



**Statement for the Record Submitted by the
Association of American Medical Colleges (AAMC) to the
Energy and Commerce Subcommittee on Health
“Investing in America’s Health Care”
Submitted June 4, 2019**

The Association of American Medical Colleges (AAMC) appreciates the opportunity to submit this statement for the record for the House Energy and Commerce Subcommittee on Health’s June 4 hearing, “Investing in America’s Health Care.” The AAMC very much appreciates that the Subcommittee held this hearing and strongly supports the following programs discussed today that improve the health care of our patients and communities: Medicaid Disproportionate Share Hospital (DSH) payments, Patient-Centered Outcomes Research Institute (PCORI), the National Quality Forum (NQF), National Health Service Corps (NHSC), and Teaching Health Centers (THC).

The AAMC is a not-for-profit association representing all 154 accredited U.S. medical schools; nearly 400 major teaching hospitals and health systems, including 51 Department of Veterans Affairs medical centers; and more than 80 academic societies. Through these institutions and organizations, the AAMC serves the leaders of America’s medical schools and teaching hospitals and their more than 173,000 full-time faculty members, 89,000 medical students, 129,000 resident physicians, and more than 60,000 graduate students and postdoctoral researchers in the biomedical sciences.

Medicaid Disproportionate Share Hospital Program

Unless Congress intervenes, effective Oct. 1, 2019 (FY 2020), safety net hospitals across the nation, many of which are teaching hospitals, will incur \$4 billion in Medicaid DSH cuts, threatening services to the most vulnerable communities. The Medicaid DSH cuts are scheduled to double to \$8 billion per year in FYs 2021-2025, totaling \$44 billion over the six-year period. These reductions are untenable. Without congressional action to address the scheduled cuts, safety net hospitals inevitably will be forced to reduce services.

The Medicaid DSH program was created in 1985 to help hospitals offset two types of uncompensated care: Medicaid shortfalls and unpaid costs of providing care to uninsured individuals. Major teaching hospitals nationwide provided more than \$11 billion in uncompensated care in 2017 – a number that is expected to increase as the number of uninsured patients has recently increased for the first time since the implementation of the Affordable Care Act. Medicaid DSH payments are a vital source of funding that offsets a portion of that cost.

AAMC-member teaching hospitals represent only 5% percent of the nation’s hospitals but provide 32% of all hospital charity care and 25% of all Medicaid hospitalizations. Cuts to Medicaid DSH funding would be particularly harmful to these hospitals, which rely on the funding to provide state-of-the-art care for all, including the most vulnerable patients with the most complex medical conditions.

Congress has worked together in a bipartisan fashion to mitigate the Medicaid DSH cuts several times in the past. All states would benefit from Medicaid DSH cut relief, including those states that have not yet expanded Medicaid. Safety net hospitals rely on Medicaid DSH funding to care for Medicaid-enrolled and uninsured patients and their communities and would feel the impact of the cuts most of all.

Last month, over 300 members of the House sent a letter to Speaker Nancy Pelosi (D-Calif.) and Minority Leader Kevin McCarthy (R-Calif.) urging them to delay the Medicaid DSH cuts for at least two years until a more sustainable, permanent solution is reached. Additionally, Rep. Eliot Engel (D-N.Y.) recently introduced the Patient Access Protection Act (H.R. 3022), legislation that would permanently repeal the Medicaid DSH cuts.

The AAMC greatly appreciates these efforts and urges Congress to address these unsustainable cuts.

Patient-Centered Outcomes Research Institute

The AAMC strongly supports PCORI and urges lawmakers to reauthorize both the institute and its current funding mechanism for at least another 10 years. Congress established PCORI in 2010 as an independent, nonprofit organization, governed by a 21-member Board of Governors appointed by the U.S. Comptroller General to reflect a diverse array of health care stakeholders. Since its inception, the institute has developed a national infrastructure for clinical comparative effectiveness research (CER) through a process that engages stakeholders, standardizes methodologies, and identifies important research questions to help inform medical decision-making.

