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Senator Tim Kaine Comments on Medicaid Expansion in Virginia

I write to commend the Medicaid Innovation and Reform Commission for soliciting public input on the issue of Medicaid expansion in Virginia. I appreciate the opportunity to comment and strongly support expansion.

The Patient Protection and Affordable Care Act (ACA) was signed into law on March 23, 2010, marking an important first step towards putting patients in charge of their own health care decisions and slowing the growth of health care costs. One of the central elements of the ACA is the expansion of Medicaid to nearly all individuals with incomes up to 138 percent of the federal poverty level. In 2012 dollars, that would qualify Virginians with an income of \$15,415 for an individual and \$33,000 for a family of four for Medicaid coverage. Current restrictions to program eligibility in the Commonwealth mean that many low income individuals will remain uninsured if this program is not expanded. By expanding Medicaid in Virginia over 400,000 uninsured adults would be newly eligible to receive health insurance.

The importance of expanding health insurance to 400,000 people cannot be over-estimated. I work as a volunteer at the Remote Area Medical (RAM) Clinic in Wise County almost every year. The fact that so many Virginians – mostly working people and their kids – lack health insurance in our country is appalling. One of the RAM organizers, accompanying me in the summer of 2012, pointed over at the massive crowd waiting in the hot sun and told me, “most of these folks will get health care if Virginia accepts the Medicaid expansion.”

I understand the budgetary implications that must be considered before moving forward with expansion, but it is important to remember that the federal government will cover 100 percent of the cost of covering newly eligible Medicaid beneficiaries from 2014 to 2016. After 2016, the federal contribution will be phased down, but 90 percent of costs will still be covered going forward. Medicaid expansion will not only bring significant federal funds to Virginia, but will also result in state savings for high-risk pools, public employee coverage, and mental health care and other services for those who are currently uninsured. Many of the people who stand to benefit from this expansion are hardworking men and women who will otherwise fall into a coverage gap. The ACA was designed to provide subsidies and tax credits to individuals and families making between 138 and 400 percent of the federal poverty level, but without Medicaid, people below that threshold will remain uninsured.

I also understand the efforts of this commission are not only focused on access to health coverage, but also on constraining costs in the long run. Providing health insurance will reduce the need for people to forego care because they lack coverage, and will encourage prevention and early treatment before costly interventions become necessary. Hospitals and other safety net providers will continue serving this population and increased Medicaid coverage will reduce general fund payments for uncompensated care.

I've heard from countless legislators, citizens and health care providers who hope to see an expansion of Medicaid that would benefit low-income Virginians and applaud the Governor's team for working with them to find a path forward that balances patient care, innovation and cost effectiveness. The economic and public health benefits of Medicaid are well documented, and I urge the commission to act in favor of its expansion in Virginia. The Commonwealth should encourage economic growth through a healthier workforce and increased employment, and I look forward to working together as the commission considers its recommendation on this important step for Virginia's uninsured.