

October 10, 2013

The Honorable Emmett W. Hanger, Jr; Chairman  
The Honorable R. Steven Landes, Vice-Chairman  
Commission Members  
Virginia Medicaid Innovation and Reform commission  
201 North 9<sup>th</sup> Street  
Richmond, Virginia 23219

Dear Commission Members:

As the CEO of Bon Secours Hampton Roads, I am compelled to write to you today to seek your approval of needed reforms to Medicaid, and to approve the guidelines to expand Medicaid as outlined in the Affordable Care Act.

As the only faith-based health care system in Virginia, we are called to provide care to the sick and dying and to those who cannot afford health care.

Bon Secours supports necessary reforms and expansion of Medicaid to everyone under 138% of the federal poverty level. Access to Medicaid can mean the difference between life and death. Medicaid coverage means better health for hundreds of thousands of Virginians who cannot afford medical services. They do not seek preventative care, and most likely avoid a visit to the doctor when they are sick. If their poor health condition deteriorates, they rush to the emergency room. With Medicaid coverage, these Virginians will be able to visit the doctor in a timely manner and prevent further illness. This, of course, ultimately benefits the Commonwealth by saving scarce Medicaid funds.

At Bon Secours, we recognize that the expansion of Medicaid should not occur without meaningful and sustainable Medicaid reform. We will work with the Secretary of Health and the Department of Medical Assistance Services to achieve the reforms that will allow the state to better utilize the Medicaid resources in the budget. Our current Medicaid fee for service cost basis is a large component of the state budget, and will continue to increase if these reforms are not made and more managed care delivery systems are approved.

As we see it, the Commission has two options:

Reform Medicaid Only –

- 300,000 uninsured Virginians will not gain access to health care and will continue to seek care through hospital emergency rooms;
- Virginia businesses, individuals, and providers will continue to send \$10 billion to Washington;
- coordinated care will lead to improved quality of care for current beneficiaries;
- the gateway for health delivery will move from emergency rooms to primary care for current beneficiaries;
- and the cost shift to the business community will continue.

Reform and Expand Medicaid-

- 300,000 uninsured Virginians will gain access to health care;
- Virginia businesses, individuals and providers will send \$10.2 Billion to Washington;
- \$9.9 Billion will be returned to Virginia;
- coordinated care will lead to improved delivery for all Medicaid beneficiaries;
- the gateway to health delivery will move from emergency rooms to primary care for all beneficiaries;
- and the cost shift to the business community will be minimized.

Bon Secours strongly supports the second option and asks you to please join us and support Medicaid reform and expansion.

Respectfully submitted,

Michael Kerner  
Chief Executive Officer  
Bon Secours Health System-Hampton Roads

Cc: The Honorable William A. Hazel, Jr., MD  
Secretary of Health & Human Resources