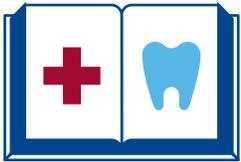


TEACHING HOSPITALS VITAL FOR TOMORROW'S HEALTH CARE

Teaching hospitals train future health care professionals, conduct medical research and fulfill a distinct and vital role in delivering patient care. While many hospitals offer comprehensive care, our nation's 1,041 teaching hospitals also deliver sophisticated diagnostic and treatment services. Teaching hospitals serve as economic engines of their local communities, providing millions of jobs and serving as hubs for biomedical research and other business activity.

1,000+ TEACHING HOSPITALS PROVIDE KEY BENEFITS



TRAINING EACH YEAR FOR 100,000
MEDICAL & DENTAL RESIDENTS



CRITICAL
MEDICAL RESEARCH

MEDICARE'S SUPPORT OF TEACHING HOSPITALS

Teaching hospitals receive Medicare funding to offset some of the costs associated with training medical and dental residents through direct graduate medical education (DGME) payments and are paid for high patient care costs associated with training residents – such as additional diagnostic testing – through indirect medical education (IME) payments.



8.3 MILLION JOBS
SUSTAINED ACROSS
1,000+ COMMUNITIES

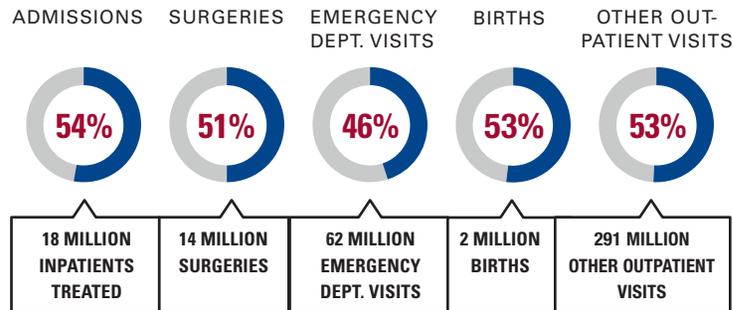
72,000 JOBS ARE AT STAKE
if the Simpson-Bowles deficit
commission's recommended
60% cut to Medicare's
indirect medical education
funding is enacted.

3.0 M DIRECT JOBS 5.3 M RIPPLE EFFECT: 8.3 M TOTAL JOBS

RIPPLE EFFECT:
Jobs supported as teaching
hospitals and their employees
purchase goods and services
from other businesses.

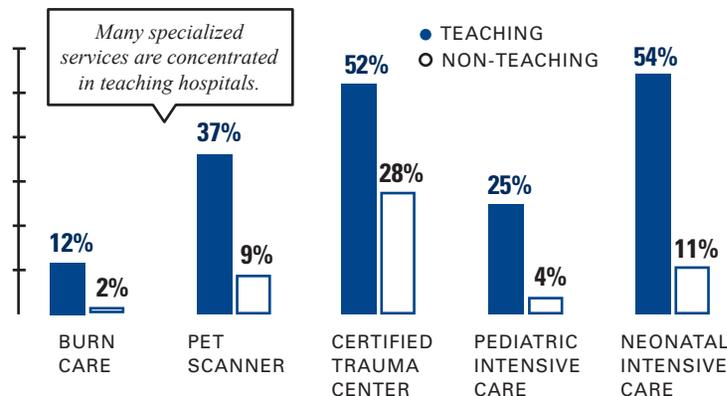
ALTHOUGH TEACHING HOSPITALS REPRESENT ONLY 1 IN 5 HOSPITALS, THEY DELIVER A MUCH LARGER SHARE OF THE NATION'S HEALTH SERVICES.

PERCENT AND ANNUAL NUMBER OF ALL HOSPITAL SERVICES PROVIDED BY TEACHING HOSPITALS



61% OF UNCOMPENSATED CARE THROUGHOUT
THE NATION IS DELIVERED IN TEACHING HOSPITALS.

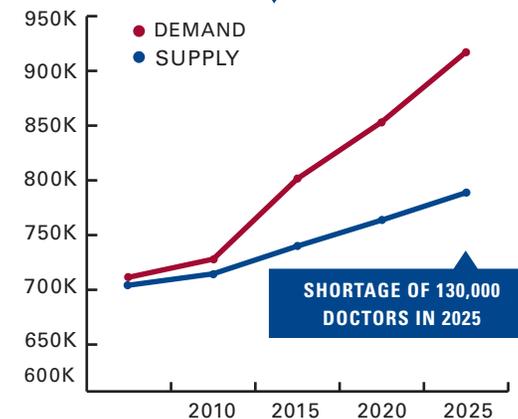
PERCENT OF HOSPITALS OFFERING SERVICE



THE EMERGING PHYSICIAN SHORTAGE CRISIS

The projected demand for active physicians is poised to increasingly outpace the supply of trained personnel. If anything, **more** resources should be invested in the next generation of doctors to fulfill our nation's future medical needs.

PROJECTED SUPPLY AND DEMAND FOR FULL-TIME EQUIVALENT PHYSICIANS ACTIVE IN PATIENT CARE, 2010 - 2025



THE 18-YEAR FUNDING FREEZE

IME payments are based on hospitals' ratios of residents to beds, and DGME payments are based on hospital-specific, per-resident costs. The number of Medicare-funded residency training positions has been frozen at 1996 levels; to address the looming shortage of doctors, the 18-year freeze must be ended and Medicare funding must keep pace with the nation's need for physicians.

**INCREASE MEDICARE-FUNDED RESIDENCY POSITIONS TO PRESERVE THE MEDICAL
LANDSCAPE OF TOMORROW – DON'T CUT FUNDING FOR TRAINING FUTURE CAREGIVERS.**

