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AAMC Public Policy and Advocacy Update

June 9, 2020

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A Pivotal Moment

AAMC Statement on Police Brutality and Racism in America and Their Impact on Health

JUNE 1, 2020

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David J. Skorton, MD, president and CEO of the AAMC (Association of American Medical Colleges) and David A. Acosta, MD, AAMC chief diversity and inclusion officer, released the following statement:

"For too long, racism has been an ugly, destructive mark on America's soul. Throughout our country's history, racism has affected every aspect of our collective national life—from education to opportunity, personal safety to community stability, to the health of people in our cities large and small, and in rural America.

Over the past three months, the coronavirus pandemic has laid bare the racial health inequities harming our Black communities, exposing the structures, systems, and policies that create social and economic conditions that lead to health disparities, poor health outcomes, and lower life expectancy.

Now, the brutal and shocking deaths of George Floyd, Breonna Taylor, and Ahmaud Arbery have shaken our nation to its core and once again tragically demonstrated the everyday danger of being Black in America. Police brutality is a striking demonstration of the legacy racism has had in our society over decades. This violence has eroded trust of the police within Black and other communities of color who are consistently victims of marginalization, focused oppression, racial profiling, and egregious acts of discrimination.

MEDIA CONTACTS

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Congress Legislating at Extraordinary Pace

First Reported COVID-19 Cases

Dec. 27: **China** Jan. 20: **United States**

U.S. Legislative Response

Mar. 6:	1st Stimulus	\$7.8 Billion
Mar. 18:	2nd Stimulus	\$8.3 Billion
Mar. 27:	3rd Stimulus (CARES Act)	\$2.0 Trillion
Apr. 24:	4th Stimulus (“3.5”)	\$484 Billion



**\$2.5
Trillion
Enacted
in Just 2
Months**

And It's Not Finished...

May 15: House-Passed 5th Stimulus (HEROES Act) \$3.0 Trillion

COVID-19 Regulatory Issues

- **CMS Waivers and Changes**
 - More than 100 total
- **Telehealth**
 - Payment rates
 - Paying for telehealth in non-rural locations, including patient's home
- **GME**
 - Intern/resident to bed ratio (IRB) for IME payments
 - Resident physician oversight rules
- **Medicare Patient Care Reimbursement**
 - Accelerated and Advanced Payments
 - Accountable Care Orgs (ACOs); Medicare Shared Savings (MSSP)

Meanwhile, COVID-19 Is Not the Only Issue

- **Extenders**
 - Teaching Health Centers GME, Community Health Centers, National Health Service Corps, Medicaid DSH
- **FY 2021 appropriations bills and budget caps**
 - NIH, workforce pipeline programs, VA research, AHRQ, CHGME
- **Medicaid Fiscal Accountability Regulation (MFAR)**
- **Deferred Action for Childhood Arrivals (DACA)**
- **GME Medicare resident caps**
- **Drug pricing; surprise billing**

AAMC Continues to Engage Policy Makers

Podcast Interviews this Spring



NIH Director Collins



Rep. Shalala (FL)



Sen. Blunt (MO)



**AAMC President
David J. Skorton, MD**



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**Thank You
for Continuing to Work
in Close Collaboration
With AAMC**

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Outlook for Next COVID-19 Package and AAMC Priorities

June Policy & Advocacy Outlook Webinar

Len Marquez
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Current State of Play or Hill Chatter with Len

- House continues to conduct remote hearings and expects to return “soon” to vote on “Justice in Policing Act”
- IF a COVID supplemental comes together, Senate will not consider until returning after July 4 recess, remains focused on non-health care related issues through June.
- There will NOT be a bill unless it has employer and business liability protections and will not include either surprise billing or drug pricing legislation, only things that are COVID related.
- We continue to hear that policymakers want to review Provider Relief Fund distributions and examine how providers are fairing once elective procedures come back more fully before “refilling” PRF bucket.

AAMC Clinical Recommendations for Next COVID Package

- Protect patients by ensuring they can continue to access the high-quality care that they need by expanding access to health care coverage.
- Protect patient access to care after the COVID-19 pandemic by building upon and expanding telehealth progress.
- Ensure academic medicine can meet the needs of their communities by providing additional financial relief.
- Help frontline health care workers by providing liability protections, hazard pay, and student loan forgiveness.
- Ensure we have enough physicians to meet the needs of our growing, aging nation.



