



**HAV Press Conference
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Health Cuts are Bad for Business

I am Molly Cheek. I am a licensed clinical social worker who provides mental health services to individuals covered by Medicaid. With me is Dr. Tamera Barnes, President of the Virginia College of Emergency Physicians.

We are speaking today on behalf of all the medical professionals who serve patients covered by Medicaid and FAMIS. We want to tell you what proposed cuts mean to our patients, our businesses and Virginia's overall economy.

The proposed budgets cut over ONE BILLION dollars from Virginia's Medicaid program in the biennium. That's ONE BILLION dollars – half state and half federal – sliced out of the healthcare sector, which is a critical part of Virginia's economy. That's ONE BILLION dollars that has gone to health services and salaries. These are expenditures which, in turn, generate sales taxes and income taxes and consumer spending all around the Commonwealth.

The "multiplier effect" of Medicaid spending is well established. For every \$1 cut from Virginia's Medicaid program, the state's economy loses \$4.25. Virginia can't afford to forfeit hundreds of millions of federal dollars. The negative impact on businesses and jobs is enormous.

Hospitals and health systems employ more than 111,000 people in Virginia. The Virginia Hospital and Healthcare Association estimates that the additional cuts announced Sunday will mean more than 2,000 job losses statewide. Hospitals and health systems will also be faced with other tough decisions regarding which services they are still able to offer. The services with large losses from Medicaid, including obstetrical services, will be at significant risk. This, in turn could jeopardize access to care for low income pregnant women.

In 2008, nursing facilities employed the equivalent of 30,535 full time workers. As a result of the last 2 years of cuts, they cut 911 jobs. More than 800 additional jobs may be lost under the proposed budget.

Because current Medicaid payments to physicians are already too low, broad Medicaid cuts would mean more physicians may be forced to stop taking care of Medicaid patients, forcing them into emergency rooms where emergency physicians treat everybody, regardless of his or her ability to pay. Over 70% of the Medicaid patients are

children. And Virginia's dental program for kids, which has been recognized nationally for its growth and success, will certainly suffer if payments are cutback.

Virginians should be especially concerned about cuts to critically needed mental health services for both children and adults. Services will likely be cut both at local community service boards and in the private provider community. As a licensed clinical social worker who treats Medicaid patients, I know these cuts may force me to limit the care I can provide, and I worry about the people who won't be able to get the care they need.

Overall, cutting one billion dollars out of Virginia's Medicaid program will severely weaken Virginia's healthcare system and unravel our overloaded healthcare safety net. We will see much more overcrowding and longer wait times in the ER for all Virginians, including the insured.

Yes, it's time for tough budget choices, but we can't afford to get it wrong.