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Congress of the United States
House of Representatives
Washington, DC 20515-4611

April 4, 2014

COMMITTEE ON
OVERSIGHT AND GOVERNMENT REFORM
SUBCOMMITTEES:
RANKING MEMBER, GOVERNMENT OPERATIONS
ECONOMIC GROWTH, JOB CREATION, AND
REGULATORY AFFAIRS
COMMITTEE ON FOREIGN AFFAIRS
SUBCOMMITTEES:
MIDDLE EAST AND NORTH AFRICA
ASIA AND THE PACIFIC

The Honorable Ralph S. Northam
Lieutenant Governor
Commonwealth of Virginia
102 Governor Street
Richmond, Virginia, 23219

The Honorable William J. Howell
Speaker, Virginia House of Delegates
General Assembly Building
P.O. Box 406
Richmond, Virginia 23218

Dear Lt. Gov. Northam and Speaker Howell,

As you reconvene in Richmond for a Special Session to consider further amendments to Virginia's budget, I respectfully encourage you to weigh the strong business case for the proposed Medicaid expansion that will benefit communities across our Commonwealth. As you know, the health benefits for low-income Virginians will be considerable, and the value of the return on this investment on the pocketbooks of all Virginians is equally compelling. For every \$1 Virginia commits to expanding Medicaid, the Commonwealth stands to realize a \$17 return (Kaiser Family Foundation).

Virginia would receive \$9.6 billion in additional federal funding over the next 5 years to expand its current Medicaid coverage from providing services to those earning 100% of the federal poverty level to those earning up to 138% of the poverty level. The state match would be \$498 million. That could provide nearly 400,000 uninsured low- and moderate-income Virginians, most earning about \$32,000 a year for a family of four, access to health care. These are your neighbors and mine who fall into a coverage gap by earning too much to qualify under the current Medicaid threshold yet not enough to qualify for subsidies on the health insurance exchange created under the Affordable Care Act. More than 68,400 residents of Northern Virginia alone stand to benefit. They represent more than one-third of the region's uninsured adults. In other communities, like Charlottesville, Danville, and Lynchburg, more than half of the local uninsured adults would be eligible for coverage under this expansion.

The Federal government would bear the entire cost for expanding this federal-state partnership for the first three years, and it would never provide less than 90 percent of the cost in future years. I know this has been of particular concern to some members of the General Assembly. I reiterate what the Center for Medicare and Medicaid Services shared with Virginia Secretary of

Health William Hazel in a recent letter: Should the federal share ever drop below that amount, Virginia could rescind the expansion without penalty.

The Commonwealth and her constituents already are feeling the sting of not expanding Medicaid coverage this year, foregoing roughly \$5 million a day in federal funds. And again, those funds require no state match for the first three years and a significantly smaller state match of 10 percent in the out years compared to the 50 percent match for existing Medicaid programs. Further, expansion of Medicaid would create 20,000 health care jobs in the near term and up to 30,000 jobs in the out years. Aside from the lost benefits of thousands of new high-skilled jobs to the statewide economy, the state is foregoing \$110,000 a day in lost tax revenue from those jobs.

Alarming, failure to participate means that Virginia will be saddled with even higher costs for uncompensated care. In its analysis of the proposed Medicaid expansion, the Virginia Health Reform Initiative Advisory Council, created by former Republican Governor McDonnell, found that uncompensated care for uninsured Virginians costs \$1.65 billion per year. Those costs are borne by the state and local governments, families and businesses through higher insurance premiums for those who can afford coverage, not to mention Virginia's hospitals, which are forced to absorb many of these costs. And without this vital coverage, affected Virginians will continue to access the health care system through the most expensive portal, the emergency room.

