



### Montana Does Not Have a Physician Shortage

Currently, Montana's total supply of primary care providers actually exceeds demand.<sup>1</sup> Thus, the state as a whole does not have a physician shortage, making our health care system better equipped to handle Medicaid expansion than the majority of the nation.<sup>2</sup> However, despite having a better physician to patient ratio than the national average, fewer providers practice in Montana's rural areas.<sup>3,4</sup> Forty of the fifty-six counties in the state experience primary care physician shortages.<sup>5</sup> This is due in part to the lack of medical training centers in Montana, lower family incomes in rural areas, depressed economies, and high rates of uninsured patients.<sup>6</sup>

### The Affordable Care Act Will Help Increase the Number of Physicians

The Affordable Care Act (ACA) implemented policies to address the physician shortage nationwide. Aside from Medicaid expansion, the ACA will provide scholarships and loans for health care providers, recruit nurses and physicians to work in rural areas, encourage students to enter primary care practice, and provide state grants to providers who work in areas with medical shortages.<sup>7</sup>

### Medicaid Expansion May Increase Rural Doctors' Compensation

One of the largest reasons for physician shortages is inadequate compensation for medical care.<sup>8</sup> The ACA will help alleviate the impact of low compensation by temporarily raising Medicaid reimbursement rates from 2013-2014.<sup>9</sup> In the long run, Medicaid expansion will actually raise compensation by increasing the numbers of insured patients seeking care. As a result of this increased demand and overall compensation rate, states with lower numbers of primary care physicians will begin to attract more health care providers.<sup>10</sup>

### Limiting the Number of Insured Is Not the Solution to Rural Physician Shortages

Even if Montana's elected officials decide not to expand Medicaid, the shortage of primary care physicians in rural Montana is still a challenge for our state.<sup>11</sup> **However, the answer to this shortage is more providers, not fewer patients.** Several proposals to expand the number of Montana students who train to be doctors have been considered in the 2013 Legislative session.

#### Key Points

- Montana's patient to physician ratio is better than the national average.
- The current health care law takes measures to address rural physician shortages.
- Expanding Medicaid would increase physician compensation, potentially attracting more providers.

- 
- <sup>1</sup> Bureau of Business and Economic Research, "An Estimate of the Economic Ramifications Attributable to the Potential Medicaid Expansion on the Montana Economy," University of Montana, January 2013.
- <sup>2</sup> Leighton Ku, Karen Jones, Peter Shin, Brian Bruen, and Katherine Hayes. "The States' Next Challenge – Securing Primary Care for Expanded Medicaid Populations," *New England Journal of Medicine*. [www.nejm.org/doi/full/10.1056/NEJMp1011623](http://www.nejm.org/doi/full/10.1056/NEJMp1011623), February 2011.
- <sup>3</sup> Saul M.J. Rivard, "Montana's Primary Care Workforce," Saul M.J. Rivard, "Montana's Primary Care Workforce," Montana State University Office of Rural Health, <http://healthinfo.montana.edu/montanasprimarycarewf811.pdf>, August 2009.
- <sup>4</sup> National Institute for Health Care Management, "Investing in the Future Health Care Workforce," [http://www.statereforum.org/sites/default/files/workforce\\_issue\\_brief\\_final\\_2.pdf](http://www.statereforum.org/sites/default/files/workforce_issue_brief_final_2.pdf), July 2012.
- <sup>5</sup> Saul M.J. Rivard, "Montana's Primary Care Workforce," Saul M.J. Rivard, "Montana's Primary Care Workforce," Montana State University Office of Rural Health, <http://healthinfo.montana.edu/montanasprimarycarewf811.pdf>, August 2009.
- <sup>6</sup> Peter J. Cunningham, "State Variation in Primary Care Physician Supply: Implications for Health Reform Medicaid Expansions," <http://www.hschange.com/CONTENT/1192/#ib1>, March 2011.
- <sup>7</sup> The Henry J. Kaiser Family Foundation, "Focus on Health Reform: Summary of New Health Reform Law," <http://www.kff.org/healthreform/upload/8061.pdf>, April 2011.
- <sup>8</sup> Saul M.J. Rivard, "Montana's Primary Care Workforce," Saul M.J. Rivard, "Montana's Primary Care Workforce," Montana State University Office of Rural Health, <http://healthinfo.montana.edu/montanasprimarycarewf811.pdf>, August 2009.
- <sup>9</sup> The Henry J. Kaiser Family Foundation, "Focus on Health Reform: Summary of New Health Reform Law," <http://www.kff.org/healthreform/upload/8061.pdf>, April 2011.
- <sup>10</sup> Peter J. Cunningham, "State Variation in Primary Care Physician Supply: Implications for Health Reform Medicaid Expansions," <http://www.hschange.com/CONTENT/1192/#ib1>, March 2011.
- <sup>11</sup> Saul M.J. Rivard, "Montana's Primary Care Workforce," Saul M.J. Rivard, "Montana's Primary Care Workforce," Montana State University Office of Rural Health, <http://healthinfo.montana.edu/montanasprimarycarewf811.pdf>, August 2009.