

**Congress of the United States**  
**Washington, DC 20515**

April 18, 2005

The Honorable Jim Nussle  
United States House Budget Committee  
309 Cannon House Office Building  
Washington, DC 20515-0001

Dear Chairman Nussle:

Thank you for your continued and tireless efforts to reduce the size and scope of the federal government by seeking to place a check on the growth of spending.

As you well know, one of the great challenges facing our generation is to ensure that our children and grandchildren are not saddled with a suffocating burden of debt that will diminish any chance they have of enjoying a lifetime of freedom and opportunity. Social Security, Medicare, and Medicaid, which now consume 44% of the federal budget, are growing so fast that they will require 100% of today's budget in 2035. Without a major course correction, every other priority – be it tanks and fighter jets or cancer research at the NIH – will require enormous tax increases in the future before it can be funded.

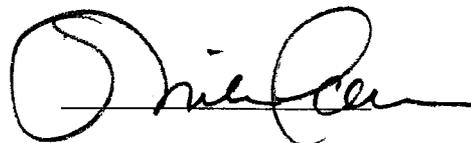
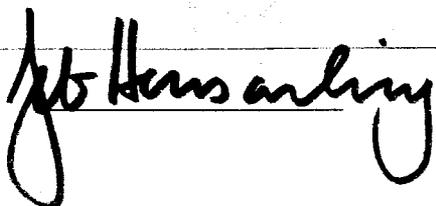
Under current law, Medicaid spending will grow at an average of 7.3% over the next five years. The House Budget Resolution asked the House Energy and Commerce Committee to slow the growth of mandatory spending over the next five years through the reconciliation process. The Committee would have exclusive jurisdiction to weed out waste, fraud, and abuse in the program, without adversely affecting the health services of low-income Americans. In addition, the Commerce Committee would not be precluded from uncovering waste in non-Medicaid programs to meet its reconciliation target. However, *if* the Committee chose to reform only Medicaid, the program would still *grow* at an average of 6.9% over the next five years.

Recently, some have voiced concern about the amount of savings Medicaid could be asked to absorb and whether reconciliation is the appropriate vehicle for any reforms. For those who care about rooting out waste, fraud, and abuse, the reconciliation process is the only realistic route for enacting needed reforms to the Medicaid program because it will require only a majority vote in the Senate.

It is clear that Medicaid's growth *can* be controlled without cutting needed services. There have been reports of states overpaying healthcare providers to leverage federal matching funds in order to later recoup the funds for spending elsewhere. An entire elder law industry has emerged to help individuals use estate planning to qualify for Medicaid and shield their assets. Not to mention, we have had continuous reports of Medicaid payments to deceased individuals -- payments that often go uncollected. Isn't now the time to improve Medicaid so that it continues to provide an adequate safety net for the neediest among us without bankrupting American taxpayers?

The reconciliation process is the only guarantee that these sorts of needed reforms could be enacted into law *this year*, and therefore we strongly urge you to maintain the House Budget Resolution's instruction to the Commerce Committee. That instruction is modest, meaningful, and achievable. Conservatives want to enthusiastically embrace this budget resolution but cannot do so without meaningful reconciliation.

Sincerely,



Morsha Blackburn

John Shadegg

Jane Myrick

Barbara Culin

Bob Boyd

John T. DeWitt

Joe Wilson

Ron Lewis

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