



May 28, 2009

The Honorable Pat Roberts
United States Senate
Washington, DC 20510

**Association of
American Medical Colleges**
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Darrell G. Kirch, M.D.
President and Chief Executive Officer

Dear Senator Roberts,

On behalf of the Association of American Medical Colleges (AAMC), I write to thank you for your leadership as a lead sponsor of the bi-partisan letter urging the Centers for Medicare and Medicaid Services' (CMS) Acting Administrator Charlene Frizzera to rescind the regulation eliminating the indirect medical education (IME) adjustment made under Medicare's capital reimbursement system scheduled to take place on October 1, 2009. The AAMC is a not-for-profit association representing all 130 accredited U.S. and 17 accredited Canadian medical schools, nearly 400 teaching hospitals and health systems, including 98 affiliated health systems and 68 Veterans Affairs medical centers; and 94 academic and professional societies. Through these institutions and organizations, the AAMC represents 109,000 faculty members, 75,000 medical students, and 106,000 resident physicians.

As you know, the IME adjustment made under the capital IPPS helps teaching hospitals maintain several unique missions, including training the next generation of physicians and providing the highest level of care available. The IME adjustment recognizes the financial demands of fulfilling these missions. Elimination of the IME adjustment will reduce funding for physician training programs and advanced clinical care in teaching hospitals by about \$375 million annually. CMS based its decision to eliminate the capital IME adjustment on a capital margin analysis, and ignores the precarious financial situation of teaching hospitals and the capital expenditure cycle by which these institutions plan and make capital purchasing decisions.

Thank you again for your leadership and commitment in recognizing the importance of preserving the IME adjustment for capital costs. The AAMC pledges our continued support of efforts to prevent the elimination of the capital IME adjustment, and look forward to working with you and your colleagues.

Sincerely,

A handwritten signature in black ink that reads "Darrell G. Kirch".

Darrell G. Kirch, M.D.