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Provider Relief Fund Disbursement

June Policy & Advocacy Outlook Webinar

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Provider Relief Fund

- Provider community asked for funding specifically for COVID-19 related expenses
- Authorized in CARES Act - \$100 billion
- Expanded in Paycheck Protection Program and Health Care Enhancement Act - \$75 billion
- Left in the fund: ~\$100 billion
- AAMC letters to HHS



Name	Dollar Amount	Methodology
General Allocation	\$30 billion	(Provider's 2019 Medicare Fee-For-Service Payments / \$453 Billion) x \$30 Billion
General Allocation (2)	\$20 billion	((Most Recent Tax Year Annual Gross Receipts x \$50 Billion) / \$2.5 Trillion) – Initial General Distribution Payment to Provider
Uninsured Patients	?	HRSA portal available, reimburse for COVID-19 related expenses for uninsured
High Impact Distribution	\$10 billion, +\$2 billion	<p>\$10 billion distributed to 395 hospitals w/ 100 or more COVID-19 admissions by April 10, \$76,975 per admission. (5,598 hospitals submitted applications, 184,037 COVID-19 inpatient admissions were reported)</p> <p>Additional Payment Allocation per Hospital = \$2 Billion x (Hospital Medicare Funding / Sum of Medicare Funding for 395 Hospitals)</p>
Rural Distribution	\$10 billion	Distributed to rural health clinics, rural acute care general hospitals, CAHs, and community health centers in rural areas. CAHS and hospitals receive a minimum of \$1 million + 4% of operating expenses. Health clinics and community centers receive at least \$100,000.
Indian Health Service (IHS)	\$500 million	Distributed to tribal hospitals, clinics, and urban health centers, distributed on the basis of operating expenses
Skilled Nursing Facilities	\$4.9 billion	Payment Allocation per Facility = Fixed Payment of \$50,0000 + \$2,500 per Certified Bed*

AAMC Asks for Future Distributions

Ensure that safety-net providers caring for vulnerable populations receive sufficient funding.

Distribute a second targeted tranche of funding for providers treating disproportionate numbers of COVID-19 patients and update the “high impact” distribution date from its original April 10th date to account for new “high impact” areas that have developed since that time, while recognizing that some of the original “high impact” areas continue to be “high impact.”

Utilize the intensive care unit (ICU) bed data collected previously as a proxy to provide additional funding for hospitals with a higher share of ICU beds and consequently higher acuity patients.

Sufficiently recognize and reimburse the significant lost revenue incurred by teaching hospitals and faculty physicians.

Recognize the unique contributions and costs of academic medical centers that have not only faculty physicians on the front lines but also residents and other learners.

Other key considerations:

- The unique needs of faculty practice plans, which should receive targeted funding.
- The need for expeditious disbursement of funds and clarification on the amounts distributed.

What's next?

- Medicaid providers – pediatricians, behavioral health specialists
- Dentists
- More high impact dollars (?)
- Replenishment of Provider Relief Fund unclear





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Testing and Contact Tracing; Opioids

June Policy & Advocacy Outlook Webinar

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Covid-19: Relief to Resume Non-Covid Research

This emergency relief funding is especially critical to maintaining and advancing U.S. competitiveness during this crisis through innovations supported by the National Science Foundation (NSF), the Departments of



May 27, 2020

The Honorable Mitch McConnell
Majority Leader
United States Senate
S-226, United States Capitol
Washington, DC 20510

The Honorable Richard Shelby
Chairman
Appropriations Committee
United States Senate
304 Russell Senate Office Building
Washington, DC 20510

Dear Leader McConnell, Leader Schumer, Chairman S

We represent the leading national voices for the rese at the forefront of our nation's fight against the COVI to mitigate the pandemic's harmful health, economic Congress identifying \$26 billion in research relief func we reiterate the urgency of that request and ask that federal research agencies of at least \$26 billion in its

COVID-19 has caused enormous disruptions to federa detrimental impacts on our nation's research enterpr significant strides in avoiding long-term and devastati ability of our nation's patients, doctors, innovation ar have access to globally-competitive, American innova

Federally supported research at academic institutions researchers has been disrupted, delayed, and, in som experiencing extraordinary strains during this crisis. It expertise and talent base, which would put our comp threats has generated bipartisan support in both the of Congress have signed letters asking Congressional research workforce.¹

¹ April 29, 2020 bipartisan letter from 181 Members of the House research agencies; May 4, 2020 bipartisan letter from 33 Senator research agencies.



Francis Collins, director of the National Institutes of Health, testifies during a Senate panel hearing on May 7, 2020.

Photographer: Andrew Harnik/AP Photo/Bloomberg

Virus Will Cost NIH \$10 Billion in Lost Research, Director Warns (1)



Rep. Diana DeGette @RepDianaDeGette · Jun 5

This is why @RepFredUpton and I led 180 of our House colleagues in urging relief for scientific and medical researchers who have been impacted by the pandemic.

