



June 23, 2008

The Honorable Tim Murphy  
United States House of Representatives  
322 Cannon House Office Building  
Washington, D.C. 20515

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

Dear Representative Murphy:

On behalf of the nearly 400 major teaching hospitals and health systems, 129 medical schools, and 94 academic and professional societies represented by the Association of American Medical Colleges (AAMC), I write to thank you for your commitment and leadership in efforts to block the series of potentially devastating Medicaid regulations affecting beneficiaries and the providers that care for them.

Such dramatic changes in Medicaid policy would directly, immediately, and negatively impact the AAMC membership, since they provide a disproportionately large amount of health care services for Medicaid beneficiaries. About one-quarter of all Medicaid inpatients are treated at a teaching hospital—even though teaching hospitals represent just 6 percent of the nation’s hospitals. Medicaid accounts for 40 percent of the health care services provided by pediatricians in faculty practice groups (the physician practices staffed by medical school faculty). About 27 percent of services provided by obstetricians/gynecologists in faculty practice groups and about one-fifth of services provided by emergency medicine physicians are for Medicaid beneficiaries.

In this context, Medicaid cuts will clearly erode the financial resources that help teaching hospitals and faculty practice groups maintain a range of health care services typically unavailable elsewhere in the community (e.g., Level I trauma centers, burn units, and leading-edge therapies for life-threatening diseases). These resources are available to all patients, not just Medicaid beneficiaries; entire regions rely on those services in times of both personal and community crisis.

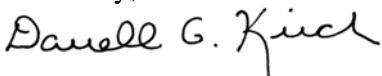
In addition to providing these vital health services, teaching hospitals also train new generations of physicians to care for Medicaid and other patients in the decades to come (“graduate medical education”). The AAMC is particularly concerned that the May 23, 2007 proposed rule to eliminate Medicaid payments for graduate medical education (GME) will threaten the ability of teaching hospitals to maintain this core mission. Representing a multi-billion-dollar loss in funding for teaching hospitals, the Medicaid GME proposed rule will cripple training programs as they work to assure an adequate physician supply. In light of the numerous studies suggesting current and future physician shortages, training physicians and other healthcare professionals has never been more important to our nation.

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The AAMC deeply appreciates your leadership in joining House Energy and Commerce Committee Chairman John Dingell as a sponsor of the "Protecting the Medicaid Safety Net Act of 2008" (H.R. 5613). The bill prohibits until April 1, 2009 any action on a wide range of Medicaid regulations, including the GME proposed rule. Such a delay will permit careful Congressional consideration of these major changes in Medicaid policy. The overwhelming bipartisan support for your legislation resulted in its passage on the House floor (349-62) and helped secure the inclusion of similar provisions in the FY 2008 emergency supplemental appropriations bill.

The AAMC is very grateful for your efforts to preserve Medicaid benefits and provider payments. We pledge our continued support for your legislation, and look forward to working with you and your colleagues to preserve Medicaid payments to teaching hospitals and medical schools.

Sincerely,

A handwritten signature in cursive script that reads "Darrell G. Kirch". The signature is written in black ink and is positioned above the printed name.

Darrell G. Kirch, M.D.