

December 12, 2005

The Honorable Charles E. Grassley  
Chairman  
Committee on Finance  
United States Senate  
Washington, D.C. 20510

The Honorable Joe Barton  
Chairman  
Committee on Energy and Commerce  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Committee Chairmen:

As preparations are being made to develop a conference agreement on the House and Senate-passed budget reconciliation packages, we are writing to urge that the cost sharing and benefit flexibility provisions in the House reconciliation bill are not adopted as part of the final conference report.

Safety net providers disproportionately serve vulnerable populations such as children, pregnant women, and people with disabilities. Many of these providers as well as the vulnerable individuals they serve would be especially at risk if states were to impose new cost-sharing on Medicaid recipients, make premiums and co-payments enforceable or provide reduced Medicaid benefits. Taken together, these provisions could eliminate coverage for certain beneficiaries, increase uncompensated care for safety net providers and ultimately jeopardize the ability of patients to receive the full scope of needed services. Moreover, not only would these provisions put at risk the health of low-income individuals, they may likely competitively disadvantage safety net providers, whose missions and tax status require them to provide care, regardless of economic means of members of their community who seek their care. These proposals will have a serious affect on rural communities, in particular, where rural residents most likely will opt against visiting their physician due to additional costs. This only leads to more serious illnesses down the road, with a costly emergency room visit as the end result.

We recognize the pressing need to balance federal funding priorities in a disciplined budget that meets the essential needs of our nation. However, we believe there is a way to achieve this goal without passing into law provisions that could potentially undermine the health and well being of our nation's neediest children and families and the safety net providers that deliver their care. A careful dialogue on these issues as cost sharing requirements and benefit flexibility is more appropriate than seeking to use these issues to establish a small amount of savings within a budget reconciliation process. Our citizens deserve careful consideration of these issues.

Accordingly, we urge you to maintaining current health protections and not support cost sharing and benefits flexibility as part of budget reconciliation.

