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April 28, 2021

Marvin B. Figueroa
Director of the Office of Intergovernmental and
External Affairs
U.S. Department of Health and Human Services
Hubert H. Humphrey Building, Room 620-E
Washington, DC 20201

Diana Espinosa
Acting Administrator
Health Resources and Services Administration
U.S. Department of Health and Human Services
Room 14-71, Parklawn Building
Rockville, MD 20857

Dear Director Figueroa and Acting Administrator Espinosa,

Thank you for all your efforts to address the impact of the pandemic on children and families and the providers who care for them. We are writing to highlight the ongoing serious pandemic damages affecting more uniquely the high Medicaid pediatric providers caring for our most vulnerable children. These providers did not receive any of the Medicare-defined pandemic support from HHS and have not recovered financially as have many systems serving primarily adult patients. Numbers of our pediatric providers, especially those serving the most distressed and economically challenged communities, need HHS relief to continue their missions for these children and families as provided for in the CARES Act.

Specifically, we ask for an immediate need-based portal for relief funding that recognizes high-Medicaid pediatric providers in terms of eligibility for relief, damages coverage levels and deadlines for use of funds. If providers are grouped for determination of eligible damages, we ask that children's hospitals are compared to peer hospitals and not to general acute hospitals. We are worried the pediatric safety net that has been built over decades of dedicated work is so damaged that it will not have the ability to serve better and more equitable health outcomes for millions of children and families resulting in reduced prospects for thriving futures. We request a meeting with you and a few of our children's hospital CEOs from such affected areas as Los Angeles, Oakland, Philadelphia and Miami to discuss our proposal and how we can support your efforts to ensure provider relief funding gets to the communities that most need it.

The pandemic's impact on children and their families is direct and likely to persist. Children's mental and physical health have fared worse than expected a year ago. Families have been cautious in taking their children for both routine and chronic health care appointments. When children do arrive at children's hospitals and pediatricians' offices, they are sicker and more expensive to care for as a result. Our pediatric hospitals pride themselves on being the most well-equipped and experienced places for children to receive care, and as high-Medicaid providers, they are a keystone of the health care safety net infrastructure for children. Many children from the most disadvantaged communities rely on children's hospitals and their associated providers for their care.

Well over 50% of children cared for by children's hospitals are covered by Medicaid. Over 40 million of the nation's children are supported by the Medicaid program. In addition to being a trusted provider to these children and their families, children's hospitals have also taken on broader activities to address social determinants of health and community health through efforts to improve neighborhoods and help families with food and housing. Children on Medicaid and in hospital-surrounding neighborhoods are often racially and ethnically diverse and more likely to

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experience social and economic challenges. The children's hospitals in these communities are a bridge to needed health care, but also to critical social supports, providing twice the amount of community benefit of other hospitals. Like the families they serve who are suffering pandemic-induced hardships, children's hospitals are also struggling – struggling to continue providing care to children and addressing the needs of their communities.

Children's hospitals, as high-Medicaid providers for children, have not had the same opportunity for relief as other adult providers who have been able to access Medicare-related relief funding. At the same time, children's hospitals have experienced more financial damages than other hospitals. Our analysis shows a 17% decrease in discharges and 7% decrease in patient care revenues since the start of the pandemic, compared to a 4% decrease in both discharges and patient care revenues across the hospital industry. Also, the way that provider relief was determined often did not acknowledge or adequately address the needs of high-Medicaid providers, even though they are the providers most in need of support and caring for our nation's most vulnerable children. These children's hospitals and other pediatric high-Medicaid providers need immediate relief to continue to fulfill their important role in their communities and for children and their families.

Please let us know how we can support HHS' efforts to address this issue and more broadly as we all focus on the health of our nation's children.

Thank you for your consideration, and all the best to you,

A handwritten signature in black ink, appearing to read "Mark Wietecha". The signature is fluid and cursive, with the first name "Mark" and last name "Wietecha" clearly distinguishable.

Mark Wietecha
Chief Executive Officer
Children's Hospital Association