

November 3, 2005

**THE  
CATHOLIC HEALTH  
ASSOCIATION**  
OF THE UNITED STATES

The United States House of Representatives  
Washington, DC 20515

Dear Representative,

On behalf of The Catholic Health Association of the United States, the national leadership organization of more than 2,000 Catholic health care sponsors, systems, facilities, and related organizations, I urge you to preserve Medicaid coverage for low-income children and families, the elderly and disabled by opposing the House Budget Reconciliation legislation.



The Medicaid provisions included in the Budget Reconciliation bill have the potential to seriously limit beneficiary access to needed care and services. CHA is specifically opposed to provisions that allow for increased mandatory Medicaid beneficiary cost-sharing; requirements on hospitals to locate and refer non-emergency patients to alternative providers; elimination of federal standards of benefits to which all beneficiaries are eligible; and changing the penalty date for asset transfers in qualifying for long-term care services. All of these provisions could severely limit beneficiary access to needed care or shift the cost of care to providers.

Our concerns about proposals that would allow states to increase Medicaid beneficiary premiums, co-pays and deductibles are a result of our hospitals' first-hand experience, as well as numerous studies documenting the ill affects of such proposals. In 2003, under a Medicaid waiver, Oregon established a new Medicaid premium payment policy under which poor adults paid a \$6-\$20 monthly premium based on income. Following these state changes, seven Providence Health System hospitals in Oregon experienced a steady increase in the percentage of uninsured patient activity in the emergency departments, and uncompensated care overall doubled over a two year period, costing \$17,388,179 in 2002 and increasing to \$34,994,443 in 2004.

Studies confirm that such charges only serve to increase the numbers of uninsured and underinsured people and decrease the health status of low-income families, thereby raising the amount of uncompensated care borne by providers. The Urban Institute has estimated declines in enrollment of 16 percent when low-income participants are charged premiums that equal one percent of family income; 49 percent for premiums equal to three percent of family income; and 74 percent for premiums set at five percent of family income. In addition, the RAND health insurance experiment discovered a 44 percent reduction in use of medical services and generally poorer health among low-income adults and children when co-payments and cost sharing were enforced.

All of the other provisions of concern will also cause similar results, limiting beneficiary access to needed care and services and in turn leading to increased levels of illness and increases in uncompensated care cost.

We continue to urge the Congress to ensure that no sick person be denied health care. As a health care ministry united by faith and committed to the principles of Catholic social teaching, we believe a just society is one that protects and promotes the fundamental rights of all its members. Our faith tradition insists that our common efforts pay particular attention to the needs of the poor and vulnerable, including reliable and affordable health care. That is why CHA has such serious concerns about the level of spending cuts to safety net programs included in the House reconciliation legislation, including Medicaid. We urge you to remember that the federal budget is more than a fiscal plan; it reflects our values as a society. The Catholic health care ministry urges you to work for a budget that does not neglect the needs of the least among us.

Sincerely,

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