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March 17, 2021

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
United States House of Representatives
Washington, DC 20515

Dear Speaker Pelosi and Leader McCarthy:

The House is soon expected to consider H.R. 1868, which would extend the temporary suspension of Medicare sequestration, preventing the onset of pending 2% across-the-board cuts to Medicare payments among other provisions. Preventing sequestration-driven cuts to Medicare is of high importance for providers caring for adult patients, particularly during the current crisis, and we urge passage of this legislation. Providers focused on the care of children, particularly the highest Medicaid providers who are the national safety net for children, are not supported by Medicare, however. Pediatric providers are supported by Medicaid, and children's hospitals in particular, have suffered higher levels of financial damage during the pandemic than hospitals primarily serving adults. We urge Congress to also recognize the need for action targeting the dire circumstances facing many high Medicaid providers, including children's hospitals.

The pandemic continues to tear away at children's health as fearful parents and families continue to refrain from taking their children to providers for the care they need. This reduces care revenues for these providers and is stressing the financial sustainability of their pediatric missions. We are particularly concerned about the essential role high Medicaid pediatric providers play in the most economically challenged sectors of the country where they care for the children often suffering from the greatest health disparities. Continued pandemic damage to the safety net supporting these families further widens the immediate and longer-term health of these children. Relief funding provided to date has mitigated part of the damages, but pediatric providers are taking greater financial losses than adult providers and more relief is needed. Congress and the administration must recognize that the needed and ongoing support to Medicare providers caring for adults, such as this sequester extension, does not support children and take parallel action to also provide support for our nation's 74 million children.

We urge action to ensure the resilience of the pediatric health care safety net that serves as the national provider infrastructure caring for all of our nation's children during the pandemic and beyond. We urge Congress to provide additional relief specifically targeting high Medicaid providers, including:

- Pediatric practices treating high volumes of Medicaid patients
- Children's hospitals, including IPPS-exempt children's hospitals, which often average over 50% Medicaid volumes with some as high as 80%
- Hospitals deemed eligible for Medicaid Disproportionate Share Hospital (DSH) payments

We ask that Congress also work with the administration to ensure that existing Provider Relief Fund (PRF) funding be allocated to target high Medicaid providers, including those caring for children.

Thank you for your consideration of these requests and we look forward to working with you to ensure all children have access to the care they need to meet their full health potential.

Very best regards,

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

Mark Wietecha
Chief Executive Officer
Children's Hospital Association

CC: Chairman Neal
Ranking Member Brady
Chairman Pallone
Ranking Member McMorris Rodgers
Chairman Yarmouth
Ranking Member Smith