



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

December 19, 2017

Majority Leader Mitch McConnell
U.S. Senate
Washington, DC 20510

Speaker Paul Ryan
U.S. House of Representatives
Washington, DC 20515

Democratic Leader Charles Schumer
U.S. Senate
Washington, DC 20510

Democratic Leader Nancy Pelosi
U.S. House of Representatives
Washington, DC 20515

Dear Majority Leader McConnell, Democratic Leader Schumer, Speaker Ryan and Democratic Leader Pelosi:

On behalf of the Association of American Medical Colleges (AAMC), whose members include all 149 accredited U.S. medical schools and nearly 400 major teaching hospitals and health systems, we urge you to immediately act to reauthorize the Children's Health Insurance Program (CHIP) for five years at current funding levels and to delay the onset of the Medicaid disproportionate share hospital (DSH) cuts. Now that the Congress has acted on H.R. 1, the Tax Cuts and Jobs Act, there is no reason to further delay action on these critical programs.

Despite widespread bipartisan support, Congress has failed to pass legislation to fully fund and extend CHIP since its federal funding lapsed on October 1, 2017, almost three months ago. Congress' failure to fund this important program has jeopardized the health insurance coverage of almost nine million low-income children. Congress must act immediately to extend CHIP to ensure that our nation's children and their families have consistent, stable access to health insurance.

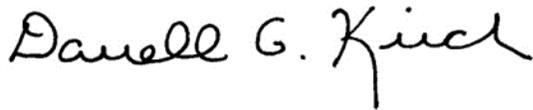
Additionally, we call on Congress to immediately act to delay the upcoming Medicaid DSH Cuts. Major teaching hospitals represent only five percent of all hospitals, but provide 33% of all hospital charity care and 24% of all Medicaid hospitalizations. Unless Congress intervenes, these hospitals, along with other safety net hospitals, will face a DSH cut of \$2 billion in FY 2018. Because Medicaid DSH payments are a vital source of funding that offsets a portion of major teaching hospitals' uncompensated care costs, this cut will weaken the safety net and hamper services to the most vulnerable communities.

We urge Congress to extend the lapsed funding for critical workforce programs such as Community Health Centers, the National Health Service Corps, and Teaching Health Centers Graduate Medical Education, which help address shortages of physicians and other health professionals in areas across the nation. We also urge Congress to rescind the 340B policy in the Medicare outpatient final rule before significant Medicare cuts to safety net hospitals take effect January 1.

While we understand the growing list of items Congress must address by the end of the week, the extension of CHIP and various health workforce programs, as well as a delay of the Medicaid DSH cuts are critical, bipartisan priorities that should be extended in a bipartisan, bicameral fashion. If possible, these items should be included in any year end funding bill or continuing resolution. Additionally, Congress should include a waiver to the statutory PAYGO law in the year end funding bill or continuing resolution. It is critical that we prevent these scheduled cuts to Medicare and Medicaid from being implemented.

If you have any questions or would like to discuss further, please don't hesitate to reach out to Karen Fisher, chief public policy officer at kfisher@aamc.org.

Sincerely,

A handwritten signature in black ink that reads "Darrell G. Kirch". The signature is written in a cursive, slightly slanted style.

Darrell G. Kirch, MD
President and Chief Executive Officer