

March 31, 2006

CONGRESS SHOULD HAVE A SAY IN FUNDAMENTAL MEDICAID REFORM.

PROTECT STATE FUNDING, MEDICAID ENROLLEES AND THEIR HEALTH CARE PROVIDERS: *Sign the Reichert-Simmons-Stearns-King Letter!*

Dear House Republican Colleagues:

We are writing to urge you to join us in sending the attached Republican-only letter to Health and Human Services Secretary Michael Leavitt in opposition to the Administration's proposals to cut Medicaid through the regulatory process.

As you may know, the Administration's FY2007 budget proposes to reduce Medicaid expenditures by \$12.2 billion over five years. While in previous years, the President has called for legislation to alter Medicaid policies and spending, *this year's budget would seek to enact these proposals without congressional review or consideration*. Even if Congress passes a budget resolution with no Medicaid cuts, the *Administration could still take action by implementing these major policy changes through regulations*. We believe that such changes *require input from Congress*, as well as states, health care providers and patient groups, in order to avoid serious, unintended consequences.

Of particular interest to states with 1115 Medicaid waivers is the fact that these proposals could *disrupt the states' waiver agreements* and *undermine ongoing Medicaid innovation and reform efforts*.

If you have any questions or would like to sign onto the attached letter, please call **Mark Forstrom** in Rep. Reichert's office at **5-7761**, **Leigh Hightower** in Rep. Simmons' office at **5-2076**, **Lauren Semeniuk** in Rep. Stearns' office at **5-5744** or **Kerry Ann Watkins** in Rep. King's office at **5-7896**. The sign-on **deadline is Friday, April 14**. Thank you for your attention to this important issue.

Sincerely,

Dave Reichert (R-WA) Rob Simmons (R-CT) Cliff Stearns (R-FL) Peter King (R-NY)
Member of Congress Member of Congress Member of Congress Member of Congress

The Honorable Michael O. Leavitt
U.S. Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

Dear Secretary Leavitt:

We know you share our commitment to protecting access to health care services for Medicaid beneficiaries. However, that access could be put at risk if you implement administratively President Bush's fiscal year (FY) 2007 budget proposals to reduce Medicaid expenditures by \$12.2 billion over five years. While in previous years, the President has called for legislation to alter Medicaid policies and spending, we are concerned that this year's budget would seek to enact these proposals without congressional review or consideration. The magnitude and scope of such proposals are such that input from Congress, states, health care providers and patient groups is essential in order to avoid serious, unintended consequences.

As you know, the reductions contained in the fiscal year (FY) 2007 budget include limiting payments to public providers to cost, reducing the allowable provider tax rate from six to three percent and further curbing Medicaid financing mechanisms. While we agree that we must work to control entitlement spending, these proposals do not get at the root causes of entitlement growth and would seriously disrupt financing of Medicaid programs around the country. Providers that would be impacted by these proposals are telling us that such dramatic policy initiatives would jeopardize their abilities to serve Medicaid and uninsured populations and perform other critical services in their communities. Furthermore, these proposals could disrupt states' Medicaid 1115 waiver agreements and undermine ongoing Medicaid innovation and reform efforts.

We pledge to work with Chairman Barton and the Energy and Commerce Committee to continue to give thoughtful consideration to Medicaid's long-term financial solvency. However, we believe any savings in the Medicaid program should be a result of policy discussions with congressional input.

We urge you not to implement the President's proposals through the regulatory process and instead work with us and other members of Congress to protect and improve the Medicaid program for our constituents.

Sincerely,