

December 16, 2025

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

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

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

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

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

As Congress seeks to fund the federal government and provide critical health care investments, on behalf of the AAMC (Association of American Medical Colleges)¹ I strongly urge you to protect the nation's health by investing in the following priorities, which help support our members' patient care, education and training, biomedical research, and community collaboration missions. These priorities include:

1. Enacting robust fiscal year (FY) 2026 appropriations for key science, health workforce, and public health programs;
2. Investing in key health care workforce programs; and
3. Ensuring patients' health by protecting the financial solvency of academic health systems and teaching hospitals and extending expiring clinical health policies that expand and enhance access to care.

These actions will support and protect the patients and communities served by our nation's medical schools, academic health systems and teaching hospitals, and faculty physicians. While we support and appreciate potential opportunities to extend and strengthen investments in the health care workforce, patient care, and safety net providers, these provisions must not come at the expense of our nation's academic health systems, teaching hospitals and faculty physicians, none of which can sustain additional cuts in the current fiscal environment.

¹ The AAMC is a nonprofit association dedicated to improving the health of people everywhere through medical education, clinical care, biomedical research, and community collaborations. Its members are all 162 U.S. medical schools accredited by the Liaison Committee on Medical Education; 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 210,000 full-time faculty members, 99,000 medical students, 162,000 resident physicians, and 60,000 graduate students and postdoctoral researchers in the biomedical sciences. Through the Alliance of Academic Health Centers International, AAMC membership reaches more than 60 international academic health centers throughout five regional offices across the globe.

Invest in Essential Health Care Workforce Programs

Expand Physician Training Programs

According to AAMC data, the United States faces a projected physician shortage of up to 86,000 doctors by 2036, with demand rapidly outpacing supply.² The nation's changing demographics, namely, a growing and aging population, will only further exacerbate this challenge in the coming years. To address this growing crisis, it is critical that we recruit and train additional physicians. The AAMC greatly appreciates and applauds recent bipartisan investments by Congress to expand Medicare support for graduate medical education (GME), including the 1,200 new residency positions provided in the Consolidated Appropriations Act, 2021 ([P.L. 116-260](#)) and the Consolidated Appropriations Act, 2023 ([P.L. 117-328](#)). Given the staggering magnitude of current and projected workforce shortages, we urge you to build on those achievements and further strengthen our nation's physician workforce in any year-end health package. Increased graduate medical education has tremendous bipartisan support through the Resident Physician Shortage Reduction Act ([S. 2439](#) / [H.R. 4731](#)). We ask you to include additional residency positions and aspects of this legislation in a year-end spending package.

Extend Funding and Authorizations for Workforce Programs

The AAMC also urges Congress to swiftly advance and pass legislation that would reauthorize the HRSA Title VII and VIII programs. Legislative proposals to reauthorize the Title VII and VIII programs — such as the Educating Medical Professionals and Optimizing Workforce Efficiency and Readiness (EMPOWER) for Health Act ([H.R. 4262](#)) and the Title VIII Nursing Workforce Reauthorization Act ([H.R. 3593/S. 1874](#)) — would reaffirm the federal commitment to building a workforce capable of meeting America's evolving health needs across the nation.

It is also critical that Congress enact long-term authorizations and continued funding for the National Health Service Corps, the Teaching Health Center Graduate Medicare Education Program and the Community Health Centers, before their funding expires on January 30, 2026. Advancing these programs will help increase access to quality health care in communities with significant health professional shortages, including in rural and underserved areas.

Protect Patient Access to Care

Extend Key Telehealth Waivers

Telehealth has proven both effective and essential for expanding access to care, particularly in underserved and rural communities. These services have allowed academic health systems and teaching hospitals and other providers to continue delivering critical care to patients who otherwise face significant barriers to in-person visits. By utilizing temporary waivers that enable telehealth services, hospitals have effectively managed capacity issues while maintaining patient safety and satisfaction. The ongoing flexibility these waivers provide supports broader health care access, fosters stronger clinician-patient relationships, and addresses workforce shortages through virtual care delivery. As such, the programs have transformed how care is delivered, providing timely, advanced specialist care and mental health services remotely, often without the need for an initial in-person visit. We appreciate Congress' bipartisan

² <https://www.aamc.org/media/75236/download?attachment>

support for these waivers. However, the waivers are set to expire on Jan. 30, 2026. We ask you to give stability and permanency to this delivery modality - it is imperative that Congress pass a long-term extension of these flexibilities as part of any year-end package.

