

November 30, 2021

The Honorable Chuck Schumer  
Majority Leader  
U.S. Senate  
Washington, DC 20510

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Mitch McConnell  
Minority Leader  
U.S. Senate  
Washington, DC 20510

The Honorable Kevin McCarthy  
Minority Leader  
U.S. House of Representatives  
Washington, DC 20515

Dear Leader Schumer, Speaker Pelosi, Leader McConnell, and Leader McCarthy:

On behalf of the Association of American Medical Colleges (AAMC), I write to urge you to address impending Medicare provider payment cuts and to complete Congress's work on fiscal year (FY) 2022 appropriations without further delay. The COVID-19 pandemic has stressed teaching hospitals, faculty physicians, and the patients and communities they serve, as well as medical researchers, in unprecedented ways as they respond to, and attempt to recover from, the impacts of the pandemic. We are appreciative of your bipartisan efforts throughout the year to provide relief and support to providers and the patients they serve. However, it is crucial that you eliminate the scheduled Medicare provider payment cuts and finalize FY 2022 funding levels for discretionary health and research programs as soon as possible.

The AAMC is a nonprofit association dedicated to transforming health through medical education, health care, medical research, and community collaborations. Its members are all 155 accredited U.S. and 17 accredited Canadian medical schools; approximately 400 teaching hospitals and health systems, including Department of Veterans Affairs medical centers; and more than 70 academic societies. Through these institutions and organizations, the AAMC leads and serves America's medical schools and teaching hospitals and the millions of individuals employed across academic medicine, including more than 186,000 full-time faculty members, 94,000 medical students, 145,000 resident physicians, and 60,000 graduate students and postdoctoral researchers in the biomedical sciences.

#### **ADDRESS MEDICARE PAYMENT CUTS**

As the COVID-19 pandemic continues, providers across the country are facing unprecedented, unabating challenges while they care for their patients and communities. New surges and cases continue to increase across the country. Providers continue to grapple with ongoing capacity and supply chain issues. Additionally, critical staffing shortages persist as health care workers across the country are experiencing high rates of burnout. Further complicating these challenges is that many providers have not financially recovered from the early impacts of COVID-19, and others continue to grapple with other unpredictable stresses on their finances.

Unless Congress acts, teaching hospitals and faculty physician practice plans will experience a 4% cut through a statutory Pay-As-You-Go (PAYGO) provision. We appreciate that Congress has typically waived this type of PAYGO sequester before, and we urge you to ensure that Medicare providers and the patients and communities they serve do not suffer from the impact of this cut. Should Congress fail to eliminate the PAYGO sequester, AAMC-member teaching hospitals' Medicare payments would be reduced by over \$2.2 billion annually.<sup>1</sup>

Additionally, we are concerned about the impact of the return of the 2% Medicare sequester. Early in the pandemic, Congress recognized the need to ensure that providers could continue serving patients despite the financial impact of COVID-19 and acted by passing a bipartisan moratorium on the sequester. This moratorium has been extended several times in recognition that providers continue to respond to this crisis as new cases surge across much of the country. Unfortunately, as COVID is continuing to cause hospital admissions, the need for this financial relief continues. Should Congress fail to extend the Medicare sequester moratorium, AAMC-member teaching hospitals' Medicare payments would be reduced by over \$1 billion annually.<sup>2</sup>

Finally, Congress acted in a bipartisan way to address budget-neutrality 2021 cuts to the Physician Fee Schedule (PFS) by providing a one-year 3.75% increase to the conversion factor in the PFS in the Consolidated Appropriations Act, 2021. Unless Congress acts again, a 3.75% cut is set to take effect on January 1. While long-term changes to the PFS are required to address ongoing concerns with outdated budget neutrality requirements and ensure that physicians are adequately paid for the services they provide to Medicare patients, Congress must act now to blunt these cuts as faculty physicians continue to be impacted by the pandemic. Combined with the pending Medicare sequester and PAYGO cuts, AAMC-member faculty physicians are facing a 9.75% reduction in Medicare payment. Payment reductions of this magnitude would be a major problem at any time, but to impose these large cuts at a time when teaching physicians and other health care professionals continue to be on the front lines treating patients with COVID-19 will be devastating.

The AAMC urges you to eliminate the 4% statutory PAYGO sequester, extend the moratorium on the 2% Medicare sequester, and provide a 3.75% increase to Medicare physician payments. Our nation's health providers deserve stability as they continue to respond to COVID-19.

#### **COMPLETE FISCAL YEAR 2022 APPROPRIATIONS AS SOON AS POSSIBLE**

The AAMC urges Congress to pass the FY 2022 appropriations bills without further delay. Timely completion of the annual spending bills affects patients, families, and communities across the country. Continuing resolutions (CRs) – particularly long-term CRs – are disruptive to medical research progress, public health efforts, and health workforce programs, creating uncertainty for crucial government programs within the Department of Health and Human Services as our nation continues to grapple with the COVID-19 pandemic. We are grateful that the House has passed an FY 2022 Labor-HHS-Education spending bill and that the Senate Appropriations Committee has

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<sup>1</sup> Based on Vaida Health Data Consultants analysis of cost reports beginning between 10/1/2017 and 9/30/2018 (FY2018). The data source is the Hospital Cost Reporting Information System (HCRIS) September 30, 2020 update obtained from CMS. AAMC membership is as of November 2021.

