

Restore IME Cuts to 6.5 Percent
in the House/Senate Medicare Conference
(Sample Letter)

The Honorable _____
Address
Washington, DC 20510

Dear _____:

On behalf of (Insert HOSPITAL'S NAME), the patients we serve, and the caregivers we employ, I ask that you send a letter to the House and Senate Medicare conferees urging them to restore cuts to teaching hospitals and preserve the Medicare Indirect Medical Education (IME) adjustment for teaching hospitals at 6.5 percent.

Currently, neither the House nor the Senate Medicare bills (H.R. 1/ S. 1) provides adequate relief to the current cuts to Medicare's Indirect Medical Education (IME) payment. The House bill fails to include any relief for teaching hospitals, while the Senate bill provides only \$300 million in increased IME payments over 10 years.

As you know, on October 1, 2002 these special payments to teaching hospitals were cut by 15 percent. As a result of the IME cut, teaching hospitals are losing a total of \$794 million in IME payments in FY 2003 and will lose \$4.2 billion over five years. (Insert HOSPITAL'S NAME) will lose \$ _____ million in FY 2003 alone.

The current Medicare IME cut has come at a very difficult time for teaching hospitals as we grapple with severely diminished Medicaid budgets, nursing and other health professional shortages, increased medical malpractice costs, intense pressure to ensure "readiness" for the possibility of future terrorist attacks, and the need to provide an environment in which research and development can flourish.

IME payments help cover operating costs that non-teaching hospitals do not face. Such costs go beyond educating residents and medical students to include care for patients with highly acute and complex needs, increasingly sophisticated technology, and innovative pharmaceuticals often unavailable elsewhere in the communities we serve.

Your help is needed in securing a more viable provision in the Medicare conference agreement for our nation's teaching hospitals. Thank you for your consideration.