# CHILDREN'S HOSPITALS:
## *Champions for Children's Health*

CHILDREN'S HOSPITAL ASSOCIATION

*Champions for Children's Health*

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CHA Staff Experts



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January 30, 2025

Dear member of Congress and staff,

Congratulations on starting the 119th Congress! As you develop your policy priorities this Congress, **the Children's Hospital Association (CHA) asks that you consider the unique health needs of the approximately 75 million children in the US, 37 million enrolled in Medicaid, and the providers that serve them as you create and pass legislation.**

CHA represents more than 200 children's hospitals and health systems – from 48 states – that provide care for infants, children, and teens from all over the country and the world. Our hospitals are regional care providers with the goal of meeting the health care needs of America's youngest citizens in your community and state. Children's hospitals serve children with serious, chronic, and complex conditions, **providing 95% of all pediatric cancer care, and performing most pediatric surgeries.** Additionally, our hospitals are pediatric workforce training hubs, **training a majority of pediatricians and pediatric specialists** as well as pediatric nurses, advanced practitioners, and technicians. Children's hospitals also allow adult-focused providers to do their required pediatric training rotations at children's hospitals.

America's children's hospitals ask that you champion legislation that improves children's health by:

- Protecting and strengthening pediatric health coverage, especially through Medicaid and CHIP.
- Ensuring children's hospitals have the resources to take care of pediatric patients and their families.
- Boosting the pediatric workforce, especially through robust funding for the Children's Hospitals Graduate Medical Education program.
- Investing in policies to address the youth mental health crisis.

Children aren't little adults, and they need Congress to understand and prioritize what makes their health care different. We look forward to working with you to help our nation's children grow and develop into thriving adults.

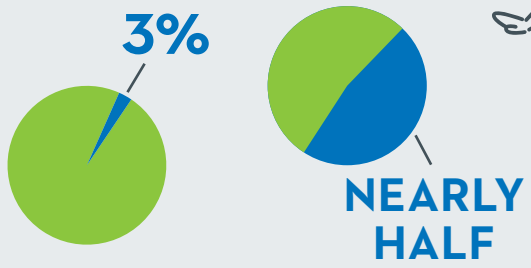
Sincerely,

Elizabeth Brown
Vice President, Federal Affairs
Children's Hospital Association

# ABOUT CHILDREN'S HOSPITALS

Children's Hospital Association represents more than 200 hospitals and health systems—from 48 states—that provide care to children and teens from all over the country and the world. Children's hospitals include acute care and specialty hospitals. They are independently organized and governed by their communities or as part of larger health care systems.

Children's hospitals account for only 3% of all hospitals in the U.S., but they treat nearly half of children admitted to hospitals.

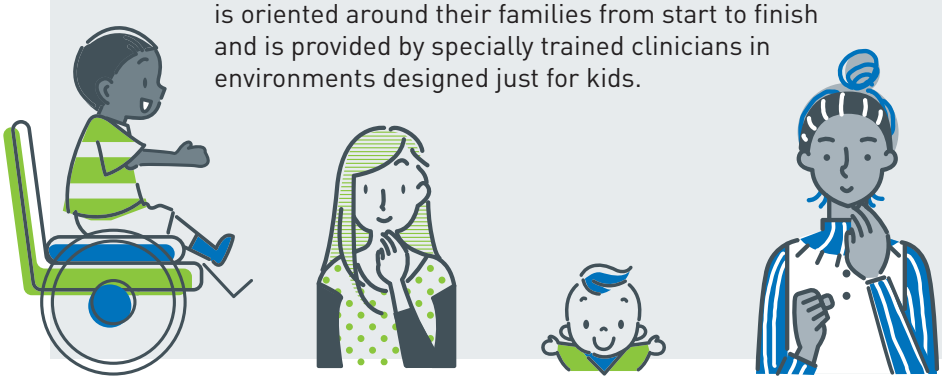


**Children's hospitals are regional centers**, meeting the health care needs of children who live nearby as well as those who must travel long distances, even across state lines.

**Children's hospitals serve** the majority of children with serious, chronic and complex conditions, providing 95% of all pediatric cancer care, and most children in need of major surgery.

**Children's hospitals train** more than 50% of all pediatricians and the majority of pediatric subspecialists—including child and adolescent psychiatrists—in the U.S., as well as pediatric nurses, therapists, advanced practitioners and technicians.

Children's hospitals provide care that is designed for kids' physical and mental health and development, is oriented around their families from start to finish and is provided by specially trained clinicians in environments designed just for kids.



## Types of pediatric specialized care

- Emergency
- Oncology
- Medically complex
- Organ transplantation
- Behavioral/mental health
- Pediatric intensive care
- Neonatal intensive care
- Primary care
- Community health

# WHAT DO CHILDREN'S HOSPITALS AND HEALTH SYSTEMS DO?

## MORE THAN 50% OF U.S. CHILDREN

rely on Medicaid and CHIP for their insurance coverage.

## 1.

Provide vital, age-appropriate, quality health care to all children, regardless of their family's ability to pay.

## 2.

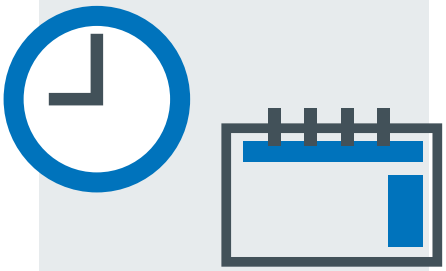
Educate future pediatric providers.

## 3.

Drive discovery and innovative treatments through pediatric research.

## 4.

Collaborate with their communities to improve children's health.



