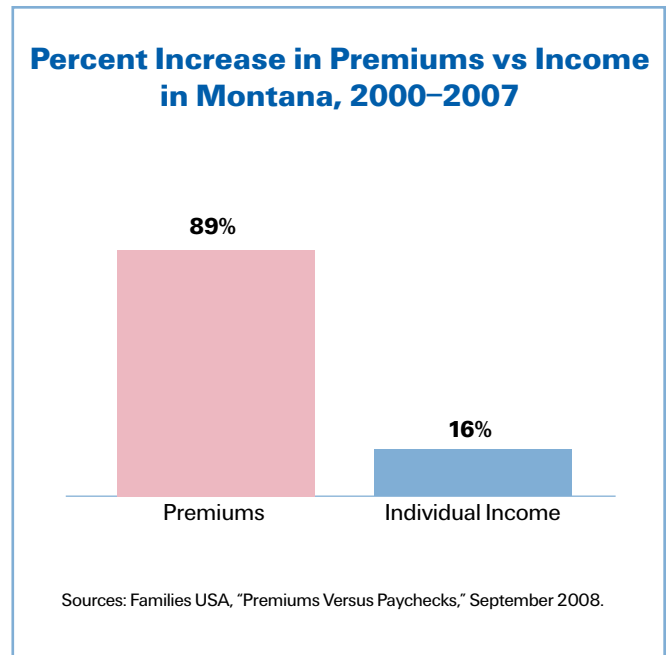
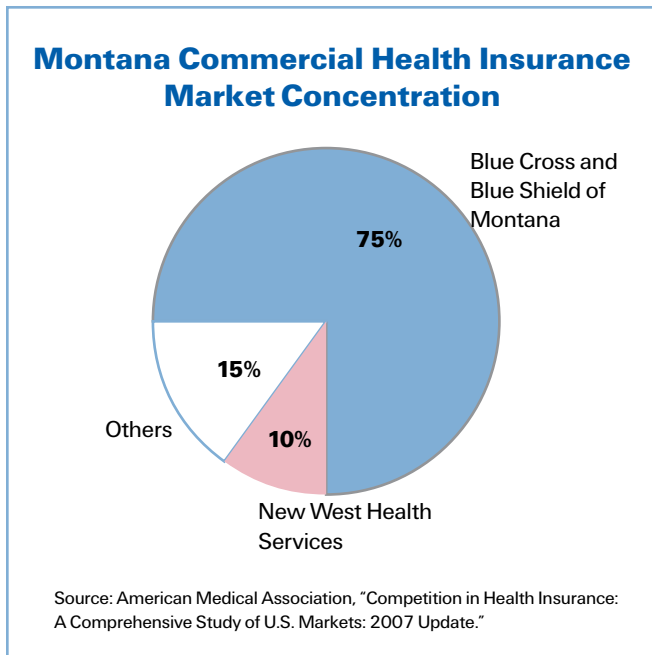


Montana Consumers Pay the Price For Health-Insurance Market Failure

- Blue Cross and Blue Shield of Montana, the state’s biggest health insurer, controls 75 percent of the statewide commercial market. Together with New West Health Services, they hold 85 percent of the market.¹
- Health insurance premiums for Montana working families have skyrocketed, increasing 89 percent from 2000 to 2007.²
- For family health coverage in Montana during that time, the average annual combined premium for employers and employees rose from \$6,220 to \$11,743.³
- For family health coverage in Montana from 2000 to 2007, the employer portion of annual

- premiums rose 78 percent, while the worker share grew 133 percent.⁴
- Between 2000 and 2007, the median earnings of Montana workers increased 16 percent, from \$19,073 to \$22,170. During that time health insurance premiums for Montana working families rose 5.5 times faster than median earnings.⁵

When a firm has more than a 42 percent share of a single market, the U.S. Justice Department considers that market to be “highly concentrated.” This means that an insurer could raise premiums and/or reduce the variety of plans or quality of services offered to customers with impunity.⁶



ENDNOTES

¹AMA data in this report are based on combined enrollment in preferred provider organizations (PPOs) and health maintenance organizations (HMOs) in states and metropolitan statistical areas (MSAs) as defined by the U.S. Census Bureau. The AMA calculates market share by dividing an insurer's enrollment in a given product by the total enrollment across all insurers in a market multiplied by 100. Total enrollment is for commercial products only, including self-insured employer-sponsored PPO plans and individual coverage, and does not include Medicare, Medicaid, or Children's Health Insurance Program enrollments. Self-insured employer plans refer to PPOs only. Accessed at <http://www.ama-assn.org/go/competition2007>.

²Families USA, "Premiums versus Paychecks," September 2008. Accessed at <http://www.familiesusa.org/resources/publications/reports/premiums-vs-paychecks-2008.html>.

³Ibid.

⁴Ibid.

⁵Ibid.

⁶US Department of Justice, "The Herfindahl-Hirschman Index." Accessed at http://www.usdoj.gov/atr/public/guidelines/horiz_book/15.html, American Hospital Association, "The Case for Reinvigorating Antitrust Enforcement for Health Plan Mergers and Anticompetitive Conduct to Protect Consumers and Providers and Support Meaningful Reform," May 11, 2009. Accessed at <http://www.aha.org/aha/content/2009/pdf/09-05-11-antitrust-rep.pdf>.

This report makes use of data published by the American Medical Association (AMA), which is not a member of the Health Care for America Now coalition. The AMA did not collaborate with HCAN on this report.