overall spending grew in 2022 compared to 2021 as Medicaid enrollment increased and Montana maintained continuous coverage for members during the public health emergency. Consistent with previous years and national trends, most payments went to hospitals and clinics (28%) and LTSS (22%).
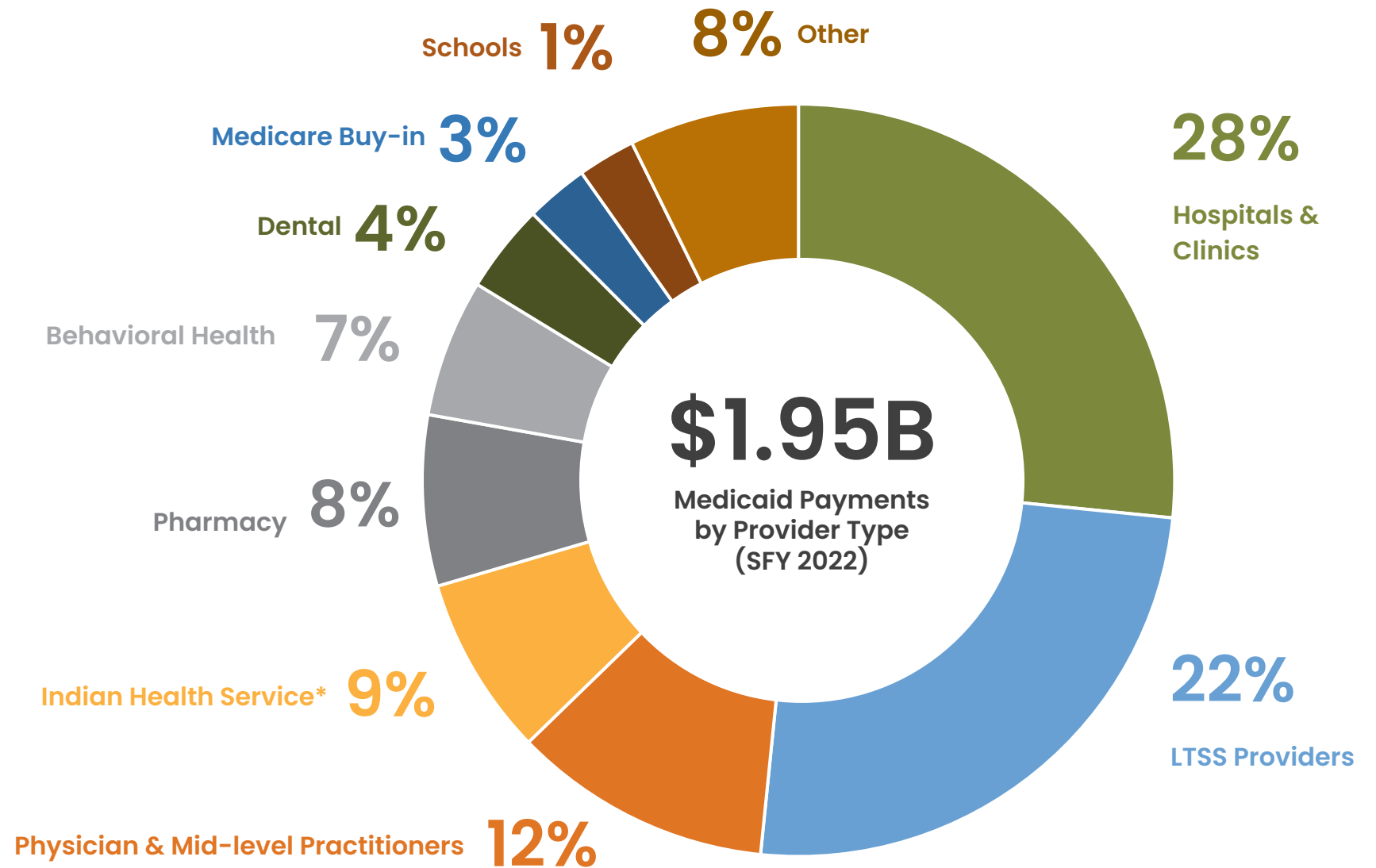
*Includes Indian Health Service and pharmacy spending, and other tribal spending; does not include urban Indian center reimbursement .

$1.95B
Medicaid Payments by Provider Type (SFY 2022)

Schools **1%**

8% Other

Medicare Buy-in **3%**

Dental **4%**

Behavioral Health **7%**

Pharmacy **8%**

Indian Health Service* **9%**

Physician & Mid-level Practitioners **12%**

28% Hospitals & Clinics

22% LTSS Providers

Data & Sources

Medicaid in Montana – April 2024

27

Medicaid spending increased for most provider types between SFY 2021 and 2022.

Medicaid Payments by Provider Type (SFY 2020-2022, Percent Change SFY 2021-2022)

In 2022, Medicaid spending increased for most provider types as enrollment increased and individuals returned to care following the COVID-19 pandemic. Spending on the Indian Health Service (IHS) increased significantly between 2021 and 2022 after experiencing a decline in the previous period. Only provider payments for behavioral health services decreased between 2021 and 2022 (-2%). Payment increases may have been driven by increased per-capita spending for seniors and individuals with disabilities enrolled in Medicaid.
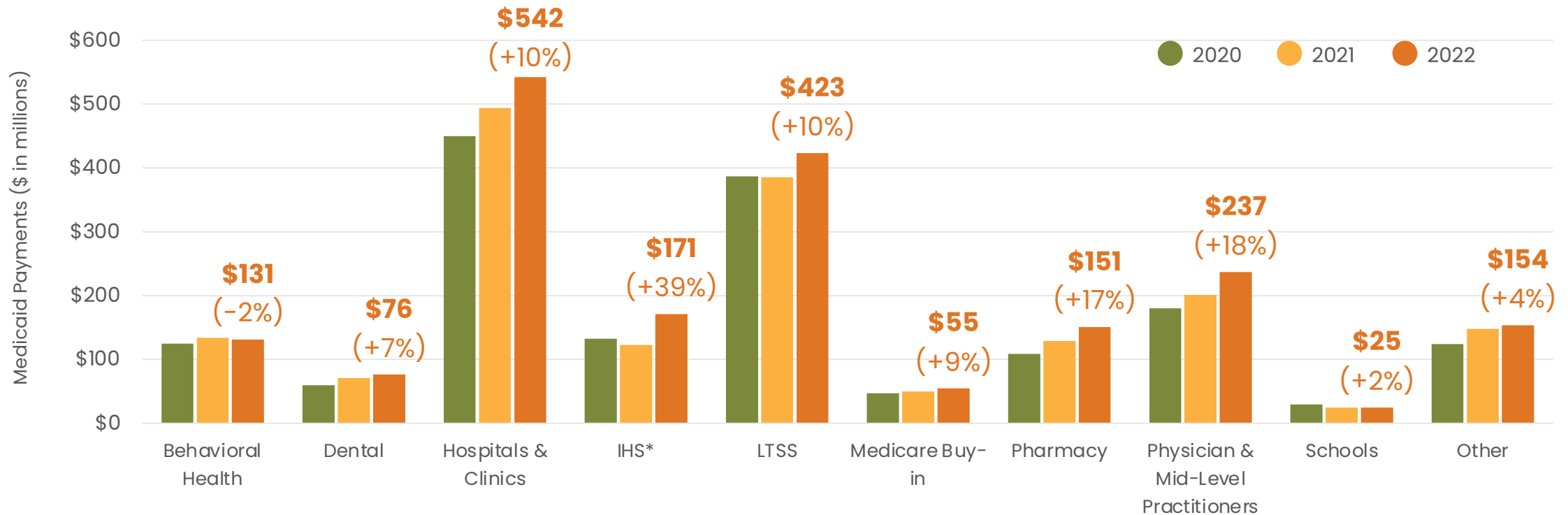
*IHS includes Indian Health Services and pharmacy spending, and other tribal spending; does not include urban Indian center reimbursement .

<u>Data & Sources</u>

The Impact of Medicaid Expansion

In 2016, the Health and Economic Livelihood Partnership Act expanded Medicaid to cover adults with low income.

In 2015, Montana passed the HELP Act. Effective January 1, 2016, the HELP Act expanded Medicaid eligibility to include adults with incomes up to 133% of the federal poverty level ($19,391 for a single adult in 2023*). Through Medicaid expansion, Montana has been able to:

Expand Health Care Coverage. Implementing Medicaid expansion has reduced uninsured rates, providing coverage to 110,000 adults with low income on average in 2023.

Improve Access to Health Services and Health Outcomes. Medicaid expansion improves access to health care, including preventive services and care for chronic conditions. Over time, Montanans enrolled in Medicaid expansion experience reduced use of intensive and costly ED services for preventable conditions.

Control Health Care Costs. Medicaid expansion has made new federal dollars available to supplement Montana's existing Medicaid funding, helping generate state budget savings.

Objectives of the HELP Act

Expand health care coverage to additional individuals.

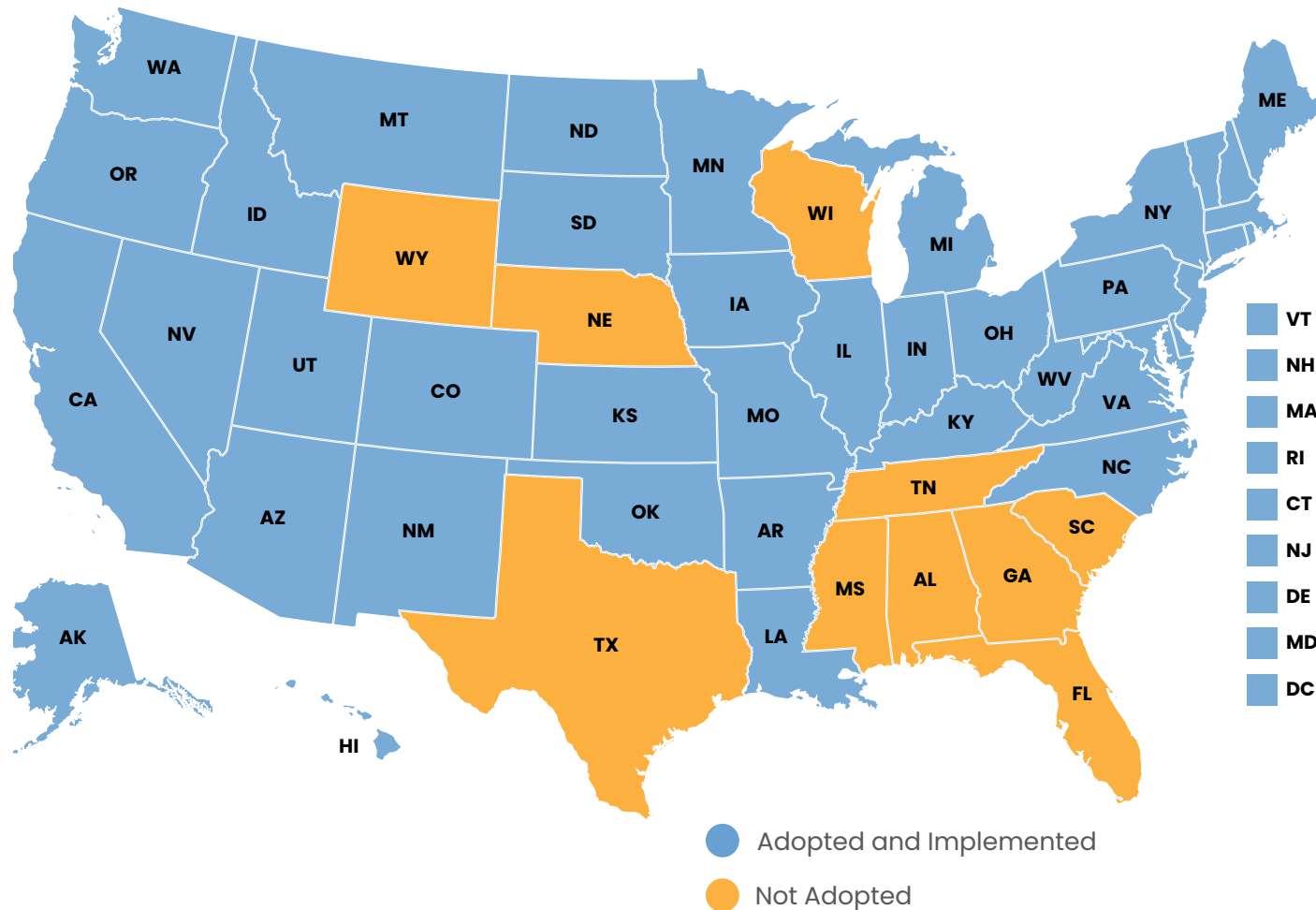**Improve access to health care services.**

