



March 7, 2025

**Association of  
American Medical Colleges**  
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aamc.org

The Honorable Mike Johnson  
Speaker  
United States House of Representatives  
Washington, DC 20515

The Honorable John Thune  
Majority Leader  
United States Senate  
Washington, DC 20510

The Honorable Hakeem Jeffries  
Democratic Leader  
United States House of Representatives  
Washington, DC 20515

The Honorable Chuck Schumer  
Democratic Leader  
United States Senate  
Washington, DC 20510

Dear Speaker Johnson, Leader Thune, Leader Jeffries, and Leader Schumer:

As congressional leaders continue to negotiate a final fiscal year (FY) 2025 appropriations spending package to fund the federal government and provide critical health care and education investments, I write to urge you to extend expiring clinical health policies that expand and enhance access to care; ensure robust FY 2025 appropriations for key science, health workforce, and public health programs; and support essential health care workforce programs. We hope you will return to the bipartisan health extenders package negotiated at the end of 2024, which would have extended and strengthened investments in patient care and safety net providers, but we must once again reiterate that these provisions must not come at the expense of our nation's teaching health systems and hospitals and faculty physicians, which cannot sustain additional cuts in the current fiscal environment.

The AAMC (Association of American Medical Colleges) is a nonprofit association dedicated to improving the health of people everywhere through medical education, health care, medical research, and community collaborations. Its members are all 160 U.S. medical schools accredited by the [Liaison Committee on Medical Education](#); 12 accredited Canadian medical schools; nearly 500 academic health systems and teaching hospitals, 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, academic health systems and teaching hospitals, and the millions of individuals across academic medicine, including more than 201,000 full-time faculty members, 97,000 medical students, 158,000 resident physicians, and 60,000 graduate students and postdoctoral researchers in the biomedical sciences.

The AAMC appreciates that in 2024, congressional leaders developed a bipartisan health extenders package that included several vital health care and public health priorities, including extending key COVID-era telehealth flexibilities for two years and the Acute Hospital Care at

Home program (AHCaH) for five years, eliminating one year of scheduled reductions to the Medicaid Disproportionate Share Hospital (DSH) program, enabling hospitals to count costs and reimbursements associated with Medicare-Medicaid dual eligible individuals towards their Medicaid DSH cap, partially mitigating the Medicare Physician Fee Schedule cut, providing bonus payments for Alternative Payment Model Participation, and funding critical health care workforce programs, including the National Health Service Corps (NHSC) and the Teaching Health Centers Graduate Medical Education Program (THCGME) for two years.

Regrettably, the inability to enact a broader FY 2025 funding package resulted in an immediate cut to Medicare physician payment and failed to protect safety net hospitals' Medicaid DSH cap flexibility, heightening the urgency for Congress to finalize the previously negotiated health extenders package as expeditiously as possible.

### **Reject Harmful Cuts to Hospital Outpatient Departments**

Our nation's teaching health systems and hospitals continue to face profound financial challenges stemming from historic workforce shortages, unprecedented growth in costs, and unnecessary administrative burdens that delay, and often deny, reimbursement by insurers. According to the Medicare Payment Advisory Commission (MedPAC), hospitals' overall fee-for-service Medicare margins dropped to a record low -11.6% in 2022, and this trend is expected to persist in the coming years.<sup>1</sup> So-called "site-neutral" payment policies, which have been considered in both chambers and passed the House in the 118<sup>th</sup> Congress as part of the Lower Costs, More Transparency Act ([H.R. 5378](#)), would only further exacerbate these challenges by cutting Medicare reimbursement for care delivered in off-campus hospital outpatient departments (HOPDs). The AAMC continues to strenuously oppose these policies, which disregard the real differences between teaching hospitals' HOPDs and other sites of care, including physician offices and ambulatory surgical centers.

