



Virginia MIRC <vamirc@mirc.virginia.gov>

New MIRC Comment

1 message

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Last Name - Pelle

Organization Name - Wellmont Health System

Comment -



MIRC Wellmont Pelle.pdf

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October 13, 2013

Dear Chairman Hanger and Members of the Medicaid Innovation and Reform Commission:

As Interim President of the Community Hospital Division of Wellmont Health System, I would strongly urge the Commission to implement thoughtful and meaningful reforms to the Medicaid system, while also enabling the expansion of Medicaid. The impact to rural hospitals is far reaching, and clearly impedes access to our most vulnerable patients of SWVA.

Wellmont made the difficult decision to close Lee Regional Medical Center (LRMC) on October 1, 2013, mainly due to significant Federal cuts, sequestration, physician coverage issues, low patient volumes and the current lack of Medicaid Expansion. LRMC was one of the largest employers in Lee County, and was certainly an economic driver that influenced the location of multiple other businesses in that region. The median family income in Pennington Gap, VA is significantly lower than the state average, and the business prospects will not be so willing to locate within a county that does not boast of a hospital facility.

Even prior to many of these cuts, many rural hospitals operated in the “red”, while maintaining their presence through the resource sharing of their system partner facilities. After these cuts hit the hospital providers, it became apparent that there were no longer the abilities to “cost-shift” and share resources that became scarce across systems.

While LRMC was the first hospital in Virginia to close following the Affordable Care Act rollout and other cuts, it will not be the last. This is the tipping point of what is to come, and the most rural and challenged communities and their hospitals will be the most affected.

Access and quality of healthcare is dependent on the actions of this Commission, which will be extremely critical to these rural communities. We will continue to do our part in reforming those Medicaid issues that need to be addressed, and we thank you for your consideration of reform and expansion as well.

Fred Pelle
Interim President, Community Hospital Division
Wellmont Health System