Control health care costs.

*Income limits do not include a disregard equal to five percentage points of the FPL applied to the highest income limit for the group.

Data & Sources

Forty states and Washington, DC, have expanded their Medicaid programs.

Legend:
- Adopted and Implemented
- Not Adopted

As of 2023, 40 states and Washington, DC, have expanded their Medicaid programs.

States used a variety of mechanisms to authorize Medicaid expansion, including ballot initiatives, legislation, and Medicaid waivers.

Medicaid expansion is popular among the public, including in non-expansion states. Two-thirds of people in states that have not expanded Medicaid want their state's Medicaid program to expand.

In Montana, legislators approved the HELP Act in 2015, which directed the state to expand Medicaid using a Medicaid Section 1115 Waiver. Medicaid expansion was implemented beginning in 2016.

[Data & Sources](#)

In Montana, Medicaid expansion was last renewed in 2019 and will require renewal again in 2025.

2015

In April 2015, the Montana Legislature passed the bipartisan Senate Bill 405 (the HELP Act), which established Medicaid expansion in Montana beginning January 1, 2016. It described the purpose of expanding Medicaid and how the program would be administered.

2019

The original HELP Act included a "sunset clause," ending the Medicaid expansion program on June 30, 2019. In May 2019, the Legislature passed the bipartisan House Bill 658 to continue the program.

2025

The 2019 legislation also included a sunset clause, ending the program on June 30, 2025. The Legislature and governor would need to renew Medicaid expansion before this date to continue the program.
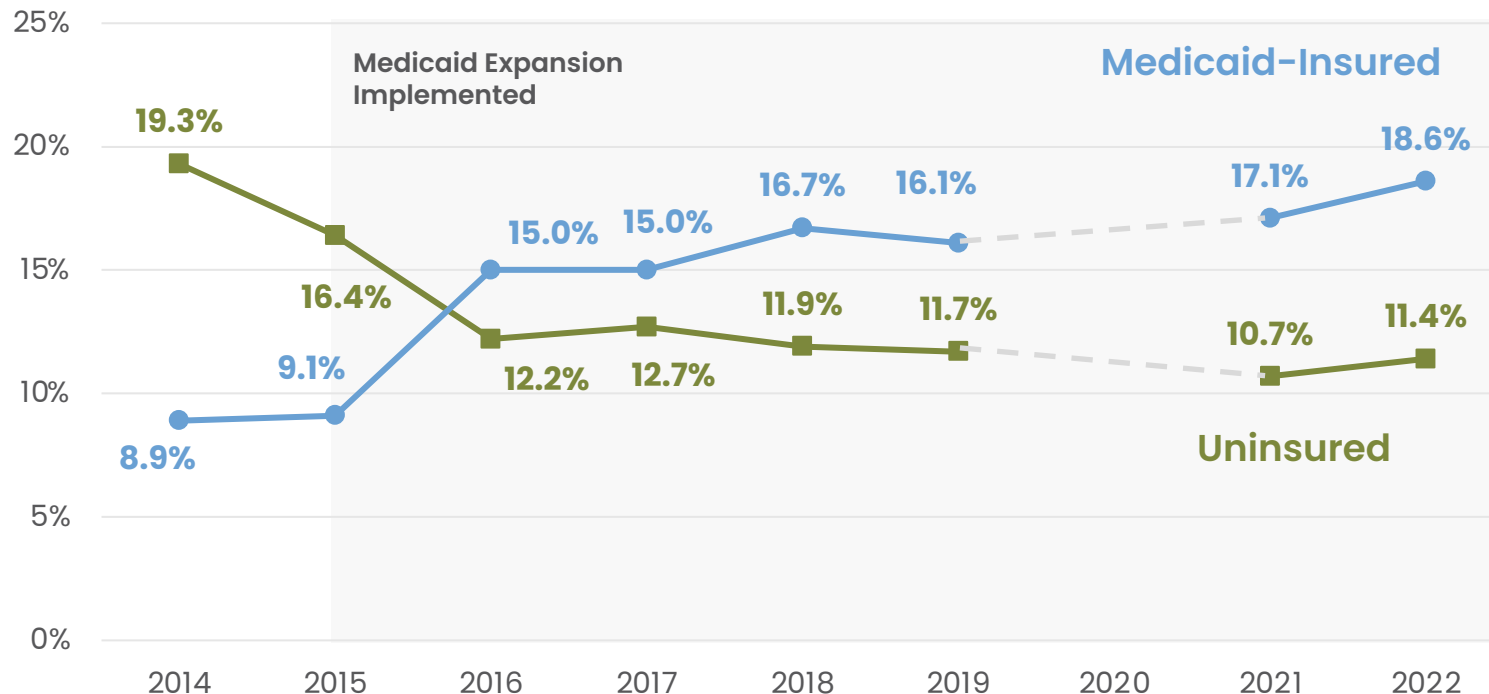
[Data & Sources](#)
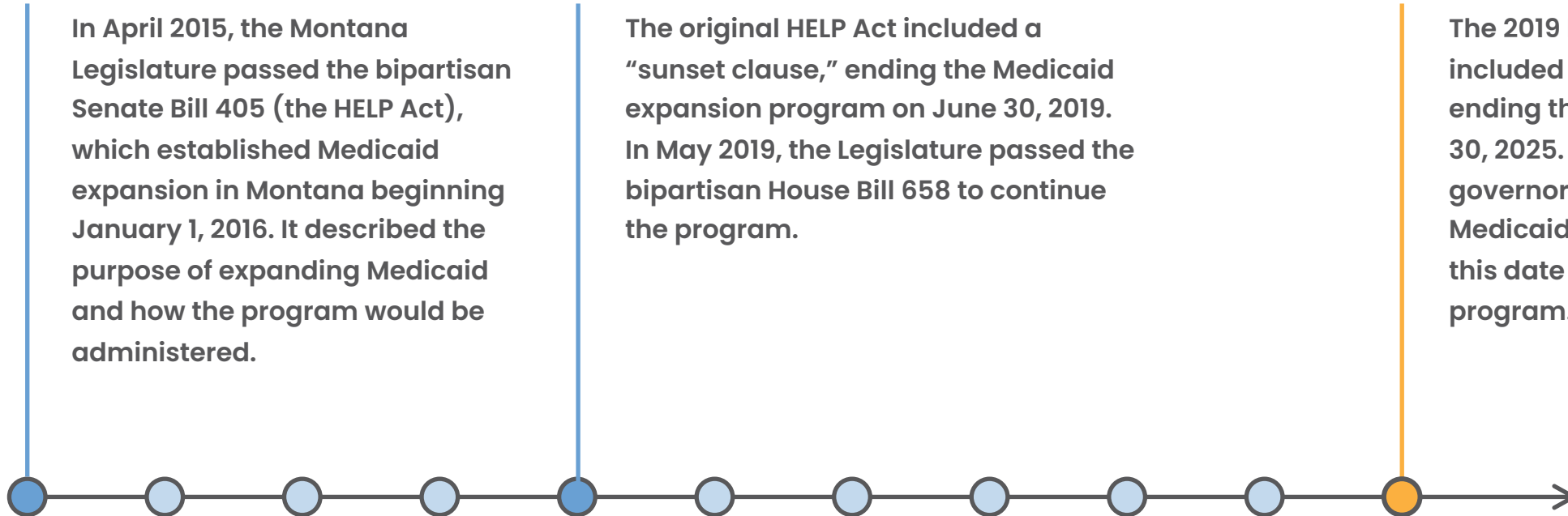
Expand Coverage

Medicaid expansion has substantially reduced the number of adults without health care coverage.

Montana Uninsured and Medicaid-Insured Rates for Adults Ages 19–64 (2014-2022*)

Medicaid Expansion Implemented

Medicaid-Insured

Uninsured

- 19.3%
- 16.4%
- 12.2%
- 12.7%
- 11.9%
- 11.7%
- 10.7%
- 11.4%
- 8.9%
- 9.1%
- 15.0%
- 15.0%
- 16.7%
- 16.1%
- 17.1%
- 18.6%

25%
20%
15%
10%
5%
0%

2014 2015 2016 2017 2018 2019 2020 2021 2022

Across the country, Medicaid expansion has been critical in reducing uninsured rates and providing access to stable health care coverage for adults with low income. Due to costs, people without health insurance are more likely to delay or forgo care. There is evidence that uninsured people are less likely than those with health care coverage to receive screenings, preventive services, and care for chronic conditions. As a result, high uninsured rates can lead to a less healthy population and higher long-term health care costs.