From emergency care to wellness visits, children's hospitals and health systems provide unparalleled, high-quality care supporting all children's health and well-being

## 24 HOURS A DAY, 365 DAYS A YEAR.

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*Children's Hospital Association*

# 2025 PRIORITIES

When it comes to health care, children aren't just little adults. The same is true of children's hospitals, which have very different needs than adult hospitals. As Congress and the administration develop health care policies in 2025, we encourage you to prioritize and consider the unique needs of children and the children's hospitals that serve them.

## CHA AND CHILDREN'S HOSPITALS ASK FEDERAL POLICYMAKERS TO

### 1. Protect and strengthen Medicaid policy to improve child health.

**Medicaid is the single largest health insurer for children in the United States, covering some 37 million children. Nearly 3 million children in military-connected families are covered by or eligible for Medicaid. On average, 50% of children's hospitals's patients are covered by Medicaid, and in 2023, 40.6% of children in small towns and rural areas were enrolled in Medicaid.**

- Pass the bipartisan Accelerating Kids' Access to Care Act, which will improve children's access to needed out-of-state health care by streamlining the burdensome and time-consuming Medicaid provider screening and enrollment process.
- Protect Medicaid from policies and cuts that would negatively impact access to care for children, including efforts to significantly restructure the program and/or reduce payments, including supplemental payments.
- Continue focus on congressionally-mandated oversight of Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) to ensure children can receive needed health care services.

### 2. Prevent proposals that jeopardize children's access to care.

**Congress must consider the unique and harmful impact certain health care policies can have on access to care for children and adolescents, especially in rural and underserved areas. We urge Congress to look at how changes to vital programs could impact the ability of children, especially with complex medical needs, to get care closer to home.**

- Oppose site neutral policies, including eliminating "facility fees" or other policies that reduce support for, and would have a negative impact on, pediatric care.
- Protect the 340B program from changes that could impede children's hospitals' ability to serve low-income, uninsured, and underinsured pediatric patients.

### 3. Bolster federal support for the pediatric workforce.

**Pediatrics shortages are more prevalent among providers who deliver specialized care, such as pediatric advanced practice nurses, acute care nurses, and pediatric medical tech professionals (e.g., pediatric respiratory technicians, pediatric pharmacists).**

- Support $778 million in FY26 for the Children's Hospitals Graduate Medical Education program (CHGME) to boost the number of pediatricians and pediatric specialists.
- Expand eligibility for existing loan repayment and scholarship programs to the pediatric workforce.
- Invest in hospital-based pediatric nurse and other clinician training and retraining.
- Increase support for the pediatric workforce through Medicaid.
- Prevent DSH cut from moving forward.

### 4. Make federal investments to address the children's mental health crisis.

**In the last year, 29% of adolescents reported poor mental health, and one in five reported having seriously contemplated suicide. The kids' mental health crisis has caused an increase in boarding in children's hospitals. Compared to before the pandemic, 84% of hospitals are boarding more youth patients, and 75% report longer boarding stays.**

- Strengthen mental health investment in Medicaid.
- Bolster community-based systems of care.
- Invest in pediatric mental health workforce and infrastructure.
- Permanently extend and enhance telehealth flexibilities.
- Improve implementation of the mental health parity law.
- Ensure support for mental health crisis services and suicide prevention designed to address the unique needs of children and teens.

**To learn more about these topics and our work, visit childrenshospitals.org/advocacy.**

CHILDREN'S HOSPITAL ASSOCIATION

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Photo: Allyn DiVito, Johns Hopkins All Children's Hospital; St. Petersburg, Florida

# MEDICAID IS VITAL TO KIDS

**~44%**

of Medicaid/CHIP enrollees are children.

*Source: CMS, December 2024 Medicaid and CHIP Eligibility Operations and Enrollment Snapshot*

**37 million**

of nearly 75 million U.S. kids rely on Medicaid/CHIP at some point during the year.

*Source: CMS, December 2024 Medicaid and CHIP Eligibility Operations and Enrollment Snapshot*

**Almost half**

of children with special health care needs rely on Medicaid/CHIP.

*Source: KFF, "Children with Special Health Care Needs: Coverage, Affordability, and HCBS Access"*

**~3 million**

kids in military-related families rely on Medicaid.

*Report: Medicaid: A Vital Resource for Nearly 3 Million Military-Connected Children*

**40.6%**

of children residing in small towns and rural areas were enrolled in Medicaid/CHIP in 2023.

*Source: CCF, Medicaid's Role in Small Towns and Rural Areas, January 2025*

## Medicaid helps our kids lead better lives—it's a smart investment in the nation's future

Medicaid is vital—it covers kids in every state, from every background. It provides affordable coverage to children in working, lower-income families and to kids with special health care needs. This federal-state partnership is the largest source of children's health care coverage in the U.S.

## Medicaid was designed with kids in mind

Medicaid provides children access to a comprehensive set of services through the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) benefit. This benefit ensures Medicaid covers the preventive services all kids need—things like immunizations, well-child checkups, and vision and dental services. Medicaid is the nation's largest payer for behavioral health services. It also covers medically necessary care, so children can see a pediatric specialist or get the therapy they need.

## Medicaid steps up for kids when they need it most

Most of our nation's sickest children get coverage through Medicaid. For kids born with or who develop serious medical conditions, Medicaid provides coverage or fills coverage gaps for services not covered by private insurance. No one plans for kids to get sick, but thankfully Medicaid is a safety net for all our children. *Source: MACPAC response to SFC BH letter November 2021*

## Medicaid helps our kids reach their full potential

Medicaid helps kids grow into healthy and productive adults. Compared to uninsured children, those covered by Medicaid are more likely to have better health outcomes as adults, with higher school attendance and academic achievement. This leads to greater resiliency and success in careers and life.