<sup>2</sup> Ibid.

released a draft appropriation, both of which would make robust investments in programs to improve the nation's health. We urge lawmakers to negotiate as soon as possible a final FY 2022 spending bill that recognizes such programs as a key national priority, including the investments outlined as follows.

#### National Institutes of Health (NIH)

Congress's longstanding, bipartisan support for medical research has significantly contributed to improving the health and well-being of people everywhere, highlighted by the central role medical research has played in combatting COVID-19 and every other health threat. As illustrated over the last year, the foundation of scientific knowledge built through NIH-funded research drives medical innovation that improves health through new and better diagnostics, improved prevention strategies, and more effective treatments.

To continue to maximize opportunities in medical research, the AAMC and **over 300 members of the Ad Hoc Group for Medical Research** urge Congress to provide at least \$46.4 billion for the NIH base funding in FY 2022, as included in the House-passed FY 2022 spending bill. This funding would continue to support our nation's medical schools and teaching hospitals in developing life-changing cures, pioneering treatments and diagnostics, and identifying innovative preventive tools, all of which improve the health of patients and communities everywhere. We also urge Congress to continue the strong tradition of rejecting problematic restrictions on medical research in order to maximize the investment in the NIH and the medical miracles that it yields.

Additionally, we appreciate that both the House-passed spending bill and the Senate draft ensure that the new investment for the proposed Advanced Research Projects Agency for Health (ARPA-H) would supplement, rather than supplant, the NIH's base. While complementary, NIH and ARPA-H have distinct and important missions. As such, to fully advance the essential foundational work supported by NIH and the transformative potential of ARPA-H, the investment in ARPA-H must not come at the expense of growth in the NIH's base appropriation.

#### Health Resources and Services Administration (HRSA) Health Workforce Programs

The COVID-19 pandemic has pulled back the curtain on the health inequities facing patients and communities across the country, including those from economically disadvantaged, and rural backgrounds. To ensure our health workforce is prepared to meet the challenges facing all patients, the **AAMC joins the Health Professions and Nursing Education Coalition in urging Congress to provide at least the House-passed level of \$980 million for the HRSA Title VII health professions and Title VIII nursing workforce development programs for FY 2022.**

Providing increases for the HRSA Title VII and Title VIII programs will bolster proven programs in recruiting, training, and supporting public health practitioners, nurses, geriatricians, mental health providers, and other front-line health care workers who are critical to addressing COVID-19 and fighting other public health crises such as the substance use disorder epidemic.

Furthermore, the Titles VII and VIII programs enhance training opportunities for providers to treat patients from all backgrounds, ensuring all patients — especially those from high-risk communities — receive quality health care.

In addition to the Title VII and Title VIII programs, we encourage sustained increases for other valuable workforce programs within HRSA, including the National Health Service Corps, Children’s Hospitals Graduate Medical Education, and the Rural Residency Programs. Providing increases for these programs is crucial in recruiting providers to serve in rural and underserved communities.

#### Centers for Disease Control and Prevention (CDC)

To build a strong public health infrastructure that protects communities nationwide from both ongoing public health threats and unexpected emergencies, the AAMC recommends providing at least the House-passed level of \$10.5 billion for the CDC in FY 2022. Within the CDC total, the AAMC supports \$102.5 million for the Racial and Ethnic Approaches to Community Health (REACH) program, \$153 million for the Social Determinants of Health Program, and \$25 million to support gun safety research.

#### Other Programs Within HHS

Additional programs within HHS are crucial to help equip our nation’s teaching hospitals and medical schools to serve patients and families across the country. To that end, the AAMC encourages Congress to provide robust investments in the Agency for Healthcare Research and Quality, which supports health research services to improve the quality of health care, decrease health care costs, and provide access to essential health care services, as well as the Hospital Preparedness Program within the Office of the Assistant Secretary for Preparedness and Response (ASPR), which ensures our hospitals are equipped to continue our fight against COVID-19 and address future public health emergencies.

The AAMC appreciates your consideration of our recommendations for policies to include in end-of-year legislation. We also look forward to continuing to engage with you on other critical issues, such as making permanent key telehealth waivers and extending the Acute Hospital Care at Home Program, which is contingent on the public health emergency declaration. If you have any additional questions, please do not hesitate to contact me directly or Len Marquez ([lm Marquez@aamc.org](mailto:lm Marquez@aamc.org)), Senior Director, Government Relations & Legislative Advocacy, or Tannaz Rasouli ([trasouli@aamc.org](mailto:trasouli@aamc.org)), Senior Director, Public Policy & Strategic Outreach.

Sincerely,



Karen Fisher, JD  
Chief Public Policy Officer  
Association of American Medical Colleges