The uninsured rate for adults in Montana declined by more than 50% between 2013 and 2022 (23% to 11%), with uninsured rates stabilizing at 10-12% following the implementation of the HELP Act in 2016.
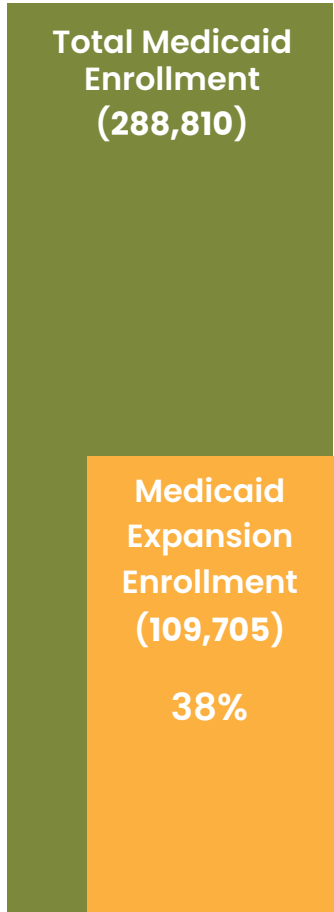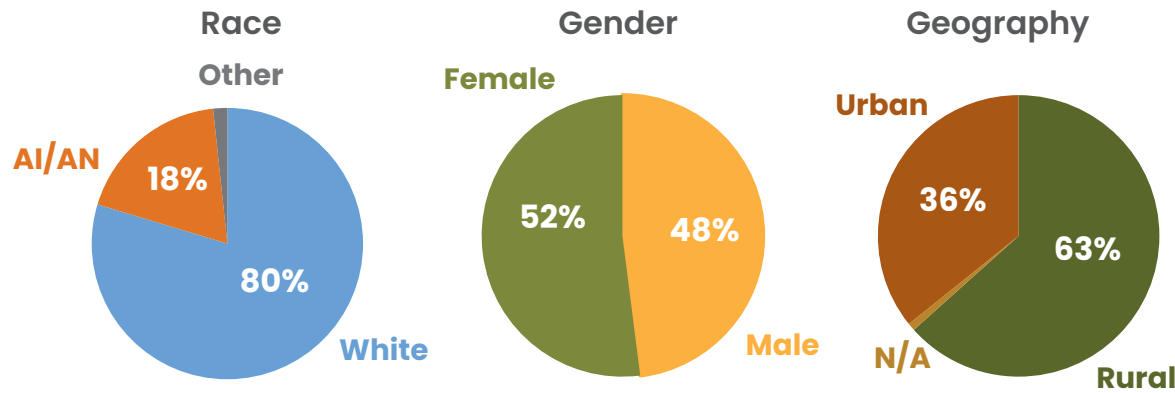
*The American Community Survey did not release the 1-year estimates for 2020 due to significant disruptions to the data collection because of the COVID-19 pandemic.
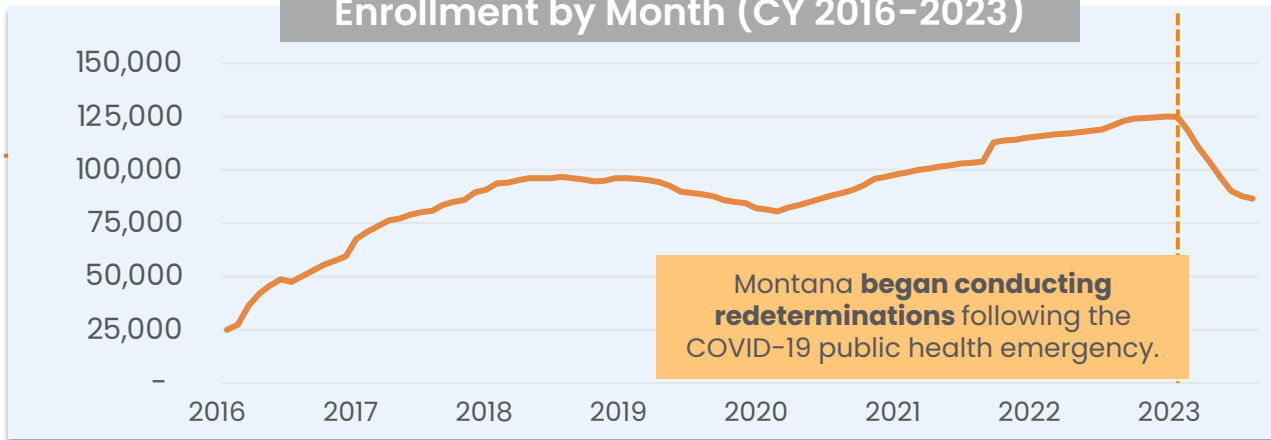
Data & Sources

Expand Coverage

Approximately four in 10 Medicaid members are enrolled through Medicaid expansion. Demographically, the expansion population is similar to the overall Medicaid population.

Medicaid Expansion Enrollee Characteristics (CY 2023)

Total Medicaid Enrollment (288,810)

Medicaid Expansion Enrollment (109,705)

38%

Race
Other
AI/AN — 18%
White — 80%

Gender
Female — 52%
Male — 48%

Geography
Urban — 36%
N/A
Rural — 63%

Enrollment by Month (CY 2016–2023)

150,000
125,000
100,000
75,000
50,000
25,000
–

2016   2017   2018   2019   2020   2021   2022   2023

Montana **began conducting redeterminations** following the COVID-19 public health emergency.

In 2023, on average, 38% of Medicaid members were enrolled through Medicaid expansion. Over time, the size of the Medicaid expansion population has fluctuated, decreasing from late 2018 into early 2020, then increasing in 2021 and 2022 as Montana, like other states, suspended redeterminations during the public health emergency. As Montana redetermined eligibility in 2023, the size of the expansion population decreased.
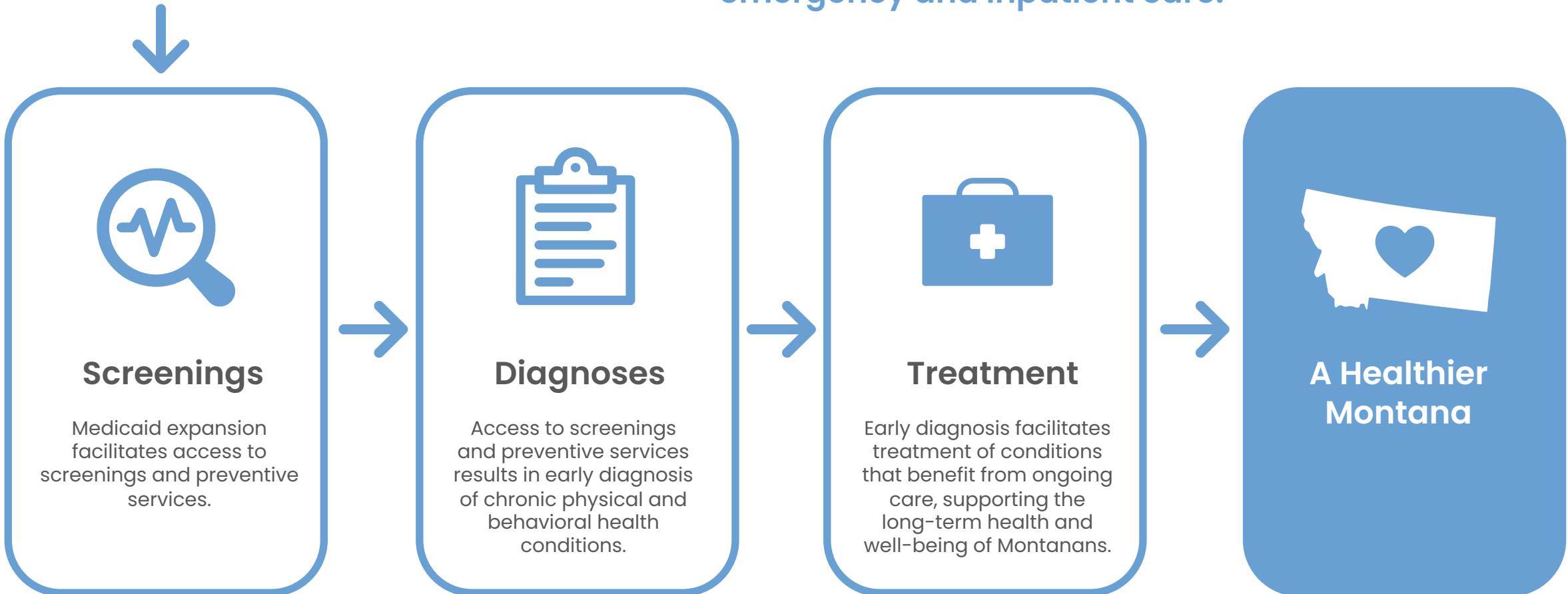
Demographically, the expansion population is similar to the overall Medicaid population, playing a particularly critical role in supporting the state's tribal and rural communities.

Data & Sources

Improve Access and Outcomes

Medicaid Expansion

Medicaid expansion facilitates access to screening and early diagnosis, which leads to better health and reduces the need for high-cost emergency and inpatient care.

Screenings

Medicaid expansion facilitates access to screenings and preventive services.

Diagnoses

Access to screenings and preventive services results in early diagnosis of chronic physical and behavioral health conditions.

Treatment

Early diagnosis facilitates treatment of conditions that benefit from ongoing care, supporting the long-term health and well-being of Montanans.
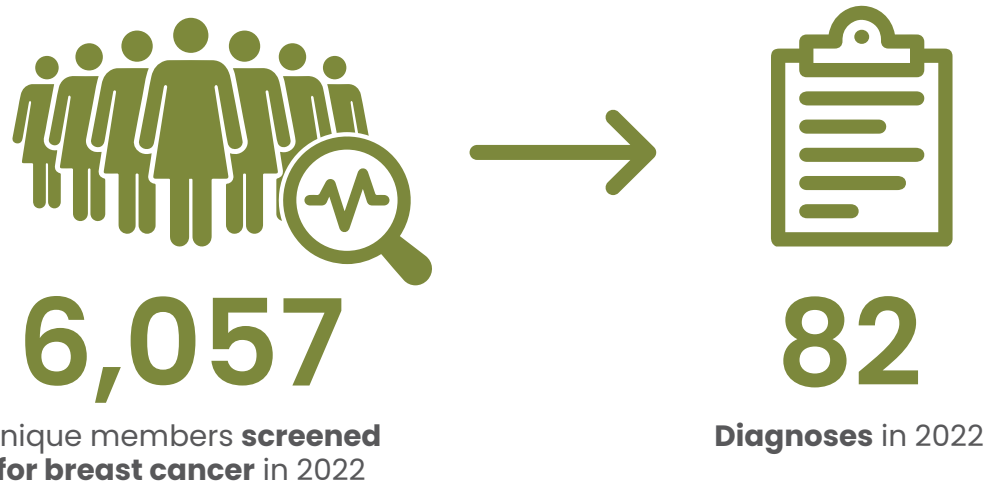
A Healthier Montana

Data & Sources

Improve Access and Outcomes

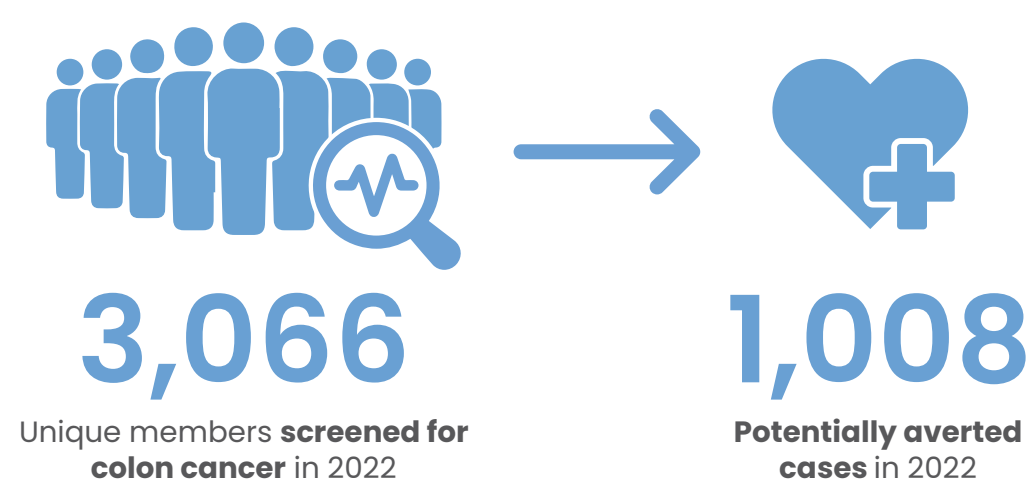# Medicaid expansion facilitates access to screenings, which means earlier diagnoses and better outcomes.

