

March 2, 2005

The Honorable Judd Gregg
United States Senate
393 Russell Senate Office Building
Washington, DC 20510

Dear Senator Gregg:

The millions of Americans we serve who are aging and disabled face a serious threat. Large cuts to an already fragile Medicaid program could severely jeopardize access to long-term care services that these people cannot do without. The ability of long-term care workers and providers to assure quality also would be seriously impaired. We are writing to urge you to reject Medicaid cuts and caps that shift cost and risk to vulnerable Americans needing long-term care and to commit to reinvest efficiency savings back into the program to help offset the growing and undeniable long term care cost challenges confronting Medicaid.

Medicaid covers long term care for roughly 3 million people with disabilities of all ages – 57% of them are elderly and 43% younger than 65. Two-thirds of those receiving Medicaid long-term care services live at home or in the community. Those in nursing homes are among the oldest and most severely disabled in our country – both physically and cognitively. These are people who have no other way to pay for their care.

We recognize the pressures on federal and state budgets, and the need to make Medicaid more efficient as fewer people have affordable private sector coverage and medical costs continue to rise. Federal and state actions to increase Medicaid efficiency are already achieving impressive results. That is why per capita Medicaid spending growth is well below overall health inflation rates, and why the Office of Management and Budget reduced its Medicaid baseline by \$91 billion.

Unfortunately, most of the \$60 billion in Medicaid cuts proposed in the President's budget would not add to these efforts to increase efficiency. They would merely shift costs to states and health care providers. That would lead to further cost shifts to private payers, make it harder for employers to provide coverage, and increase the need for Medicaid to serve as a safety net. In the process, it would put millions of our most vulnerable neighbors and family members at serious, avoidable risk.

Medicaid is not perfect and we want to work with you to find ways to increase efficiency that do not threaten access or quality. Specifically, we support the President's call to reduce prescription drug costs and to remove barriers to home and community-based services. However, savings should be reinvested to address pressing, unmet needs. For example, long waiting lists for home and community-based care could be reduced, and steps could be taken to address serious staffing shortages that threaten quality in all long term care settings.

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We urge you to reject proposals for cuts that threaten access and quality. We ask you to work with us, the President, and the states to strengthen -- not weaken and fundamentally undermine -- this critical safety net for people who cannot afford the care they need.

Sincerely,

AARP
Alzheimer's Association
American Association of Homes and Services for the Aging
American Health Care Association
National Association for Home Care & Hospice
The Arc of the United States
The Service Employees International Union

cc: The Hon. J. Dennis Hastert, Speaker of the House
The Hon. Tom Delay, House Majority Leader
The Hon. Roy Blunt, House Majority Whip
The Hon. Eric Cantor, Deputy Majority Whip
The Hon. Deborah Pryce, House Republican Conference Chair
The Hon. Jack Kingston, House Republican Vice Chair
The Hon. John Doolittle, House Republican Conference Secretary
The Hon. John Shadegg, House Republican Policy Committee
The Hon. Tom Reynolds, Chair, National Republican Congressional Committee

The Hon. Nancy Pelosi, House Democratic Leader
The Hon. Steny Hoyer, House Minority Whip
The Hon. Bob Menendez, House Democratic Caucus Chair
The Hon. James E. Clyburn, House Democratic Caucus Vice-Chair
The Hon. Rahm Emanuel, Chair, Democratic Congressional Campaign Committee

Senator Bill Frist, Senate Majority Leader
Senator Mitch McConnell, Senate Assistant Majority Leader
Senator Rick Santorum, Senate Republican Conference Secretary
Senator Kay Bailey Hutchison, Senate Republican Conference Vice-Chair
Senator Jon Kyl, Chair, Senate Republican Policy Committee
Senator Elizabeth Dole, Chair, National Republican Senatorial Committee

Senator Harry Reid, Senate Minority Leader
Senator Richard Durbin, Assistant Democratic Floor Leader
Senator Barbara Boxer, Minority Chief Deputy Whip
Senator Deborah Stabenow, Senate Democratic Conference Secretary
Senator Byron L. Dorgan, Senate Democratic Policy Committee
Senator Hillary Clinton, Chairman, Democratic Steering and Coordination Committee
Senator Charles Schumer, Chairman, Democratic Senatorial Campaign Committee