



November 20, 2007

The Honorable Henry Waxman
Chairman
Committee on Oversight and Government Reform
U.S. House of Representatives
2157 Rayburn House Office Building
Washington, D.C. 20515

Dear Representative Waxman:

The undersigned organizations thank you and your colleagues for the opportunity to testify at the November 1 hearing on “The Administration’s Regulatory Actions on Medicaid: The Effects on Patients, Doctors, Hospitals and States.” The hearing offered an insightful and constructive discussion of the far-reaching and potentially devastating impact of recently issued regulations that would cut Medicaid reimbursement for safety net providers, graduate medical education programs at teaching hospitals, school-based resources for beneficiaries, rehabilitation services, and outpatient care.

According to the Centers for Medicare and Medicaid Services (CMS), the new rules will eliminate nearly \$11 billion in federal Medicaid matching funds over 5 years. We believe such cuts will likely jeopardize billions of additional dollars in state Medicaid funding and force states to eliminate school-based and community-based services for the nation’s neediest, most vulnerable populations. The proposed federal Medicaid cuts will also affect all Americans (regardless of coverage status) by eroding payments to public and teaching hospitals that maintain critical health care services unavailable elsewhere in the community (e.g., Level I trauma centers and stand-by capacity for disasters) in addition to caring for underserved populations. Moreover, eliminating federal Medicaid payments for graduate medical education (GME) will jeopardize the nation’s capacity to care for all Americans by limiting their ability to train new doctors for years to come—just as we prepare to address a national physician shortage.

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Given Medicaid's vital and multifaceted role within the nation's healthcare system, we recognize the need for Congress and the Administration to work together to ensure the program's continued fiscal integrity. However, in moving forward, Congress and CMS must also take care to protect patients (including privately insured Americans) and students by continuing to ensure the strength of individual and institutional components of our nation's health care safety net. For this reason, we urge continued Congressional insistence that CMS withdraw all of the Medicaid regulations discussed at the November 1 hearing. If CMS does not respond, we strongly urge Congress to take whatever steps it considers necessary before the December recess to block CMS from implementing these rules.

Thank you, again, for the opportunity to share our insight at the November 1 Medicaid hearing. We look forward to working with the Committee and Congress as you help to prevent the damages which would occur if the Administration's Medicaid cuts are allowed to progress unchecked.

Sincerely,

American College of Emergency Physicians
Association of American Medical Colleges
Child Welfare League of America
National Association of Public Hospitals and Health Systems
National Association of School Nurses
National Council for Community Behavioral Healthcare

cc: Representative Eliot Engel
Representative Sue Myrick