In 2022, more than 6,000 Medicaid expansion enrollees were screened for breast cancer, and more than 3,000 were screened for colon cancer. These screenings resulted in the diagnosis of 82 cases of breast cancer and 1,008 potentially averted cases of colon cancer. Like other preventive services, both screening and diagnoses of cancer continued to increase in 2022, following a drop in 2020 during the public health emergency.

Screenings → **Diagnoses**

Breast Cancer

6,057
Unique members **screened for breast cancer** in 2022

→ **82**
Diagnoses in 2022

Colon Cancer

3,066
Unique members **screened for colon cancer** in 2022

→ **1,008**
Potentially averted cases in 2022

Data & Sources

Improve Access and Outcomes

Early diagnosis means early treatment.

Access to ongoing treatment for chronic physical and behavioral health conditions supports the long-term health and well-being of Montana's population and workforce. In 2022, more than 7,100 enrollees were treated for hypertension (+342 from 2021), and 3,800 were treated for diabetes (+295 from 2021).

Diagnoses → Treatment

Expansion Diagnosis and Treatment Counts, 2022

Hypertension **4,775** + **7,150**
Newly diagnosed   Treated

Diabetes **2,559** + **3,805**
Newly diagnosed   Treated

Behavioral Health Services

Use of mental health and substance use disorder treatment continued to increase for expansion enrollees in 2022. Nearly 35,000 expansion enrollees received mental health services in 2022 (+798 from 2021), and more than 6,000 received support for substance use disorders (+374 from 2021).

34,954
Received mental health treatment in 2022

6,124
Received substance use treatment in 2022

Data & Sources

TABLE OF CONTENTS: <u>Medicaid Enrollment</u>   <u>Medicaid Service Utilization</u>   <u>Medicaid Spending</u>   The Impact of Medicaid Expansion   <u>Conclusion</u>

Improve Access and Outcomes

Medicaid expansion provides American Indians and Alaskan Natives access to care that was previously inaccessible.

IHS Purchased/Referred Care (CY 2015-2022)
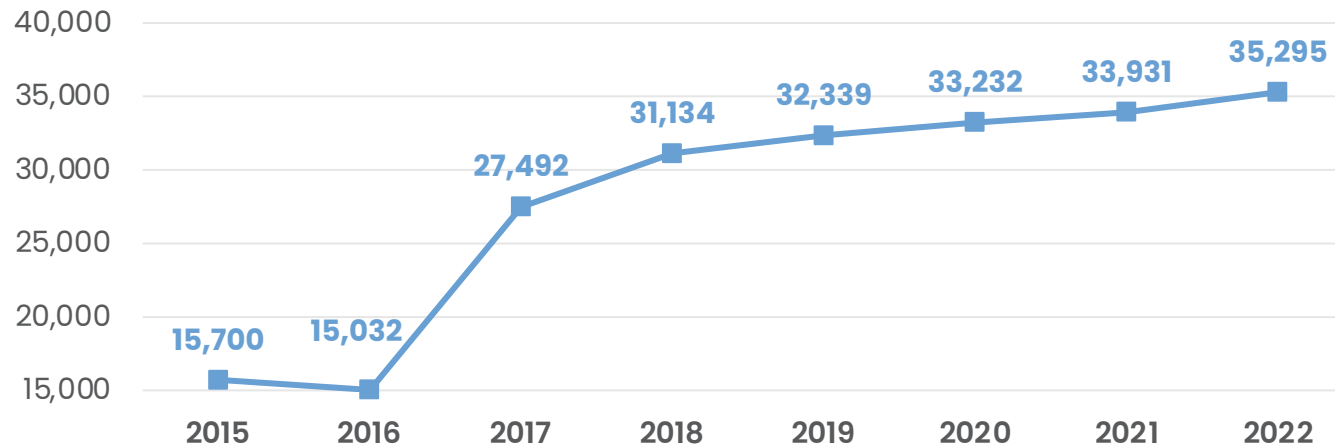
AI/AN people in Montana and nationally face significant health disparities stemming from underfunding of the health care system and longstanding challenges such as trauma, unemployment, overcrowded housing, and discrimination. **Over time, this has led to a stark health disparity: the median lifespan of American Indians in Montana is approximately 13 years shorter than that for white Montanans.**
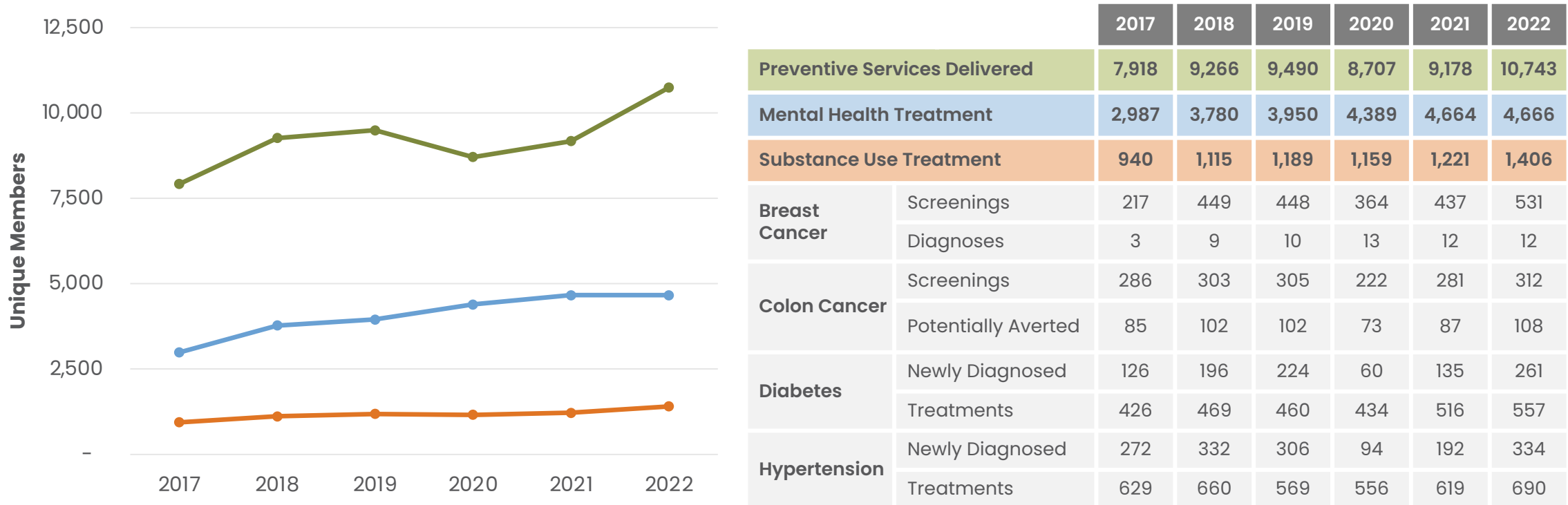
The Indian Health Service (IHS) is a federal agency that provides health services to AI/AN people in Montana directly, through tribally-operated programs, and through "purchased and referred care" (PRC). PRC provides limited reimbursement for services unavailable in an IHS or tribal facility. Before Medicaid expansion, however, PRC referrals in Montana were limited to "life or limb" emergencies because of chronic underfunding of IHS. All other care – including specialty consultation, radiology, surgeries, hospitalizations, and even cancer screening and treatment – were generally not covered by PRC and, therefore, unavailable to many AI/AN people. Medicaid expansion provided a new source of reimbursement and, in turn, reduced demand for PRC funds. PRC funds are now available for most needed services, from preventive studies such as mammograms to specialty consultations, cancer care, and surgeries. **The number of PRC referrals on limited PRC funds increased by 125% between 2015 and 2022 (from 15,700 to 35,295 referrals).** This care is delivered at no cost to the state of Montana: the federal government covers 100% of PRC costs and Medicaid costs for services delivered to AI/AN through IHS and tribal facilities.

<u>Data & Sources</u>

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Improve Access and Outcomes

Medicaid expansion has increased access to preventive services and treatment for American Indians and Alaskan Natives.

AI/AN Expansion Members Accessing Preventive Services and Treatment (CY 2017–2022)

|		2017	2018	2019	2020	2021	2022
Preventive Services Delivered		7,918	9,266	9,490	8,707	9,178	10,743
Mental Health Treatment		2,987	3,780	3,950	4,389	4,664	4,666
Substance Use Treatment		940	1,115	1,189	1,159	1,221	1,406
Breast Cancer	Screenings	217	449	448	364	437	531
	Diagnoses	3	9	10	13	12	12
Colon Cancer	Screenings	286	303	305	222	281	312
	Potentially Averted	85	102	102	73	87	108
Diabetes	Newly Diagnosed	126	196	224	60	135	261
	Treatments	426	469	460	434	516	557
Hypertension	Newly Diagnosed	272	332	306	94	192	334
	Treatments	629	660	569	556	619	690

In 2022, Medicaid expansion helped more than 10,700 AI/AN members receive preventive services—a 17% increase from 2021. Medicaid expansion also helped more than 4,600 receive mental health treatment, and more than 1,400 receive substance use disorder treatment.

Data & Sources

Improve Access and Outcomes

Early treatment supports better health outcomes among Medicaid expansion enrollees.

