

November 19, 2003

The Honorable Bill Frist  
Majority Leader  
Office of the Senate Majority Leader  
S-230 Capitol Building  
Washington, DC 20510-7010

Dear Senator Frist:

On behalf of the Association of American Medical Colleges (AAMC), I write to express the AAMC's support for the Medicare conference agreement. The conference agreement will improve the quality of health care for Medicare beneficiaries by offering prescription drug coverage while ensuring continued access to care to teaching hospitals and academic physicians. The AAMC represents approximately 400 major teaching hospitals and health systems; more than 88,000 clinical faculty members (academic physicians); the 126 accredited U.S. medical schools; 96 professional and academic societies; and the nation's medical students and residents.

Specifically, we are pleased that the agreement includes support for teaching hospitals by ameliorating current reductions to the Medicare Indirect Medical Education (IME) adjustment and states' Medicaid Disproportionate Share Hospitals (DSH) allotments. The agreement also ensures full market basket inpatient updates to hospitals in FY 2004. In FYs 2005-2007, hospitals participating in the Centers of Medicare and Medicaid Services' quality initiative will also receive full inpatient updates.

The AAMC appreciates the conferees' inclusion of temporary relief from cuts to Medicare physician payments as well. Given the agreement's provision to provide physicians positive fee updates for two years, we look forward to continuing to work with you to ensure that a long-term solution to the problematic Medicare physician formula is addressed.

Page 2

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We are eager to work with you to ensure that this legislative agreement is signed into law before Congress adjourns this year. Our member teaching hospitals and academic physicians appreciate your leadership in advancing this important agreement.

Sincerely,

A handwritten signature in black ink, appearing to read "Jordan J. Cohen". The signature is fluid and cursive, with the first name "Jordan" being the most prominent.

Jordan J. Cohen, M.D.

Cc: Senator Charles Grassley (R-Iowa)  
Senator Max Baucus (D-Mont.)