We must ensure that critical medical research can continue. Life-saving cures are at stake.



The coronavirus pandemic claims another victim: Medical research for d... Work on many conditions is deemed nonessential, dismaying families who found hope in promising treatments.

washingtonpost.com

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Covid-19: Testing and Public Health

Vice President Pence, Speaker Pelosi, Majority Leader McConnell, Minority Leader McCarthy,
Minority Leader Schumer
April 17, 2020
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receive, many institutions rely on subsidies from clinical revenues to support the additional costs associated with the research mission. As stated previously, as a result of the pandemic, major teaching hospitals, health systems, and faculty physician practices are reporting significant financial losses. It is unlikely that providers will recover these losses, which will undermine the ability of teaching hospitals to continue supporting the costly research and education missions of their academic partners in the same way, and importantly, will not allow providers to take on additional research-related costs as a result of this national emergency. Similarly, given the economic toll of the crisis, it is not clear whether philanthropic contributions and support from private foundations will continue in the same way they did pre-COVID-19.

As you know, the U.S. medical research enterprise is crucial to developing treatments, cures, diagnostics, and preventions for existing and emerging diseases, and a robust research enterprise contributes to the nation's economic vitality. However, research programs cannot start or stop with the flip of a switch. Emergency support to mitigate the disruptions resulting from COVID-19 will help the nation's research enterprise recover as quickly as possible the momentum lost during the pandemic.

The AAMC joined members of the higher education community in an [April 7 letter](#) outlining areas of need for the research community supported by all federal research and development agencies. In addition to funding for new COVID-19-related research at NIH, the Agency for Healthcare Research and Quality, and other agencies, the AAMC specifically recommends that Congress:

- Provide emergency supplemental appropriations to NIH and other research agencies to support the research workforce, help institutions suspend and resume research projects, extend time for research projects once they resume, and support career transitions for graduate students and postdoctoral fellows.
- Allow extensions of the period of disbursement for RF1, UF1, and other multi-year grants to ensure awardees do not lose current funding and that grant deadlines do not expire while labs are closed.

Testing and Public Health

Invest in public health infrastructure

Both to enhance resilience against the current crisis and to prevent a potential recurrence of COVID-19 and the emergence of other future pandemics, robust investment in the nation's public health infrastructure, including the CDC, is necessary. Chronic underfunding has taken its toll on the nation's preparedness framework and under-resourced state and local health departments have been forced to manage a growing list of threats without commensurate support. For example, funding for the CDC's Public Health Emergency Preparedness (PHEP) program has dropped nearly 30% over the last two decades, while the Assistant Secretary for Preparedness and Response (ASPR)'s Hospital Preparedness Program (HPP) is funded at nearly half its FY 2004 funding level. Academic medical centers take seriously their role in emergency preparations and response, and a robust and strong public health infrastructure is necessary to optimize this work. Funding patterns that infuse resources only from crisis to crisis do not support a sustainable

Vice President Pence, Speaker Pelosi, Majority Leader McConnell, Minority Leader McCarthy,
Minority Leader Schumer
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preparedness strategy to keep the country safe and healthy. We need dramatically increased and sustained investments in these efforts.

Support the academic medicine community's efforts to maximize testing capacity

AAMC member teaching hospitals and medical schools have been at the front lines of the COVID-19 response, from patient care to developing and performing diagnostic tests. These institutions see the continued urgent need to substantially increase testing of both symptomatic and asymptomatic individuals to stop the spread of the virus and to inform an evidence-based timeline for returning to work. Unfortunately, many laboratories across the country continue to be severely hampered by shortages of needed reagents and supplies for testing. The federal government can help remedy some of these challenges by:

