

Dear Colleague:

Please join us in writing to Acting Administrator Kerry Weems urging the Centers for Medicare and Medicaid Services' (CMS) to rescind its plan to eliminate the indirect medical education (IME) adjustment for teaching hospitals in the Medicare capital payment system. This policy was included in the FY 2009 proposed inpatient prospective payment system (IPPS) regulation.

If implemented, this policy will result in about \$375 million in aggregate annual losses and subsequently threatens the financial viability of teaching hospitals that serve a high volume of Medicare beneficiaries and provide critical services unavailable elsewhere in communities across the country.

Given that the Medicare Payment Advisory Commission found that in 2006 major teaching hospitals faced low Medicare overall margins of 2.8% and other teaching hospitals faced an even lower margin of -5.4%, unwarranted reductions to these hospitals would have deleterious consequences on the communities they serve.

As in the operating PPS, the capital IME adjustment recognizes that teaching hospitals must meet the demands of treating sicker patients, as well as meet the financial demands of operating emergency and trauma care, providing highly specialized services, and treating uninsured patients.

Please sign this letter urging CMS to withdraw this harmful policy in the FY 2009 final IPPS regulation.

**For additional information or to sign this letter, please contact Tim Nelson ([tim.nelson@mail.house.gov](mailto:tim.nelson@mail.house.gov)) with Congressman Jim Marshall (D-8<sup>th</sup> GA) or Kerry Ann Watkins ([kerryann.watkins@mail.house.gov](mailto:kerryann.watkins@mail.house.gov)) with Congressman Peter King (R-3<sup>rd</sup> NY).**

Sincerely,

/s \_\_\_\_\_  
Jim Marshall  
Member of Congress

/s \_\_\_\_\_  
Peter King  
Member of Congress