*Source: Medicaid Works for Children | center on Budget and Policy Priorities (cbpp.org)*

## Kids with Medicaid rely on children's hospitals

Children's hospitals are at the core of the health care delivery system for children, bringing together teams of specialists to provide care not available in any other setting. Since they serve children from many states, children's hospitals must coordinate with multiple state Medicaid programs.

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January 29, 2025

The Honorable John Thune
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Mike Johnson
Speaker
United States House of Representatives
Washington, DC 20515

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

The Honorable Hakeem Jeffries
Democratic Leader
United States House of Representatives
Washington, DC 20515

Dear Majority Leader Thune, Speaker Johnson, Democratic Leader Schumer, and Democratic Leader Jeffries,

On behalf of the more than 200 children's hospitals and the children and families we serve, the Children's Hospital Association (CHA) congratulates you on the start of the 119th Congress. We look forward to working with you to ensure all children are able to access the health care they need, especially the millions of children covered by Medicaid. Medicaid offers essential health care coverage to 37 million children, including coverage for almost half of all U.S. children with special health care needs, nearly three million children in military-connected families, and almost half of the children from small towns and rural areas. We thank you for your support of bipartisan policies to improve Medicaid for children and ask you to immediately advance the strongly bipartisan Accelerating Kids Access to Care Act and stop pending Disproportionate Share Hospital (DSH) cuts while also remaining vigilant on protecting the Medicaid program for children.

We believe every child deserves a safe and healthy childhood. This starts with ensuring children have access to nutritious food, preventive care, and specialty care. Medicaid is the foundation for providing various types of preventive and specialty care, and we look forward to working with you to support and strengthen this vital program. On average, Medicaid covers over half of all inpatient days and emergency visits at children's hospitals. Therefore, Medicaid support is vital to children's hospitals' ability to provide care to every child who needs it.

## Pass Accelerating Kids' Access to Care

Thank you for your strong support for the Accelerating Kids' Access to Care Act. **We ask you to immediately pass the bipartisan and bicameral Accelerating Kids' Access to Care Act.** This bill has been vetted through the committee process, passed the House last year with a wide bipartisan margin, and was a consistent part of end-of-year negotiations. As you know, children and families relying on Medicaid often must travel to different states to receive care when the services they need are not available in their own state. This is particularly true for children with medically complex conditions, like cancer or other rare diseases, who must regularly access highly specialized providers found in children's hospitals, which often treat children from many different states at any given time.

Today, children on Medicaid needing care outside their home states often experience delays because some state Medicaid programs require out-of-state providers to be screened and enrolled into their program even if the provider is already enrolled and in good standing with their home state Medicaid program and Medicare.

**The Accelerating Kids' Access to Care Act would:**

- Create a new pathway for pediatric providers to enroll in multiple state Medicaid programs if certain requirements are met, including that they are in the lowest category for potential program integrity issues and are enrolled in their home state Medicaid program.
- Only focus on the screening and enrollment of providers and not on the authorization of care by an out-of-state provider nor payment rates for any such care, leaving both issues within the purview of state Medicaid agencies.

The Accelerating Kids' Access to Care Act has strong bipartisan support and **passed the House of Representatives by voice vote in September 2024 with the strong leadership of Reps. Trahan, D-Mass and Miller-Meeks R-Iowa, and Sens. Grassley, R-Iowa and Bennet, D-Colo.** We ask that you pass this legislation swiftly to improve children's access to essential health care while eliminating administrative burdens for providers and states.

## Prevent Pending Medicaid DSH Cuts

Hospitals are facing **$8 billion in annual payment cuts to the Medicaid Disproportionate Share Hospital program**, which are scheduled to begin April 1, 2025. These cuts would be devastating to many children's hospitals and their ability to provide care to the children they serve. We appreciate the calls from hundreds of bipartisan members of Congress to prevent these cuts. **We ask Congress to act immediately to stop these cuts**. America's children, their families, and the hospitals that serve them cannot wait.

## Protect Medicaid for Children

The strong Medicaid program is critical to ensuring a healthy workforce in the future, an effective military to protect our country, and to prevent longer-term more costly chronic illnesses in adulthood. We are concerned about potential changes to Medicaid that would threaten the federal investment in the program that directly impacts children's ability to access needed care and our hospitals' ability to serve all children. Children make up almost half of all Medicaid beneficiaries while accounting for only 20 percent of the spending. Children rely on the health coverage provided by the program. Many children with complex needs are only able to receive the specialty and support services needed due to the Medicaid program, even those with private insurance as their primary payer.

We are particularly concerned about per capita caps, reductions in Federal Medical Assistance Percentage support, and any changes to provider taxes and state-directed payments that directly impact children's hospitals' ability to fulfill their missions for children. **Please consult us as you look at Medicaid policies and seriously consider any overall changes that may impact children and the providers who care for them. We share your desire to ensure our nation's children are healthy and able to thrive into adulthood.**

Thank you for your consideration of our requests on behalf of the nation's children's hospitals and we stand ready to partner with you to protect and strengthen Medicaid for children.