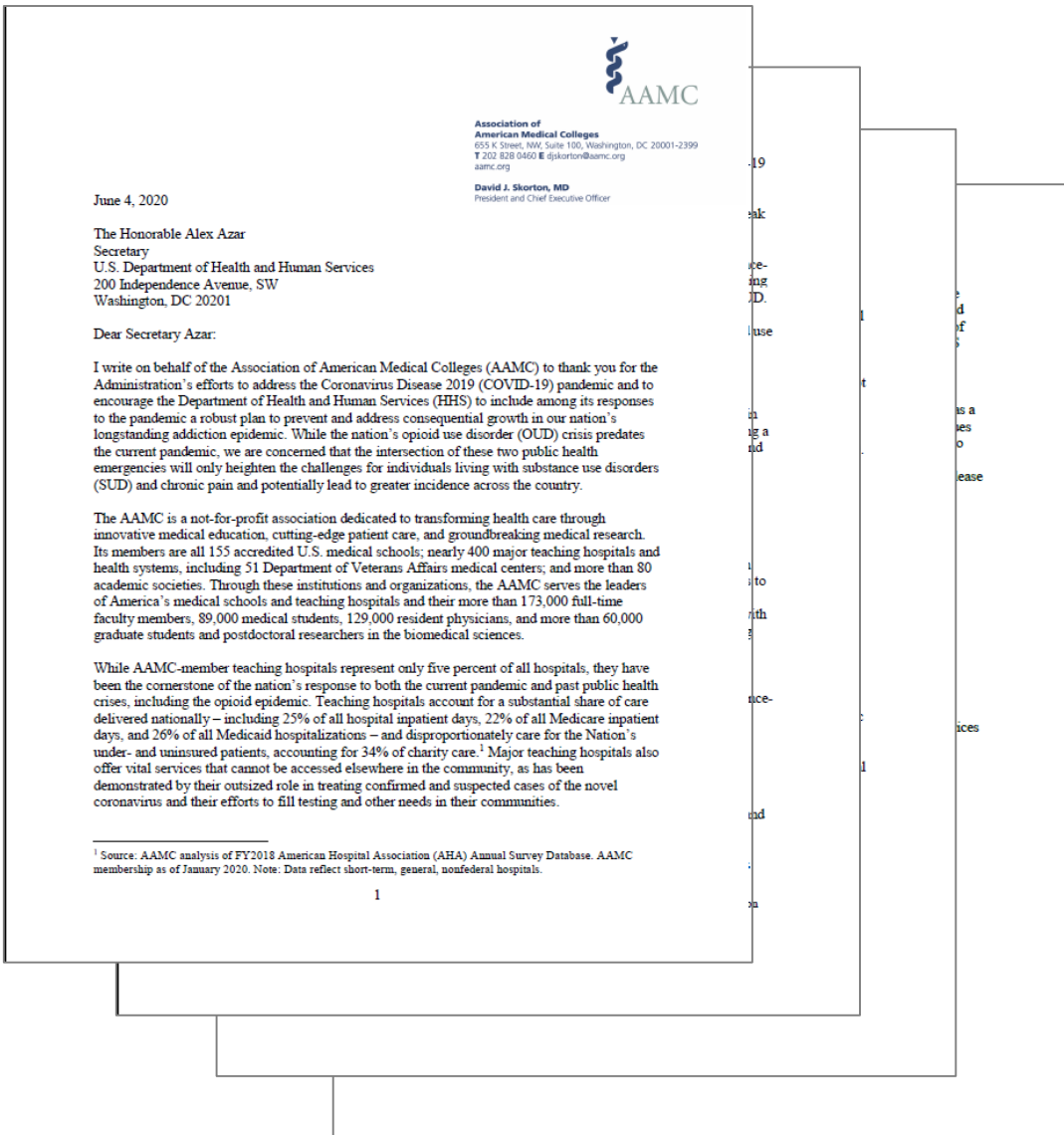
- Working quickly to deploy a web portal that would allow all laboratories to easily report reagent or other supply shortages that are slowing or preventing testing from occurring.
- Assuming a clearer role in the assessment and management of the supply chain for key testing reagents and supplies.
- Implementing a transparent communication system to inform vendors and labs about the priorities, directions, and specific needs of the community.

Enhance national COVID-19 data collection to better address health disparities

As the COVID-19 pandemic unfolds, the longstanding social, economic, and health inequities are being illuminated in the U.S. and across the globe. In the U.S., local data is showing that Black Americans are more likely to get sick and die from the novel coronavirus. This is not because the virus is naturally more harmful to racial and ethnic minorities. Rather, this is the result of policies that have shifted opportunities for wealth and health to a narrow segment of society putting those with fewer economic resources and with preexisting health conditions more at risk and vulnerable to illnesses like COVID-19. To address these shortcomings and to more effectively mitigate health inequities going forward, the AAMC recommends a data collection effort that is:

- National and standardized to accurately capture race and ethnicity data, as well as information on the social and environmental conditions in which people live, work, and play.
- Patient-centered and developed in collaboration with local community members and community-based organizations who have trusted and established relationships with local residents to identify communities disproportionately at-risk and to suggest structural interventions to ensure just, equitable preparedness and response during a pandemic.
- Reflective of the neighborhoods to which COVID-19 patients are discharged, noting that county or zip code data are not specific enough for densely populated communities likely to be most impacted by infectious disease.

Covid-19: Impact on Substance Use



Recommendations:

- Expand access to buprenorphine by suspending outdated waiver requirement for clinicians.
- Support investments in expanding the physician workforce to address demand.
- Make temporary telehealth flexibilities permanent.