Medicaid Expansion Enrollees With an ED Visit by Year of Enrollment
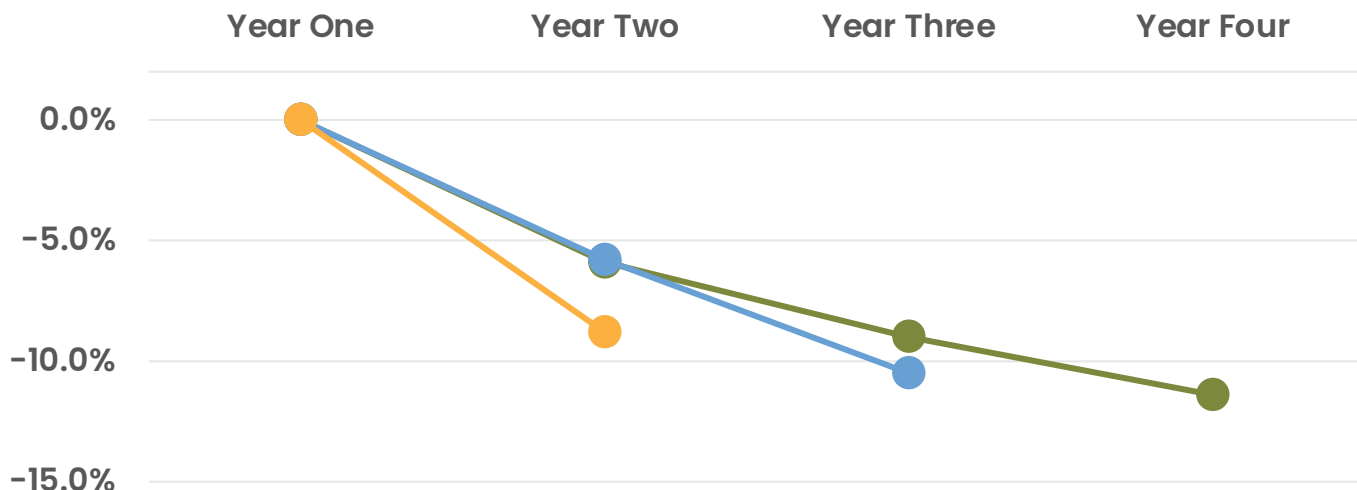
More than 44,000 Montanans were covered by Medicaid expansion for at least three full years between the program launch in January 2016 and December 2023. During their first year of enrollment, 17,576 (around 40%) of those members had at least one ED visit. **However, by their third year of enrollment, only 15,738 members visited the ED, a decline of 10.5%.** Declines in the use of the ED over time are similarly observed for people with at least two or four years of continuous coverage.

Previous reporting included members enrolled for at least two years between 2016 and March 2020 to mitigate the impact of the continuous coverage requirement in place during the public health emergency on results. The current analysis includes members enrolled for at least two years between 2016 and 2023. Recognizing some people may have been enrolled during the public health emergency but were not actively utilizing Medicaid, this analysis excludes people that did not have a Medicaid claim in each year of enrollment.

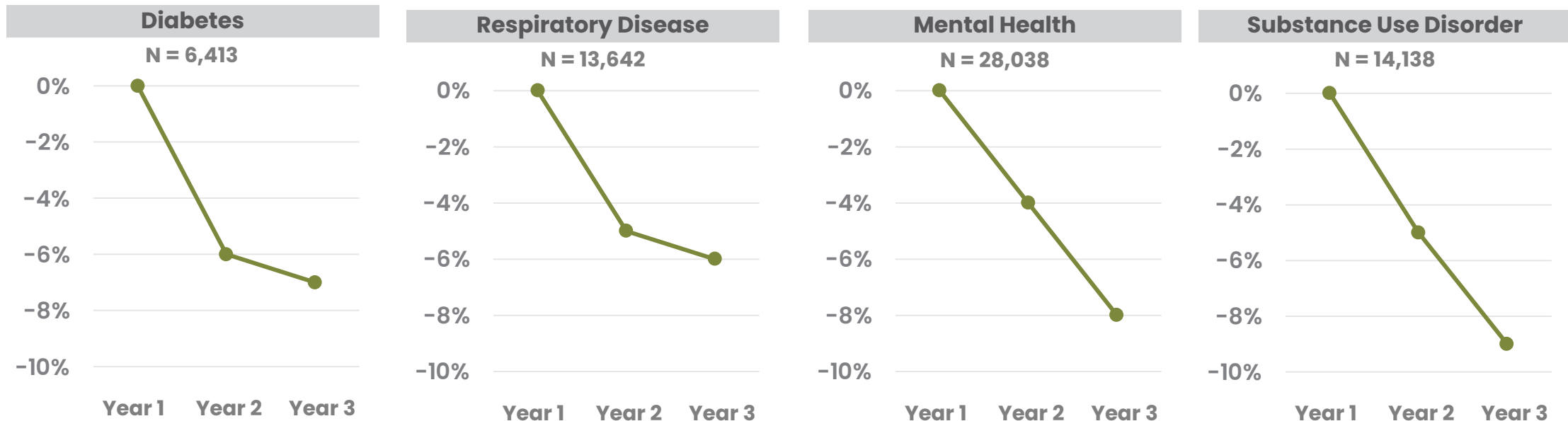| Enrollee Continuous Coverage Period	Total Pop.	People Visiting the ED				Percent Change (From Year 1)		
		Year One	Year Two	Year Three	Year Four	Year Two	Year Three	Year Four
Pop. with Two Years Continuous Enrollment	68,963	26,962	24,578			-8.8%		
Pop. with Three Years Continuous Enrollment	44,248	17,576	16,556	15,738		-5.8%	-10.5%	
Pop. with Four Years Continuous Enrollment	27,483	11,187	10,525	10,178	9,911	-5.9%	-9%	-11.4%

__Data & Sources__

Medicaid in Montana – April 2024

Improve Access and Outcomes

Medicaid expansion enrollees with chronic physical and behavioral health conditions visited the emergency department less frequently the longer they had coverage.

Ongoing access to health care services is particularly critical for Medicaid expansion enrollees with chronic physical health conditions such as diabetes and respiratory disease or behavioral health conditions such as mental illness and substance use disorders. Medicaid expansion provides access to ongoing primary care services and chronic care management that would otherwise be unattainable.

Among individuals enrolled in Medicaid expansion for at least three years between 2016 and 2023, those with diabetes, respiratory disease, and mental health and substance use disorders all visited the ED less frequently over time.* For example, in their first year of enrollment, more than 3,065 members with diabetes visited the ED. By their third year of enrollment, only 2,836 members with diabetes had an ED visit, a 7% decline.

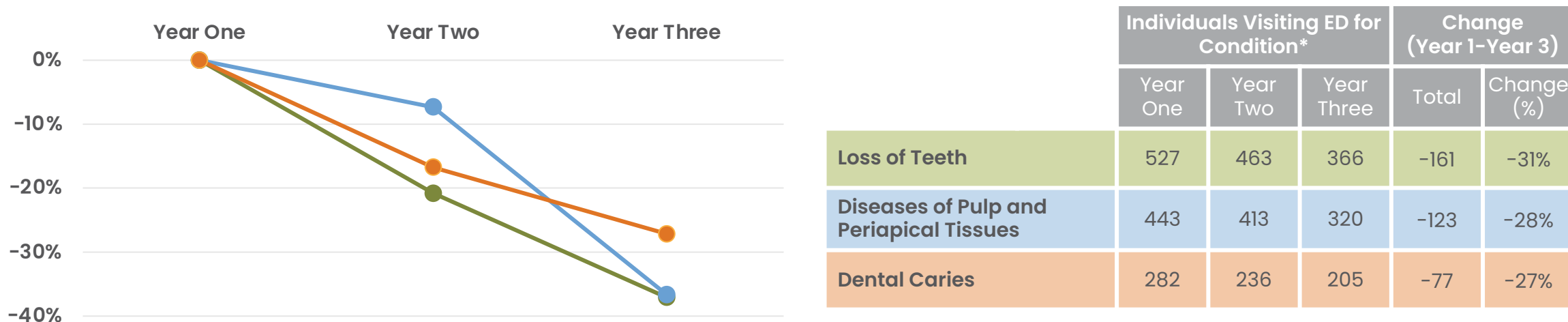## Medicaid Expansion Enrollees With an ED Visit by Diagnosed Condition and Year of Enrollment

Diabetes
N = 6,413

Respiratory Disease
N = 13,642

Mental Health
N = 28,038

Substance Use Disorder
N = 14,138

*Recorded diagnosis on claim.

[Data & Sources](#)

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Improve Access and Outcomes

Emergency department use for preventable dental conditions declined by approximately 30% for Medicaid expansion enrollees with at least three years of coverage.

Medicaid Expansion Enrollee ED Visits for Preventable Dental Conditions

	Individuals Visiting ED for Condition*			Change (Year 1-Year 3)	
	Year One	Year Two	Year Three	Total	Change (%)
Loss of Teeth	527	463	366	-161	-31%
Diseases of Pulp and Periapical Tissues	443	413	320	-123	-28%
Dental Caries	282	236	205	-77	-27%

Oral health is critical to overall health, well-being, and employability. As one national study noted, 60% of Medicaid-enrolled adults in states that did not provide dental coverage reported that the appearance of their mouth and teeth affected their ability to interview for a job, nearly double those reporting similarly in states that provided dental coverage (35%).

Montana is one of 39 states that cover dental services for Medicaid members, including exams, cleanings, fillings, and dentures. Medicaid coverage of dental services provides a pathway for dental treatment outside of expensive, often more acute, ED visits. **For Medicaid expansion members,* ED use for preventable dental conditions, including loss of teeth and diseases of pulp and periapical tissues, declined by approximately 30% over three years.**

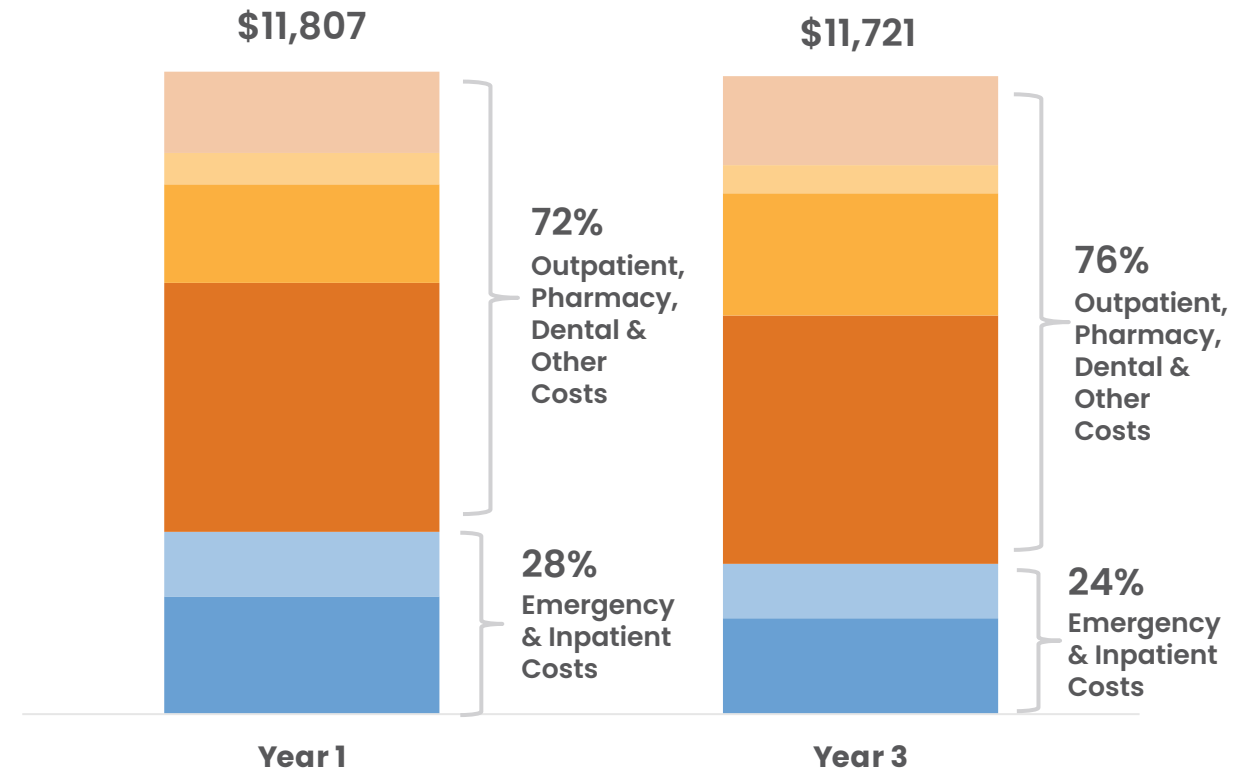*Members with at least three years of continuous Medicaid expansion enrollment between January 2016 and December 2023.

