



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

September 14, 2011

Joint Select Committee on Deficit Reduction
The Honorable Patty Murray, Co-Chair
The Honorable Jeb Hensarling, Co-Chair

Members:

The Honorable Xavier Becerra
The Honorable Dave Camp
The Honorable James E. Clyburn
The Honorable Fred Upton
The Honorable Chris Van Hollen
The Honorable Max Baucus
The Honorable Jon Kyl
The Honorable John Kerry
The Honorable Rob Portman
The Honorable Pat Toomey

Dear Co-Chairs and Members:

On behalf of the Association of American Medical Colleges (AAMC), I write to express the appreciation of academic medicine for your efforts as you begin the deliberations of the Joint Select Committee on Deficit Reduction. The AAMC recognizes the unprecedented need to ensure the long-term stability of our economy. As you begin your work, we urge you to consider the invaluable contributions of the nation's medical schools and teaching hospitals, which promote the health of the American people and serve as economic engines for their communities, states, and the nation.

The AAMC represents all 135 accredited U.S. medical schools; approximately 400 major teaching hospitals and health systems, including 62 Department of Veterans Affairs medical centers; and nearly 90 academic and scientific societies. Through these institutions and organizations, the AAMC represents 125,000 faculty members, 75,000 medical students, and 106,000 resident physicians. Our members' primary missions are to provide access to high-quality health care for all Americans and to lead the way on scientific discovery that fuels future medical advances.

Given this, the nation's medical schools and teaching hospitals strongly urge the Joint Select Committee to reject proposed reductions in Medicare's support for physician training, which could exacerbate Americans' access to doctors, and worsen the physician shortage already recognized by Congress. Reduced support for teaching hospitals and health care workforce

development could also jeopardize the supply of nurses and other health professionals that complete a significant portion of their training at our member institutions.

The AAMC is specifically concerned about proposals to reduce Medicare funding for graduate medical education (GME). Medicare's support for its share of GME costs has been effectively frozen since 1997, contributing to the current shortage of physicians. Further decreasing support for GME would only worsen the projected shortage of 90,000 physicians by 2020. As the Committee considers options to address the nation's deficit, we strongly urge you to protect America's health by rejecting cuts to GME that would inevitably decrease access to care for Medicare beneficiaries and other patients.

Any reduction in Medicare's support for GME, such as the National Commission on Fiscal Responsibility and Reform's proposal, would dramatically and rapidly increase shortages of the generalists and specialists that seniors (and others) rely upon. As you are well aware, 10,000 Americans will turn 65 every day for the next 19 years. While many will live longer and more active lives, many also will develop multiple chronic conditions that will require regular medical care. Unless the nation trains more physicians, seniors and others will find it increasingly difficult to find the doctors they need. Yet, the number of physicians per capita is expected to fall within the next decade, just as patient needs are rising. Timely access to physicians is in jeopardy unless Medicare expands GME support, and any cuts will only reduce access to care nationwide, particularly for those that are already underserved.

Proposals to cut these essential funds that teaching hospitals depend upon to train doctors, nurses, and other medical professionals, would also adversely affect the ability of these institutions to maintain vital, life-saving services, such as 24-7 trauma and burn units that often are unavailable elsewhere in communities. Although they account for only 6 percent of all hospitals, AAMC member teaching hospitals provide one-fifth of all hospital care, and operate more than 80 percent of the country's ACS-certified Level 1 regional trauma centers and burn care units.

GME cuts also would put jobs and local economies at risk. According to the economic consulting firm Tripp Umbach, GME cuts at the nation's largest teaching hospitals alone would trigger the elimination of over 70,000 jobs and the loss of \$10 billion to the U.S. economy.

Similarly, efforts to further constrain domestic discretionary spending (particularly discretionary health and education investments) below the caps enacted through the Budget Control Act of 2011 (BCA, P.L. 112-25), undoubtedly will hamper medical progress and other irreplaceable federal responsibilities. For example, because of the funding NIH provides in support of the groundbreaking research performed at the nation's medical schools and teaching hospitals, Americans are living longer, and their quality of life is greatly improved. Additionally, this partnership between NIH and research institutions generates economic benefits for communities across the country by creating good-paying jobs and stimulating growth within the private sector.

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In FY 2010, NIH research funding supported an estimated 487,900 good-paying, American jobs. In short, every federal dollar that goes in support of NIH-funded research is a direct investment in the health and well-being of every American.

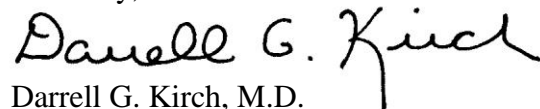
The discretionary spending caps in the BCA limit the size of the annual appropriations bills, including the Labor-Health and Human Services-Education bill, for the next ten years, thereby potentially limiting and/or reducing the scope of the NIH and other appropriated health care programs, like health workforce development programs through the Health Resources and Services Administration (Title VII and VIII, National Health Service Corps, and Children's Hospitals GME). We urge you not to seek additional savings from discretionary health spending, as such a strategy could destabilize these programs that fill voids in the private marketplace, bolster the health care workforce, and improve health care access in rural and other underserved communities. Furthermore, with the elimination of subsidized Stafford loans for graduate and professional students under the BCA, medical students will be saddled with an additional \$10,000 to \$20,000 over the life of their student loans. We urge you not to increase this burden with further cuts to federal student aid, particularly the Perkins Loan program that provides lower-interest loans to the nation's most financially needy students.

America has the world's best doctors and nurses and leads the world in scientific discovery and medical innovation because we have the best teaching hospitals and medical schools. Our community has been proud to support efforts to improve our nation's health care system, and we are continually working to improve the quality and efficiency of the care we provide.

It is our strong view that cuts to health care, which jeopardize our ability to provide America with an adequate supply of physicians, nurses, and other health care providers, as well as limit critical services, are a serious step in the wrong direction. Likewise, undermining the national commitment to medical research and other critical federal health care responsibilities will hurt both the nation's physical and fiscal health. Given this, we strongly urge the Committee to ensure any deficit reduction policies strengthen, rather than harm, the nation's medical education system and protect the health of all Americans.

Thank you for your consideration. We look forward to working with you in the coming weeks and months to ensure all Americans have access to high-quality medical care, and to protect our nation's commitment to scientific discovery and research.

Sincerely,



Darrell G. Kirch, M.D.
President and CEO

cc: Mark Prater
Sarah Kuehl