

United States Senate

WASHINGTON, DC 20510

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January 31, 2005

The Honorable George W. Bush
The President of the United States
The White House
Washington, DC 20500

Dear Mr. President:

We understand you are considering reductions in funding for Medicare, Medicaid and medical care for veterans in your FY2006 budget. We urge you to preserve these critical health care investments as you look for ways to balance the federal budget.

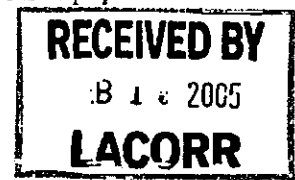
The ranks of the uninsured have risen by 5 million since 2000, leaving 45 million Americans without insurance coverage today. Without the safety net of Medicare and Medicaid, the number of uninsured Americans would increase significantly. Even veterans face barriers to finding health care. A recent study conducted by researchers from Harvard Medical School and Cambridge Hospital found that in 2003 there were 1.7 million veterans who did not have access to health insurance or veterans medical care. As American men and women risk their lives in Iraq and Afghanistan, we should not be cutting the benefits they will need when they return home.

Medicaid provides insurance to 40 million Americans and covers 55 percent of all poor children. It pays for the births of one-third of all American children, and 40 percent of all costs associated with caring for frail seniors and Americans with disabilities. It serves 50 percent of all people with AIDS and as many as 90 percent of children with AIDS. For all the value Medicaid provides to vulnerable Americans, we reimburse doctors, hospitals and nursing homes at rates below the actual cost of providing care. Further cuts will decrease access to care for pregnant women, children, Americans with disabilities and frail senior citizens.

Like Medicaid, Medicare provides vital insurance to millions of Americans. The program does face long-term cost pressures as a result of the rising cost of health care, which is affecting all types of health insurance. However, cutting reimbursement to providers who serve our seniors could limit their access to services. Overall Medicare profit margins for hospitals are projected to be minus 1.5 percent this year, meaning hospitals are already losing money by treating Medicare patients. We stand ready to work with you to address the underlying reasons for increasing health care costs, and urge you not to simply cut funding.

Finally, according to the Task Force you commissioned to improve health care delivery for veterans, between 1996 and 2003, the Department of Veterans Affairs' enrolled population

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grew 134 percent. A VA official told Congress last year that the agency requires 14 percent annual funding increases just to keep services at the same level. We should be increasing funding rather than rationing care to veterans who have fought for our freedom.

We believe it is important to reduce our record budget deficit. Achieving that goal without sacrificing the vulnerable among us will take leadership on your part. We believe that it is possible to reduce the deficit without breaking the promises that America has made to citizens who have served their country, fallen on tough times or are living in the twilight of their lives on fixed incomes. Our nation needs your commitment to stand firm against direct cuts to Medicare, Medicaid and veterans' health care as well as artificial budget caps that mask their impact but will force cutbacks in these essential programs.

Sincerely,

Nancy Reid
Caldwin

Dick Deuk

Frank R. Lautenberg

Myrland

Jack Reed

Tom Harkin

Maria Cantwell

Max Baucus

Bill J. Clinton

Robert A. Mikulski

John Edwards

Jay Rockefeller

Herb Kohl

Charles Schumer

Byron D. Dorgan

Murphy D. Fegally

Debbie Stabenow

Blanche L. Lincoln

Ken Salazar

Chris Dodd

Hillary Rodham Clinton

John F. Kerry

Patty Murray

Al Franken

Sam Brownback

Paul Sarbanes

Jim DeMint

Jim Jeffords

Tommy V. Davis

Patrick Leahy

Eric Roehl

Edward M. Kennedy

Murray Pryor

Mark Dayton

Barbara Boxer

Donna Christen

J. Wilson

Robert C. Byrd

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G. Benjamin Nelson

Tom Payne

Samuel D. Decker

Bill Nelson