To: GRRs

As you know, President Obama released the details of his FY 2014 budget on Wednesday. At the bottom of this email are Medicare and Medicaid proposals of particular interest to medical schools and teaching hospitals. Additional information is available in the [HHS Budget in Brief](http://www.hhs.gov/budget/fy2014/fy-2014-budget-in-brief.pdf%22%20%5Ct%20%22_blank) document.

Please note that in the next few days you will be invited (via email) to an AAMC webinar presentation on the House, Senate, and Administration’s budget proposals. **This members-only webinar is tentatively scheduled for next Thursday, April 18,  from 3:00 – 4:00 (Eastern**). It will discuss the proposals in greater detail and include time for Q&A.

**President’s Medicare Proposals of Particular Interest to AAMC Members**

         Reduces the IME adjustment by 10% (to 4.95%) starting in FY 2014, for a savings of nearly $11 billion over ten years. Also permits the HHS Secretary to set IME accountability standards.

         Reduces Medicare bad debt reimbursement from 65% to 25% (over 3 years), for a savings of nearly $25 billion over ten years.

         Assumes Congress will find funds to avert the January 1, 2014 scheduled reduction in Medicare physician payments (does not identify offsets).

**President’s Medicaid Proposals of Particular Interest to AAMC Members**

         Starting in FY 2023, Medicaid DSH allotments are based on the previous year’s allotment (ie, the baseline does not revert to pre-ACA levels), for a savings of $3.63 billion over ten years

         FY 2014 Medicaid DSH cuts are delayed and spread across FYs 2016 and 2017. The 2014 cuts will come on top of the cuts already scheduled for FYs 2016 and 2017, with no budget impact.