Testimony for the Record
Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Senate Committee on Appropriations – May 22, 2020
Submitted by the Children’s Hospital Association
FY 2021 funding for the Children’s Hospitals Graduate Medical Education program

The Children’s Hospitals Graduate Medical Education (CHGME) program is administered by the Bureau of Health Workforce in the Health Resources and Services Administration at the Department of Health and Human Services. The statement testimony focuses on the purpose of CHGME and its benefit to all children. The testimony includes a request for the subcommittee to appropriate **$465 million for CHGME** in Fiscal Year 2021.

The Children’s Hospital Association (CHA) advances child health through innovation in the quality, cost and delivery of care. Representing more than 220 institutions, CHA is the voice of children’s hospitals nationally. As organizations dedicated to protecting and advancing the health of America’s children, we urge the Subcommittee to continue advancing children’s health by funding CHGME at $465 million.

A robust pediatric workforce is essential to ensuring that no child lacks access to high-quality medical care. The CHGME program supports this goal by providing funding for the training of pediatric providers at independent children’s teaching hospitals, much as Medicare supports training in teaching hospitals that serve primarily adults. CHGME benefits all children, supporting the training of doctors who go on to care for children living in every state—in cities, rural communities, suburbs and everywhere in between. As the only providers of the most complex pediatric cancer, cardiac, trauma and care for chronically and acutely ill infants and children, pediatricians are the primary provider for millions of children in need.

The CHGME program represents our nation’s most significant investment in strengthening the pediatric workforce. CHGME was created in 1999 with bipartisan support when Congress recognized that a dedicated source of funding for training the next generation of pediatricians and pediatric specialists in children’s hospitals was crucial. Because we treat children—mostly covered through Medicaid and the Children’s Health Insurance Program—children’s hospitals were effectively left out of the federal GME system of support provided through Medicare prior to the establishment of CHGME.

Since the establishment of the program, CHGME funding has enabled children’s hospitals to dramatically increase training overall and in particular grow the supply of pediatric specialists—the area of greatest shortage in children’s health care. Today, only 1% of all hospitals in the United States—58 children’s hospitals—receive CHGME. Yet, these institutions train
approximately half of the nation’s pediatricians—more than 7,000 FTEs annually—including 44% of all general pediatricians and 57% of all pediatric specialists.

Between 2000 and 2015, CHGME-supported hospitals collectively increased the number of residents trained by 113%. Today, in the majority of pediatric subspecialist fields tracked by the American Medical Association, more than 65% of residents are trained at CHGME hospitals. In some fields, such as pediatric rehabilitation medicine, virtually all physicians receive their training at CHGME hospitals.¹

Unfortunately, multiple indicators suggest a crisis is looming for children’s access to care. Despite progress, we are at risk of falling behind on children’s health. The current level of support provided for training kids’ doctors through CHGME is declining against levels provided per trainee in the Medicare Graduate Medical Education (Medicare GME) program. In FY 2020, CHGME was funded at $340 million. At that level, the average CHGME payment per full-time equivalent (FTE) resident equates to approximately $73,000. By comparison, Medicare GME payments to general acute care hospitals are approximately $142,000 per resident. This shortfall continues to grow. Without additional investments, CHGME funding will decline to 45% of Medicare GME by 2023. By increasing CHGME funding by approximately $125 million annually for three years, parity between CHGME and Medicare GME can be achieved—ensuring a strong pediatric workforce pipeline for future generations. A funding level of $465 million for FY 2021 is the first step to ensuring the investment in training physicians for adults is comparable.

Even with CHGME, serious pediatric workforce shortages persist nationwide—most acutely among pediatric subspecialties. The most recent survey data available from children’s hospitals shows the following wait times for scheduling appointments due to shortages:

- Genetics – average wait time of 20 weeks
- Developmental Pediatrics - average wait time of 19 weeks
- Pain Management / Palliative Care – average wait time of 12 weeks
- Child and Adolescent Psychiatry – average wait time of 10 weeks

Beyond these shortages, children’s hospitals also currently incur significant additional costs to subsidize their teaching mission—costs as high as $40 million annually above what they receive from CHGME. This growing funding gap isn’t sustainable, as it is being made up through the clinical operations of our children’s hospitals, hospitals with the nation’s highest Medicaid payer burden. Medicaid reimbursement levels in many states remain well below those of private insurance and other government programs, particularly as state Medicaid programs

¹ “Percentage of Pediatric Specialists Trained at CHGME Recipient Hospitals,” Children’s Hospital Association fact sheet, April 2018.
have been scaled back significantly in recent years. Without strengthening CHGME, hospitals will be at risk of cutting training experiences and patient care services.

Increased funding for pediatric workforce training programs is even more important as we actively respond to the emergence of COVID-19 within our communities. Residency and fellowship programs are being impacted tremendously during this time due to a shift in health care services and the need to provide health care in a time of crisis. Many residents are seeing their programs suspended or are being asked to provide services in different capacities. They are being asked to balance the needs of their training requirements while providing care during a pandemic. Additionally, they are adapting to new training platforms and policies to ensure patient safety.

The health care needs of the pediatric population are also increasing overall. The number of children with complex medical conditions is growing at a faster rate than the overall child population, requiring an increasing number of specialty care providers. Strengthening funding for CHGME will help children and their families, including those with rare and complex conditions.

The CHGME program is critical to facing these shortages, protecting gains in pediatric health and ensuring access to care for children. Now is the time to take a step forward in pediatric medicine—particularly during this time of emergency—to ensure our children have access to the health care services they need.

Children’s hospitals thank you for your past support for this critical program and your leadership in protecting children’s health. We respectfully request that the Subcommittee continue its history of bipartisan support for children’s health and fund CHGME at $465 million in the FY 2021 Labor-HHS appropriations bill.