Safeguard the Financial Stability of Academic Health Systems and Teaching Hospitals and Extend Expiring Clinical Health Policies

Our nation's academic health systems and teaching hospitals continue to face financial challenges and historic workforce shortages, unprecedented growth in costs, and unnecessary administrative burdens. They are also challenged with delays and often denials in insurer reimbursement, and significant uncertainty faces states as they begin the implementation of the One Big Beautiful Bill Act (OBBBA, [P.L. 119-21](#)). The Medicare Payment Advisory Commission (MedPAC) has confirmed these pressures in its findings, reporting that hospitals' overall fee-for-service Medicare margins dropped to a record low of -11.6% in 2022, and this trend is expected to persist in coming years.³ We ask you to recognize the significant financial challenges of many of our academic health systems and teaching hospitals, and offer reprieve by abstaining from policies that would further negatively impact these institutions that are so critical to the nation's health.

Reject Cuts to Hospital Outpatient Departments

We strongly urge Congress to reject permanent so-called "site-neutral" Medicare payment cuts to off-campus outpatient departments, which would disproportionately impact teaching hospitals, including those serving rural and other medically underserved communities. Although teaching hospitals represent only 5% of U.S. hospitals, we estimate they would be responsible for nearly half of the payment cuts associated with a variety of site-neutral proposals. These facilities treat patients with significantly higher clinical and social complexity than physician offices or ambulatory surgical centers and must meet enhanced licensing, regulatory, and accreditation standards. Policies that ignore these differences will limit patient access to life-saving outpatient drug administration and other critical services, especially for Medicare beneficiaries who rely on hospital-based care.

Similarly, while we support transparency, imposing separate billing identification numbers or attestations at the facility level would require major IT system overhauls, workflow redesign, and significant administrative investment, further draining hospital resources at a time when margins remain unsustainable. Recent trends across the AAMC membership illustrate the severity of the financial distress, with institutions resorting to workforce reductions, unit closures, mergers, and structural cost containment actions to preserve patient care and research capacity. To that end, we urge you to refrain from intensifying these challenges by enacting a national provider identifier number policy.

Sustain Our Health Care Safety Net and Medicaid Disproportionate Share Hospital (DSH) Program

AAMC-member health systems and teaching hospitals play a unique and outsized role in our nation's health care safety net, providing a critical array of services to a disproportionate share of the nation's under- and uninsured population. While our members comprise just 5% of U.S. hospitals, they account

³ Medicare Payment Advisory Commission, December 2023 Report, <https://www.medpac.gov/wp-content/uploads/2023/03/Hospital-Dec-2023-SEC.pdf>.

for 29% of Medicaid inpatient days and 33% of hospital charity care costs.⁴ Recent federal policy changes, combined with industry trends, threaten to jeopardize our members' ability to carry out their safety net missions. Changes to Medicaid included in the OBBBA will result in cuts to provider tax revenue and state-directed payments, and will strain state Medicaid programs, resulting in reduced payments to hospitals. These cuts come at a time when academic health systems and teaching hospitals are already grappling with financial challenges, including rising costs, supply chain disruptions, and workforce shortages. In light of these challenges, we urge lawmakers to maintain support for federal programs that help safety-net hospitals fulfill their missions.

One such program is the Medicaid DSH program, which provides critical financial support to hospitals that care for a large number of low-income patients, including Medicaid enrollees and the uninsured. Absent congressional action, \$8 billion in scheduled cuts to the program are slated to take effect on January 31, 2026, followed by an additional \$8 billion in reductions in fiscal years 2027 and 2028. The uncertainty created by these cuts, compounded by the reductions in health care spending contained in the OBBBA, has created a precarious fiscal environment for hospitals. The AAMC calls upon lawmakers to eliminate these cuts and ensure the long-term financial viability of the Medicaid DSH program and the hospitals that depend upon it.

Safeguard Access to Affordable, Comprehensive Coverage

The expiration of the enhanced premium tax credits (EPTCs) on Dec. 31, 2025, poses a serious threat to academic health systems and the patients and communities they serve. These credits enable over 24 million low- and middle-income Americans to purchase affordable, comprehensive coverage.⁵ Absent congressional action, the expiration of the EPTCs is expected to cause out-of-pocket premium payments to more than double on average in 2026, resulting in an average increase of over \$1,000 per enrollee.⁶ Steep premium hikes could result in millions of Americans having to forgo insurance. This potential increase in the uninsured rate is expected to further compound hospitals' uncompensated care burden, exacerbating the financial pressures already facing academic health systems and teaching hospitals. The AAMC appreciates Congress' ongoing bipartisan efforts to address the challenges created by the expiration of the EPTCs, and we urge policymakers to come to a solution to ensure continued access to affordable, comprehensive coverage for all Americans.

Enact Robust Fiscal Year (FY) 2026 Appropriations for Key Science, Health Workforce, and Public Health Programs

We strongly urge Congress to complete the final FY 2026 spending bills before the current continuing resolution expires at the end of January; to follow the Senate's bipartisan commitment to avoid problematic policy provisions that would impose arbitrary restrictions on efforts to advance research,

⁴ Source: AAMC analysis of AHA Annual Survey Database FY2023 and NIH Extramural Research Award data. Note: Data reflect all short-term, general, nonfederal hospitals.