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Workforce, Diversity, and Immigration

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Matthew Shick, JD
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HRSA Workforce Programs

National Health Service Corps (NHSC)

- Budget proposes \$430 for the NHSC in FY 21
- \$120 million in discretionary funding (flat-funded from FY 19 and FY 20)
- **AAMC recommends \$180 million in discretionary funding for the NHSC in FY 21**

Rural Residency Program

- Budget proposes to eliminate (\$10 million in FYs 19-20)

Children's Hospital Graduate Medical Education (CHGME)

- Budget proposes to eliminate/consolidate CHGME (\$340 million) with Medicare GME
- **AAMC recommends \$465 million for CHGME in FY 21**

HRSA Titles VII and VIII Workforce and Diversity Pipeline Programs

- AAMC-led Health Professions and Nursing Education Coalition (HPNEC) recommends **\$790 million for HRSA Titles VII and VIII in FY 21**
- HPNEC also recommends **\$367 million in emergency supplemental funding** for the HRSA Titles VII and VIII in the next COVID-19 supplement
- The President's FY 21 Budget proposes \$250.4 million for Titles VII and VIII, a \$484 million (66%) decrease from FY 20 levels
 - Title VII programs receiving funding include Centers of Excellence, Mental & Behavioral Health, Behavioral Health Workforce Education & Training, and Workforce Assessment
 - All other Title VII programs were proposed to be eliminated

CARES Act: HRSA Workforce Programs

Title VII Reauthorization

- Reauthorizes the HRSA Title VII programs at FY 20 appropriated levels through FY 25

Health “Extenders”

- NHSC, Teaching Health Centers, and Community Health Centers mandator funds extended through Nov. 30, 2020

Federal Diversity and Health Equity Policy

AAMC Statement on Police Brutality and Racism in America and Their Impact on Health - June 1

COVID 19 Health Disparities - AAMC April 10 statement on data collection, AAMC engagement with May 27 Ways and Means hearing

Social Determinants Accelerator Act (H.R. 4004, S. 2986) - AAMC endorsed bill to establish interagency commission and grants to local communities to address SDOH

Medical Education for a Diverse America Act (H.R. 5432) - AAMC endorsed bill to reinforce that hospitals can count the time a resident spends in cultural and linguistical competency education training as part of the Medicare GME

Health Equity and Accountability Act (HEAA, H.R. 6637) - Congressional Tri-Caucus “kitchen sink” bill includes Conrad 30, SDAA, MEDAA, Physician Shortage Projections, Title VII increases

Healthcare Anchor Network - Healthy and Affordable Housing

Continue to Underscore GME Impact on Access and Health Equity

Immigration and Citizenship

AAMC COVID-19 Visa Recommendations

- Temporarily extend physicians' stay through COVID-19 national emergency
- Expedite physician visa approvals and resume H-1B premium processing
- Allow physicians and residents on visas to be redeployed to new sites as needed

DACA program continues to accept renewals

- SCOTUS decision on DACA rescission expected soon
- AAMC-led nearly 80 national orgs in supporting administrative or legislative action
- Endorsed American Dream and Promise Act (H.R. 6) & Dream Act of 2019 (S. 874)

Conrad State 30 and Physician Access Act (S. 948, H.R. 2141)

- Allow the program to expand beyond 30 slots if certain nationwide thresholds are met
- Allow three slots per state to be used by academic medical centers
- Allow “dual intent” for J-1 visa physicians seeking graduate medical education

President's Proclamations Suspending Travel for Certain Countries/Visas



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FY 2021 Appropriations and Other Research Updates

