

Letter to all Members of the House on H.R. 3973

June 3, 2004

Dear Member of Congress,

As President of the Association of American Medical Colleges, I write to express our opposition to budget process legislation expected to be voted on by the House of Representatives in June. Many of the proposals currently under consideration would likely result in deep cuts in medical research, public health, and health care programs, and undermine efforts to improve the health and quality of life for all Americans. The AAMC represents the nation's 126 accredited medical schools, some 400 major teaching hospitals and health systems, and 96 professional and scientific societies representing 105,000 faculty members.

As reported out by the House Budget Committee, H.R. 3973 contains two provisions that we believe would be detrimental to our nation's health care system. First, the Budget Committee bill includes a "pay as you go" rule that would permit additional tax cuts to be enacted without offsets. The proposed "pay-go" rule also would bar Congress from making improvements in entitlement programs such as Medicare, Medicaid, and the State Children's health Insurance Program (SCHIP) unless they were accompanied by cuts in other entitlements. Second, the Budget Committee bill establishes five-year caps on discretionary spending, which will be set at levels that will force deep cuts in many domestic programs, including the National Institutes of Health and other Public Health Service agencies and the Veterans Health Administration. These cuts will seriously jeopardize programs that support biomedical, behavioral and health services research; carry out disease prevention and health promotion; and provide health care services for vulnerable and medically underserved populations.

We understand that other harmful budget process changes could be added by the Rules Committee or by floor amendment. In particular, we are concerned about proposals that would establish caps on entitlement programs. An entitlement cap proposal contained in two budget process bills introduced earlier this year — H.R. 3800 and H.R. 3925 — would mandate approximately \$1.8 trillion in entitlement cuts over the next 10 years. If these cuts were applied proportionately across all entitlement programs, Medicare would be cut by \$797 billion and Medicaid by \$392 billion over the next decade. This would have a devastating impact on the nation's ability to care for the elderly at a time when the baby boomer generation is reaching retirement age. In addition, this would have disastrous implications for the nation's health care safety net.

We recognize that Congress needs to take steps to address the spiraling federal deficit. However, we respectfully ask that you do so in a manner that imposes the same discipline on all parts of the budget, including revenues, rather than singling out domestic programs for cuts that would cause great harm to the people they are intended to serve.

Sincerely,

Jordan J. Cohen, M.D.