

Definitely NOT the Time to expand Medicaid

We read the Herald-Progress' editorial which takes the position that the 2014 Virginia General Assembly should expand Medicaid now. Since the news media provide readers with information on the news and issues, the HP should take a stand. Unfortunately, the HP's editorial failed to mention several salient facts, which are critical to our opposition to the current proposal.

First and foremost, the HP ignores the fact that the Governor and State Senate have embedded this divisive issue into the State Budget bill. This political maneuver comes after the State Senate failed to advance standalone legislation expanding Medicaid to the House of Delegates. Second, in 2013 the House of Delegates and VA State Senate came to a bi-partisan agreement to establish the Medicaid Innovation and Reform Commission, which would be tasked with seeking out alternatives to the existing Medicaid program and then make recommendations to the General Assembly so that the necessary and long overdue reforms could be implemented. We believe that Medicaid is far too important, and the financial consequences far too great for a decision to be made in haste. The prudent path is to allow the MIRC Commission to do their work.

How did this common sense agreement break down? The culprit is a fanaticism over expanding Obamacare in Virginia for up to 400,000 single, healthy adults. The unfortunate victim is a state budget that now remains elusive for 8 million Virginia families, police officers and sheriff's deputies, first responders, local governments, teachers, colleges and universities that face more uncertainty with each passing day. Most experts agree that it is short-sighted to build a budget around expanding Obamacare in this state where the House of Delegates and its leadership would oppose it at every turn — and understandably so.

The HP Editorial failed to point out the obvious deficiencies in the State Senate's proposal. First, the reform "waivers" they seek from the Federal government as a prerequisite for expanding Medicaid, have already been denied to other states. Second, the waivers are not permanent, which means the Federal government could change the rules of the game after Virginia expands the program. Common sense would dictate that you know all of the rules before choosing to participate in expanding Obamacare in Virginia.

The HP also failed to get the Federal funding correct. While it is true that the Feds promise 100% funding until 2017, should Virginia choose to expand, the Commonwealth would probably only receive one year of funding at 100%. Then, the Federal government would reduce their funding each year until 2021 when the Federal government share would be 90%. Even at 90% Federal funding, Virginia's share of the costs would be in the hundreds of millions. Should the Feds reduce funding to the current Medicaid match of 50%, Virginia's Medicaid costs would increase by \$1 billion. It is vitally important to note that these Federal promises are coming from a government that is \$17.3 trillion in debt and must reduce spending at some point or go bankrupt. We are not willing to bet the financial future of the Commonwealth of Virginia based on promises from an Administration with a dismal credit rating, and also told the American people that "if they liked their health insurance, they would be able to keep it".

Medicaid, by all accounts is a broken system. Costs are out of control, access and quality of care are decreasing and the Secretary of Health and Human Services, William Hazel, estimates that 30% of the current Medicaid funds are lost through waste, fraud, and abuse. The Attorney General's Office won nearly \$200 million in Medicaid fraud settlements last year. Without reforms and an audit, Medicaid will continue to be the fastest-growing part of our

operating budget, consuming almost 21 percent of general fund spending. It has grown by 1,600 percent over the past 30 years, and Virginia's share of Medicaid spending has doubled in the past 10 years from \$1.8 billion in 2004 to \$3.7 billion in 2014. Expansion will create access issues because nearly one-third of all doctors refuse to see Medicaid patients. This forces Medicaid patients into the emergency rooms — a study in Oregon showed that Medicaid patients are 40 percent more likely to visit an ER — which results in lower-quality and more expensive health care. We don't need more people in our ERs; we need fewer. Again, these facts belie our argument that reforms must come first, and that we must let the MIRC work!

What is past is prologue, and in Virginia, history is always a good guide. In this case we don't have to look far to see how tunnel-like vision can blind an administration and leave it incapable of realizing its potential for the balance of a term. In 2006, former Gov. Tim Kaine proposed a gas tax increase for transportation. This issue and others led to a prolonged budget debate that didn't resolve itself until June 28, just three days before the new fiscal year. This sort of brinkmanship is rare in Virginia and for good reason. Local governments, school boards, state agencies, contractors and businesses that work with the state have to start making decisions in April. Who suffers from a budget stalemate? Teachers, firefighters, police officers and local governments. It is our hope that this administration, and their allies in the State Senate, will bifurcate their desire for Medicaid expansion from the obligation to pass a budget.

Delegate Chris K. Peace

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