

Edwards: Seize the opportunity of Marketplace Virginia - Roanoke Times: Commentary

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The General Assembly is going into overtime, deeply divided over whether Virginia should accept at least \$1.7 billion per year to provide health insurance for up to 400,000 state residents making less than 138 percent of federal poverty level. (That's \$16,104 per year for one person and \$32,913 per year for a family of four.)

These federal dollars are already being paid by Virginia taxpayers, and bringing them back would save \$601 million in Virginia's budget over eight years by replacing state dollars currently spent for indigent, mental health and inmate care.

These federal dollars would also create 30,000 new jobs and grow our economy, especially in the health care sector. The overall impact to Virginia's economy would be in the billions of dollars.

Despite this, the Republican-controlled House of Delegates continues to oppose this common sense benefit to Virginians.

The Virginia Senate passed Marketplace Virginia, a plan to use these federal dollars to purchase private health insurance for low-income people who, for the first time, would have coverage for preventive, chronic and acute health care.

The cost of not accepting the federal dollars is not just the loss of insuring the poor, of whom 70 percent live with a working person. Under the Affordable Care Act, the new Medicaid funds are designed to replace money lost through automatic cuts to hospitals to cover uncompensated care, as well as sequestration. These automatic reductions will result in the loss of \$251 million in 2015 and \$306 million in 2016 to Virginia hospitals.

In the greater Roanoke-New River Valley-Alleghany region, Carilion and Lewis-Gale medical centers stand to lose millions of dollars due to the automatic cuts. If Virginia does not accept the new federal funds, our regional hospitals will lose a combined total of \$44.1 million in 2015 and \$47.7 million in 2016.

On the other hand, under Marketplace Virginia, even with the automatic cuts, our two hospital systems together will receive net benefits of \$28.5 million in 2015 and \$57 million in 2016.

Marketplace Virginia will also benefit businesses and individuals who pay health insurance premiums. Some 2 percent to 10 percent of health insurance premiums now indirectly support the uninsured. Hospitals are forced to shift unpaid costs to business and individual policyholders and others who do pay. Under Marketplace Virginia, those paying for their own insurance premiums will be relieved of the burden of indirectly paying for the care of uninsured patients.

Thus, it is not surprising that many in the business community, including chambers of commerce, strongly support accepting what amounts to \$5 million per day through Marketplace Virginia.

The hospitals see these new funds as a life preserver. Some rural hospitals may not survive without Marketplace Virginia. Lee County Medical Center recently closed, and others are in dire straits.

More than half the states have accepted the new federal funds to close the "coverage gap," including eight states with conservative Republican governors. This should not be a partisan issue.

But, these dollars are critical - even a matter of life and death - for many who cannot afford health insurance. Absent some coverage, a patient's only source of care is in the emergency room, where the sick often arrive sicker and the costs are often greater. Marketplace Virginia would cover primary care and other services, making Virginians healthier.

Studies in three states show that broadening Medicaid coverage resulted in a decline in the death rate of 6.1 percent, demonstrating the urgent necessity of expanding coverage.

The federal government will provide 100 percent of the \$1.7 billion annually for Marketplace Virginia for the first three years, gradually reducing that to 90 percent over several years.

The suggestion that the federal government might not meet its funding obligations is a scare tactic.

Virginia's Medicaid error rate is well below one-tenth of 1 percent, lower than the national average, and a legislative study found that fraud accounts for only 0.3 percent of Medicaid spending.

Martin Luther King Jr. once noted, "Of all the forms of inequality, injustice in health care is the most shocking and inhumane."

Now is the time to seize the opportunity to cover those Virginians who cannot afford health insurance, and at the same time create jobs and grow our economy under Marketplace Virginia.