



Northern Virginia Chamber Partnership
A Business Approach to Reforming Medicaid and
Increasing Coverage of Virginia's Working Uninsured Population
February 28, 2014

The Northern Virginia Chamber Partnership includes the Dulles Regional, Greater Reston and Loudoun County chambers, representing 2,800 businesses and 100,000 jobs. In recognition of the important decisions before our elected leaders with regard to identifying strategies to reduce health care costs, increase efficiencies in health care delivery, reforming and/or creating a system that not only serves Virginia's existing Medicaid beneficiaries, but also working Virginians who currently don't have health insurance coverage, and the impact of any action taken on the entire business community and the Commonwealth as a whole, the Partnership supports the following principles. The organizations that comprise the Partnership believe these principles should be thoughtfully considered and included in an ultimate solution to reforming Medicaid and increasing coverage of Virginia's working uninsured population.

The General Assembly and the Governor should agree to a plan that provides health care coverage to the poor uninsured population in Virginia through a public-private, managed care approach. This approach will abate the rising cost of health care to companies who currently pay for the uninsured who are using hospitals as the health care provider of last resort. This plan must enable Virginia to access increased Federal funds that will enable the Commonwealth to solicit private-sector bids to provide private insurance coverage to the estimated 400,000 new Medicaid enrollees under a managed care model that should provide for:

- Competition;
- Personal responsibility for costs among new enrollees;
- Care coordination;
- Incentive payments based on health quality outcomes; and
- Other incentives for innovative health care delivery and healthy behaviors.

Further, all new federal funds should be directed to this new public-private, managed care model, as opposed to the current Medicaid program, with any surplus funding to be deposited into the Virginia Health and Innovation Fund.

In addition, the Partnership recognizes that the current Medicaid system is in need of significant reform. While some steps have been taken to this end, the Partnership believes that an outside audit of Virginia's current Medicaid system must be implemented to identify additional areas to reform and achieve savings as a condition of proceeding with the private-option approach described above. Continued reform and the audit should not delay action to expand coverage, but must take place to ensure the taxpayer's dollars are being spent as efficiently as possible.

Finally, the Partnership believes any solution must protect the Commonwealth's financial sustainability by providing a sunset that automatically disenrolls/drops the new enrollees that came with expansion, should the Federal government not follow through on its financial commitment of 100 percent funding in years 1-3 and 90 percent funding thereafter.



In conclusion, the Partnership has undertaken a business-minded, thoughtful assessment of the issue in developing these principles that will hopefully assist in reaching consensus. Thank you for your consideration of these principles as an ultimate compromise on this issue is forged.

If you have questions about this statement, please feel free to contact the following:

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