The Council found that expanding Medicaid would cut in half the amount of uncompensated care in Virginia, which was the intent behind the ACA's expansion of Medicaid. In fact, as part of the law, federal assistance for hospitals already has been reduced nationally to reflect and assume the Medicaid expansion, and Virginia hospitals are losing \$300 million year. Hospitals in Virginia will likely see an increase in uncompensated care with the loss in federal funds coupled with the loss from Virginia not expanding Medicaid coverage. Secretary Hazel has highlighted this concern in his support for expanding Medicaid, noting that some hospitals may not be able to continue operating given the financial pressures. This disproportionately affects poorer, rural areas of Virginia.

The costs for uncompensated care will continue to weigh on those Virginians who can afford insurance and their employers. Virginia businesses currently are estimated to pay an additional \$240 a year for every employee enrolled in their health plans to subsidize medical treatment and hospital visits for the uninsured. Expanding Medicaid would reduce those additional employer costs by \$20 million a year. That is why Virginia's corporate leaders -- including the Virginia Chamber of Commerce, the Fairfax County Chamber of Commerce, the Hampton Roads Chamber of Commerce, and other chambers -- have endorsed Medicaid expansion as a good business decision.

Similarly, our constituents who already have insurance coverage would realize lower premiums from not having to subsidize uncompensated care. They also would have a lower tax burden as the local and state share of uncompensated care would shrink, as would the demand for local and state services that currently supplant insurance coverage or Medicaid. By some estimates, Virginia is losing \$370,000 a day in such savings by not expanding Medicaid coverage. Those are dollars that otherwise could be put to use for other priorities in localities all across the Commonwealth. That latter point is particularly important and bears repeating: Medicaid expansion will produce savings and additional tax revenue that can be applied to other Virginia priorities such as transportation, education, mental health treatment, or public safety.

By making this modest investment, Virginia will provide basic health coverage for those most in need in our communities, spur new job creation, and reduce costs for employers and hospitals. Should Virginia not expand coverage, it will place an unnecessary economic disadvantage on itself as competing states already are realizing the many benefits of this common-sense decision. Can we not put aside partisan ideology, and political posturing, to do what's right for Virginia? Expanding Medicaid coverage is the right decision for the Commonwealth of Virginia and our constituents.

Sincerely,

A handwritten signature in black ink, appearing to read 'Gerald E. Connolly', written over the printed name.

Gerald E. Connolly
Member of Congress
11th District, Virginia

Cc:

Sen. Charles J. Colgan, Senate President pro Tempore
Sen. Richard L. Saslaw, Majority Leader
Sen. Thomas K. Norment Jr., Minority Leader
Del. Kirkland M. Cox, Majority Leader
Del. David J. Toscano, Minority Leader

Locality	Uninsured Nonelderly Adults (all incomes)	Uninsured Medicaid Expansion Eligible (<138% FPL)	Percent Medicaid Eligible
Accomack	4,773	2,200	45
Albemarle	9,154	3,400	37
Alexandria	16,582	5,600	34
Alleghany	1,618	680	42
Amelia	1,841	720	39
Amherst	3,844	1,500	40
Appomattox	1,816	750	41
Arlington	18,477	6,200	34
Augusta	7,700	2,900	37
Bath	540	230	42
Bedford City	677	320	47
Bedford	7,360	2,700	37
Bland	641	290	45
Botetourt	2,731	950	35
Bristol	2,062	1,100	51
Brunswick	1,908	870	46
Buchanan	2,651	1,200	47
Buckingham	2,221	950	43
Buena Vista	807	380	47
Campbell	6,670	2,800	42
Caroline	3,399	1,200	37
Carroll	4,120	1,800	45
Charles City	1,072	360	33
Charlotte	1,774	790	45
Charlottesville	6,367	3,400	54
Chesapeake	21,152	7,300	34
Chesterfield	31,737	10,200	32
Clarke	1,238	410	33
Colonial Heights	1,900	750	40
Covington	682	340	49
Craig	578	240	41
Culpeper	5,787	2,100	37
Cumberland	1,517	670	44
Danville	5,256	2,700	51
Dickenson	1,860	860	46
Dinwiddie	3,172	1,300	40
Emporia	718	390	54
Essex	1,388	580	41
Fairfax City	2,231	710	32
Fairfax	105,708	32,500	31
Falls Church	735	230	31
Fauquier	6,161	1,800	29

