



Fairfax County Alliance for Human Services

October 9, 2013

Dear Medicaid Innovation and Reform Commission,

Since the U.S. Supreme Court has upheld the 2010 Affordable Care Act, there is no legal impediment to its implementation in the Commonwealth of Virginia. This provides the citizens and families of our state with the opportunity to improve their access to health care at minimal cost to state expenditures.

We write you today to urge implementation of Medicaid coverage to more of our citizens. Virginia's current Medicaid expenditures per person are currently 48th in the nation. This is not because our program is more efficient than elsewhere, but, rather, that the income qualification limits are set so low that few can qualify, e.g., a working parent with an income exceeding \$6,000/year cannot qualify.

Expansion of the Medicaid income limit, and abolishing the various limiting "categories", could enable at least 246,000 up to 420,000 Virginians (27,000 in Fairfax County) to receive health insurance through this mechanism. During its first three years, the federal government will pay 100% of the expansion population's costs, compared to 50% for the currently eligible; after those three years, federal participation will phase down to 90%.

This is a great bargain for Virginians:

- Even after full implementation, the federal government will pay \$9 for every \$1 the state spends.
- Because the uninsured tend to delay care until their symptoms are too serious to ignore, when they finally do seek care, they are likely to be more expensive to treat. Currently, these costs are absorbed by the rest of us through higher health care premiums and, yes, Medicaid costs. Studies have found that its per-person Medicaid costs dropped with expansions, largely because of this pent-up demand. And note that during this three-year period, the federal government is picking up 100% of the cost.

In addition to cost savings, Medicaid expansions result in improved health. People on Medicaid are healthier than those who lack any insurance. The Urban Institute found that states with Medicaid expansions had a 6.1% relative reduction in adult death rates compared to similar nearby states that did not expand Medicaid. A natural experiment in Oregon where people were randomly assigned to receive Medicaid benefits found the new beneficiaries were healthier, happier, and had fewer financial barriers to care.

In sum, Virginia should not miss out on this opportunity to help people who are currently uninsured and also reduce the financial burden of their care, estimated by your Virginia Health Reform Initiative at \$1.65 Billion a year.

Additional information on the Fairfax County Alliance for Human Services can be found at



Sincerely,
Shannon Steene, Chair
Fairfax Alliance for Human Services