



January 17, 2008

**Association of
American Medical Colleges**
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Senator Jeff Bingaman
703 Hart Senate Office Building
Washington, DC 20510

Darrell G. Kirch, M.D.
President

Dear Senator Bingaman:

On behalf of the Association of American Medical Colleges (AAMC), I write to express our strong support for S. 2460 which would extend and expand the moratorium on Medicaid rules endangering the missions of the nation's teaching and public hospitals. The AAMC represents all 126 accredited U.S. medical schools, nearly 400 major teaching hospitals and health systems, and 94 professional and academic societies with 109,000 medical school faculty members.

Your crucial legislation will extend by one year the current moratorium on implementation of the May 29, 2007 final rule that significantly alters the long-standing state and federal partnership under Medicaid and the State Children's Health Insurance Program (SCHIP). Similarly, S. 2460 will extend the moratorium on implementation of the May 23, 2007 proposed rule to eliminate federal Medicaid payments for graduate medical education (GME) and finalization of a rule making similar changes to Medicaid's outpatient payments.

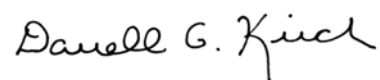
The potential multi-billion dollar loss of Medicaid GME funding is of particular concern to the AAMC, since these payments help teaching hospitals sustain one of their core responsibilities: training physicians who will care for Medicaid and other patients for decades to come. Training physicians and other health care professionals has never been more important given the numerous studies suggesting current and future physician shortages. Eliminating the federal "Medicaid match" for GME could cripple training programs as they try to assure that the nation will have an adequate physician supply.

Reductions in Medicaid GME payments as well as the policy changes established by the May 29 IGT final rule will threaten the fiscal viability of teaching hospitals because they serve a disproportionately high volume of Medicaid beneficiaries and uninsured Americans. Nearly 25 percent of all Medicaid discharges are from major teaching hospitals. Consequently, Medicaid cuts could limit the ability of teaching hospitals to maintain critical health care services that few other hospitals provide, such as Level I trauma units, burn units, and other highly specialized resources. Teaching hospitals also rely on Medicaid payments to help fund valuable community services, including serving as front-line responders in the event of a biological, chemical, or nuclear disaster.

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The AAMC thanks you for your leadership in recognizing the need to extend the time Congress may use to consider the impact of the May 29 final rule and May 23 and September 28 proposed rules. By expanding and extending the moratorium for one year, Congress can conduct a careful analysis and thoughtful debate before moving forward. We appreciate your commitment and look forward to working with you in support of S. 2460.

Sincerely,


Darrell G. Kirch, M.D.