

April 8, 2005

The Honorable Jim Nussle  
Chairman, Committee on the Budget  
309 Cannon House Office Building  
Washington, D.C. 20515

Dear Chairman Nussle,

We value your leadership in working to shape a viable fiscal year 2006 House Budget Resolution for a strong and healthy America, and we appreciate the difficult task of developing this measure and ensuring the need for fiscal discipline.

We are concerned that the inclusion of up to \$20 billion in reductions from projected growth in the Medicaid program included in the House-passed FY06 Budget Resolution will negatively impact people who depend on the program and the providers who deliver health care to them while not putting us on the path to comprehensive reform and improvement that the program needs.

Therefore, we strongly urge you to remove these reductions and the reconciliation instructions targeted at Medicaid, and, in their place, include a \$1.5 million reserve fund for the creation of a bipartisan Medicaid Commission in the final conference agreement for the FY06 Budget.

As detailed in H.R. 985, a Commission would serve as a credible forum for an honest, open discussion and the development of comprehensive recommendations on how we can reform the Medicaid program. The Commission would be the right setting at the right time to carefully deliberate and recommend solutions to improve the health of low-income Americans and put the program – one of the most complicated federal programs we oversee – on a stronger financial and management footing.

Medicaid is the largest health care program in the country, serving over 50 million people including more than one in four children and 6.4 million “dual eligibles” enrolled in both Medicare and Medicaid. As lawmakers, we know that any changes made to this program will have consequences for these individuals. We also know that health care is expensive and that our federal health care programs should get value for the money we spend, improve the health of people who depend upon them, and be accountable for results. We therefore believe that policy should drive the budget and not the budget drive policy.

Accordingly, we strongly urge you to remove the reductions and reconciliation instructions targeted at Medicaid, and instead include a reserve fund for the creation of a bipartisan Medicaid Commission. We appreciate the opportunity to work with you to address our concerns.