

January 25, 2022

The Honorable Chuck Schumer
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Minority Leader
U.S. Senate
Washington, DC 20510

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, DC 20515

Dear Leader Schumer, Speaker Pelosi, Leader McConnell, and Leader McCarthy:

On behalf of the Association of American Medical Colleges (AAMC), I write to thank you for your leadership on the COVID-19 pandemic response. AAMC-member teaching hospitals and medical schools, and their faculty physicians, researchers, and other health professionals, continue to see and experience firsthand the unprecedented challenges that the pandemic is imposing on patients, communities, health care providers, and the public health and health care system itself as they continue to respond to and attempt to recover from the impacts of the public health emergency (PHE). As the expiration of the current continuing resolution (CR) approaches, we urge you both to complete work on fiscal year (FY) 2022 appropriations through an omnibus spending bill and to pass accompanying legislation that ensures providers are able to continue delivering care to their patients, takes steps to mitigate impending cuts to provider payments, and invests in the future of health care delivery.

The AAMC is a nonprofit association dedicated to transforming health through medical education, health care, medical research, and community collaborations. Its members are all 155 accredited U.S. and 17 accredited Canadian medical schools; approximately 400 teaching hospitals and health systems, including Department of Veterans Affairs medical centers; and more than 70 academic societies. Through these institutions and organizations, the AAMC leads and serves America's medical schools and teaching hospitals and the millions of individuals employed across academic medicine, including more than 186,000 full-time faculty members, 94,000 medical students, 145,000 resident physicians, and 60,000 graduate students and postdoctoral researchers in the biomedical sciences.

Though the bipartisan aid that Congress has provided throughout the pandemic has made a significant difference in keeping our health care system afloat, the unrelenting nature of the pandemic continues to take a toll on providers as they continue to battle clinician burnout, and face debilitating staffing shortages, cancel non-urgent procedures, and respond to new variants and surging patient loads. Additionally, as teaching hospitals and faculty physicians look to plan beyond the PHE, they face uncertainty as to how they will be able to sustain their investments in telehealth and other innovative programs that have expanded access to critical health care services for their communities. To address these concerns, the AAMC urges you to address the following critical needs:

PROVIDER RELIEF FUND

The AAMC appreciates Congress' creation of the Provider Relief Fund (PRF) at the outset of the pandemic, which was intended to ease the financial burden that providers were experiencing due to the

COVID-19 pandemic. These funds proved invaluable for teaching hospitals and faculty physicians across the country as they ceased non-urgent or pre-scheduled procedures and shifted to becoming hubs for testing, treatment, and ultimately vaccination against COVID-19.

Unfortunately, as the omicron variant has taken hold and the volume of cases explodes across the nation, providers' financial challenges have not abated. Providers continue to grapple with capacity, supply chain, and staffing shortages and all the while health care workers across the country are experiencing high rates of burnout. Further complicating these challenges is that many providers have not financially recovered from the initial impacts of COVID-19, and others continue to struggle with unpredictable stresses on their finances as well as dramatically increased labor costs. In fact, a recent survey of AAMC member teaching hospitals showed that after slightly recovering, on average, teaching hospital operating margins are declining once again.

While the AAMC and its member teaching hospitals and faculty physician practices remain appreciative of the PRF, these funds have been distributed sporadically, and with changing and extensive reporting requirements. **The AAMC urges Congress to direct the Department of Health and Human Services (HHS) to immediately distribute the remaining resources in the PRF, target those funds towards front-line providers responding to the ongoing public health emergency, and to also extend the reporting requirement timeline to allow providers some respite to focus on caring for their patients and combating the pandemic. Additionally, the AAMC supports the American Hospital Association's recommendation to replenish the PRF with an additional \$25 billion in emergency funding to address the ongoing financial and operational challenges providers are facing due to omicron and other potentially emerging variants.**

MEDICARE SEQUESTER RELIEF

The AAMC is appreciative that at the end of 2021 Congress took bipartisan action to further delay the return of the 2% Medicare sequester. Currently the 2% sequester is delayed until April 2022 when it will phase in at 1%, until June 2022 and then will return to the full 2%. **In light of the ongoing challenging financial situation facing providers, we ask that Congress delay the return of the 2% Medicare sequester until the end of the PHE, or the end of the 2022 calendar year – whichever is later.**

TELEHEALTH AND ACUTE HOSPITAL CARE AT HOME WAIVERS

Teaching hospitals, faculty physicians, and other providers have utilized waivers and flexibilities throughout the pandemic to ensure continued access to medical care for patients. AAMC members and the patients they serve have seen the benefits of these critical waivers, including expanded access to care, especially to those in rural and urban underserved areas. The programs allowed by these waivers have the potential to improve access beyond the PHE but can only do so if Congress makes permanent, or at least provides extensions of the waivers beyond the PHE. Specifically, we ask that, at minimum, Congress remove patient location and rural site requirements to allow patients access to telehealth visits in any location; reimburse providers the same amount for telehealth services as in-person visits; and allow Medicare payment for audio-only services beyond mental health.

Additionally, a number of AAMC-member teaching hospitals have seen favorable patient outcomes in their Acute Hospital Care at Home programs. By treating patients in their homes instead of admitting them to the hospital or keeping them in the hospital, hospitals can deliver care where patients are most comfortable and also alleviate facility capacity issues. AAMC-member teaching hospitals that have invested in these programs throughout the pandemic are concerned that their efforts will unravel should

this waiver not be extended beyond the PHE. Teaching hospitals have made significant investments to ensure patient satisfaction and safety, and these programs have the potential to transform care delivery. **The AAMC urges Congress to extend these critical telehealth waivers and the Acute Hospital Care at Home waiver until Dec. 31, 2024.**

MEDICARE ACCELERATED AND ADVANCE PAYMENTS

The flexibilities that Congress provided in the Medicare Accelerated and Advance Payment (MAAP) programs have proven to be another valuable lifeline for providers as they have faced financial uncertainty throughout the pandemic. The AAMC is also appreciative that Congress amended the initial terms of the program to provide additional relief to providers who utilized the program. However, as the pandemic continues, additional relief is warranted as many providers are now paying back these loans. Currently, health care providers can request that recoupment of Medicare reimbursement to offset the loan begin one year, as opposed to 120 days, from initial issuance of payment. Once the process begins, for the first 11 months, recoupment from Medicare claims is 25%, followed by six months at 50%. After 29 months, the remaining balance of the loan is due. Congress also saw fit to lower the interest rate to 4%. **The AAMC urges Congress to suspend MAAP repayments for six months and resume recoupment at 25% of Medicare claims payments for the following 12 months.**

FY 2022 APPROPRIATIONS

We also strongly urge you to complete work on FY 2022 appropriations as soon as possible.

Finalizing FY 2022 spending bills is critical to providing federal agencies with the increased investments they need to support many important health programs across the country, including the research, education, health care, and community collaboration missions of academic medicine. These resources not only provide the foundation for the nation's ongoing response to COVID-19, but they are also essential in fortifying the public health infrastructure across the country to address pre-existing and newly emerging threats. Prolonged CRs undermine this important work.

Thank you for considering our recommendations on these urgent national priorities. We look forward to continuing to engage with you on these and other critical issues. If you have any additional questions, please do not hesitate to contact me directly or Len Marquez (lmarquez@aamc.org), Senior Director, Government Relations & Legislative Advocacy, or Tannaz Rasouli (trasouli@aamc.org), Senior Director, Public Policy & Strategic Outreach.

Sincerely,



Karen Fisher, JD
Chief Public Policy Officer
Association of American Medical Colleges