Sincerely,

Matthew Cook
President and CEO
Children's Hospital Association

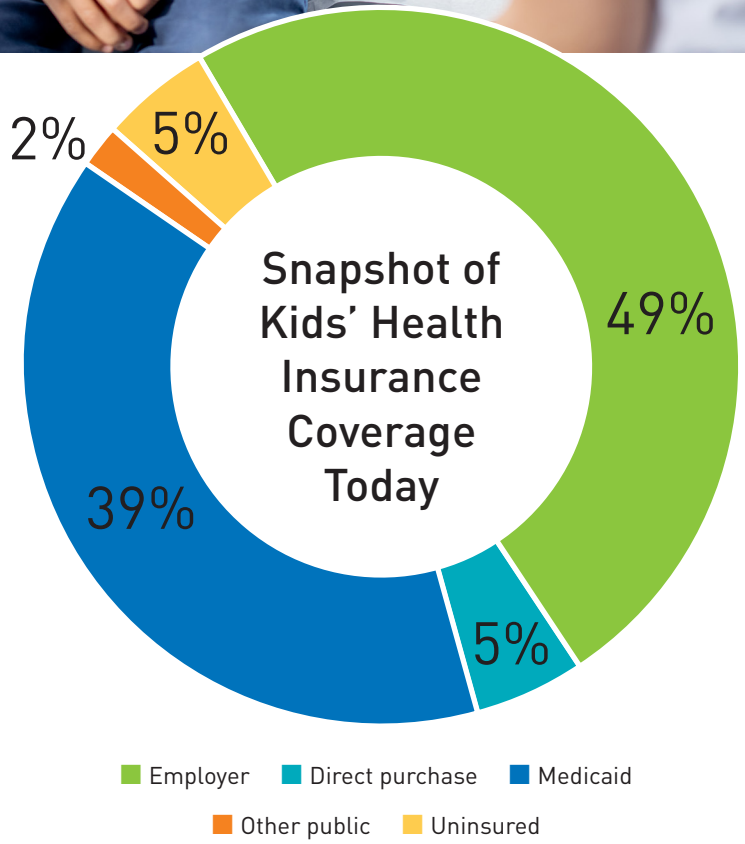
# COVERING AMERICA'S KIDS

January 2025

**There are approximately 75 million children in the United States.**

About 95% of children are insured through a variety of programs, including: Medicaid, the Children's Health Insurance Program (CHIP), TRICARE, employer-based, direct purchase, and other public coverage.

Contact Aimee Ossman at aimee.ossman@childrenshospitals.org.




**Note:** The above estimates are not adjusted to address the "Medicaid undercount" often observed when comparing survey data to the reported higher numbers of individuals enrolled in Medicaid and CHIP using federal and state administrative data. **Source:** KFF, "Health Insurance Coverage of Children 0-18," available at kff.org/other/state-indicator/children-0-18.

# The Site Isn't Neutral

CHILDREN'S HOSPITAL ASSOCIATION

## Children's Hospitals Extend Pediatric Care Close to Home

**OPPOSE site neutral policies, including eliminating "facility fees" or other policies, that reduce support for and would have a negative impact on pediatric care.**

Site neutral policies refer to policies that keep payments for services the same regardless of the care setting where that service was provided. Children's hospitals care for kids with some of the most complex and challenging conditions in pediatrics. **As regional care providers, hospital-based clinics extend the critical care, urgent care, emergency services, and specialized pediatric services found at a hospital to a location closer to home for patients.**

One type of site neutral policy is **reducing or eliminating facility fees.**

**TYPES OF FEES**

**Facility Fee: These fees pay for every other aspect of care for the patient, besides the doctor or advanced practice provider.**

**Professional Fee: These fees pay for the time spent by the doctor or advance practice provider with the patient.**

At pediatric outpatient care centers, **facility fees may pay for:**

- Nurses
- Nursing assistants
- Social Workers
- Child life specialists
- Case managers
- Care coordinators
- Dietitians
- Medical Interpreters
- Housekeeping & environmental
- Security guards
- Front desk and check-in staff
- Integrated electronic medical record
- Furniture (e.g., exam tables, waiting room chairs)
- Maintenance of buildings & utilities

**If these policies are adopted:**

→ It will negatively impact children's hospital's ability to expand and open outpatient facilities farther from the hospital, discouraging the promotion of community-based care.

→ Patient access to timely care could be restricted, especially for children with medically complex conditions who are sicker and are cared for more frequently in ambulatory, outpatient settings.

→ Rural communities may lose access to outpatient facilities that provide services like consultations, infusions, outpatient procedures, urgent care and pediatric diagnostic and therapies, resulting in worse outcomes and farther travel and burden for children with medical complexity who need coordinated care that continues outside the hospital setting.

For more information please reach out to Aimee Ossman, Aimee.ossman@childrenshospitals.org, or Elizabeth Brown, elizabeth.brown@childrenshospitals.org.

# 340B HELPS KIDS

2024

The 340B Drug Pricing Program supports safety net providers, such as children's hospitals, in their mission to serve low-income, uninsured, and under-insured patients. Under the 340B program, hospitals that treat a large number of low-income patients can purchase outpatient drugs at lower prices, freeing up resources to support hospital operations and provide services to their patients.

**54**
children's hospitals currently participate in the 340B Program.*

In 2021, Medicaid underpaid the 340B children's hospitals by
**$3.6B***

Children's hospitals use the 340B savings to help offset low Medicaid reimbursement. 340B savings are also used to subsidize part of the cost of providing critical services that benefit the local communities these hospitals serve. Examples include:

- **Behavioral health services**
- **Annual flu vaccinations**
- **Hemophilia treatment centers**
- **Affordable prescription drugs**

## Protect 340B. Actions that threaten 340B hurt kids.

*54 340B children's hospitals were identified using the Health Resources and Services Administration's Office of Pharmacy Affairs 340B OPAIS database. Medicaid shortfall is calculated using data from communitybenefitinsight.org. Data is only available for 40 of the 54 340B children's hospitals.

**Children's hospitals are safety net providers** that treat children regardless of their abilities to pay.

**Children's hospitals care for a high percentage of low-income children.** On average, more than half of the patients treated at children's hospitals are covered by Medicaid.