As of December 2018, PCORI has supported more than 600 research-related projects in 44 states across the U.S. to help patients, providers, payers, and others better understand the various treatment and health care options that may work best under a patient's circumstances and preferences. These projects, primarily conducted at medical schools and teaching hospitals nationwide, are generating promising evidence for improving care and patient outcomes in key areas, such as cardiovascular disease, prostate cancer, opioid prescribing and more.

For example, a PCORI-funded research team examined functional outcomes and adverse effects associated with the current treatments for prostate cancer. The study demonstrated that after three years, one of the treatment options was associated with declines in sexual function and worse urinary incontinence scores compared to the other two options. The results not only were published in *JAMA*,¹ but also posted on the PCORI website in an easily accessible and understandable format.² As a result of the research, the American Urological Association,

¹ Barocas DA, Alvarez J, Resnick MJ, Koyama T, Hoffman KE, Tyson MD, Conwill R, McCollum D, Cooperberg MR, Goodman M, Greenfield S, Hamilton AS, Hashibe M, Kaplan SH, Paddock LE, Stroup AM, Wu XC, Penson DF. Association Between Radiation Therapy, Surgery, or Observation for Localized Prostate Cancer and Patient-Reported Outcomes After 3 Years. *JAMA*. 2017 Mar 21;317(11):1126-1140

² <https://www.pcori.org/research-results/putting-evidence-work/evidence-updates/early-stage-and-localized-prostate-cancer-1>

American Society for Radiation Oncology, and the Society of Urologic Oncology also issued joint guidelines for clinicians to discuss with their patients the benefits and potential harms of the various treatments and to identify the option that works best for each patient.

Another study looked at two behavioral health home models to help Medicaid-insured adults with serious mental illness improve their physical health and overall wellness. Both models showed such success in improving patients' reported mental health and engagement in primary and specialty care that more than 40 additional providers across Pennsylvania have started to replicate the approach.³ Moreover, the research team at UPMC that led the original study is now building on this work to examine whether the model will be effective in other behavioral health settings, including adult opioid treatment programs and youth residential treatment centers for emotional, behavioral, and substance use issues.⁴

Other promising work is also underway. With support from PCORI, a research team involving Duke University, University of North Carolina Chapel Hill, Vanderbilt University, and RTI International is currently comparing two approaches to address chronic pain.⁵ Working with an advisory committee that includes patients with chronic non-cancer pain, experts in pain management, patient advocates, and a health insurer, the group is examining whether each approach reduces opioid use and how each approach affects patients' physical functioning, emotional distress, satisfaction with pain management, and other factors. In the context of the opioid epidemic, understanding the potential effectiveness of alternatives to pain medication in managing long-term pain will be valuable for both patients and their clinicians.

In just 10 years, PCORI has created a new paradigm for research and begun generating meaningful results. Unless Congress reauthorizes PCORI, however, future such projects by this important institute will not be possible. To build on the success of the institute to date, the AAMC urges Congress to reauthorize PCORI and its current funding mechanism for at least an additional 10 years.

National Quality Forum

The AAMC supports efforts to ensure stable and predictable funding for quality measurement activities carried out by the NQF. NQF's work is foundational to national efforts to achieve a cost-efficient, high-quality, value-based health care system. Providing dedicated funding will help ensure quality measures used in care delivery and payment programs are reliable and effective for both health care providers and patients.

³ <https://www.healthaffairs.org/doi/10.1377/hlthaff.2017.1115>

⁴ <https://www.pcori.org/research-results/2017/supporting-behavioral-health-home-approaches-improve-health-and-wellness>

⁵ <https://www.pcori.org/research-results/2017/comparing-two-ways-help-patients-manage-long-term-non-cancer-pain>

National Health Service Corps

The NHSC is widely recognized — both in Washington and in the underserved areas it helps — as a success on many fronts. The simple, yet historically effective design of scholarship and loan repayment in exchange for primary care service in underserved communities:

- improves access to health care for the growing numbers of rural and urban underserved Americans;
- increases state investments in recruiting health professionals;
- provides incentives for practitioners to enter primary care;
- reduces the financial burden that the cost of health professions education places on new practitioners; and
- helps promote access to health professions education for students from all backgrounds.

