

Congress of the United States  
Washington, DC 20515

February 7, 2008

**PROTECT AMERICA'S HOSPITALS**

Dear Colleague:

Please join us in writing to Budget Committee Chairman Spratt and Ranking Member Ryan, asking them to protect access to hospital services for patients who rely on Medicare and Medicaid for their care.

Nearly two-thirds of America's hospitals lost money treating Medicare patients in 2006. The Medicare Payment Advisory Commission (MedPAC) estimates that overall Medicare hospital margins fell to **negative 4.8** in 2006. Medicaid hospital margins are even lower.

And yet, the Administration's Budget for Fiscal Years 2009-2013 proposes \$182 billion in Medicare cuts and \$17 billion in cuts to Medicaid.

Please sign the attached letter urging the Budget Committee to reject these cuts to Medicare and Medicaid and to help preserve the high-quality hospital care that patients need and deserve.

To sign this letter, please contact Ann Jablon ([ann.jablon@mail.house.gov](mailto:ann.jablon@mail.house.gov) or 5-5601) in Rep. Neal's office or Kelly Lavin ([kelly.lavin@mail.house.gov](mailto:kelly.lavin@mail.house.gov) or 5-5406) in Rep. English's office.

Sincerely,



RICHARD E. NEAL  
Member of Congress



PHIL ENGLISH  
Member of Congress

March ?, 2008

The Honorable John M. Spratt  
Chairman  
Committee on the Budget  
201 Cannon House Office Building  
Washington, DC 20515

The Honorable Paul Ryan  
Ranking Member  
Committee on the Budget  
B-71 Cannon House Office Building  
Washington, DC 20515

Dear Chairman Spratt and Ranking Member Ryan:

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 (FY) 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, staying ready to respond to community-threatening events, whether natural or man-made ... to name just a few.

Despite these challenges, the administration on February 4<sup>th</sup> 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,

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Richard E. Neal  
Member of Congress

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Phil English  
Member of Congress