

June 14, 2004

The Honorable Jim Nussle
303 Cannon House Office Building
Washington, D.C. 20515

Dear Congressman Nussle:

On behalf of the organizations listed below, representing health care providers and the patients they serve, we are writing to express grave concern over proposed budget legislation that may be voted on this month that would effectively cap federal spending on Medicare, Medicaid and other health programs. This legislation has the potential to result in large cuts in Medicare, Medicaid, other public health programs and medical research. Such cuts will adversely affect the health and lives of many of our nation's citizens. **We strongly urge all Members of Congress to oppose any inflexible and arbitrary spending caps for Medicare, Medicaid and other vital health care programs.**

Specifically, we are opposed to "pay as you go" rules that would allow tax cuts to be enacted without spending offsets, while prohibiting Congress from legislating improvements in entitlement programs such as Medicare, Medicaid and SCHIP unless there are offsetting cuts in other entitlement programs. Further, we also oppose five-year budget caps for health program spending which are set at levels that will force significant cuts in domestic health programs. Finally, we oppose any budget process rules that effectively place arbitrary and inflexible caps on health program spending.

Our nation's Senior Citizens rely on the Medicare program to address their health needs. Medicare can not be arbitrarily capped in a manner that does not account for necessary growth in services for the Senior population as that population multiplies. Placing caps on Medicare spending also ignores the need to provide for emerging technologies and methods of coordinating care for patients that have the potential to improve quality of life as well as to save the Medicare program money in the long term. Further, Medicaid is a critical piece of the health care safety net, and it is unwarranted to place the program under spending caps at a time when America has over 43 million uninsured individuals, many of whom may be eligible for Medicaid or SCHIP. States are just beginning to recover from the worst fiscal crisis since World War II, and arbitrary caps on the Medicaid program will further weaken the health care safety net that is already under tremendous strain. Likewise, other health programs provide a significant health care safety net for our nation as well as important research to improve and save lives.

In sum, we urge all Members of Congress to vote against budget spending caps and other budget procedures that arbitrarily threaten Medicare, Medicaid and other vital health programs. We strongly believe that discretionary spending caps would be inadvisable at this time. Investment in public health programs is crucial to our overall efforts to address escalating health care costs, growing numbers of uninsured Americans, threats from bioterrorism and the rise in chronic illnesses. Great harm to the nation's health could result if the ability of Congress to address new problems and priorities is limited by arbitrary budget mechanisms.

Sincerely,

Alliance for Academic Internal Medicine
Ambulatory Pediatric Association
American Academy of Family Physicians
American Academy of Pediatrics
American College of Physicians
American College of Rheumatology
American Geriatrics Society
American Hospital Association
American Pediatric Society
Association of Departments of Family Medicine
Association of Family Practice Residency Directors
Association of Medical School Pediatric Department Chairs
North American Primary Care Research Group
Renal Physicians Association
Society for Adolescent Medicine
Society for Pediatric Research
Society of General Internal Medicine
Society of Hospital Medicine
Society of Teachers of Family Medicine