



October 10, 2013

The Honorable Emmett Hanger
Chairman
Medicaid Innovation and Reform Commission
Commonwealth of Virginia
201 North 9th Street
Richmond, VA 23219

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

Thank you for the opportunity to share HCA Virginia Health System's perspective on Medicaid expansion in the Commonwealth. HCA Virginia Health System is the fifth largest private employer in the Commonwealth with 14,988 employees statewide. We contribute more than \$3.7 billion in economic impact in the commonwealth annually from the operations of our 13 hospitals and 30 outpatient centers. In 2014 approximately \$71 million in state and local taxes were generated by our activities. We, and other health systems, are a significant economic driver in communities throughout the Commonwealth.

I appreciate the Commission's focus on the assessing the progress of the proposed reforms to the existing Medicaid program and agree that the current program is in need of reform. Significant and meaningful reforms to the existing Medicaid program are underway. Because of this progress it is vitally important that the Commission proceed with an expansion of the program so that Virginia can fully maximize the cost savings and federal matching funds that are available in the early years of the program. The savings that can be achieved, and as highlighted in presentations to the Senate Finance and House Appropriations Committees during the 2013 Session, are significant and can be used to place the Medicaid program on a sustainable path.

HCA Virginia Health System is supportive of reforming the current Medicaid system, while concurrently moving forward with Medicaid expansion. The Affordable Care Act (ACA) instituted a variety of revenue generating taxes and funding cuts to existing health care programs. Those funding cuts were based on the assumption that more insured individuals, either through the individual mandate or through Medicaid expansion, would diminish the cost of uncompensated care currently being provided by the health care industry. HCA Virginia delivered \$656 million in charity and uncompensated care to those most in need in 2012. Not expanding Medicaid exacerbates the strain on the health care delivery system due to the cuts to other federally funded programs.



Hospital systems in Virginia deliver quality health care to all patients regardless of their ability to pay or how they pay for their care, be it private insurance, Medicaid or Medicare. Continued increases in uncompensated care costs strain the health care system for all participants – patients, insurers and employers that purchase insurance for their employees. Moreover, such uncompensated costs impact insurance premiums paid by individuals, employees and employers. Medicaid expansion is one partial way to address this situation.

It is important that Virginia proceed with a Medicaid expansion in a deliberate, fiscally responsible way that maximizes potential savings and improves access to care for the thousands of Virginians that are currently uninsured.

Sincerely,

Margaret G. Lewis, FACHE
President, Capital Division
Senior Executive, HCA Virginia Health System