

United States Senate
WASHINGTON, DC 20510

May 10, 2005

The Honorable Mike Leavitt
Secretary
Department of Health and Human Services
200 Independence Avenue, S.W.
Room 615-F
Washington, D.C. 20201

Dear Secretary Leavitt:

Per our discussions and your commitment during the Fiscal Year 2006 Budget Resolution conference regarding the need for an independent, bipartisan review of the Medicaid program during its 40th anniversary year, we are writing to request that you charge the National Academy of Sciences' Institute of Medicine (IOM) with the responsibility to conduct a thorough review of the Medicaid program. We believe that this is the best way to ensure that the Administration and Congress receive credible, long-range recommendations on how to improve coverage and access to care, quality, and cost-effectiveness of services for low-income and vulnerable populations served by Medicaid.

It is our understanding that if charged with this responsibility, the IOM report would be composed of two stages. The first is an Interim Letter Report written by a subgroup of the larger IOM panel on Medicaid. This initial review will include making recommendations on how the Congress can best address the budget resolution conference report recommendations for reductions in Medicaid spending. This includes reviewing proposals that have been discussed to reduce federal Medicaid spending and to make suggestions on how those savings can best be achieved without harming beneficiaries or the services they depend on. It is our understanding the IOM will require approximately \$350,000 to fund this request. Further, the Interim Letter Report will be due by September 1, 2005.

The second stage includes a more thorough review of the Medicaid program from the full membership of an expert committee for a period to end by December 31, 2006. This committee will be tasked to review and make recommendations on those issues that are outlined in Sec. 3(c) of S. 338, the "Bipartisan Medicaid Commission Act of 2005." Given the larger size of the panel and the longer duration, it is our understanding the IOM will require approximately \$850,000 to carry out this request.

In assembling both panels, the IOM would be directed to include broad representation from program stakeholders. Membership would include current or former governors, current or former state legislators, current or former county elected officials, providers or provider organizations, advocates or advocacy organizations, insurers or insurer organizations, and policy experts.

Thank you for your prompt attention to this important matter. If you have any questions or need additional information, please contact Catherine Finley in Senator Smith's office at 224-5364 or Bruce Lesley in Senator Bingaman's office at 224-5521.

Sincerely,



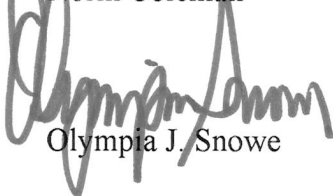
Gordon H. Smith



Susan M. Collins



Norm Coleman



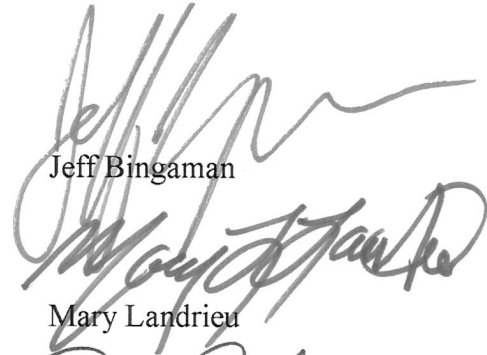
Olympia J. Snowe



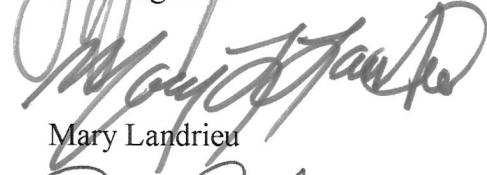
Mike DeWine



Arlen Specter



Jeff Bingaman



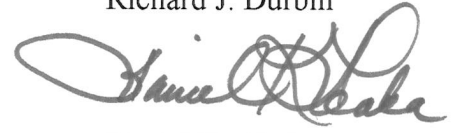
Mary Landrieu



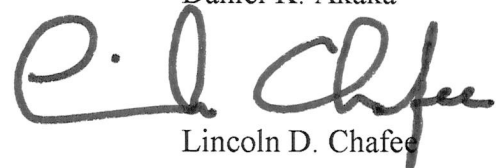
James M. Jeffords



Richard J. Durbin



Daniel K. Akaka



Lincoln D. Chafee