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Congress of the United States Nouse of Representatives

Committee on Appropriations Washington, DC 20515–6015

February 24, 2010

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> CLERK AND STAFF DIRECTOR BEVERLY PHETO

> > TELEPHONE: (202) 225-2771

The Honorable Nancy Pelosi Speaker of the House Washington, DC 20515

Dear Madam Speaker,

As you may know, the Congressional Budget Office (CBO) indicated Monday that they do not have the information necessary to provide adequate or timely estimates of the potentially enormous costs of President Obama's latest health care reform proposal. It is in the strongest possible terms that I urge you to postpone any floor action on a health care reform bill until CBO can provide a complete estimate of both the mandatory and discretionary spending impacts of the legislation.

Press reports have indicated that you intend to bring this legislation to the floor of the House for a vote in the very near term. It would be both unwise and irresponsible to force action on this matter without any concrete analysis of the total cost to the American taxpayers. As I stated to you in a letter last month, large sums of discretionary spending in both the House and Senate versions of the health care reform bills have not yet been included in estimates by the CBO, rendering it impossible to make informed decisions regarding the outcome of this legislation.

As an example, the CBO's estimated totals did not include *identified* discretionary costs of at least \$117 billion in 29 programs in the House health care bill, and \$130 billion for 43 programs in the Senate bill. However, while this large amount of uncounted spending is unsettling, it is the *unidentified* costs that are even more worrisome.

Included in both the House and Senate bills is language authorizing the creation of entirely new or substantially expanded programs that will spend "such sums as may be necessary." A total of 26 different programs in the House version of the bill and 36 in the Senate contain these *unidentified* costs. Congress, via the Appropriations Committee, will be expected to provide this unspecified and unknown level of discretionary dollars over the next decade to pay for these programs – in addition to the \$117 to \$130 billion for identified discretionary costs.

The Honorable Nancy Pelosi February 22, 2010 Page Two

We do not and will not know the true and total costs of any health care legislation until CBO is able to a complete analysis of both the discretionary and mandatory spending impacts of the final bill. In response to a request from my staff, the CBO has indicated that at this point they have not had the time to produce such analysis. The problem of unknown spending in the President's health care proposal is even more troubling, due to the lack of sufficient detail released by the White House which makes it impossible for the CBO to produce even basic cost estimates. However, at a minimum, we do know that any health care bill will be at least \$117 billion – or about 13% – higher than any current estimate.

Madam Speaker, our annual deficits are over \$1 trillion, the President has called for a non-security discretionary spending "freeze," and the American people are rightfully clamoring for a stop to the explosive spending that has been the hallmark of this Democrat Congress. Given these realities – and the fact that health care reform costs will represent nearly one-sixth of the total U.S. economy – it is essential that any and all spending decisions related to health care reform be made in an open, transparent, and well-informed fashion.

The public has the right to know the true costs – and as of yet hidden costs – of health care reform. And, both Republican and Democrat Members of Congress have a right to know the true cost to the taxpayer before casting a vote.

I am asking that you allow adequate time for CBO to craft a comprehensive cost analysis of any final health care bill that includes both mandatory and discretionary spending before bringing the legislation to the House floor. This reasonable request will allow for Members of both parties to cast their votes with their eyes open to the enormous and costly implications of this legislation on current and future budgets.

I look forward to your timely response.

Sincerely,

Ranking Member House Committee on Appropriations

cc: The Honorable Steny Hoyer The Honorable John Boehner The Honorable David Obey