⁵ <https://www.kff.org/affordable-care-act/aca-marketplace-premium-payments-would-more-than-double-on-average-next-year-if-enhanced-premium-tax-credits-expire/>

⁶ <https://www.kff.org/affordable-care-act/aca-marketplace-premium-payments-would-more-than-double-on-average-next-year-if-enhanced-premium-tax-credits-expire/>

education, public health, and health care; and to provide robust funding for key science, health, and public health programs.

Invest in Medical Research Supported by the National Institutes of Health (NIH)

We urge you to provide no less than the \$47.2 billion provided in the Senate Appropriations Committee's bipartisan Labor-HHS-Education (LHHS-Ed) bill ([S.2587](#)) for the NIH, in addition to continued funding for the Advanced Research and Projects Agency for Health (ARPA-H). We are grateful that both chambers would provide the NIH with much-needed increases over the previous year. In particular, the funding level in the Senate bill also would avoid policy provisions that could hamper research. We also support the bill's provision to ensure that efforts to expand a multiyear (or "forward") funding approach do not result in dramatic decreases in the number of awardees.

Strengthen Support for Research Facilities & Administrative Expenses

Federal funding for research leads to new and more effective treatments, diagnostics, and preventive interventions and countless other innovations that improve the lives of every American. Expenses like physical lab operation and maintenance, utility costs, regulatory compliance, and other key costs collectively known as "indirect" or facilities and administrative (F&A) costs, are unavoidable in carrying out research. Efforts to cut support for these essential research costs would reduce the capacity of research institutions, ultimately leading to fewer cures and reducing the U.S.'s leadership in research.

The AAMC is grateful that for many years Congress has recognized on a bipartisan basis the critical need for such support. In particular, we appreciate the language in the Senate Appropriations Committee-approved FY 2026 LHHS-Ed bill, as well as some of the other FY 2026 spending bills and accompanying reports, supporting the work of the Joint Associations Group on Indirect Costs (JAG). As one of the founding members of the JAG, the AAMC supports the JAG recommendations regarding the Financial Accountability in Research (FAIR) model for research support. We ask that the final spending bill strengthen language supporting the JAG work and prohibiting the Office of Management and Budget and federal agencies from instituting arbitrary caps on costs essential to conducting high quality scientific research.

Provide Robust Funding for HRSA Workforce Programs

The AAMC urges policymakers to provide necessary and appropriate funding for each of the Health Resources and Services Administration (HRSA) Title VII health professions and VIII nursing workforce programs. These programs are key complements to Medicare GME that help to grow and support our health care workforce. The HRSA Title VII and Title VIII programs have proven successful in recruiting, training, and supporting health providers critical to addressing the country's medical, nursing, dental, public health, and allied health professionals workforce, evolving health care needs, and future unexpected crises.

Given the increased need to address current and projected workforce shortages and shape the future workforce for the health care demands for tomorrow, a robust and sustained investment is needed for Title VII and VIII programs. Such an investment will support enrichment programs designed to help improve access to care across the country, including in rural and other underserved areas; bolster training

opportunities in primary care, mental and behavioral health, oral health, as well as pediatric and geriatric care; and promote team-based care through their focus on interprofessional education.

The AAMC also strongly supports funding for the Children's Hospitals GME (CHGME) program to help increase the number of residents training in children's hospitals and improve pediatric physician workforce shortages. We urge policymakers to provide the necessary and appropriate funding for the CHGME program in FY 2026.

Fully Fund Other Key Science and Public Health Agencies

We also recommend full funding for other critical programs and agencies, including for public health and prevention efforts led by the Centers for Disease Control and Prevention (CDC) and the Administration for Strategic Preparedness and Response (ASPR), research and other 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 academic health systems and teaching 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. The needs and opportunities across these key areas far outpace the resources that either chamber has proposed. Strengthening the commitment to medical research toward new cures, treatments, diagnostics, and preventive interventions; expanding and adapting our health workforce to address pervasive and persistent challenges in patients' access to care; and fortifying our public health and health infrastructure in the wake of existing and emerging threats are urgent national priorities. We must ensure that we are making robust investments to support these priorities, and at minimum, that we reject any efforts to scale back this important work.

On behalf of America's medical schools, academic health systems and teaching hospitals, and physician faculty, we thank you for your attention to these issues. If you have any questions regarding these requests, please contact me (dturnipseed@aamc.org) or my colleagues, Len Marquez, Senior Director, Government Relations and Legislative Advocacy (lmarquez@aamc.org) and Tannaz Rasouli, Senior Director, Public Policy and Strategic Outreach (trasouli@aamc.org).

Sincerely,



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CC: David Skorton, MD, AAMC President and CEO