<u>Data & Sources</u>

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Improve Access and Outcomes

Among members enrolled in Medicaid expansion for at least three years, costs shifted from emergency and inpatient care to less intensive outpatient services and pharmacy costs.

Sustained access to Medicaid coverage can lead to lower per-member costs as members rely less on expensive emergency and inpatient care and more on cost-effective outpatient services. On average, Medicaid expansion members enrolled for at least three years had $11,807 of health care costs in their first year of coverage. **By their third year of coverage, average per-member costs were $11,721, a decline of 1%.** The composition of health care costs for members also shifted over time, with costs becoming more concentrated in outpatient, pharmacy, and dental services rather than emergency and inpatient services.

Service Type	Year One	Year Three	% of Total (Y1)	% of Total (Y3)
Total Costs	**$11,807**	**$11,721**	**100%**	**100%**
Emergency Costs*	$2,162	$1,761	18%	15%
Inpatient Costs	$1,189	$1,002	10%	9%
Outpatient, Clinics and Specialty Services Costs**	$4,573	$4,555	39%	39%
Pharmacy Costs	$1,806	$2,246	15%	19%
Dental Costs	$582	$521	5%	4%
Other Costs (e.g., labs)	$1,496	$1,636	13%	14%

*Includes emergency department and emergency inpatient costs.   **Includes hospital outpatient, primary care, physician, clinic, and IHS costs.
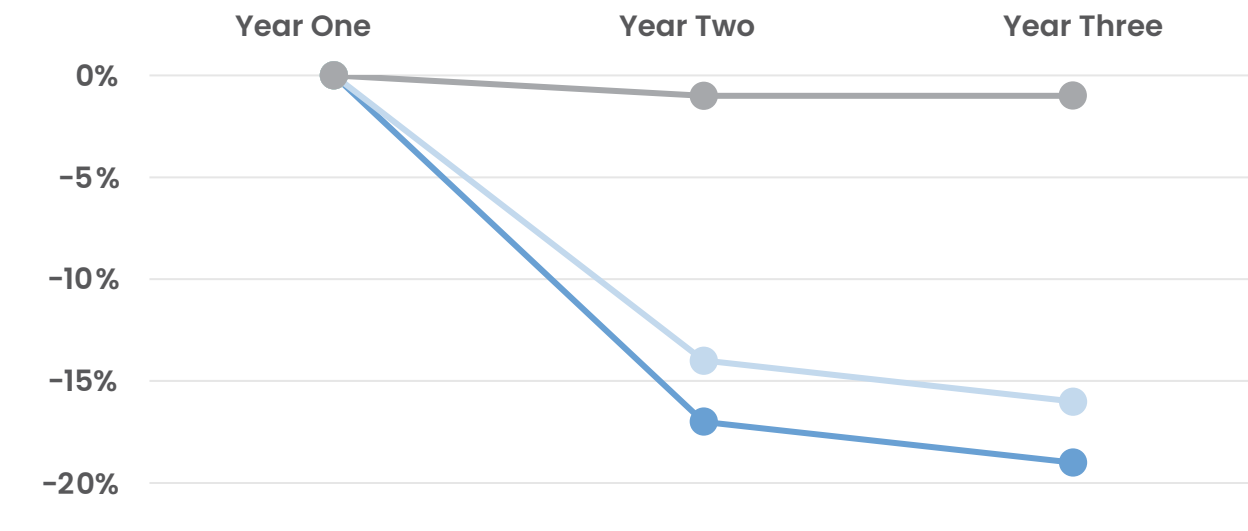^Total health care costs are higher compared to previous reporting following methodology changes.

Average Medicaid Expansion Enrollee Health Care Costs by Service Type and Year of Enrollment^

$11,807

$11,721

72% Outpatient, Pharmacy, Dental & Other Costs

76% Outpatient, Pharmacy, Dental & Other Costs

28% Emergency & Inpatient Costs

24% Emergency & Inpatient Costs

Year 1   Year 3

<u>Data & Sources</u>

TABLE OF CONTENTS: <u>Medicaid Enrollment</u>   <u>Medicaid Service Utilization</u>   <u>Medicaid Spending</u>   **The Impact of Medicaid Expansion**   <u>Conclusion</u>

Improve Access and Outcomes

Per-member health care spending on emergency and inpatient services decreased significantly the longer individuals were enrolled in Medicaid expansion.

Average Medicaid Expansion Enrollee Emergency and Inpatient Costs by Year of Enrollment

Among Montanans covered by Medicaid expansion for at least three full years between January 2016 and December 2023, on average, members had $3,289 in emergency and inpatient costs during their first year of enrollment. **By the third year of enrollment, however, emergency and inpatient costs dropped to $2,692 per enrollee, a decline of more than 18%.** While emergency and inpatient costs declined, outpatient and pharmacy costs increased. This indicates that improved access to the ongoing primary care and medications needed to manage their health conditions may help reduce reliance on higher-cost emergency and hospital services.

	Average Costs Per Enrollee			Percent Change (From Year 1)	
	Year One	**Year Two**	**Year Three**	**Year Two**	**Year Three**
Total Costs	$11,807	$11,668	$11,721	-1%	-1%
Emergency Costs*	$2,162	$1,805	$1,761	**-17%**	**-19%**
Inpatient Costs	$1,189	$1,021	$1,002	**-14%**	**-16%**
Outpatient, Clinic, and Specialty Services Costs**	$3,308	$3,339	$3,337	**1%**	**1%**
Pharmacy Costs	$1,209	$1,411	$1,526	**17%**	**26%**
Dental Costs	$521	$510	$436	**-2%**	**-16%**
Other Costs (e.g., labs)	$1,103	$1,147	$1,169	**4%**	**6%**

*Includes ED and emergency inpatient costs.
**Includes hospital outpatient, primary care, physician, clinic, and IHS costs.
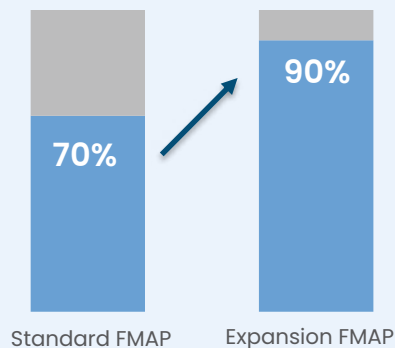
<u>Data & Sources</u>

Control Costs

The HELP Act, including Medicaid expansion, generated direct state budget savings of more than $28 million in SFY 2023.

$14.7M

Expansion Provides Montana With Higher Federal Match Rates for Some Existing Medicaid Populations

Individuals who were or would otherwise be covered by "traditional" Medicaid at a lower federal match rate (70% in SFY 2023) are now covered in the expansion group at a higher federal match rate (90%), with Montana saving the difference.

$13.8M

The HELP Act Provides Federal Dollars That Replace State Spending for Some Services and Populations

Montana previously used state general funds to pay for health care programs that are now paid for through federal Medicaid dollars or at Medicaid rates, at least partially, allowing the state to allocate its limited budget to other priorities.

$28.5M
State Budget Savings Pathways and Estimated Savings Amounts (SFY 2023)

$6.0M
Some pregnant women

$5.4M
Enrollees with previous coverage under a waiver

$2.7M
Medically needy

$0.6M
Some individuals formerly eligible for breast & cervical cancer program

$11.5M**
Inmate treatment savings

$1.7M
Mental health services program

$0.6M
Substance use disorder treatment

A 2023 report from the Montana Healthcare Foundation and the Headwaters Foundation estimates that **direct and indirect budget savings from Medicaid expansion offset between 59% and 83% of the expected state share of expansion costs.**

70%
Standard FMAP

90%
Expansion FMAP

*Held at SFY21 estimates.
**Note: Savings estimates are based on assumptions held from 2021. Estimates are particularly challenging given the unprecedented changes during the public health emergency.
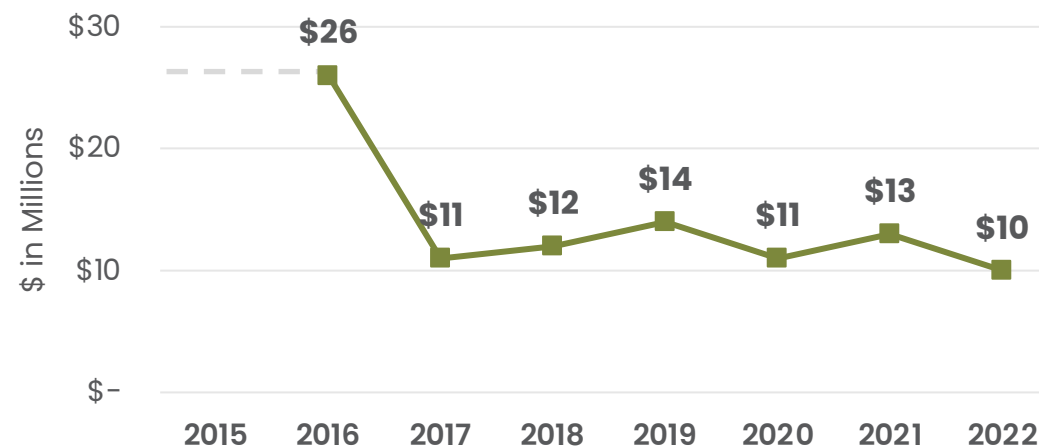
<u>Data & Sources</u>

Control Costs

Medicaid expansion reduced the financial burden of uncompensated care for hospitals, including critical access hospitals.