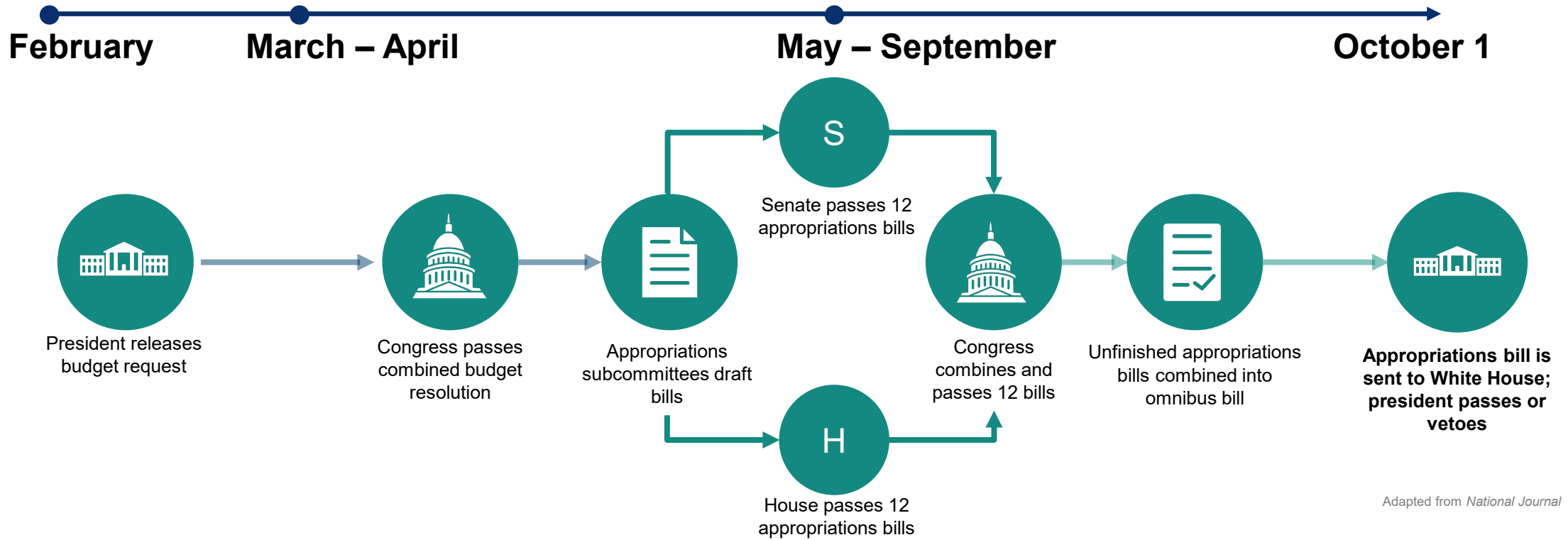
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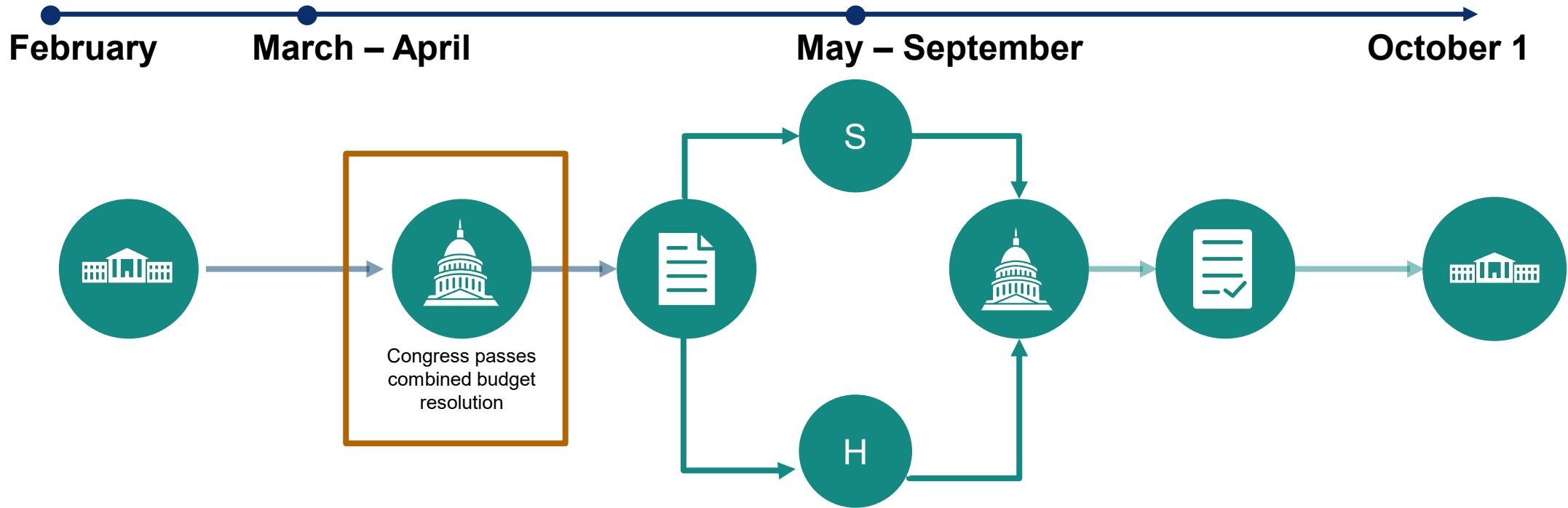
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FY 2021 Appropriations Update



