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## Greater New York Hospital Association

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### **PROPOSED FEDERAL RULE WILL DEVASTATE TEACHING HOSPITALS**

#### ***Plan to Eliminate Federal Medicaid Matching Payments for Cost of Graduate Medical Education will Severely Compromise the Training of Tomorrow's Doctors***

#### ***New York Teaching Hospitals to Lose \$600 Million Annually***

#### ***GNYHA Pushes for Moratorium through "Durbin Amendment"***

New York, NY, May 22, 2007...A proposed rule issued last week by the Centers for Medicare & Medicaid Services (CMS) that would eliminate federal Medicaid matching payments for the costs of graduate medical education (GME) will devastate teaching hospitals in New York and around the country, the Greater New York Hospital Association (GNYHA) said today. If the proposed rule becomes final—there is a 30-day comment period—teaching hospitals in New York would lose \$600 million annually in Medicaid GME funding.

GME funds reimburse teaching hospitals for additional costs incurred in training physicians. Teaching hospitals typically provide this intensive clinical training for three to seven years during the period after physicians graduate from medical school so that physicians can learn the skills needed to become autonomous practitioners. New York trains one out of every six practicing physicians in the United States.

“This proposed rule would severely compromise the training of tomorrow’s doctors at a time when we will already have a shortage of at least 55,000 physicians by the year 2020,” said GNYHA President Kenneth E. Raske. “Teaching hospitals in New York are already struggling financially and desperately need all the GME funding they receive. This proposed rule shows a reckless disregard for the long-term well being of our nation’s health care system, and GNYHA vigorously opposes it.”

Mr. Raske’s physician shortage reference is a projection by the Association of American Medical Colleges.

GNYHA will submit comments during the 30-day period and continue to fight for the inclusion in appropriate legislation of the so-called “Durbin amendment,” which would place a one-year moratorium on the promulgation of any regulatory change that would eliminate federal Medicaid GME funding. The Durbin amendment, which would also block another proposed Medicaid rule affecting public hospitals, had been included in the failed Iraq war supplemental funding bill

recently vetoed by the President. GNYHA is working closely with Congressional supporters to ensure that this critical provision is included in the next war supplemental bill.

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Greater New York Hospital Association is a trade association representing more than 280 not-for-profit hospitals and continuing care facilities, both voluntary and public, in the metropolitan area and throughout the State, as well as in New Jersey, Connecticut, and Rhode Island.