CHILDREN'S HOSPITAL ASSOCIATION

November 23, 2026

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 Chuck 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,

The Children's Hospital Association (CHA) is the nation's leading advocate for children's health, uniting more than 200 children's hospitals to improve care and amplify impact. On behalf of children's hospitals and the millions of children and families they serve, we request any legislation passed during the end of the year prioritize children and the hospitals that take care of them.

Our children's hospitals continue to be flooded with children dealing with mental health crises even as they brace for another season of respiratory illnesses and other health care needs. That's why it is critical for Congress to take action before the end of the year to sustain children's hospitals' ability to provide high-quality, timely, and appropriate care to our nation's children. Our children and adolescents cannot wait for needed federal support.

Children's hospitals' most urgent priorities include:

- Stop H.R. 1 Medicaid cuts.
- Fund the Children's Hospitals Graduate Medical Education (CHGME) program.
- Prevent the 340B Rebate Model Pilot Program from moving forward.
- Reject harmful site-neutral payment cuts.
- Continue to block the Office of Management and Budget's (OMB's) proposed rule on grants and cooperative agreements.

Stop H.R. 1 Medicaid cuts

Medicaid and the Children's Health Insurance Program (CHIP) are lifelines for nearly half of America's children. Even for families with private insurance, Medicaid is necessary for accessing many wrap-around services that private insurance will not cover. CHA continues to have major concerns about the cuts included in H.R. 1, and the only way to truly protect children is to stop these cuts. We stand ready to work with Congress and the administration to protect all children from these harmful cuts.

Fund the CHGME program

We appreciate the strong bipartisan support for CHGME, including the proposals from the House and Senate to increase the program to $400 million in FY27. However, further increases are needed to put CHGME on the pathway to more equitable footing with other federal physician training programs and to ensure children can access needed care, which is why children's hospitals requested $1.02 billion for FY27. Given current funding levels, CHGME will only receive 38% of what Medicare pays on a per resident basis to Medicare GME hospitals in FY27, which makes it more costly for children's hospitals to train. Continued investment in CHGME allows the hospitals to have national reach and system-wide impact. For example, CHGME hospitals serve children and teens from 99.6% of all counties in the United States and its territories. Forty-five percent of the communities where these children live are rural. Without immediate congressional action to strengthen CHGME funding, pediatric physician shortages will persist and worsen, further limiting timely access to care for children nationwide.

Prevent the 340B rebate model from moving forward

The 340B program is a vital support to children's hospitals to provide children with access to life-saving medications and to help support the cost of critical services like behavioral health, cancer treatments, cell and gene therapy, and hemophilia treatment centers. The pilot rebate program proposed by the administration would fundamentally alter how 340B operates,

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placing an unstainable financial burden on children's hospitals and disrupting patient care. We encourage Congress to include language in any funding package to prohibit implementation of the rebate model. Additionally, we support the 340B Rebate Model Delay Act (H.R. 10770), which would delay the rebate model from Jan. 1, 2027 through Dec. 31, 2028.

Reject harmful site-neutral cuts

Children's hospitals serve children in broad geographic regions, and their outpatient departments and clinics bring specialized pediatric care closer to where children and their families live. Site neutral policies would significantly reduce payments for this care without accounting for children's unique needs or the resources required to deliver specialized pediatric services in these hospital outpatient departments. These cuts could leave families with fewer care options, longer travel distances, and delays in needed care. We urge Congress to reject site neutral payment cuts that could jeopardize children's access to care and ensure hospital payment policies recognize the distinct needs of pediatric care delivery.

Block the OMB proposed rule on grants and cooperative agreements

The OMB's proposed rule, *Regulation for Federal Financial Assistance*, poses administrative and compliance requirements that will disproportionately affect children's hospitals. Several provisions in the proposed rule would significantly impair the ability of children's hospitals to conduct pediatric research and undermine federal workforce programs. Federal research funding, in combination with direct investment from children's hospitals, allows pediatric clinical research teams to identify the underlying causes of pediatric diseases and develop safe and effective treatments for complex pediatric medical conditions. Additionally, federal workforce programs are critical to support the training, recruitment, and retention of pediatric providers. The proposed rule would substantially alter the conditions under which federal workforce funds are awarded, administered, and sustained—introducing new uncertainty into programs that are essential to maintaining and growing the pediatric workforce, and thereby ensuring children can access care when and where they need it. We appreciate you delaying the proposal in the current continuing resolution and ask you to continue to block the proposed rule from moving forward.

We know you have many tasks to tackle, and we are ready to partner with you to improve the health and wellbeing of America's children. Thank you for your support on these important issues.

Sincerely,

Leah Evangelista
Chief Public Affairs & Brand Officer

CC: Chair Collins
Chair Crapo
Chair Cassidy
Ranking Member Murray
Ranking Member Wyden
Ranking Member Sanders
Chair Cole
Chair Guthrie
Chair Smith
Ranking Member DeLauro
Ranking Member Pallone
Ranking Member Neal

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