

America's Health Care Providers Oppose Cuts to the Medicaid Program

March 29, 2004

United States House of Representatives
Washington, DC 20515

Dear Representative:

America's health care providers stand together in strongly opposing Medicaid funding reductions and urge you to reject them in the final budget resolution for Fiscal Year (FY) 2005. We urge Congress to reject provisions in the House agreement that include reconciliation instructions to the Energy and Commerce Committee that effectively will result in cuts to the Medicaid program. Congress should retain provisions in the Senate agreement that the Finance Committee should not be required to produce budgetary savings that will lead to cuts in the Medicaid program

The timing could not be worse to reduce funding to the Medicaid program. The states are already in a severe fiscal crisis. And when state Medicaid budgets are squeezed, state legislatures often look first to provider payment cuts and benefit and eligibility changes as a way to achieve savings. Additional Medicaid cuts at the federal level will therefore further weaken the already tenuous foundation of the health care safety net, dramatically harming the ability of providers to continue serving our most vulnerable patients.

Moreover, states are already facing reductions in Medicaid support due to the June 30 expiration of \$10 billion in temporary state fiscal relief. We urge you to consider an extension of this fiscal relief under Medicaid's federal medical assistance program and avoid any cuts to the program.

Over 50 million Americans rely on Medicaid for their health care. As the providers who deliver the services they need, we again strongly urge you to reject all Medicaid reduction provisions in the final FY 2005 budget resolution and protect health care for the nation's poor, elderly and disabled.

Sincerely,

**American Academy of Pediatrics
American Academy of Family Physicians
American College of Obstetricians and Gynecologists
American College of Physicians
American College of Rheumatology
American College of Surgeons
American Geriatrics Society
American Health Care Association
American Hospital Association
American Medical Association
Association of American Medical Colleges
Catholic Health Association of the United States
Federation of American Hospitals
National Association of Children's Hospitals
National Association of Community Health Centers
National Association of Public Hospitals and Health Systems
National Center for Assisted Living
Society of General Internal Medicine
Society of Hospital Medicine
VHA Inc.**