

Introduction

Whether we're concerned about the quality of our medical treatment, its cost or how we're going to get to where it's provided, for most of us, health care is a very personal issue. But, there's a lot more to health care in Montana.

The health care sector is the largest private employer in the state and accounts for more than 16 percent of the state's domestic product. And the more than 45,000 jobs in hospitals, nursing homes and physicians' offices generate an additional 30,000 jobs in the communities they serve.

Health care programs – chiefly Medicare and Medicaid – are among the largest segments of the state and federal budget, and health care public policy issues are a major item on the agenda for Congress, the [Montana Legislature](#) and state and federal regulatory agencies.

Much of the public debate about health care is focused on the cost of health insurance and medical treatment. Recent studies indicate that as health insurance costs have increased, fewer Americans can afford insurance coverage. Meanwhile, increased utilization of health services, driven by an aging population, has contributed to an overall increase in health spending.

Providers have little control over most of their costs, including those for staffing, medical liability insurance, prescription drugs and basic supplies such as utilities.

Montana's health care delivery system faces other challenges, which we have outlined in the following pages. These include ensuring an adequate supply of health care professionals, protecting the community health safety net from those who would cherry-pick profitable services and filling the major gaps in the mental health delivery system.

Protecting the health safety net is potentially one of the most significant new trends in health care. At issue is whether physicians and private for-profit corporations should be able to develop and own specialty hospitals, imaging centers, ambulatory surgery centers and other facilities.

In areas where these facilities have been given free rein, they have attempted to capture the market for procedures that pay well, including imaging services, cardiac and orthopedic procedures and some forms of cancer treatment.

These facilities usually don't provide services that don't pay as well – such as emergency room care and mental health services – nor do they tend to serve a high percentage of Medicaid and indigent patients.

Physician-owned facilities present an additional public policy issue – should physicians with an ownership interest in a hospital, imaging center or other facility be permitted to refer patients to this facility.

Studies are beginning to conclude that physician self-referral can result in increased utilization of services. In addition, development of these facilities drives up health care costs because community hospitals are forced to increase their charges to offset lost revenue that results from skimming the high-paying procedures away from the hospital.

This issue most likely will be the focus for continued federal and state legislative and regulatory action in the months ahead.

MHA's *Health Care At-A-Glance* provides a snapshot of Montana's health care system. Our hope is that the information in this book will help readers gain a better understanding of the forces affecting health care in our state, and, thereby, promote a cooperative effort to ensure access to high quality and affordable health care.

The data in the *Health Care At-A-Glance* is statewide and national in scope. For a better picture of what is going on locally, readers should visit with the staff and board members at their local hospital, nursing home, home health agency and hospice.

Data for this book was gathered from a variety of sources, including the [MHA/AHA Annual Survey of Hospitals for 2005](#), state and federal agencies and MHA's national strategic partners.