

Virginia Physicians and Hospitals Oppose State Budget Amendment that would Slash Medicaid Reimbursements for Emergency Department Treatment

*Virginia College of Emergency Physicians, the Virginia Hospital & Healthcare Association, and the Medical Society of Virginia Urge the General Assembly to
Protect Doctors, Health Care Providers, and Hospitals by Rejecting this
Budget Amendment*

This week, Virginia Governor Ralph Northam approved state budget legislation that includes a provision to dramatically reduce Medicaid payments for hospital emergency department visits. The Virginia College of Emergency Physicians (VACEP), the Virginia Hospital & Healthcare Association (VHHA), and the Medical Society of Virginia (MSV) have serious concerns about this decision. In addition to having a broad impact on health care providers, these Medicaid cuts will disproportionately affect rural hospitals that already face significant financial challenges.

The timing of these proposed cuts arrive at a moment when emergency physicians are exposing themselves and their families to great personal health risk by treating patients who have contracted the novel coronavirus. These funding cuts, which are favored by managed-care organizations (MCO), would cut providers' Medicaid reimbursements for hospital-based emergency care to just \$14.98 if an emergency department visit is deemed "unnecessary" after the fact by an MCO. If this policy stands, it would result in a significant reduction in emergency department staffing and operational capacity. Hospital emergency departments and emergency physicians already face significant operating losses for uncompensated care under normal circumstances — taking this action at this time will only exacerbate that financial strain. And that will ultimately impact patients' ability to access necessary emergency medical care.

Predictive modeling continues to show that the health care delivery system faces an influx of patients seeking emergency care for cold and flu-like symptoms in the days, weeks, and months ahead. While some patients' emergency room visits may be deemed avoidable by Medicaid managed care companies after the fact, health care providers don't have the luxury of knowing that when a patient arrives seeking emergency care. Physicians and health care staff working in hospital emergency departments have a responsibility to treat all patients who seek care. This is both an ethical commitment health care providers make, and a federal requirement under the Emergency Medical Treatment and Active Labor Act (EMTALA) that mandates the provision of emergency care to any person seeking medical attention regardless of their insurance status or ability to pay. This is a legal standard that has been in place for 34 years. It is also a matter of principle and moral conviction for Virginia's physicians and hospitals that operate on the belief that all people deserve care.

We urge the Virginia General Assembly to remove this amendment from the budget when they return later this year for a special session. We encourage the legislature to seek alternate solutions to truly address the issue of health care over-utilization rather than punishing doctors, hospitals, and patients.