

March 30, 2004

The Honorable Jim Nussle  
Chairman  
Committee on the Budget  
309 Cannon House Office Building  
Washington, DC 20515-0001

Dear Chairman Nussle:

We strongly urge you to protect health care services for Medicaid beneficiaries by rejecting budget reconciliation instructions in the conference agreement for the FY 2005 budget. We supported the House Budget resolution to advance the process, despite our deep concern over the reconciliation instructions requiring the Energy and Commerce Committee to reduce spending by \$2.2 billion.

Those instructions could cut Medicaid by almost double the Medicaid disproportionate share hospital (DSH) relief that was provided in the Medicare Modernization Act. Such a reduction is ill advised as states across the nation are already cutting back on Medicaid funding and services. This will have a devastating effect on Medicaid beneficiaries who are among the most needy in our society. Medicaid reductions at this time will be made worse by the fact that the \$10 billion we provided states last year will expire in June.

We agree that more must be done to prevent waste, fraud, and abuse in government programs. In that regard, we pledge to work with Chairman Barton and the Energy and Commerce Committee to improve the Medicaid program. However, we believe any savings in the Medicaid program should be a result of comprehensive reform, not piecemeal efforts derived from a need to balance the budget.

We urge you to remove reconciliation instructions that will require reduced funding for Medicaid.

Sincerely,

Rep. Richard Burr

Rep. Sherwood Boehlert

Cc: Speaker Hastert  
Majority Leader Tom Delay  
Majority Whip Blunt  
Republican Conference Chair Pryce  
Representative Portman