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March 3, 2004

Senate Budget Committee
U.S. Senate
Washington, DC 20510

Dear Senator:

On behalf of our nearly 5,000 hospitals, health care systems, networks, and other providers of care, the American Hospital Association strongly opposes adoption of any provisions in the Fiscal Year (FY) 2005 Senate budget resolution that would reduce or cap funding to the Medicaid program. We also opposed the "Medicaid Program Integrity" 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.

With state Medicaid budgets across the country already in peril, and with temporary state fiscal relief expiring on June 30, 2004, now is not the time to target the program for additional cuts in the name of deficit reduction. Indeed, Congress should support America's poor by extending the \$10 billion in Medicaid's federal matching assistance percentage before it expires.

The Medicaid program is a critical element of the health care safety net and the health care infrastructure that serves all Americans. We urge you to reject all Medicaid reduction provisions in the FY 2005 budget resolution.

Sincerely,

A handwritten signature in black ink that reads 'Rick Pollack'.

Rick Pollack
Executive Vice President

