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June 11, 2021

The Honorable Charles Schumer
Majority Leader
United States Senate
Washington, DC 20510

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

The Honorable Mitch McConnell
Republican Leader
United States Senate
Washington, DC 20510

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

Dear Leader Schumer, Leader McConnell, Speaker Pelosi and Leader McCarthy:

On behalf of children's hospitals and the patients, families and communities we serve, we thank Congress for its leadership to mitigate the impact of the COVID-19 pandemic on children, families and the providers who care for them. As our nation begins to recover from this unprecedented public health emergency, we urge further action to address the devastating impact on children, particularly with respect to their mental health and well-being, and call for federal investments to sustain the nation's pediatric health infrastructure, to ensure long-term access to high quality, safe and equitable care. These actions are critical if we are to emerge from this pandemic with a strong health care system for our nation's children.

Ensuring the Emergency Preparedness and Sustainability of the Nation's Children's Hospital Infrastructure

The pandemic's impact on children and their families has been dramatic and is persisting. As of May 27, nearly 4 million children across the nation have tested positive for COVID-19, with children representing 1 in 7 of all cases reported in the U.S. Beyond the harm caused by COVID-19 infections, the pandemic has had wide-reaching impacts on child health through financial and emotional stress on families, and the social isolation and disruption of many aspects of childhood and adolescent life and development.

Additionally, the pediatric providers caring for our most vulnerable children have suffered and continue to experience ongoing serious damages as a result of the pandemic, especially those serving the most distressed and economically disadvantaged communities. The pediatric safety net that has been built over decades of dedicated work has suffered significant damage, threatening health outcomes for millions of children and families.

Children's hospitals are a keystone of the health care safety net infrastructure for children. Children's hospitals account for just a small fraction of American hospitals, but provide almost all specialized care for children, who make up over 20% of the U.S. population. Medicaid typically covers over 50% of the kids cared for at children's hospitals. Children's hospitals are mostly charitable organizations with many carrying the financial burdens of pediatric medical education and pediatric research, while also supporting critical programs in their communities and providing substantial leadership in the vaccination of children.

The pandemic has hit these hospitals hard, leading to substantial and sustained financial losses. Children's hospitals have deferred cases and lost revenue, while increasing costs to protect vulnerable young patients, their families and staff. Low volumes are persisting in many children's hospitals across the country. Compared to the broader hospital sector, [children's hospitals suffered the greatest negative financial impact](#), compromising their ability to meet their missions for children and provide much needed support in their communities. Freestanding pediatric academic teaching hospitals, that are not part of larger systems supported by the Medicare program, have been particularly impacted, and almost all of these facilities also serve as safety-net providers for their local and regional communities.

Champions for Children's Health

While children's hospitals represent the foundation of the nation's critical health care infrastructure to protect and advance the physical, economic and environmental well-being of children and young adults, their reduced financial capacity is impacting essential infrastructure improvements supporting pediatric capacity resiliency and preparedness. This presents national risk for any public health emergency or unanticipated crisis with an outsized impact on children and adolescents. The nation must be prepared to confront such a situation with a front line of specialized pediatric care for our youngest and most vulnerable residents. Adult facilities are not equipped with the depth of specialization or technology required to attend to large numbers of acutely ill pediatric patients.

As Congress considers policies aimed at rebuilding our nation's critical infrastructure, we urge you to prioritize support for health care and its vital role in addressing crucial challenges including health equity, emergency preparedness, workforce, access to care and more. America's hospital infrastructure faces a number of challenges, including the need for physical facility upgrades amidst severely compromised hospital finances. Our national COVID-19 experience reinforces the need for sustained federal investment to support increased capacity for emergency preparedness and response. The pandemic emergency has also highlighted the importance of strong digital health infrastructure, including access to adequate, affordable broadband connectivity, as well as support for telehealth infrastructure. Ongoing cyber threats have revealed the critical need to build strong cyber defenses to protect the privacy and safety of patients and their health information as well. We urge support for funding for hospital infrastructure as these investments will be critical to maintaining access to high quality, safe and equitable health care.

As investments are made in the nation's hospital infrastructure, it is essential pediatric hospitals are included. We ask that Congress:

- Provide \$10 billion of pediatric infrastructure support designated for children's hospitals to ensure the resources reach this essential part of the U.S. hospital sector.
- Prioritize this money toward national pediatric preparedness response investments, including more flexible critical care capacity, telehealth technology and cybersecurity, particularly for high Medicaid providers serving child populations with the greatest health disparities.
- Ensure these pediatric hospital resources are available to all the nation's children's hospitals and particularly those freestanding hospitals operating without the political or financial support of the larger hospital industry caring primarily for adult patients.

Dedicated funding is necessary to ensure resources reach pediatric hospitals, supporting their ability to meet the health, and mental health needs of children and ensure preparedness for future public health emergencies.