**Medicaid provides health care coverage for low-income adults and children.** Medicaid pays providers lower than other forms of health insurance. Study by Kaiser shows that Medicaid pays 72% of Medicare.

CHILDREN'S HOSPITAL ASSOCIATION

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# Support the PEDIATRIC HEALTH CARE WORKFORCE

The future of children's health is directly tied to the strength of our workforce.

**Policymakers must work with children's hospitals to develop, implement, and resource innovative ways to recruit, retain, and strengthen the pediatric workforce, ensuring kids get the care they need, when they need it.**

## The pediatric workforce

The pediatric workforce includes pediatricians, pediatric subspecialists, and non-physician pediatric providers (e.g., pediatric nurse practitioners, pediatric nurses, pediatric medical techs, pediatric physical therapists and other pediatric allied health clinicians). These providers receive special training to care for kids of all backgrounds, ages, stages of development, and at varying levels of complexity.

Unlike adult health care where the largest shortages are among primary care providers, pediatric workforce shortages are most prevalent among pediatric physician subspecialists, advanced practice nurses, home care nurses, respiratory technicians, mental health providers, pharmacists, and others who are vital to supporting children and their families.

**>13**

week wait times were reported for children in need of subspecialty appointments in genetics, developmental-behavioral pediatrics, neurology, and dermatology in a recent workforce assessment.[1]

**3 out of 4**

shortages reported in a CHA assessment show the biggest needs are in neurological and behavioral/mental health specialties.[1]

**35%**

of respondents reported a severe or major shortage of registered nurses.[1]

## Bolstering federal support for the pediatric workforce

There are many ways to bolster the pediatric workforce for the future, such as:

- **Boost** FY 2026 funding to $778 million for the Children's Hospitals Graduate Medical Education (CHGME) program, the only national program focused on training a pipeline of pediatricians and pediatric subspecialists.
- **Strengthen**, and increase funding for, the Pediatric Specialty Loan Repayment Program.
- **Ensure** federal policies and programs support and bolster the pediatric workforce (e.g. loan forgiveness, career academies, provider well-being support, and other learning and outreach programs).
- **Increase** support for the pediatric workforce through Medicaid.

# Factors Driving Workforce Shortages

Pediatric workforce shortages stem from a variety of factors. Some mirror those driving overall health care workforce shortages – an increase in retirements, the rise of workplace violence, and a shortage of nursing faculty to train the next generation. Some, however, are unique to pediatrics and can impact children's access to timely care:

**Finances.** Reimbursement for pediatric providers is low given that Medicaid, the single largest health insurer for children, has historically low payment rates. Furthermore, on-site orientation and training of a new pediatric nurse can take up to three months and can cost $45,000 or more. Those costs are absorbed by the hospital and are not reimbursed by third-party payers or covered by federal programs.

**Training.** Pediatric physician and non-physician subspecialists must spend additional time in school and in clinical training to develop the expertise needed to treat children with serious, complex, or chronic conditions. They must learn to use pediatric-appropriate equipment, such as tiny tubing for preemies, as well as child-appropriate medications and dosing. They also learn to support family members who may be under a great deal of stress.

**Scholarship and loan forgiveness programs.** Most scholarship and loan forgiveness programs are primary care- and adult-focused, which limits their availability within the pediatric specialty provider pipeline and creates recruitment and retention challenges for hospitals.

**Burnout and turnover.** Delivering pediatric clinical care takes more time, is labor-intensive, and can be emotionally challenging. Pediatric respiratory illness surges, rising incidents of violence toward health care workers, and the ongoing children's mental health crisis have also placed an extraordinary burden on frontline providers. As a result, children's hospitals nurses and other bedside staff are reducing their work hours or leaving health care completely.

## Find more resources on our workforce priorities at childrenshospitals.org/PedWorkforce.

1. "Pediatric Workforce Assessment in Children's Hospitals (Fall 2023)," Children's Hospital Association, 2024. *Note: Information obtained from 56 children's hospitals from September through October 2023.
2. CHA analysis of 2020 American Medical Association Graduate Medical Education Database.
3. "Comparative Analysis of GME Funding Programs for Children's Hospitals and General Acute Care Teaching Hospitals," Dobson DaVanzo, March 2022.
4. "Children's Hospitals Graduate Medical Education Payment Program Evaluation," Academic Years 2018-2023.
5. Report on Residents," Association of American Medical Colleges, December 2021.


**>50%**

More than half of pediatricians and pediatric specialists are trained at CHGME hospitals.[2]

**50%**

Per resident funding for CHGME is just 50% of the amount Medicare pays for resident training in general acute care teaching hospitals.[3]

**~33%**

Though CHGME-funded hospitals make up just 1% of all hospitals nationwide, these children's hospitals provide one-third of inpatient care for children covered by Medicaid.[4]

**60%**

A majority of CHGME-funded physicians choose to practice in the state where they complete residency.[5]

**45%**

of the areas served by CHGME-funded hospitals are rural.[4]


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# The Children's Hospitals Graduate Medical Education Program (CHGME)

**Children's hospitals ask Congress to provide**

**$778 MILLION**

**for CHGME in FY 2026.**

The future of children's health in our nation is directly tied to the strength of our pediatric workforce. Congress created the Children's Hospitals Graduate Medical Education (CHGME) program in 1999 because it recognized that a dedicated source of funding for training pediatricians and specialists in children's hospitals was critical to ensuring a robust pediatric workforce. CHGME has enabled children's hospitals to dramatically increase pediatric physician training and significantly increase the number of pediatricians and specialists who care for the nation's children. However, there continues to be a significant shortage in pediatric specialists due to inequities between funding for physician training at adult hospitals compared to training at children's hospitals.

