

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

March 9, 2004

United States Senate
Washington, DC 20510

Dear Senator:

America's health care providers stand together in strong opposition to reducing funding to the Medicaid program in the Fiscal Year (FY) 2005 Senate budget resolution. Specifically we oppose the proposal in the President's FY 2005 budget, which proposes generating significant federal savings of \$1.5 billion in FY 2005 and \$9.6 billion over five years through reductions in Medicaid spending. We also oppose the \$11 billion in reductions included in the budget resolution reported from the Senate Budget Committee on March 4, 2004. We urge senators to support amendments to the budget resolution that would restore Medicaid funding.

As you know, states are in fiscal crisis. When state Medicaid budgets are squeezed, as they currently are, 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 further weaken the already tenuous foundation of the health care safety net. We urge Congress to consider the impact that Medicaid cuts will have on the ability of providers that serve the most vulnerable populations in their communities.

Moreover, states already face reductions in Medicaid support when the \$10 billion in temporary state fiscal relief expires on June 30, 2004. We suggest that Congress consider an extension of Medicaid's federal matching assistance and avoid cuts to the program.

America's health care safety net depends on Medicaid. Again, as the providers who deliver the services comprising the nation's health care safety net to our nation's citizens, we urge you to reject all Medicaid reduction provisions in the 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 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
Society of General Internal Medicine
Society of Hospital Medicine
VHA Inc.**