Furthermore, throughout the COVID-19 pandemic, especially during the periods of pronounced surges, the nation witnessed hospital facilities stretched beyond capacity. Children's hospitals fully supported the national COVID-19 surge response, greatly expanding screening and testing for millions of children, supporting school and social safety work in their communities, and taking on adult patients when adult facilities lacked capacity.

Many children from the most disadvantaged communities rely on children's hospitals and their associated providers for their care. 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. The children's hospitals in these communities are not only a bridge to needed health care, but also to critical social supports, providing twice the amount of community benefit of other hospitals.

For these reasons, it is more important than ever to invest in children's hospital infrastructure to ensure the pediatric safety net remains strong for all kids.

Improving Pediatric Mental Health

Children in America are experiencing a significant mental health crisis, a major problem before the pandemic that has only worsened. COVID-19 has significantly exacerbated the mental health stress on children and youth, highlighting the nation's acute shortage of mental health services and the need to reinforce and expand the pediatric mental health delivery system and infrastructure. From April to October 2020, hospitals across the U.S. saw a 24% increase in the proportion of mental health emergency department visits for children ages 5 to 11 and a 31% increase for children and adolescents ages 12 to 17, overwhelming many pediatric emergency rooms in the country.

Our nation's pediatric mental health infrastructure is fragmented and has not received adequate support for decades. Children's hospitals and community resources are struggling to keep pace with children's mental health needs. Studies show the limitations of the current system are affecting all children, particularly Black and Hispanic children often facing inequitable access and continuity of care issues. These children are more likely to present in emergency rooms for mental health issues and less likely to access child and adolescent psychiatrists and other mental health professionals in the community. Insufficient capacity exists to provide the care access needed at the provider level or support more effective integration of services across the continuum. The delivery of mental health care is people-intensive in all ways—the infrastructure needed to meet this crisis is human capital along with supporting technology and facilities.

Children's hospitals thank Congress for critical investments made to date to support mental health amid the COVID-19 pandemic. We ask lawmakers to build on this foundation and advance policies and solutions now that will support care along the continuum of need from early intervention and prevention to helping kids in crisis. Children's hospitals have developed a set of policy proposals, "[Strengthening Kids' Mental Health Now](#)," to address gaps in our nation's mental health infrastructure for children and youth to ensure funding is directed to children's needs and designed in a way that works best based on their unique needs. The proposal addresses delivery system shortcomings through three urgent solutions tiers:

- Extending relief to the pediatric health care safety net to improve mental health access for all children, including those facing significant health disparities. Kids are in crisis and the mental health providers they need—pediatricians, children's hospitals and others along the care continuum, including community and school-based services—are unavailable or have inadequate capacity and support to meet the need.
- Improving access to children's mental health services through more integrated and coordinated screening, care and treatment to mitigate crises and ensure children's access to the right care in the right place at the right time. Early and organized interventions result in better health outcomes and lower costs.
- Building new and different national capacity to address mental health throughout children's development with greater focus on a community-based workforce focused on prevention. We need a more responsive system to help kids with mental health issues at every stage of development and all along the continuum of care.

Specific Mental and Behavioral Health Policy Recommendations

- **Strengthen federal Medicaid support for pediatric mental health** – The Medicaid program, as the single largest payer of mental health care in the U.S., is integral to supporting children's access to services and those who provide this care. We recommend strengthening federal support for pediatric mental health care services in Medicaid by increasing the federal Medicaid match (FMAP) for pediatric mental health services generally or by directing an FMAP increase to Medicaid providers for pediatric mental health services.
- **Administrative support for repurposing existing resources to mental health care** – We face significant shortages in inpatient mental health capacity, leaving many children boarding in emergency departments waiting for needed care. Children's hospitals report they do not have enough beds to support children in crisis situations. There are also ongoing challenges with attempts to adapt existing beds not designated as psychiatric beds to accommodate patients. Given these challenges, Congress should request that the Centers for Medicare and Medicaid Services (CMS) explore how children's hospitals can swiftly and safely redirect resources to ensure children receive timely access to care in the appropriate setting.
- **Extend telehealth flexibility** – Preliminary data shows that overall delivery of health care services via telehealth to children with Medicaid or Children's Health Insurance Program (CHIP) coverage increased 2,500% from February to April 2020 over the previous year. Mental health care visits account for a large percentage of overall telehealth visits at children's hospitals, up to half of all telehealth visits at some hospitals. Lessons learned through innovative telehealth programs during the public health emergency should be leveraged moving forward to improve access to care. To encourage expanded access to telehealth services under Medicaid, the single largest payer of care for children, we recommend that CMS issue guidance to states on how to improve and sustain the availability of telehealth under Medicaid during the pandemic and beyond.

