

April 21, 2015

United States Senate
Washington, DC 20510

Dear Senator:

On behalf of our members, who include the vast majority of health care providers treating Medicare beneficiaries, we are writing to share with you our concerns with cuts to Medicare included in trade legislation.

This week, congressional committees will begin deliberations on several trade bills, including reauthorization of the Trade Adjustment Assistance (TAA) program. That program provides, among other provisions, a tax credit for individuals who have lost their health coverage because of trade agreements to help them purchase health insurance.

However, our understanding is that the bill would extend the sequester on Medicare for the last six months in 2024 and increase the amount cut by the sequester by \$700 million, according to Congressional Budget Office estimates. This results in a net effect of increasing the sequester in 2024 beyond the 2 percent in the Budget Control Act.

Hospitals, physicians, nursing homes and home health and hospice providers have already absorbed hundreds of billions of dollars in cuts to the Medicare program in recent years. Additionally alarming is the use of Medicare cuts to pay for non-Medicare related legislation, a precedent that we believe is unwise.

We oppose the inclusion of this Medicare cut in trade legislation moving through the Congress and as an offset for any subsequent legislation. We urge Congress to strike this provision from the legislation. Reductions to Medicare payments have real impacts on patients and providers, and we appreciate your consideration in this matter.

Sincerely,

American Hospital Association
American Medical Association
American Health Care Association
National Association for Home Care & Hospice