



April 29, 2008

The Honorable Harry Reid  
United States Senate  
Washington, DC 20510

Dear Majority Leader Reid:

On behalf of the American College of Physicians (ACP), representing 125,000 internal medicine physicians and medical students, I am writing to express our support for the “Economic Recovery in Health Care Act of 2008” (S. 2819). We strongly support this legislation that would place a temporary one-year moratorium on recently issued Medicaid regulations that propose drastic changes to long-standing Medicaid policy.

Of particular concern to the College is the proposed rule eliminating federal Medicaid matching funds for graduate medical education training that would make significant cuts to the Medicaid program over the next five years. This rule represents a major and abrupt reversal of long-standing federal Medicaid policy. S.2819 will extend the current moratorium delaying implementation of the Medicaid GME rule that is set to expire on May 25, 2008.

According to the Association of American Medical Colleges, federal and state funding for physician training through the Medicaid program totals more than \$3.2 billion annually. This funding amount translates into roughly 20% of all explicit support for medical education and funds 20,000 training positions annually. If federal funding for physician training through Medicaid is eliminated, it would result in a decrease of approximately \$1.8 billion over five years. Decreasing funding for physician training would be especially detrimental for specialties that are already facing shortages, including internal medicine, as the number of residents and fellows being trained in a program would have to be reduced. Support for GME has never been more important.

The College thanks you for your leadership in recognizing the need to secure additional time to review and debate the major policy changes established under the Medicaid regulations.

We would also like to express our opposition to spending funds contained in the Physician Assistance and Quality Initiative (PAQI) Fund for purposes other than their original intent—quality improvement and preventing Medicare cuts to physicians. The College is concerned that obligating these funds for unintended purposes would make it more difficult to stop the pending cuts and threatens Medicare services to seniors. We look forward to working with you to ensure passage of this important legislation and protecting the PAQI Fund to ensure that it is used only for its intended purpose.

Sincerely,

A handwritten signature in black ink that reads "David C. Dale". The signature is written in a cursive style with a large, stylized "D" and "A".

David C. Dale, MD, FACP  
President