## Which hospitals receive CHGME funding?

Though CHGME-funded hospitals make up just 1% of all hospitals nationwide, these children's hospitals provide close to one-third of the inpatient hospital care received by children covered by Medicaid. Adult-based teaching hospitals may offer pediatric training but are not eligible for CHGME since the majority of their patients are not children under the age of 18.

**59**

children's hospitals, which primarily serve children under the age of 18 and have an accredited pediatric training program, receive CHGME funds.

## Who does CHGME train?

**15,860**

residents and fellows were trained with support from CHGME funds in academic year 2022-2023.[1]

More than half of both pediatricians and pediatric specialists are trained at CHGME hospitals.[2]

**60%**

of CHGME-funded physicians who complete their training programs choose to practice in the state where they completed their residency.[3]

## How is CHGME funded?

Unlike Medicare GME, CHGME is a discretionary grant program administered by the Health Resources and Services Administration (HRSA). It receives an annual appropriation and must be reauthorized every five years.

1.7%

of total federal spending on graduate medical education in the U.S. is represented by CHGME.[4]

## How is CHGME different from other federally supported physician training programs?

**There are several noteworthy differences between CHGME and Medicare GME:**

- CHGME is the primary training program for pediatric specialists, helping to alleviate the current shortage in pediatric specialists across the country.
  - Medicare and other HRSA-based training programs, such as the Teaching Health Centers program, focus on training primary care providers with a greater focus on adult providers.
- CHGME is a discretionary program. Congress must appropriate funds annually.
  - In contrast, Medicare GME payments are mandatory, do not need to be appropriated annually and do not need to be reauthorized.
- The amount of CHGME funding for an individual children's hospital is limited by the size of the annual appropriation. Changes in funding to one hospital affects the funding of other hospitals.
  - In contrast, Medicare GME is open ended and based on the size of its approved residency training programs, the number of Medicare-recognized residents and its Medicare inpatient volume. Therefore, increasing Medicare GME funds to one hospital does not affect the funds paid to another.
- Per resident funding for CHGME is just 50% of the amount that Medicare pays for resident training in general acute care teaching hospitals, leaving a longstanding and growing gap between physicians training in adult versus children's care.[5]
  - Per resident funding for CHGME is generally static and does not grow annually like Medicare GME.

## Who does CHGME train?

CHGME hospitals train civilian and military:

pediatricians and pediatric specialists.

child and adolescent psychiatrists.

pediatric dentists and podiatrists.

family medicine and other adult specialists for their pediatric rotations.[1]

MOST

physicians in some fields like pediatric rehabilitation receive their training at CHGME hospitals.[2]

The residents whose training is supported by CHGME funds learn from experienced pediatric-focused practitioners, participate in pediatric research and provide critical access to care for underserved communities.

45%

of the areas served by CHGME-funded hospitals are rural.[1]


1. "Children's Hospitals Graduate Medical Education Payment Program Evaluation," Academic Years 2018-2023.
2. CHA analysis of 2020 American Medical Association Graduate Medical Education Database.
3. "Report on Residents," Association of American Medical Colleges, December 2021.
4. "Physician Workforce: HHS Needs Better Information to Comprehensively Evaluate Graduate Medical Education Funding," U.S. Government Accountability Office, March 2018.
5. "Comparative Analysis of GME Funding Programs for Children's Hospitals and General Acute Care Teaching Hospitals," Dobson DaVanzo, March 2022.


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# FOCUSING ON CHILDREN'S MENTAL HEALTH

## Childhood Development Matters

While mental and behavioral health conditions can and do occur at any age, symptoms, and conditions often begin in childhood. By investing in prevention and treatment, children will grow up healthier and develop the skills they need to go on to successful and fulfilling lives.

## Youth Mental Health Crisis

America is experiencing a crisis in the mental health of children and adolescents, which began long before the pandemic, and worsened as a result of the tremendous stress and uncertainty experienced by families. Children's hospitals are seeing the impact on youth every day, through a steep rise in the number of emergency department (ED) and inpatient visits for suicidal thoughts or self-harm, with visits more than doubling since 2016.

**42%** of high school students felt so sad or hopeless almost every day for at least two weeks in a row that they stopped doing their usual activities.[6]

**1 in 10** high school students attempted suicide one or more times during the past year.[6]

**59%** of youth with major depression do not receive any mental health treatment.[7]

**1.2 million** youth who are covered under private insurance do not have coverage for mental health care.[7]

**1 in 5** children and adolescents experience a mental health condition in a given year[1]

**50%** of mental illnesses begin by age 14 [2]

**14%** of suicides are youth and young adults between the ages of 10 and 24, making it the second leading cause of death[3]

**1 in 5** teens have contemplated suicide[4]

# On the Front Lines

Children's hospitals, pediatricians, and other mental health providers see firsthand the effect mental, emotional, and behavioral conditions have on children and families. Children commonly experience significant delays in beginning the mental health treatment they need. For children's hospitals, this means seeing a growing number of children presenting in crisis and a shortage of appropriate placement options, including inpatient beds. As a result, too many children are boarding in hospital EDs.

# Kids Can't Wait

The importance of investing in services, support, and workforce that promote access to necessary pediatric mental health care cannot be overstated. To address the crisis in children's mental health, enact policies that would:

- Protect and strengthen Medicaid and CHIP, which together provide coverage for mental health care to 37.5 million children.[10]
- Support the pediatric mental health workforce.
- Bolster community-based systems of care.
- Invest in pediatric mental health infrastructure.
- Expand mental health crisis services and suicide prevention.
- Improve implementation of the mental health parity law.

