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**STATEMENT ON ADMINISTRATION'S 2012 FISCAL BUDGET**

**Rich Umbdenstock  
President and CEO  
American Hospital Association**

February 14, 2011

While we are pleased that the President's budget does not include any new major reductions in payments for hospitals services to Medicare beneficiaries, we are deeply disappointed that today's budget reduces Medicaid, which funds services to our most vulnerable patients such as the poor and disabled. Moreover, at a time when hospitals have already been asked to absorb big cuts at the state level, and state budgets are already stretched, it is unwise to ask states to continue to do more with less. In addition, we are also disappointed to see elimination of funding for the children's graduate medical education program at a time when there is a need for an expanded physician workforce. While we fully support eliminating future reductions to physicians, the answer to the physician payment issue is not cutting one provider to reimburse another.

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