- COVID-19, FY 2021 budget caps, and 2020 election impacting timing

FY 2021 Appropriations: Budget Caps

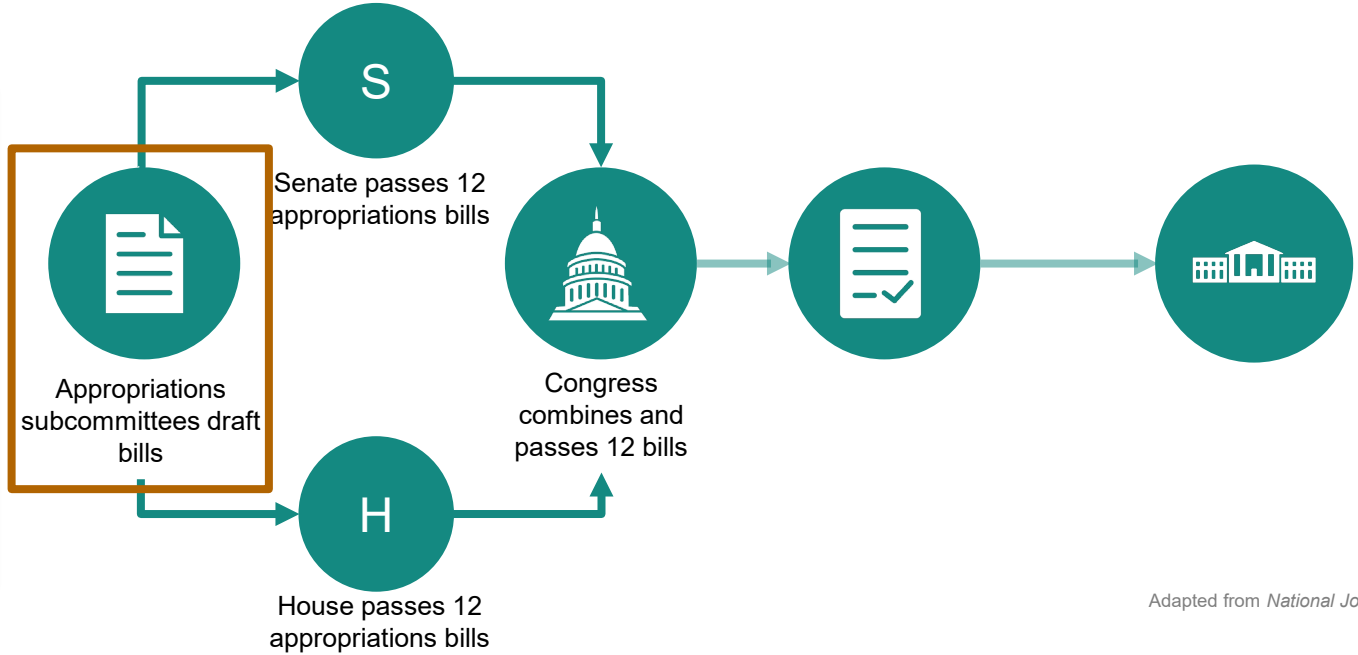
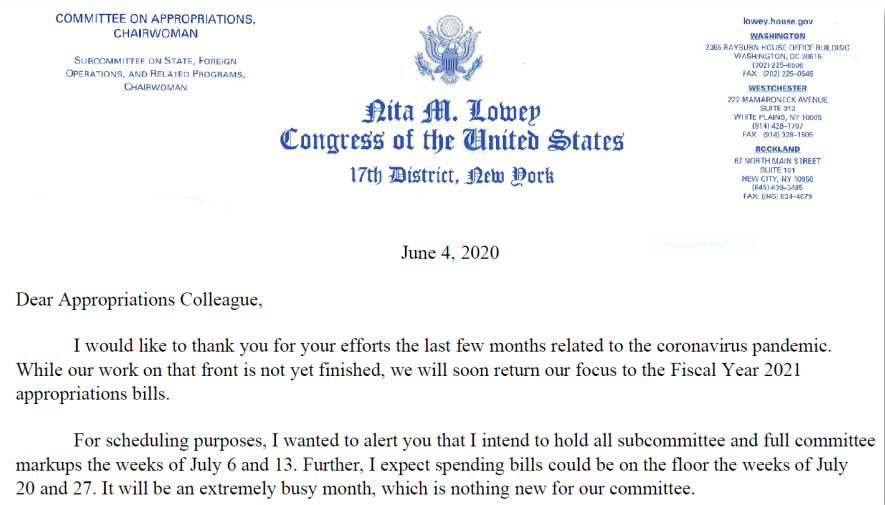


Adapted from National Journal

- \$5B increase in nondefense discretionary budget cap from FY 2020
- House, Senate expected to exempt \$11B in VA MISSION Act funding