The HOPD cuts previously considered by Congress target and would disproportionately impact AAMC-member teaching health systems and hospitals, many of which are safety-net providers that care for the nation's sickest and under-resourced patients, including in the outpatient setting. It is important to remember that although our members comprise just 5% of all U.S. hospitals, they would shoulder nearly half of the cuts included under this policy. Given teaching health systems and hospitals' critical role in caring for Medicare's most vulnerable and complex beneficiaries, these proposed cuts would limit these patients' access to life-saving care and cutting-edge treatments. The negative impacts of these cuts would be felt most acutely in rural and other medically underserved communities. On behalf of our members and the communities they serve, we urge you to reject these disproportionate cuts on our facilities.

Now more than ever, Congress cannot abandon our nation's teaching health systems and hospitals. While we understand the difficult choices Congress must make to fund key health initiatives, the AAMC opposes financing these temporary provisions through permanent cuts to

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<sup>1</sup> <https://www.medpac.gov/wp-content/uploads/2023/03/Hospital-Dec-2023-SEC.pdf>

the Medicare program. Teaching health systems and hospitals cannot absorb additional cuts, as it is counterproductive to sustaining their missions of patient care, education, research, and community collaborations. We urge you to avoid the seriously damaging effect on teaching hospitals and health systems and ensure patients' continued access to care by rejecting these cuts.

### **Sustain Our Health Care Safety Net**

As Congress contemplates sweeping changes to the Medicaid program, we urge lawmakers to protect critical coverage of vulnerable Americans and preserve the Medicaid DSH program, which ensures safety-net hospitals' continued ability to care for low-income and vulnerable patients. AAMC-member teaching hospitals play an indispensable role in our nation's health care safety net, accounting for 26% of Medicaid inpatient days.<sup>2</sup> Unfortunately, Medicaid reimburses teaching hospitals at lower rates than the cost of providing care, creating serious financial challenges for our member institutions. These challenges have been further inflamed in recent years by rising expenses, historic workforce shortages, capacity constraints, and supply chain disruptions, all of which have made it significantly more difficult to run a teaching hospital.

Amidst these challenges and uncertainties, we call on Congress to protect the Medicaid DSH program and the hospitals and patients who rely upon it for their care. We urge Congress to address pending cuts to the program scheduled to take effect on April 1, 2025. Furthermore, we ask Congress to once again include the Save Our Safety-Net Hospitals Act, legislation introduced in the 118th Congress which would support teaching hospitals' ability to care for Medicare-Medicaid dual eligibles by allowing costs and reimbursements associated with these patients to count towards the Medicaid DSH cap. Together, these actions will help ensure that the Medicaid DSH program can continue to support safety-net hospitals in their mission to care for the nation's underserved and vulnerable patients.

### **Mitigate Cuts to Physician Payments**

It is imperative that we value and invest in our health care workforce. The COVID-19 pandemic and concomitant burnout have placed profound pressure on our nation's physicians, causing many to leave the profession. These stresses on the workforce are further compounded by the financial difficulties plaguing physicians, caused by a combination of rising practice costs and stagnant Medicare reimbursement. These financial challenges continue to worsen as a 2.8% reduction to the Medicare PFS took effect on Jan. 1, 2025. Absent congressional action, this reimbursement cut will continue to seriously undermine physicians' ability to care for Medicare patients. We urge you to act swiftly to eliminate and reverse this cut, restore the reduced payments, and support physicians' ability to care for Medicare beneficiaries. Our nation's seniors and their physicians deserve your support. We also urge you to provide a multi-year commitment

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<sup>2</sup> AAMC analysis of FY2022 American Hospital Association data, American College of Surgeons Level 1 Trauma Center designations, 2023, and the National Cancer Institute's Office of Cancer Centers, 2022. AAMC membership data, December 2023.

to reforming care delivery by extending the advanced alternative payment model (AAPM) incentives for at least two years.