Given its success in improving the distribution of the primary care workforce, the AAMC supports the NHSC as part of a multipronged approach to help improve access to health care in underserved communities. The AAMC echoes the Friends of the NHSC in calling for a doubling of the NHSC field strength to eliminate Health Professions Shortage Areas nationwide. For FY 2020, we recommend a total of \$475 million for the NHSC, including both annual appropriations and reauthorizing the NHSC mandatory fund beyond FY 2019. This \$60 million (15%) increase is the first stage of a five-year systematic doubling of the NHSC to meet the needs of underserved communities.

Teaching Health Centers

In addition to challenges with maldistribution of physicians in underserved areas, the AAMC projects that the United States will see a shortage of up to 122,000 physicians by 2032, in both primary care (between 21,100 and 55,200) and specialty care (between 24,800 and 65,800). Increasing federal investments in graduate medical education is critical to meeting the nation's growing physician workforce demands.

The Health Resources and Services Administration (HRSA) Teaching Health Center (THC) program, established in 2010, supports primary care medical and dental residencies at community-based ambulatory settings, such as consortia of Federally Qualified Health Centers (FQHCs) with teaching hospital and medical school partners. Since the program began, THCs have added 880 primary care physicians and dentists to the workforce, while providing physician trainees who are interested in community-based practice the opportunity to concentrate their residency training in such settings. According to HRSA, approximately half of graduates in the prior academic year reported practicing in a primary care setting (58%) and/or in a medically underserved community (43%) after completing their training.⁶

Following a four-month lapse in funding, the Bipartisan Budget Act of 2018 provided \$126.5 million for each of FYs 2018 and 2019 for THCs, and the President's FY 2020 budget proposes to continue funding at that level through FY 2020 for academic year 2020-2021 grants.

⁶ <https://www.hrsa.gov/sites/default/files/hrsa/about/budget/budget-justification-fy2020.pdf>

The AAMC continues to support mandatory appropriations funding for the THC program through HRSA, given the other complementary health professions workforce development programs administered by the agency. In a time of existing and anticipated physician shortages, lawmakers should ensure that we are preserving and enhancing the nation's commitments to the full array of federal physician training programs.

Other Commitments to Physician Training

In addition to the targeted workforce programs under consideration by the Subcommittee at this hearing, the AAMC also strongly supports legislation to end the two-decade freeze on Medicare support for graduate medical education.

The NHSC and THC programs play an important role in addressing primary care needs in underserved communities. However, the size and breadth of projected physician workforce shortages, including both primary care and specialty care, cannot be solved by recruitment and training location alone. The major factor driving demand for physicians continues to be a growing, aging population. According to the U.S. Census Bureau, the nation's population is estimated to grow by more than 10% by 2032, with those over age 65 increasing by 48%. The resulting shortage of primary care and specialty physicians holds true despite a projected increase in the number of physician assistants and nurse practitioners and even in the presence of emerging health care delivery efforts to address overall population health.

With the demand for physicians simply outstripping our expected supply, we must advance a multifaceted strategy to ensure that Americans have access to the care they need when they need it. The AAMC strongly supports the bipartisan Resident Physician Shortage Reduction Act of 2019 (H.R. 1763, S. 348) as a critical component of any comprehensive workforce strategy to strengthen the physician workforce in both primary and specialty care by lifting the current freeze to support 3,000 new residency positions each year for the next five years.

We applaud the Subcommittee for its work to address these important health care programs and hope that Congress will also prioritize legislation to end the freeze on Medicare support. While rural and historically underserved areas may experience the shortages more acutely, the need for more physicians will be felt everywhere unless lawmakers act now.