



245 Medical Park Drive
Post Office Box 880
Marion, Virginia 24354

September 30, 2013

Medicaid Innovation and Reform Commission
201 North 9th Street
General Assembly Building
Richmond, Virginia 23219

Dear Commissioners:

I'm writing with hopes of informing you of the dramatic impact the lack of Medicaid expansion will have on our small rural hospital in Southwest Virginia. I'm responsible for operations of a 44-bed acute care facility and a 109-bed nursing facility in Marion, Virginia. Our acute care hospital has 13% of its population made up currently by Medicaid recipients and another 10% currently self-pay or no insurance. This is one quarter of our entire patient population.

In addition with over 50% of our patient population being Medicare, the recent cuts in Medicare reimbursement have been immensely painful. Our rural hospital had planned on the ability to cover some of this significant decline in reimbursements with the expansion of our uninsured receiving Medicaid. Medicaid expansion was written into the Affordable Care Act to decrease the number of uninsured individuals to help hospitals weather the storm as reform moves forward on an aggressive tract.

Without Medicaid expansion, I'm very fearful that many services that are now currently available in our communities will need to move further away to more urban, more expensive areas for care. Our community hospital has already experienced the loss of labor and delivery here locally and without assistance more services will close and more jobs will be lost. Your rural facilities in Virginia can provide care at a much lower cost than more urban teaching centers. Reform should include safety nets for these hospitals so that care with the most value can be offered in these rural communities.

When hospitals close such as the recent closing of one of our neighboring hospitals in Pennington Gap, the entire state is impacted. Hospitals are the safety nets in their communities providing services and resources that many times go unrecognized. Over 150 jobs were lost in that rural Virginia community and this will become a trend if Medicaid is not expanded. We certainly need reform of the program but immediate action needs to be taken to save our hospitals in rural communities. Our local community hospital provides over \$40,000,000 in economic impact on an annual basis. Please help us save our hospital by moving aggressively forward with Medicaid expansion.

Sincerely,

Andy R. White

VP MSHA/CEO of Smyth County Community Hospital

MEDICAID RESTRUCTURING & EXPANSION
RESOLUTION

WHEREAS, providing compassionate, high-quality health care to our community is our highest priority; and

WHEREAS, health care should be delivered using available evidence-based best practices; and

WHEREAS, our health care system must achieve long-term financial sustainability; and

WHEREAS, approximately one million Virginians currently lack health insurance, significantly lowering the health status of the Commonwealth and shifting the financial burden to the privately insured population; and

WHEREAS, hospitals' emergency departments function as the provider of first, last and only resort for most Virginians without insurance; and

WHEREAS, Smyth County Community Hospital provided 44,272 procedures for Medicaid insured patients and 32,260 procedures for uninsured patients in 2012; and

WHEREAS, Smyth County Community Hospital employs 403 individuals; and

WHEREAS, the passage of the Patient Protection and Affordable Care Act (PPACA) by Congress in 2010 includes provisions that place significant, undue financial burden on hospitals and health systems; and

WHEREAS, in June of 2012 the Supreme Court of the United States ruled that Medicaid Expansion by states under the PPACA is optional, potentially removing many of the benefits of health care reform for uninsured individuals and health care providers; and

WHEREAS, it is desirable and prudent for the Commonwealth to provide to those currently without health insurance coverage certain Medicaid benefits, and

WHEREAS, Virginia should, in a fiscally prudent fashion, seize on the expansion opportunity provided by the PPACA to foster overall Medicaid sustainability by reforming the current program and structure the best possible approach to providing coverage to the currently uninsured; now, therefore, be it

RESOLVED, that the Board of Trustees supports a fundamental reform of the Medicaid program, including but not limited to benefit adjustment and care management reform ; and, be it

RESOLVED FURTHER, that the Board shall communicate this position to the Members of the General Assembly who represent constituents within our service area as well as the Governor, Lieutenant Governor, and Speaker of the House of Delegates.

Resolved this

Twenty-eighth day of January

In the Year Two Thousand and Thirteen



Robert M. Shults
Chairman, Board of Directors
Smyth County Community Hospital