## This includes:

Enacting **H.R. 1735 / S. 779, the Early Action and Responsiveness Lifts Youth Minds** or **EARLY Minds Act**, bipartisan legislation which will enable states to use a portion of their funds from the Community Mental Health Services Block Grant for prevention and early intervention services with children and adults.

From 2016-2022, ED visits by

**3 to 18 year olds**

for mental health care needs increased by

**50%**

in children's hospitals[5]

Currently, there are 14 child psychiatrists per 100,000 kids and teens. It is estimated the country needs

**47 per 100,000**[8]

The kids' mental health crisis has caused an increase in boarding. Compared to before the pandemic,

**84% of hospitals**

are boarding more youth patients, and

**75% report longer boarding stays**[9]


1. "What is Children's Mental Health?" Centers for Disease Control and Prevention, April 2019.
2. "Lifetime Prevalence and Age-of-onset Distributions of DSM-IV Disorders in the National Comorbidity Survey Replication," National Institutes of Health, June 2005.
3. "Web-based Injury Statistics Query and Reporting System (WISQARS)," Centers for Disease Control and Prevention, National Center for Injury Prevention and Control.
4. "Mental Health, Suicidality, and Connectedness Among High School Students During the COVID-19 Pandemic—Adolescent Behaviors and Experiences Survey," Centers for Disease Control and Prevention, April 2022.
5. Pediatric Health Information System Database (PHIS), Children's Hospital Association.
6. "Youth Risk Behavior Survey Data Summary & Trends Report," Centers for Disease Control and Prevention, February 2023.
7. "The State of Mental Health In America," Mental Health America, 2023.
8. "Workforce Maps by State: Practicing Child and Adolescent Psychiatrists," American Academy of Child & Adolescent Psychiatry, 2018.
9. Leyenaar J, Freyleue S, Bordonga A, et al., "Frequency and Duration of Boarding for Pediatric Mental Health Conditions at Acute Care Hospitals in the US," JAMA: Vol 326, No. 22, 2021.
10. "Medicaid & CHIP Enrollment Data Highlights", Centers for Medicare and Medicaid Services, December 2024.



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# High-Cost Therapies for Pediatrics

September 2024

To meet children's health care needs, now and into the future, children's hospitals must use innovative approaches to support pediatric patients, families, providers, and facilities in accessing High-Cost Therapies (HCTs) in a safe, appropriate, and sustainable manner.

To address the national disparities in specialty drug reimbursement, we urgently need policy models that ensure equitable access and affordability. Without these reforms, pediatric patients could face severe gaps in their necessary treatments, exacerbating health inequities for kids with rare diseases and complex medical conditions.

## Opportunities for Improving Children's Health

HCTs have the potential to change the lives of many children and their families and in some cases cure the illnesses and chronic diseases that have shortened lifespans and challenged their health and well-being for their entire lives. They target unmet pediatric medical needs, have the potential to reduce the need for challenging and costly chronic care, may help address gaps in care and health disparities, and can be lifesaving for previously uncurable illnesses.

## Unique Challenges for Children's Hospitals

Pediatric health care providers face unique HCT treatment challenges due to inadequate reimbursement, clinical burdens, and time-consuming administrative processes that can delay needed health services. Children's hospitals, where children come for these life-altering treatments, are concerned that inadequate reimbursement from Medicaid and/or commercial insurance will not support the therapies or the associated care required to successfully treat patients. Children must often travel long distances for these treatments, which frequently includes seeking out of state care, creating challenges for families and additional reimbursement hurdles.

## Identifying Pediatric-Focused Policy Solutions

The Children's Hospital Association is working with leaders from children's hospitals to determine federal policies that could help support HCTs and ensure equitable access for children. Children's hospitals stand ready to work with policymakers on how best to explore solutions that ensure sustainable access to HCTs for children and support the long-term viability of our pediatric health care system.

### Fast Facts

Pediatric HCTs, including cell and gene therapies, are innovative, potentially curative, and lifesaving or life-altering treatments for children with chronic, rare, and complex conditions. Treatment is most effective before the onset of symptoms or irreversible damage.

>HALF

of HCTs approved since 2017 are for children.

Many HCTs cost

>$1M.

### Children's Hospitals' Unique Role

Children's hospitals work steadfastly on innovations that advance knowledge and access to miraculous and transformative HCTs, for children of all ages. Our hospitals have developed clinical trials for HCTs that treat many conditions including a form of blindness, spinal muscular atrophy (SMA), and leukemia.

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# Artificial Intelligence and Children's Health

January 2025

Children's hospitals are implementing artificial intelligence (AI) to improve health outcomes and patient experiences. While useful, AI applications have unique implications for pediatrics that should be considered when regulating AI in health care. Keeping these considerations at the forefront of policymaking will ensure AI tools continue to improve the health care of children.

## Opportunities for Pediatric Care

- **Early Diagnosis and Predictive Analytics:** AI quickly analyzes large datasets from electronic health records to identify patterns and predict early onset of disease. The tool also screens and detects disease early in children, which helps prevent disease progression.
- **Imaging and Diagnostics:** AI tools can improve diagnostic accuracy in pediatric imaging, such as reading X-rays and MRIs, reducing the need for repeated imagery and minimizing exposure to radiation.
- **Reducing Provider and Administrative Burden:** AI-driven ambient listening tools can help providers spend more time on patient care and reduce after-hours administrative work. AI tools can also automate medical coding and billing, scheduling, claims processing, and more.
- **Virtual Health Assistants:** AI chatbots and virtual health assistants provide personalized health information, answer families' medical questions, and offer guidance to manage chronic conditions.
- **Medical Education and Training:** AI-powered simulators and virtual reality platforms provide realistic training scenarios, enhancing providers' clinical skills in a safe environment.

