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Congress of the United States
House of Representatives
Washington, DC 20515–0902

February 13, 2015

Ms. Sylvia Burwell
Secretary
US Department of Health and Human Services
200 Independence Avenue, SW
Washington DC 20201

Dear Secretary Burwell:

I write in opposition to proposed cuts, included in your FY16 budget proposal, which reduce Medicare payments to hospitals when seniors are unable to meet their cost sharing obligations – also known as Medicare "bad debt" payments. This proposal threatens to limit access to health care for Medicare beneficiaries in my district.

A successful Medicare program is a unique collaboration between the federal government, the providers, and the patients. There can be damaging consequences to this delicate system when any part breaks down. As you are aware, when a hospital can't collect a copay owed by a Medicare beneficiary, Medicare has a policy of working with the hospital to, at least in part, make up the difference on behalf of the beneficiary. This policy has made Medicare more sustainable by helping to keep the hospitals in business for the benefit of the large majority of beneficiaries.

This is a different arrangement than many hospitals have with private insurers, but the difference is justifiable because the relationship between Medicare and the hospital is different. Unlike with private insurers, a hospital can't renegotiate a contract with Medicare to make up for "bad debt." Instead, the hospital is wholly reliant on the reimbursement policy set by Medicare.

The livelihood of many health care providers and patients is dependent on a viable Medicare program. I support improving quality and getting costs under control to improve the sustainability of our health care system for all Americans. But I believe cutting Medicare "bad debt" payments runs counter to that achievable goal. Thank you for your consideration of this matter.

Sincerely,



Gwen Graham

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