Congress should enact permanent extensions of Medicare COVID-19 telehealth flexibilities, including those relating to audio-only services, and lift originating site restrictions and geographic limitations. Changes made in the Medicare

program may drive adoption of coverage policies by Medicaid and commercial payers that have an impact on the pediatric population. CHA supports passage of the CONNECT for Health Act (S. 1512/H.R. 2903), bipartisan legislation that will, among other provisions, permanently remove all geographic restrictions on telehealth services and expand originating sites to include the home and other sites. Additionally, we support two bipartisan pieces of legislation that would further seek to promote access to telehealth:

- The Telehealth Improvement for Kids' Essential Services (TIKES) Act (H.R. 1397), which would require CMS to issue guidance to states on ways to increase access to telehealth and also require MACPAC to study the impact of telehealth on health care access, utilization, costs and outcomes.
- The Temporary Reciprocity to Ensure Access to Treatment (TREAT) Act (S. 168/H.R. 708), which temporarily authorizes the interstate provision of in-person and telehealth services. Specifically, subject to scope of practice and other requirements, a health care professional may provide health services in any U.S. jurisdiction based on that individual's authorization to practice in any one state or territory.

- **Care coordination and access funding** – As with any health care service, a one-size-fits-all approach will not work to improve children's mental health outcomes. It is important the right services are offered at the correct time and in the appropriate setting. Integrated care models promote children's mental health by facilitating collaboration between primary care providers and mental health professionals and encouraging early identification and referral for appropriate mental health services as early as possible. Congress should establish a new designated pool of grant funding supporting pediatric mental health care integration under the oversight of the Health Resources and Services Administration (HRSA). This funding should be flexible to allow it to be used for a range of community-based services and activities including, for example:
 - Community health workers or navigators to coordinate family access and pediatric practice integration.
 - Funding to support telehealth treatment and pediatric training for crisis responders.
 - Mental health urgent care and community-based initiatives such as school-based partnerships.
 - Initiatives to decompress emergency departments, including partial hospitalization, step-down residency programs and intensive outpatient programs.

Eligible grant entities should include pediatricians, children's hospitals and other pediatric mental health providers with the capacity to organize and implement activities working with community organizations and providers.

- **CMS guidance to states** – Congress should direct CMS to review EPSDT requirements and how they are being implemented in states and provide guidance for states on what is required to ensure children have access to mental health services. CMS should also issue guidance to states on coverage for hospital-based partial hospitalization, identifying state-level barriers and other regulatory barriers that hinder capacity. Partial hospitalization programs can be beneficial in addressing inpatient capacity issues or preventing potential hospitalizations for children experiencing severe mental health concerns. There is variation in coverage or payment for these services at the state level, making operationalizing these programs more difficult.
- **Pediatric mental health hospital infrastructure** – It is vital children receive the level of care needed in the appropriate care setting. In addition to general financial support for pediatric infrastructure improvements, Congress should provide funding specifically for the creation of additional pediatric care capacity for new sites of care to improve access to mental health services, including step-down, partial hospitalization and day programs that bridge between inpatient and traditional outpatient or community-based settings. These types of programs are needed to alleviate the pressure on acute care settings, particularly when it may not yet be safe for a child to return to their home or community. Currently, access to these services, particularly for children covered by Medicaid, is a major challenge. Funding should also support costs associated with reallocating existing resources, including converting current general beds to accommodate mental health patients, and offsetting the costs to refurbish psychiatric facilities to align with the most up-to-date safety standards and meet the unique needs of children and adolescents.
- **Pediatric mental health workforce support** – Shortages in the mental health workforce are persistent, more severe within pediatric specialties, and projected to increase over time. Increased funding for existing pediatric workforce programs like the Children's Hospitals Graduate Medical Education (CHGME) program, which has significantly increased the number of pediatric residents and specialty residents, is imperative. Congress should also create a new program within HRSA to provide dedicated funding to support training and other workforce innovations at children's hospitals, pediatric delivery settings and other settings in multiple disciplines related to pediatric mental health. Funding should be allocated to support training and workforce initiatives in disciplines including, but not limited to: pediatric and family counselors, pediatric social workers and care coordinators, child and adolescent psychiatrists,

psychiatric nurses, adolescent psychologists, advanced pediatric practice nurses and physician assistants, as well as support for the continuing education of pediatricians and teachers.

- **Pediatric mental health workforce loan forgiveness** – Congress should provide funding for the Pediatric Subspecialty Loan Repayment Program under HRSA, which would fund up to \$35,000/year in loan repayment for up to three years for pediatric subspecialists, including non-physician mental health providers. This program was recently reauthorized by Congress as part of the CARES Act. CHA has supported an FY 2022 budget request of \$50 million for this program. We encourage Congress to fund this request and/or provide funding directly through broader relief legislation, such as was done for the Pediatric Mental Health Care Access Program.

Thank you for your consideration of these requests, and we look forward to working together to ensure a better future for all children.

Very best regards,



Mark Wietecha
Chief Executive Officer
Children's Hospital Association

CC: Speaker Pelosi
Minority Leader McCarthy
Chairman Wyden
Ranking Member Crapo
Chairman Murray
Ranking Member Burr
Chairman Leahy
Ranking Member Shelby
Chairman Pallone
Ranking Member McMorris Rodgers
Chairman Neal
Ranking Member Brady
Chairman DeLauro
Ranking Member Granger
Chairman Scott
Ranking Member Foxx