



Virginia MIRC <vamirc@mirc.virginia.gov>

New MIRC Comment

1 message

Wed, Oct 16, 2013 at 1:04 PM

Reply-To: [REDACTED]

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Organization Name - National Physicians Alliance--VA

Comment - NPA-VA comments



NPA-VA MIRC upload.pdf

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October 16, 2013

Honored Commission Members,

We are writing in SUPPORT of Medicaid expansion in Virginia as outlined in the Patient Protection and Affordable Care Act (ACA).

In our healthcare system, patients who lack health insurance struggle to gain meaningful access to healthcare. As a result, patients delay and defer care until they have developed significant symptoms or serious complications. The human costs of our current healthcare system are many, and cannot be ignored. This is unacceptable. We have the opportunity to do so much more. It is well established that the lack of medical insurance is associated with decreased productivity and increased mortality¹. Expanding Medicaid will notably reduce the numbers of uninsured in Virginia.

There is much evidence to support the expansion of Medicaid. In a study comparing three states that expanded adult access to Medicaid with neighbors who did not expand Medicaid, expansion was associated with a reduction in mortality, (especially among minority populations and residents of poorer counties), less delayed care due to costs, and improved self-reported health². In a study of randomized access to Medicaid coverage in Oregon, access to Medicaid resulted in more consistent access to primary care and increased use of preventive care such as mammograms and cholesterol monitoring. Although this increased use of healthcare costs increased spending early on, it also resulted in the fewer patients reporting unpaid medical bills and deferring other financial obligations and in more patients reporting improved health³. It is not surprising that an uninsured population might require more health care spending early on after becoming insured, due to the accumulation of unmet medical needs. It is important to note, however, that this would occur during the time that the federal government would be matching Medicaid expansion 100%. Two years into Oregon's experience, they continue to see lower rates of depression and reduced financial strain on those who qualified for Medicaid coverage. Those who qualified for Medicaid have also increased their use of preventive care services, and the expansion "nearly eliminated catastrophic out-of-pocket medical expenditures."⁴

The Virginia Chapter of the American College of Physicians has released a report showing the projected impact of Medicaid expansion in Virginia⁵. The report's conclusion is that "Extending Medicaid coverage to Virginia's low-income uninsured will improve health status and quality of life." Some key points of this report:

- "About 42% of adult Virginians newly-eligible for Medicaid are people of color, a population that is more likely to be uninsured than whites"
- Extending Medicaid coverage will reduce the numbers of uninsured Virginians by as much as 37 percent

1 [REDACTED] accessed 10/13/13, 15:00
2 [REDACTED] accessed 10/13/13, 15:03
3 [REDACTED] accessed 10/13/13, 15:12
4 [REDACTED] accessed 10/13/13, 15:16
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- a 2011 Urban Institute report estimated the ACA could save Virginia up to \$146 million over 2014-2019 when enhanced Medicaid spending, uncompensated care reductions, and other savings are factored in

One of the arguments often presented by opponents of Medicaid expansion is focused on cost. However, a recent analysis by the Commonwealth Institute for Fiscal Analysis demonstrates that Medicaid expansion in Virginia will pay for itself⁶. The majority of these savings will result from reduced funding for indigent care, providing mental health and substance abuse through Medicaid coverage instead of through state-funded community services boards, insurance coverage for inpatient care for state prisoners, slower growth in premium costs for the state employee health insurance plan, increased federal funding for other programs that benefit low-income people, and other savings that are present in the ACA. The cost of Medicaid expansion in Virginia is expected to be \$1.60 billion from 2014 to 2022, and the Commonwealth Institute estimates the costs savings of expansion to be \$1.64 billion over that same time.

As if improved health, lower mortality, and financial sustainability were not enough reason to expand Medicaid, the ACA's change in federal reimbursement for indigent care will make this ever more critical. Known as Disproportionate Share Hospital (DSH) funding, these funds are meant to reimburse hospitals for the cost of providing uncompensated care to the uninsured. As part of the ACA, in light of the anticipated expansion of coverage via Medicaid expansion and the new health insurance marketplaces, DSH funds are due to be phased out over time. Although this phase-out was postponed, it has not been cancelled. This leads to the risk that in the future hospitals will no longer receive DSH reimbursement for care provided to the uninsured. If Medicaid were not expanded in Virginia, many of our critical access hospitals serving our Commonwealth's most underserved communities would face the financial hardship of providing necessary care without having DSH reimbursement. Those hospitals would need to reduce the amount of uninsured care they provide (including possibly limiting uninsured care only to legally-mandated emergency care, and reducing or ending patient-assistance programs that provide outpatient primary care services), or face an increasing financial strain with no evident solution.

Medicaid expansion will also have a major beneficial impact on Virginia's economy. A study for the Virginia Healthcare & Hospital Association found that "[t]he total economic impact (direct and ripple effects of healthcare, business, and household sectors) from opting in is an annual average \$3.9 billion and 30,821 jobs from 2014 to 2019, more than four times the economic impact of opting out of the expansion."⁷ These economic benefits may help explain with the Virginia Chamber of Commerce has gone on record in support of Medicaid expansion in the Commonwealth.

Some will suggest that healthcare for the uninsured can be accomplished via Virginia's free clinics and federally qualified health centers (FQHCs). Neither of these can currently solve the problem of Virginia's uninsured—especially if DSH funds are reduced or eliminated. FQHCs provide full-service primary care to many of Virginia's underserved communities, but cannot provide specialist care or inpatient care such as surgery. As a result, patients who seek care at FQHCs would still lack recourse for necessary follow-up care. Free clinics are also not a viable solution. As a regular free clinic volunteer, I am glad that I am able to help and impressed with the care these clinics are able to provide. However, these organizations are frequently under significant financial strain—including a budget proposal in recent years that proposed cutting state support to free clinics by 50%. Free clinics, run by dedicated volunteers and staff, struggle to be successful: in the Richmond area, the Commonwealth Clinic closed recently, and CrossOver Ministry is closing one of its locations due to issues with the facility. This is not to criticize the free clinics, but rather to point out the tremendous challenges they face. If the free clinics are already running near capacity, how could we expect them to accept any substantial influx of new patients if DSH funds were cut without an expansion of Virginia's Medicaid program?

The reforms that the MIRC is considering are important reforms, and will promote the sustainability and the effectiveness of Virginia's Medicaid program. At the same time, more than 400,000 Virginians are expected to

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be eligible for Medicaid if the program were expanded under the ACA⁸. We can provide our fellow Virginians with access to better health, more primary care, and fewer economic risks related to healthcare costs. I urge you to expand Medicaid, for the good of our fellow citizens and the good of the Commonwealth. Rarely are we given an opportunity to help so many who have been excluded—this is a major chance to make a difference in hundreds of thousands of lives, and to benefit the Commonwealth at the same time.

Medicaid expansion is the right thing to do. It will improve our population's health, support our state's economy, and reduce the impact on our healthcare system of caring for the uninsured. Too many have suffered for too long without access to health insurance. Now is the time to remedy this.

Sincerely,



Mark Ryan, MD, FAAFP
National Physicians Alliance, Board of Directors
NPA-Virginia Steering Committee Member



Kate Tulenko, MD, MPH, MPhil, FAAP
National Physicians Alliance, Board of Directors
NPA-Virginia Steering Committee Member

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⁸ [REDACTED] accessed 10/13/13, 15:54