

United States Senate
WASHINGTON, DC 20510

February 29, 2008

The Honorable Kent Conrad
Chairman
Senate Budget Committee
530 Hart Senate Office Bldg.
Washington, D.C. 20510

The Honorable Judd Gregg
Ranking Member
Senate Budget Committee
393 Russell Senate Office Bldg.
Washington, D.C. 20510

Dear Chairman Conrad and Ranking Member Gregg:

We are writing to urge the Committee to demonstrate its commitment to Medicare and Medicaid, and the seniors, disabled and children who rely on these programs for their care, by opposing proposed cuts to hospital services in the Fiscal Year 2009 Budget Resolution. The nation's full-service community hospitals are the health care safety net for millions of vulnerable people, but face many challenges in providing this care: soaring demand, rising numbers of uninsured, new and costly pharmaceuticals and technologies, labor shortages, and staying ready to respond to community-threatening events, whether natural or man-made.


Despite these challenges, the administration on February 4th released a budget for Fiscal Years 2009-2013 that proposes unprecedented cuts: \$182 billion over the next five years to Medicare, and \$17 billion to Medicaid - a total of nearly \$200 billion in cuts to services that patients and communities rely on. Under Medicare, hospital cuts alone would total a staggering \$135 billion.

Among the many cuts included in the proposal: hospitals' Medicare inpatient and outpatient inflation updates would be eliminated for the next three years, with updates lagging inflation every year thereafter; teaching hospitals would see their Indirect Medical Education (IME) adjustment cut from 5.5 percent to 2.2 percent over three years, a reduction of 60 percent; programs supporting hospitals that serve a disproportionate share of the poor and elderly would be slashed by 30 percent; and programs that are critical to America's rural hospitals would be seriously eroded.

We hope you will reject these proposed cuts in Medicare and Medicaid spending for hospital services. We appreciate your consideration and look forward to working with you to achieve this goal.

Sincerely,


Senator Blanche Lincoln


Senator Pat Roberts