GARY C. PETERS
SENATOR ELECT
MICHIGAN

United States Senate

WASHINGTON, DC 20510

March 17, 2015

The Honorable Mike Enzi
Chairman
Senate Budget Committee
624 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Bernie Sanders
Ranking Member
Senate Budget Committee
624 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Enzi and Ranking Member Sanders,

I am writing to express my concern with proposed Medicare reimbursement rate cuts included in the Department of Health and Human Services' (HHS) Fiscal Year 2016 budget request to Congress and the negative effect these cuts will have on seniors in Michigan. The HHS Fiscal Year 2016 budget proposes reducing Medicare's cost-sharing obligation for Medicare bad debt payments from a current rate of 65 percent to 25 percent.

Our Medicare system represents a sacred promise to our nation's seniors and is one of the most successful programs of the 20th century. Unfortunately, even after a lifetime of hard work many of our seniors struggle to make ends meet and often cannot afford the substantial costs of their medical treatment. When seniors are unable to pay the costs of their care, Medicare steps in to cover a portion of the unpaid cost-sharing so that the burden does not fall onto hospitals alone.

Unlike private health insurance providers, hospitals cannot negotiate with Medicare to cover the costs of their patients. Michigan hospitals assume approximately $200 million dollars in uncompensated care for seniors annually. Cutting Medicare bad debt reimbursement rates could jeopardize health care access for thousands of vulnerable individuals in my state. The cuts will hurt hospitals that serve a high percentage of low-income seniors in traditionally underrepresented communities.

We cannot afford to risk the health and retirement security of our nation's seniors by making deep cuts to critical safety net programs.

I look forward to working with you to address the key drivers of growth in health care costs and the challenges of maintaining a strong Medicare program for America's seniors. As you begin to markup the Fiscal Year 2016 budget, I urge the Committee not to include these harmful cuts.

Sincerely,



Senator Gary C. Peters