Locality	Uninsured Nonelderly Adults (all incomes)	Uninsured Medicaid Expansion Eligible (<138% FPL)	Percent Medicaid Eligible
Floyd	2,044	810	40
Fluvanna	2,425	800	33
Franklin City	1,023	490	48
Franklin	7,188	3,000	41
Frederick	8,487	3,100	36
Fredericksburg	3,398	1,600	46
Galax	1,045	600	57
Giles	2,010	880	44
Gloucester	4,153	1,400	34
Goochland	1,371	420	30
Grayson	2,039	940	46
Greene	2,506	900	36
Greensville	900	440	49
Halifax	4,279	2,000	46
Hampton	14,547	6,000	41
Hanover	7,228	2,200	31
Harrisonburg	8,197	5,000	61
Henrico	33,242	12,700	38
Henry	7,739	3,600	47
Highland	383	150	39
Hopewell	3,246	1,600	48
Isle of Wight	3,301	1,200	36
James City	5,183	1,800	35
King and Queen	939	370	39
King George	1,803	620	34
King William	1,766	610	35
Lancaster	1,185	440	37
Lee	2,872	1,400	47
Lexington	575	270	46
Loudoun	23,332	6,200	26
Louisa	4,159	1,600	39
Lunenburg	1,627	750	46
Lynchburg	8,734	4,700	53
Madison	1,710	660	38
Manassas	6,559	2,600	39
Manassas Park	2,876	1,100	37
Martinsville	1,617	860	53
Mathews	927	340	36
Mecklenburg	4,095	1,900	47
Middlesex	1,207	460	38
Montgomery	11,126	6,200	55
Nelson	1,936	790	41

Locality	Uninsured Nonelderly Adults (all incomes)	Uninsured Medicaid Expansion Eligible (<138% FPL)	Percent Medicaid Eligible
New Kent	1,789	510	29
Newport News	21,853	9,100	42
Norfolk	30,592	13,200	43
Northampton	1,797	840	47
Northumberland	1,416	530	38
Norton	383	210	55
Nottoway	1,955	900	46
Orange	3,754	1,400	38
Page	3,166	1,300	42
Patrick	2,400	1,000	44
Petersburg	4,494	2,100	46
Pittsylvania	7,927	3,300	42
Poquoson	847	260	30
Portsmouth	11,521	4,600	40
Powhatan	2,585	800	31
Prince Edward	2,580	1,200	47
Prince George	2,755	1,000	38
Prince William	45,157	13,300	29
Pulaski	4,022	1,800	45
Radford	2,166	1,300	62
Rappahannock	812	270	33
Richmond City	30,811	15,200	49
Richmond	943	410	43
Roanoke City	13,864	6,700	48
Roanoke	7,491	2,600	35
Rockbridge	2,735	1,100	41
Rockingham	9,912	3,500	35
Russell	3,719	1,700	46
Salem	2,358	1,000	44
Scott	2,665	1,200	46
Shenandoah	5,408	2,100	39
Smyth	4,142	1,900	47
Southampton	1,918	800	42
Spotsylvania	12,920	4,300	33
Stafford	10,494	3,100	30
Staunton	2,843	1,300	45
Suffolk	8,347	3,100	37
Surry	804	340	43
Sussex	1,250	540	43
Tazewell	5,448	2,400	43
Virginia Beach	45,126	14,700	32
Warren	4,530	1,700	38

Locality**Uninsured
Nonelderly Adults
(all incomes)****Uninsured Medicaid
Expansion Eligible
(<138% FPL)****Percent
Medicaid
Eligible**

Washington	6,346	2,800	43
Waynesboro	2,661	1,200	46
Westmoreland	2,448	1,000	42
Williamsburg	1,343	650	49
Winchester	4,054	1,800	45
Wise	4,734	2,300	48
Wythe	3,774	1,600	42
York	4,855	1,500	31
Source: TCI Analysis of US Census Data 2011			