Montana Hospital Uncompensated Care Costs (CY 2015-2022)*
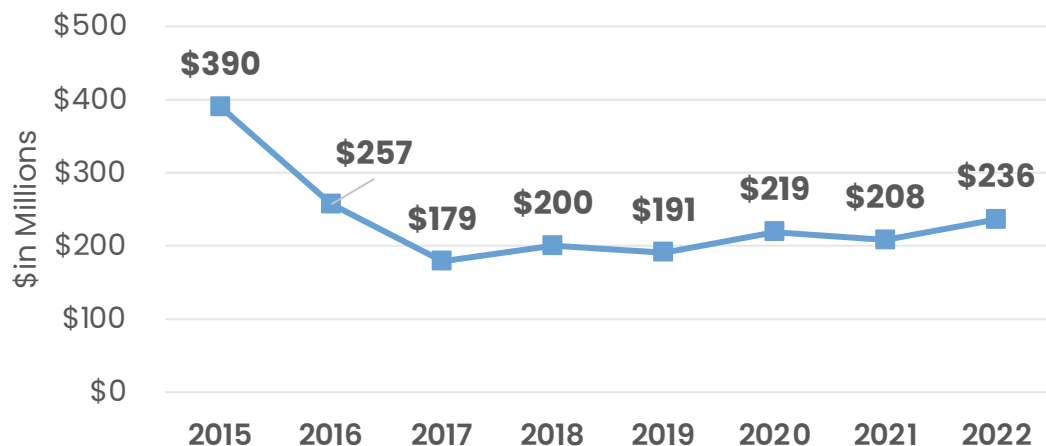
Montana Critical Access Hospitals Uncompensated Care Costs* (CY 2016-2022)**

Before Medicaid expansion, many uninsured people were unable to pay their medical bills, resulting in uncompensated care costs for hospitals. Medicaid expansion provided many previously uninsured people with a stable source of coverage and a reliable payment source for medical claims. Reducing uncompensated care costs is particularly important for critical access hospitals (CAHs). Nationally, rural hospitals located in non-expansion states have lower median operating margins than those in expansion states. Between 2016 and 2020, 72 rural hospitals closed nationwide. Since the expansion, Montana's CAHs have seen an increase in Medicaid reimbursement and a decrease in uncompensated care costs, improving their financial positions and allowing them to remain financially viable and continue serving as critical points of health care for rural Montanans. **No rural hospitals in Montana have closed since Medicaid expansion passed, and uncompensated care costs for CAHs declined by 59% (more than $15 million) between 2016 and 2022.**

*Data provided by the Montana Hospital Association and sourced from the American Hospital Association (AHA) Annual Survey of Hospitals, which includes approximately 80% to 85% of Montana hospitals.

**2015 data not available for CAHs. Previous reporting included both CAHs and Rural Health Clinics (RHCs).

Data & Sources

Control Costs

Medicaid expansion has brought new funding to support historically underfunded Indian Health Service and tribal health facilities at no cost to Montana.

Medicaid Payments To or Through IHS and Tribal Health Facilities (CY 2012-2023)
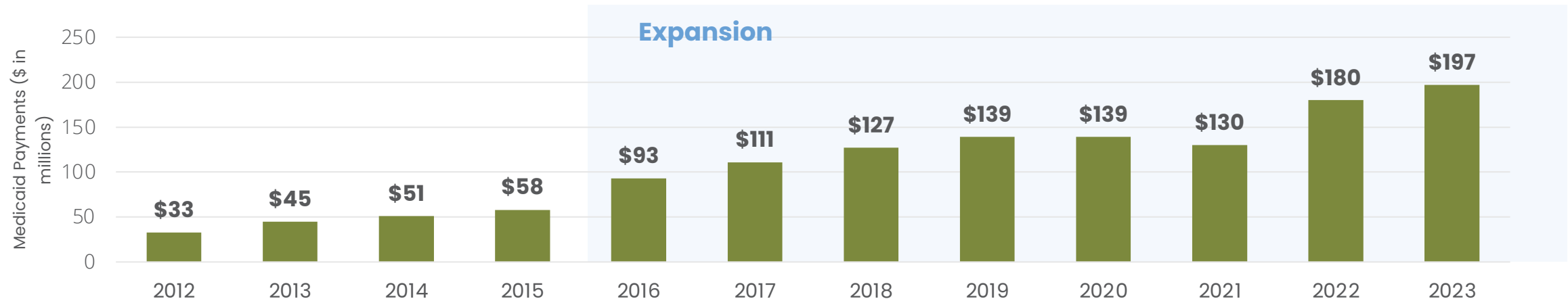
In 2023, Medicaid made more than $197 million in federally reimbursable payments to IHS and tribal health facilities, a significant increase from pre-pandemic levels. **Approximately 40% of those payments ($79 million) were for health care services provided to Medicaid expansion enrollees.**

Medicaid payments are a critical source of revenue for resource-limited IHS and tribal health facilities, which support the health and well-being of the AI/AN population on and off reservations in Montana. Medicaid expansion has helped mitigate historical underfunding for IHS and tribal health

facilities by bringing new federal dollars into the state. All Medicaid services for AI/AN members provided at and coordinated through IHS and tribal health facilities qualify for 100% federal reimbursement.

The national government has historically allocated less money per capita to IHS than any other federally funded health care program. In 2017, an analysis from the Government Accountability Office found that Medicare, Medicaid, the Veterans Health Administration, and federal prisons receive two to three times more federal spending per person than IHS.

*GAO findings should be considered in context of program differences. IHS, the Veterans Health Administration, and Medicaid have different program structures, service populations, and services/benefits.

Data & Sources

Control Costs

Medicaid expansion brings approximately $900 million into Montana annually, creating jobs and supporting new economic activity.

Each year, Medicaid receives approximately $900 million from the federal government to fund Medicaid expansion. This funding supports the health and well-being of Montana's residents and economy.

New federal spending on Montana's hospitals, clinics, and primary and specialty care allows enrollees to spend less on health care and more on other goods and services. **In 2022, Medicaid expansion helped create and sustain over 7,500 new jobs and generated an estimated $475 million in new personal income.**

Economic Impact of Medicaid Expansion Annually (est., 2022)

Montana Receives New Federal Dollars Each Year
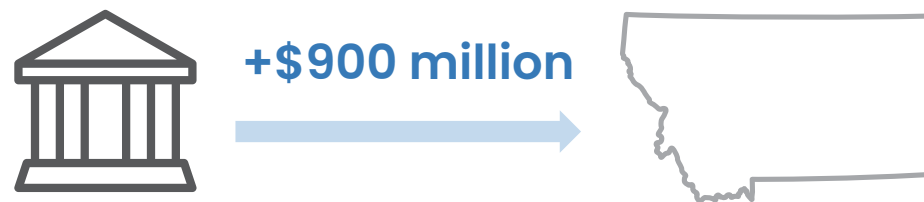
+$900 million

New Federal Dollars Support Jobs, Income, and Economic Growth

+7,500 jobs
across industries

+$475 million
in personal income

+$775 million
in economic activity

Data & Sources

Conclusion

Conclusion

Medicaid is an essential safety net program that provides Montanans with low income access to health care coverage to support their long-term health and well-being. Members can access a continuum of physical, dental, and behavioral health services to address their individualized health care needs. Receipt of preventive services – including screenings for chronic conditions, mental health conditions, and substance use disorders – allows members to address health care concerns early and stay in the workplace and out of the ED.

Medicaid expansion continues to be a critical resource for adults with low income living across the state. In 2015, the Montana State Legislature passed the bipartisan HELP Act to expand health care coverage, improve access to health care services, and control costs. Through Medicaid expansion, Montana has experienced reduced uninsured rates, reduced ED utilization for preventable conditions, and generated state budget savings exceeding $28 million in SFY 2022. In 2025, the Legislature will have the opportunity to renew Medicaid expansion to ensure the continuation of health care coverage for the 110,000 adults with low income enrolled in the program.

Acknowledgments

Montana Healthcare Foundation is a 501(c)3 private foundation that makes strategic investments to improve health in Montana. It provides funding, leadership, and expertise to help communities tackle Montana's most important health problems. It conducts policy analysis so that Montanans can be well-informed and engaged in decisions that impact their health. It prioritizes supporting the health and well-being of people and communities at increased risk for poor health outcomes because of income, geographic barriers, the availability and accessibility of health and social services, and racial and ethnic disparities. To learn more, visit mthf.org.

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This report would not have been possible without the support of DPHHS.

Visit the Montana Healthcare Foundation's website for more information about the report, for links to other Medicaid in Montana reports, and to download the accompanying data book. For any questions about the report, contact the Montana Healthcare Foundation at info@mthf.org.

Data & Sources

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"Health Insurance Coverage of The Total Population," Kaiser Family Foundation. Available here.

"Health Insurance Coverage of Children 0-18," Kaiser Family Foundation. Available here.

"10 Things to Know About the Unwinding of the Medicaid Continuous Enrollment Provision," Kaiser Family Foundation. June 2023. Available here.

Data Source

"Health Insurance Coverage of The Total Population," Kaiser Family Foundation. Available here.

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"10 Things to Know About the Unwinding of the Medicaid Continuous Enrollment Provision," Kaiser Family Foundation. June 2023. Available here.

Data Source

DPHHS direct data request.

Technical Note

Average annual enrollment through December 2023. Consistent with previous reporting, totals include individuals enrolled in traditional Medicaid, Medicaid Expansion, CHIP, and the Plan First waiver. Enrollment categories may change in future years. Enrollment data excludes HK Expansion, Section 9, Mental Health Service Plan, and Medicare Savings Plan enrollees.

Page 10

Date Source

DPHHS direct data request.

"Quick Facts: Montana," U.S. Census Bureau. Available here.

Technical Note

Rural/urban definitions are from the University of Washington Rural Health Research Center's RUCA Census data crosswalk. Available here. RUCA was last updated in 2006. Rural/urban classifications have likely shifted in Montana since the last update, though distributions remain comparatively accurate.

Race information is voluntarily reported.

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Data Source

DPHHS direct data request.

"Census and Economic Information Center," Montana Department of Commerce. Available here. Population data.

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"Economic Effects of Medicaid Expansion in Montana," Bryce Ward. Available here.

"Understanding the Intersection of Medicaid & Work: A Look at What the Data Say," KFF. April 2023. Available here.

Data Source

Forthcoming update to report "Economic Effects of Medicaid Expansion in Montana," Bryce Ward.

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Data Source

DPHHS direct data request.

Technical Note

Service counts are indicated by number of Medicaid claims; a claim may comprise multiple units of service. Service categories are based on Manatt categorization. Some claims may fall into multiple service categories.

Page 15

"Data Note: Medicaid's Role in Providing Access to Preventive Care for Adults," Kaiser Family Foundation. May 17, 2017. Available here.

Data Source

DPHHS direct data request.

Technical Note

Counts represent unique service claims, not individuals. Counts include billed screenings only, which may undercount regularly conducted screenings such as for alcohol abuse.

Page 16

"Delay or Avoidance of Medical Care Because of COVID-19-Related Concerns – United States, June 2020," Centers for Disease Control and Prevention (CDC). September 11, 2021. Available here.

Data Source

DPHHS direct data request.

Technical Note

Counts represent unique service claims, not individuals. Counts include billed screenings only, which may undercount regularly conducted screenings such as for alcohol abuse.

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"Suicide in Montana," Karl Rosston. Available here.

"Injury and Overdose Indicators," DPHHS. Available here.

Data Source

DPHHS direct data request.

