Congress of the United States
Washington, DC 20515

November 10, 2005

Medicaid Cuts in Republican Reconciliation Bill Hurt Beneficiaries

Dear Democratic Colleague:

The Congressional Budget Office just released some new information that shows how truly damaging the Medicaid cuts will be for children and low-income families. This analysis clearly shows that the Republican reconciliation bill imposes new barriers to health care for children, seniors, working families and the disabled, causing delays in access to care, or loss of Medicaid coverage altogether. Following are some key points to consider:

- Of the $12 billion in cuts to Medicaid, 75 percent — nearly $9 billion — is due to provisions that hurt beneficiaries.

- Over 3 million children will face new cost-sharing charges in 2010, growing to 5.5 million children by 2015. Seventeen million people overall, or 27 percent of all Medicaid enrollees, will face new or higher cost-sharing by 2015.

- The vast majority — 80 percent, or $1.2 billion over five years — of the savings from cost-sharing increases are because beneficiaries will be forced to cut back on their use of health care services. The remaining savings from cost-sharing hit providers in the form of lower payments, to the tune of $300 million in payment cuts over five years.

- A full quarter of the savings associated with new premium charges for beneficiaries are because individuals will no longer be able to afford Medicaid, and will be forced to forego Medicaid coverage altogether. In 2010 alone, 70,000 enrollees will lose Medicaid coverage solely because of premiums. By 2015, 110,000 enrollees will lose coverage because of premiums.

- Half of those affected by the reductions in benefits – so called "benefit flexibility" – *will be children.* By 2015, 5 million individuals will face benefit cuts. Most of the services that beneficiaries will lose in the reduced benefit packages would be for mental health, certain therapies, dental and vision as well as new restrictions on amount, duration, and scope of services covered.

- In 2010, 120,000 seniors will see a delay in their Medicaid coverage for long-term care, growing to 150,000 seniors by 2015.

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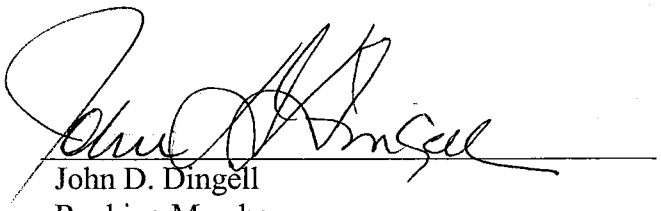
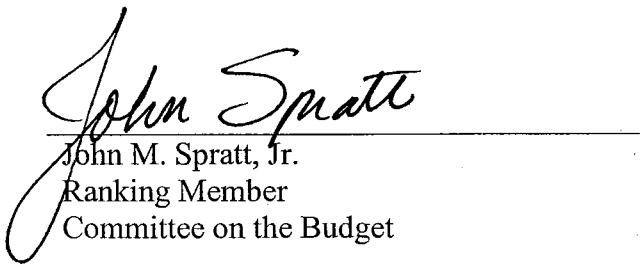
This reconciliation bill has clear and negative effects for the estimated 58 million children, seniors, disabled and parents who rely upon Medicaid coverage for their health care. We urge you to vote no.

Sincerely,



John D. Dingell
Ranking Member
Committee on Energy and Commerce



John M. Spratt, Jr.
Ranking Member
Committee on the Budget