FY 2021 Appropriations: Current State of Play

February March – April May – September October 1



Adapted from National Journal

- House and Senate 302(b) levels established
- House Appropriations Committee consideration July 6 – July 17, possible floor consideration July 20 – July 31

FY 2021 Funding Recommendations: Research

Labor, Health and Human Services, Education

National Institutes of Health: **\$44.7 billion**

Centers for Disease Control and Prevention: **\$8.3 billion**

Agency for Healthcare Research & Quality: **\$471 million**

Military Construction, Department of Veterans Affairs

VA Medical & Prosthetic Research: **\$860 million**

Commerce, Justice, Science

National Science Foundation: **at least \$9 billion**

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Other Issues: Research Security

Research Security

- White House OSTP Joint Commission on the Research Environment (JCORE) solicited comments, expecting guidance for all research agencies
- Increasing Congressional focus on China
 - SECURE CAMPUS Act: Sens. Cotton (R-Ark.), Blackburn (R-Tenn.), Rep. Kustoff (R-Tenn.)
 - Expected legislation from Sens. Portman (R-Ohio), Carper (D-Del.)
- AAMC Resources: www.aamc.org/researchsecurity





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What was passed in the CARES Act?

Student loans

- Defers student loan payments, principal, and interest for 6 months (Sept. 30, 2020)
 - Applies to all Direct Loans, and federally held Federal Family Education Loans & Perkins Loans
- Deferred payments during this time count towards loan forgiveness, including PSLF

Education Stabilization Fund

- \$12.6 billion in funds to higher education institutions
 - Institutional awards were calculated using 75% of FTE enrollment of Pell students and 25% of the FTE of non-Pell students
 - At least 50% of funds must be used to provide direct emergency aid to students

Regulatory Relief

- Provided regulatory relief regarding Federal Work Study and student withdrawals

What is being proposed in the HEROES Act?

Student loans

- Extends the deferment student loan payments, principal, and interest through Sept. 30, 2021
- Provide \$10,000 of loan forgiveness on all federal and privately held loans for “economically distressed borrowers” (borrowers making \$0 payments before March 13)
- Expand the definition of “eligible federal student loans” to include all HRSA Title VII Loans, Perkins Loans, and Federal Family Education Loans

Education Stabilization Fund

- Provide \$26.7 billion in emergency aid to public higher education institutions and \$7 billion in emergency aid to private institutions
- Removes 50/50 provisions from CARES and increases flexibility for institutions on how they distribute the fund

AAMC-Supported Loan Forgiveness Proposals

Student Loan Forgiveness for Frontline Health Workers Act (H.R. 6720)

- Introduced by Rep. Carolyn Maloney (D-N.Y.)
- Forgives all graduate student debt for frontline health care workers

Health Heroes Act (S. 3634, H.R. 6650)

- Introduced by Sens. Durbin (D-Ill.), Schumer (D-N.Y.) and Rep. Schakowsky (D-Ill.)
- Provides \$25 billion to NHSC loan repayment and scholarships

HEROES Act (P.L. 116-136)

- Grants PSLF eligibility to a health care practitioners who works at a nonprofit or public hospital, but who are prohibited by state law from being directly employed by the hospital

Pandemic Responder Service Award Act (S. 3726)

- Introduced by Sen. Casey (D-Pa.)
- Provides up to \$40,000 in financial aid, continuing education, or savings relief for frontline health workers.

Other COVID-19 Higher Education Issues

Reopening Institutions

- AAMC joined the higher education community in requesting limited liability protections for institutions of higher education in the next COVID-19 supplemental legislation
- Senate HELP Committee hearing explored possible liability protections for institutions, the need to fund the research enterprise, and the role academic medical centers can play in testing students

Tax Issues

- HEROES Act proposes making all public institutions eligible for expanded sick and medical leave refundable employer tax credit
- AAMC proposes to suspend the taxation of grant aid used on non-tuition expenses like room and board as a form of unearned income
- AAMC proposes to repeal the excise tax on investment income of private colleges and universities

Other Higher Education Issues

Sec. 117 Foreign Gift Reporting

- Department of Education released their revised proposed information collection request regarding foreign gifts and contracts disclosures
- AAMC joined community comments raising concerns with the proposed request

Title IX

- Dept. of Ed released their final Title IX campus sexual assault rule
- Institutions have to implement new rule by Aug. 14

Higher Education Act reauthorization on hold until 2021?

Q&A

Please enter your questions in the chat box

Thank you for joining!

You can email advocacy@aamc.org with any questions or comments that we did not have time to address during the Q&A portion of the webinar