### **Extend Telehealth Waivers to Maintain Patient Access to Care**

It is imperative that Congress act to extend critical telehealth and AHCaH flexibilities before they expire on March 31, 2025, to ensure continued patient access to care, particularly in underserved and rural communities. These programs have been instrumental in expanding care delivery, reducing capacity strain, and improving patient outcomes by allowing hospitals to provide timely, specialized care remotely, often eliminating barriers such as transportation challenges and mobility limitations. AAMC-member teaching health systems and hospitals, which have made substantial investments in telehealth and AHCaH, need certainty to continue developing and innovating these programs and to ensure their patients can rely on them. Without an extension, hospitals may be forced to scale back or eliminate these programs, undoing progress that has expanded care to millions of patients and helped fortify our health care ecosystem. To prevent disruption and safeguard patient care, we urge Congress to extend telehealth waivers for at least two years and AHCaH for five years, ensuring millions of patients can continue benefiting from these vital programs.

### **Ensure Robust FY 2025 Appropriations for Key Programs that Support the Nation's Health**

As Congress finalizes the FY 2025 spending bills, it is essential to ensure robust investments in key science, health, and public health programs. We strongly urge Congress to make a bipartisan commitment to advance research, education, public health, and health care for the following agencies and programs:

- Provide no less than the \$48.9 billion provided in the bipartisan Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2025 ([S. 4942](#)) for the National Institutes of Health (NIH), in addition to continued funding for the Advanced Research and Projects Agency for Health (ARPA-H) and continue language preserving support for medical research costs.
- Provide the funding levels provided in the bipartisan Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2025 ([S. 4942](#)) for the Health Resources and Services Administration (HRSA) Title VII health professions and Title VIII nursing workforce development programs, and the highest possible funding level for the Children's Hospitals GME program.
- Provide full funding for other critical programs and agencies, including for medical and prosthetics research supported by the Department of Veterans Affairs (\$1.05 billion), public health and prevention efforts led by the Centers for Disease Control and Prevention (CDC) and the Administration for Strategic Preparedness

and Response (ASPR), education and workforce programs supported by the National Science Foundation (NSF), and health services research funded by the Agency for Healthcare Research and Quality (AHRQ), among other priorities.

The nation's medical schools and teaching health systems and hospitals work every day to advance research, education, health care, and community collaborations to make a meaningful impact on the health of people everywhere, and these federal programs and agencies play an important role in supporting that work. Delays, uncertainty, and disruptions in funding undermine progress in medical research and public health and harm the health of patients and communities across the nation.

### **Extend Funding and Authorizations for Workforce Programs**

The NHSC has played a significant role in recruiting primary care physicians to federally designated health professional shortage areas (HPSA) through scholarships and loan repayment options. Despite the NHSC's success, its funding still falls far short of fulfilling the wide-ranging health care needs of all HPSAs due to growing demand for health professionals across the country. Additionally, the THCGME program helps increase the number of residents training in community health centers and mitigate the physician workforce shortage in those settings. We urge Congress to reauthorize and extend investment in the THC and THCGME programs before their funding expires on March 31, 2025.

On behalf of America's teaching health systems and hospitals, medical schools, and physician faculty, we thank you for your work to invest in clinical health policies that expand and enhance access to care, fund the government, and keep federal agencies operational. We urge you to reject harmful policies and cuts to academic medical centers, which would imperil access to care for vulnerable and under-resourced patients and communities. If you have any questions regarding these requests, please contact me or my colleagues, Len Marquez, Senior Director, Government Relations and Legislative Advocacy ([lmarquez@aamc.org](mailto:lmarquez@aamc.org)) and Tannaz Rasouli, Senior Director, Public Policy and Strategic Outreach ([trasouli@aamc.org](mailto:trasouli@aamc.org)).

Sincerely,

A handwritten signature in black ink that reads "Danielle P. Turnipseed". The signature is fluid and cursive, with the first name "Danielle" and last name "Turnipseed" clearly legible.

Danielle Turnipseed, JD, MHSA, MPP  
Chief Public Policy Officer  
Association of American Medical Colleges

CC: David Skorton, MD, AAMC President and CEO