



ASSOCIATION OF
AMERICAN
MEDICAL COLLEGES

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A similar letter sent to House and Senate budget
correspondence Conferees

April 1, 2003

The Honorable Don Nickles
Chairman, Senate Budget Committee
SD-624 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Mr. Chairman:

On behalf of the Association of American Medical Colleges, which represents the nation's major teaching hospitals, medical schools and academic physicians, I urge you to include in the final budget bill the Senate-passed level of \$791 billion for discretionary spending in FY 2004. Equally important, we also urge you to reject any Medicaid cuts and adopt the Senate's budget provisions as it related to Medicaid spending.

Discretionary Spending

The Association urges the conferees to adopt the Senate-passed level of \$791 billion for discretionary spending in FY 2004. In contrast, the House-passed budget resolution proposes \$775 billion in discretionary spending for FY 2004, which is insufficient to provide necessary increases in national priorities such as defense and homeland security without imposing serious budget cutbacks in other crucial programs. For example, the House budget resolution assumes a \$1.4 billion (2.8 percent) cut below FY 2003 level for discretionary health programs under budget function 550 (health). These programs, which include the National Institutes of Health, health professions and nursing education programs, the Agency for Healthcare Research and Quality, and the Centers for Disease Control and Prevention, are critically important to the health of the American people and to the nation's continued economic and national security.

Medicaid

While we commend both bills for rejecting specific cuts to the Medicare program, cuts to the Medicaid program are required under the House-passed budget legislation. The House-passed legislation contains reconciliation instructions that would translate into approximately \$93 billion in Medicaid funding reductions over ten years. The AAMC vigorously opposes such cuts and urges you to reject such provisions. As you know, many states are currently facing significant budget crises and already scaling back on Medicaid. Additional federal reductions to Medicaid would only exacerbate the states' fiscal situation and place health care coverage for the nation's low income and disabled populations at risk.

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The Honorable Don Nickles

While we understand that you face several challenges associated with crafting a budget framework for FY 2004 and beyond, the AAMC strongly believes investing in our health care programs is a worthwhile endeavor. Thank you for your consideration.

Sincerely,

Jordan J. Cohen, M.D.