## Unique Considerations for Children

**Lack of Pediatric Data:** AI models must be trained with existing large data sets to create accurate outputs. Pediatric data sets are often limited for certain conditions, but data experts at children's hospitals are working to make data sets available for computerized learning.

**Complexity in Pediatric Data:** Pediatric medical data has more inputs than adult medical data. For example, children's medical data includes inputs for providers, parents/caregivers, subspecialists, teachers, and more. Merging these data sources makes it more difficult to get accurate predictions. Additionally, most health AI tools are tailored to adult care, not taking into account the considerations that make children's health care unique.

**Consent to Use Patient Data:** Consent to use data is usually initially obtained from a parent or guardian. When the child reaches the age of consent, the child must re-approve use of their health data. This requires strict monitoring of consent status and can limit the use of this data.

### Innovative AI at Children's Hospitals

**EPILEPSY SURGERY**
Cincinnati Children's uses AI to reduce referral times for epilepsy surgery. The hospital has trained AI to capture electronic health record data and alert physicians when a patient is eligible to be reviewed by the surgical committee.

**INNOVATING PEDIATRIC BEHAVIORAL HEALTH**
Children's Colorado has begun research using AI, machine learning, and biosensors to detect early physical signs of neurobehavioral disorders such as changes in motion, heart rate, and facial expressions.

**Learn more about using AI tools in pediatric care at childrenshospitals.org/artificialintelligence.**

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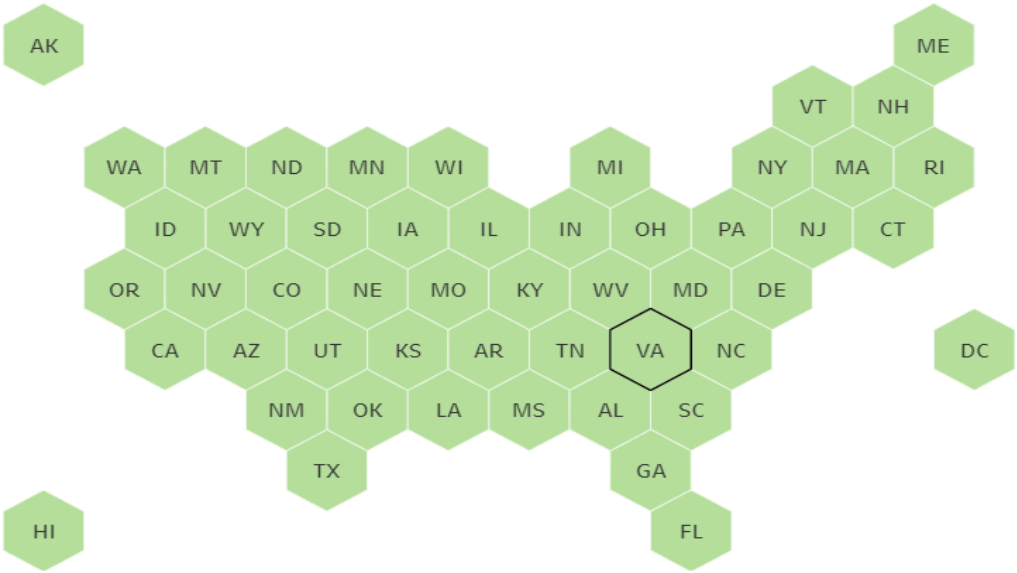
# Explore Child Health Data at the State Level

This dashboard is designed to tell the story of the health of our nation's children in states and congressional districts across the country. Discover facts related to our children's health such as:

- Health insurance coverage
- Access to health care services including children's hospitals
- Special health care needs
- Access to mental/behavioral health treatment
- Vaccination rates
- Socioeconomic status
- Adverse experiences

The *State of Children's Health Data* is reliable, drawing data regularly from these credible sources: Centers for Medicare and Medicaid Services, American Community Survey, National Survey of Children's Health, Child and Adolescent Health Measurement Initiative, Kaiser Family Foundation and Children's Hospital Association.

Select your state to begin...

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# Join the Bipartisan Congressional Children's Health Care Caucus

Dear Colleague:

We urge you to join the bipartisan Congressional Children's Health Care Caucus to build support for efforts to ensure America's children have access to high-quality, affordable care and that their needs continue to be one of Congress' top priorities.

In the 119th Congress, the House will consider measures that significantly impact the health of our nation's children. Because children are always growing and developing, their health care needs are unique, requiring specialized training and care. As we continue to debate health care issues, children's health should be at the forefront of any discussion.

Pediatric health care continues to weather several, overlapping challenges, including pediatric workforce shortages and an ongoing crisis in child and adolescent mental health. Nearly 38 million children, more than 47% of all children across the United States, currently have health insurance coverage through Medicaid and CHIP. Now is certainly a critical time to work in a bipartisan manner to safeguard children's health coverage and access to care.

Our caucus will continue our mission of educating members of Congress, their staff, and the public about important health care issues affecting our children.

If you would like to join the Congressional Children's Health Care Caucus, please contact Nora Blalock in Representative Castor's office at Nora.Blalock@mail.house.gov and Matt Tucker in Representative Joyce's office at Matt.Tucker@mail.house.gov.

Sincerely,

Kathy Castor
Member of Congress

John Joyce, M.D.
Member of Congress

## Staff Experts

CHA staff are eager and available to provide insight into the effects of impending legislation on children's health. Cumulatively, CHA's public affairs team has decades of experience understanding pediatric health policy issues such as Medicaid and the Children's Health Insurance Program, workforce, mental health, and more. Please reach out to any member of the staff listed below for support.

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The Children's Hospital Association (CHA) is the national voice of more than 200 children's hospitals, advancing child health through innovation in the quality, cost and delivery of care.

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