Gary C. Peters
MEMBER OF CONGRESS
14TH DISTRICT, MICHIGAN

www.peters.house.gov

Congress of the United States
House of Representatives
Washington, DC 20515

COMMITTEE ON FINANCIAL SERVICES
SUBCOMMITTEE ON CAPITAL MARKETS AND GOVERNMENT-SPONSORED ENTERPRISES
SUBCOMMITTEE ON MONETARY POLICY AND TRADE
SENIOR WHIP

February 28, 2014

The Honorable Secretary Kathleen Sebelius
Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

Dear Secretary Sebelius:

Last year, the Department of Health and Human Services' (HHS) Fiscal Year 2014 Budget included a proposal that would drastically and unreasonably cut Medicare payments on behalf of seniors who are unable to meet their cost-sharing obligations to hospitals. The Assistance to Low-Income Medicare Beneficiaries program is critically important to Michigan seniors and hospitals that serve them in their communities and I urge the Department not to include these cuts in its Fiscal year 2015 budget.

After a lifetime of work, too many of our senior citizens are struggling to make ends meet. When seniors are truly unable to pay for the cost of their care, Medicare steps in to cover a portion of the co-payments so that the burden does not fall onto the hospital alone. This cost sharing ensures that providers are able to continue serving seniors with Medicare. Currently, Medicare provides a 65 percent partial payment for care received after the hospital has exhausted every effort to collect the obligation, which can often take years to complete.

Unlike with private health insurance providers, hospitals do not have the ability to negotiate with Medicare to cover the costs of their patients, leaving Michigan hospitals with almost $200 million in uncompensated care. Hospitals in my district that serve this low-income population are already operating on very narrow margins. Further payment cuts could result in hospitals reducing services to seniors with Medicare leaving them without access to critical health care in their communities.

We must work together to sustain the current momentum in slowing the growth of health care costs. However, the path ahead necessitates practical and sustainable solutions. Cutting these payments is threat to the fiscal sustainability of hospitals that serve seniors in their communities. As Congress and the Administration looks for Medicare savings, I believe we should look to policies that have been vetted and fully understand the impact these decisions will have on access to health care.

I look forward to working with you to address the drivers of growth in health care costs and the challenges of ensuring the sustainability of a robust Medicare program for all of our nation's seniors. I appreciate your consideration of my thoughts on this important issue.

Sincerely,

Gary C. Peters
Member of Congress

DISTRICT OFFICE
400 Monroe Street Suite 290
Detroit, MI 48226
(313) 964-9960
FAX (313) 964-9959

WASHINGTON OFFICE
1609 Longworth House Office Building
Washington, DC 20515
(202) 225-5802
FAX (202) 226-2356