



Tomorrow's Doctors, Tomorrow's Cures®

Medicaid Cuts Will Endanger Patient Care and Hurt All Americans

On May 23, 2007, the Centers for Medicare and Medicaid Services (CMS) issued proposed rules that would eliminate federal matching funds for Medicaid graduate medical education (GME) payments to the nation's teaching hospitals and limit federal support for the Medicaid program.

The CMS has also finalized a second rule that imposes new restrictions on payments to health care providers operated by units of governments that will deprive states of a key source of Medicaid funding.

Unless Congress acts to stop these rules before May 25, U.S. teaching hospitals in 47 states and the District of Columbia will lose at least \$1.7 billion in federal and state GME support alone, jeopardizing the physician training and vital patient care services on which all Americans depend.

The AAMC (Association of American Medical Colleges) calls on Congress to support House Bill 3533 and Senate Bill 2460, bipartisan legislation that would extend the moratorium on these rules for another year.

Medicaid and Major Teaching Hospitals and Physicians Are Essential to the Nation's Health Care Safety Net:

- Represent only six percent of all hospitals, yet are the sites for approximately 25 percent of all Medicaid hospitalizations
- Supply nearly one-half of all pediatric intensive care beds and almost one-third of all intensive care beds for premature or seriously ill newborns
- Provide nearly one-half (45 percent) of all hospital charity care.
- Maintain high-quality education programs for all types of health care professionals and provide an environment where cutting edge care and research can flourish.

Eliminating Medicaid GME Payments to Teaching Hospitals Will:

- Cripple physician-training programs at a time when the United States faces a physician shortage
- Limit the ability of major teaching hospitals to provide critical health care services such as emergency rooms, Level 1 trauma, and burn units to ALL patients
- Put at risk the many services provided by teaching hospitals without adequate public funding, such as geriatrics and substance abuse programs, psychiatric inpatient care, and crisis prevention centers.

Medicaid Provides Essential Support to Train New Doctors—

“The rules would ban the use of federal Medicaid money to help pay for the training of doctors, a use that has been allowed since the inception of Medicaid more than 40 years ago.”—*The New York Times, February 24, 2008*

“As a fast-growing state with a physician shortage, I can report to you that this cut would clearly move Arizona backwards in creating access to care for our residents.”—*Gov. Janet Napolitano, (D-Ariz.)*

“Ohio's teaching hospitals will lose millions of dollars if these regulations and or proposals are allowed to proceed and it will undercut their ability to train the next generation of physicians.”—*Gov. Ted Strickland, (D-Ohio)*

Medicaid Supports Vital Health Care Services All Americans Rely On—

“We estimate the implementation... would equate to the closure of one of our major teaching hospitals, including its ER and trauma center, a potential loss of some 90,000 ER visits annually.”—*Bruce Chernof, M.D., Chief Medical Officer, Los Angeles County*

The rule “would have a devastating effect on North Carolina's Medicaid system.”—*Sen. Elizabeth Dole, (R-N.C.)*

The rules “would effectively end the federal government's participation in many crucial components of the Medicaid program.”—*Gov. Arnold Schwarzenegger, (R-Calif.)*

Medicaid and the Nation's Teaching Hospitals are a Critical Safety Net for Uninsured Americans—

“If the GME program is eliminated, the University of Mississippi Medical Center's ability to provide care for our Medicaid beneficiaries will be threatened.”—*Gov. Haley Barbour, (R-Miss.)*

“Resulting cuts in beds, services and quite possibly the loss of the hospital would displace hundreds of thousands of poor and uninsured patients on Atlanta's already overburdened private hospital system. Atlanta could quickly come to look like New Orleans after Hurricane Katrina, without the water.”—*Art Kellerman, M.D., Emory University School of Medicine*