Technical Note

Service counts are indicated by number of Medicaid claims; a claim may comprise multiple units of service.

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"Assessing Primary Care Contributions to Behavioral Health: A Cross-Sectional Study Using Medical Expenditure Panel Survey," J Prim Care Community Health. 2021. Available here.

Data Source

DPHHS direct data request.

Technical Note

Primary care providers include federally qualified health centers, rural health centers, hospital outpatient settings, Indian Health Service providers, independent practices, and IBH providers, as indicated on a claim. Specialty behavioral health providers include psychiatrists, psychologists, counselors, social workers, marriage and family counselors, SUD counselors, chemical dependency centers, mental

health centers, and opioid treatment programs, as indicated on a claim.

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"Suspension of Face-to-Face Requirements for Some Medicaid Programs," DPHHS. April 1, 2020. Available here.

"The 'State' of Telehealth: Montana," The National Law Review. May 2021. Available here.

Data Source

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"Workforce Shortage Wreaks Havoc on Montana's Behavioral Health Providers," Holly Michels. 2021. Available here.

Data Source

DPHHS direct data request.

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"How Has U.S. Spending on Healthcare Changed Over Time?" Peterson-KFF Health System Tracker. December 2023. Available here.

Data Source

DPHHS direct data request.

"State Expenditure Report, Fiscal 2021–2023," NASBO. Available here.

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Data Source

"Archive of State Expenditure Reports: 2015–2023." National Association of State Budget Offices (NASBO). Available here.

Page 24

"State Variation in Medicaid Per Enrollee Spending for Seniors and People with Disabilities," Kaiser Family Foundation. May 1, 2017. Available here.

Data Source

DPHHS direct data request.

"Most Current MACStats Compiled: Exhibit 33: CHIP Spending by State, FY2020," MACPAC. December 2021. Available here.

Technical Note

Spending data for CHIP is not available. Expenditures are estimated using MACPAC data. Enrollment estimates are based on CY; spending is based on FY. Spending totals may not sum to previously reported expenditure totals due to exclusions (e.g., supplemental payments, service spending not attributed to members). The following payments were eliminated from spending and per member spending totals:

hospital utilization fee; HUF (HRD) HELP SSR; Disproportionate Share Hospital payments; DSH (FMAP) payments.

The "individuals with disabilities" category includes individuals from all age categories. "Seniors" excludes disabled people who are otherwise captured by "individuals with disabilities."

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Data Source

DPHHS direct data request.

Technical Note

The following payments were eliminated from spending and per member spending totals: hospital utilization fee; HUF (HRD) HELP SSR; Disproportionate Share Hospital payments; DSH (FMAP) payments.

The "individuals with disabilities" category includes individuals from all age categories. "Seniors" excludes disabled people who are otherwise captured by "individuals with disabilities."

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"How Has U.S. Spending on Healthcare Changed Over Time?" Peterson-KFF Health System Tracker. December 2023. Available here.

Data Source

DPHHS direct data request.

Technical Note

The following payments were eliminated from spending and per member spending totals: hospital utilization fee; HUF (HRD) HELP SSR; Disproportionate Share Hospital payments; DSH (FMAP) payments.

The "individuals with disabilities" category includes individuals from all age categories. "Seniors" excludes disabled people who are otherwise captured by "individuals with disabilities."

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"How Has U.S. Spending on Healthcare Changed Over Time?" Peterson-KFF Health System Tracker. December 2023. Available here.

Data Source

DPHHS direct data request.

Technical Note

The following payments were eliminated from spending and per member spending totals: hospital utilization fee; HUF (HRD) HELP SSR; Disproportionate Share Hospital payments; DSH (FMAP) payments.

Page 28

"Delay or Avoidance of Medical Care Because of COVID-19-Related Concerns – United States, June 2020," Centers for Disease Control and Prevention (CDC). September 11, 2021. Available here.

Data Source

DPHHS direct data request.

Technical Note

The following payments were eliminated from spending and per member spending totals: hospital utilization fee; HUF (HRD) HELP SSR; Disproportionate Share Hospital payments; DSH (FMAP) payments.

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"Status of State Medicaid Expansion Decisions: Interactive Map," Kaiser Family Foundation. Available here.

"5 Charts About Public Opinion on Medicaid," Kaiser Family Foundation. March 2023. Available here.

Data Source

"Status of State Medicaid Expansion Decisions: Interactive Map," Kaiser Family Foundation. Available here.

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Senate Bill 405, Montana Legislature. 2015. Available here.

House Bill 658, Montana Legislature. 2019 Available here.

"Medicaid Expansion in Montana," Montana Budget and Policy Center. February 2024. Available here.

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"2020 Report on Health Coverage & Montana's Uninsured," Montana Health Care Foundation. October 2020. Available here.

"Medicaid Expansion: Frequently Asked Questions," Center on Budget and Policy Priorities. June 2021. Available here.

Data Source

"Health Insurance Coverage of Adults 19-64," Kaiser Family Foundation. Available here.

Technical Note

MHCF's "2020 Report on Health Coverage and Montana's Insured" found a similar decline in uninsured rates after Medicaid expansion. MHCF's 2020 report shows uninsured rates for the entire Montana population, while Kaiser Family Foundation data shows uninsured rates for the nonelderly adult population only.

Page 34

"10 Things to Know About the Unwinding of the Medicaid Continuous Enrollment Provision," Kaiser Family Foundation. June 2023. Available here.

Data Source

DPHHS direct data request.

Manatt analysis of "Montana Medicaid Expansion Dashboard," DPHHS. Available here.

Technical Note

Rural/urban definitions are from the University of Washington Rural Health Research Center's RUCA Census data crosswalk. Available here. RUCA was last updated in 2006. Rural/urban classifications have likely shifted in Montana since the last update, though distributions remain comparatively accurate.

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Data Source

DPHHS direct data request.

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"Screening and Surveillance Colonoscopy and COVID-19: Avoiding More Casualties." Available here.

"Sharp Declines in Breast and Cervical Cancer Screening," CDC. June 2021. Available here.

Data Source

DPHHS direct data request.

Technical Note

Counts of unique expansion enrollees screened, diagnosed or treated at any point during the calendar year.

Page 37

Data Source

DPHHS direct data request.

Technical Note

Counts of unique expansion enrollees screened, diagnosed or treated at any point during the calendar year.

Page 38

Data Source

IHS direct data request.

"2021 State Level Data and Ranks: Montana," Available here.

Note

Data is not available for the Confederated Salish and Kootenai Tribes of the Flathead Reservation and the Chippewa Cree Indians of the Rocky Boy Reservation, which have assumed management of the PRC program for the IHS.

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Data Source

DPHHS direct data request.

Page 40

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Shih-Chuan, Chou et al., "Medicaid Expansion Reduced Emergency Department Visits by Low-income Adults Due to Barriers to Outpatient Care." June 2020. Available here.

"The Effects of Medicaid Expansion under the ACA: Studies from January 2014 to January 2020," Kaiser Family Foundation. March 2020. Available here.

Data Source

DPHHS direct data request.

Technical Note

Analysis includes enrollees with at least two, three, or four years of continuous enrollment between January 2016 and December 2023.

Previous reporting included members enrolled for at least two years between 2016 and March 2020 to mitigate the impact of the continuous coverage requirement in place during the public health emergency on results. The current analysis includes members enrolled for at least two years between 2016 and 2023. Recognizing some individuals may have been enrolled during the public health emergency but were not actively utilizing Medicaid, this analysis excludes individuals that did not have a Medicaid claim in each year of enrollment.

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Data Source

DPHHS direct data request.

Technical Note

Analysis includes enrollees with at least three years of continuous enrollment between January 2016 and December 2023.

Previous reporting included members enrolled for at least two years between 2016 and March 2020 to mitigate the impact of the continuous coverage requirement in place during the public health emergency on results. The current analysis includes members enrolled for at least two years between 2016 and 2023. Recognizing some individuals may have been enrolled during the public health emergency but were not actively utilizing Medicaid, this analysis excludes individuals that did not have a Medicaid claim in each year of enrollment.

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Data Source

DPHHS direct data request.

Technical Note

Analysis includes enrollees with at least three years of continuous enrollment between January 2016 and December 2023.

Previous reporting included members enrolled for at least two years between 2016 and March 2020 to mitigate the impact of the continuous coverage requirement in place during the public health emergency on results. The current analysis includes members enrolled for at least two years between 2016 and 2023. Recognizing some individuals may have been enrolled during the public health emergency but were not actively utilizing Medicaid, this analysis excludes individuals that did not have a Medicaid claim in each year of enrollment.

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Jacobs et al., "Newly Eligible Enrollees in Medicaid Spend Less and Use Less Care Than Those Previously Eligible," Health Affairs. September 2017. Available here.

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Data Source

DPHHS direct data request.

Note

Analysis includes enrollees with at least three years of continuous enrollment between January 2016 and December 2023.

Previous reporting included members enrolled for at least two years between 2016 and March 2020 to mitigate the impact of the continuous coverage requirement in place during the public health emergency on results. The current analysis includes members enrolled for at least two years between 2016 and 2023. Recognizing some individuals may have been enrolled during the public health emergency but were not actively utilizing Medicaid, this analysis excludes individuals that did not have a Medicaid claim in each year of enrollment.

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Data Source

DPHHS direct data request.

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Previous reporting included members enrolled for at least two years between 2016 and March 2020 to mitigate the impact of the continuous coverage requirement in place during the public health emergency on results. The current analysis includes members enrolled for at least two years between 2016 and 2023. Recognizing some individuals may have been enrolled during the public health emergency but were not actively utilizing Medicaid, this analysis excludes individuals that did not have a Medicaid claim in each year of enrollment.

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"Medicaid expansion has saved Montana $30 million," Modern Healthcare. October 2, 2017. Available here.

"The Impact of Medicaid Expansion on States' Budgets," The Commonwealth Fund. May 5, 2020. Available here.

2023 Report "Economic Effects of Medicaid Expansion in Montana," Bryce Ward. Available here.

Data Source

DPHHS direct data request.

Manatt analysis of Montana Medicaid enrollment and spending data, SFY13-23.

Technical Note

Women enrolled in the expansion group who become pregnant may stay enrolled during the coverage year. The state receives the enhanced FMAP. Another mechanism where expansion generates savings to traditional Medicaid is behavior change, such as when individuals reduce their income/assets or apply for disability in order to qualify for traditional Medicaid. With the expansion, these individuals no longer need to change their situation to be eligible for Medicaid.

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"Medicaid Expansion: Effects on Hospital Finances and Implications for Hospitals Facing COVID-19 Challenges," Health Affairs. January 2021. Available here.

"Medicaid Expansion: How It Affects Montana's State Budget, Economy, and Residents," Montana Health Care Foundation. June 2018. Available here.

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Data Source

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"Indian Health Service: Spending Levels and Characteristics of IHS and Three Other Federal Health Care Programs," U.S. Government Accountability Office. December 2018. Available here.

Data Source

DPHHS direct data request.

Note

The federal government covers 100% of Medicaid costs for services delivered through IHS.

Page 48

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