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Testimony of Ms. Peggy Troy RN, MSN
President and Chief Executive Officer, Children's Hospital & Health System
Milwaukee, WI

May 12, 2010 - 10:00 a.m.

on behalf of

The National Association of Children's Hospitals
Alexandria, Virginia

Summary of Testimony in Support of Full Funding for the Children's Hospitals Graduate Medical Education Program respectfully submitted to the Subcommittee on Labor, Health and Human Services, Education, and Related Agencies of the House Committee on Appropriations

Ms. Peggy Troy will testify about the importance of the Children's Hospitals Graduate Medical Education (CHGME) program. CHGME is administered by the Bureau of Health Professions in the Health Resources and Services Administration at the Department of Health and Human Services.

Ms. Troy's testimony focuses on the purpose of CHGME and its benefit to all children. Further, the testimony describes how CHGME has allowed Children's Hospital Wisconsin to fulfill its academic and clinical care missions.

The testimony concludes by respectfully asking the subcommittee to appropriate full authorized funding -- \$330 million -- for CHGME in Fiscal Year 2011.

On behalf of the National Association of Children's Hospitals (N.A.C.H.) and the nation's free-standing children's hospitals, I respectfully request that the Labor-HHS Appropriations Subcommittee provide the fully authorized funding level of \$330 million for the Children's Hospitals Graduate Medical Education (CHGME) program in FY 2011.

With the subcommittee's leadership, Congress has worked to provide equitable funding for the nation's independent children's teaching hospitals through the CHGME program. An appropriation of \$330 million would meet the program's authorization level and ensure that children's hospitals will receive equitable funding compared to the federal support that other teaching hospitals receive through Medicare.

In 2006, Congress reauthorized the CHGME program with overwhelming bipartisan support. Since then the Labor-HHS Subcommittee has provided strong, consistent funding for CHGME under the tireless leadership of Chairman Obey and Ranking Member Tiahrt. In FY 2010, the House approved an appropriation of \$320 million for the program – \$10 million above the FY 2009 funding level. The Senate Appropriations Committee provided \$315 million for CHGME in FY 2010. The final funding level for CHGME in FY 2010 was \$317.5 million, which is the highest amount the program has ever received. In his FY 2011 budget request, President Obama also recognized the importance of CHGME and maintained funding at \$317.5 – \$7.5 million above his request for FY 2010.

CHGME is a targeted, fiscally responsible, slow-growth program that is integral to ensuring a stable future for children's hospitals and the pediatric workforce. Congress created CHGME in 1999 because it recognized the importance of a well-trained pediatric workforce and understood the disparity in federal graduate medical education (GME) support that existed between adult teaching hospitals and independent children's teaching hospitals. At that time, independent children's teaching hospitals were effectively left out of federal GME support provided through Medicare because they treat children and not the elderly. In fact, children's hospitals were at a serious financial disadvantage, receiving less than 0.5 percent of the federal GME support of other teaching hospitals. Medicaid GME payments, which are left to the discretion of states to provide and are well below the costs related to training, did not fill the gap.

Congress also understood when it created CHGME that the disparity in GME support under Medicare jeopardized an already precarious pipeline of pediatric specialists. As a result of congressional foresight and commitment to this program, CHGME has played a critical role in addressing the nation's serious shortage of pediatric specialists.

Independent children's teaching hospitals, such as Children's Hospital of Wisconsin, represent less than 1 percent of all hospitals and train 35 of all general pediatric residents, half of all pediatric specialty fellows, the great majority of pediatric researchers, and many other physicians who require pediatric training. In addition, they provide half of all hospital care to seriously ill children and serve as the nation's premier pediatric research centers.

CHGME funding now provides children's hospitals with about 80 percent of the GME support that Medicare provides to adult teaching hospitals. The funding has enabled children's hospitals to expand pediatric training programs, improve the quality and depth of their training, and prevent a net decline in the number of pediatric residents.

Since the program's inception, children's hospitals have more than doubled the number of total pediatric specialty residents in response to local, regional and national needs and children's hospitals have increased the number of new training programs by approximately 50 percent. Because Children's Hospital of Wisconsin now has dedicated CHGME funding for our training programs, we can target other resources to better serve all children in our region. These funds provide vital primary care training for Children's Hospital of Wisconsin's pediatric residents at the Downtown Health Center located in the heart of Congresswoman Gwen Moore's district, which serves as a medical home for 5,400 low-income, vulnerable children in Milwaukee. More than 35 residents provide weekly primary and preventive care services to these children, and 82 residents have month-long training in acute care. Half of graduating residents enter primary care, and nearly one-quarter work in underserved areas.

Unfortunately, shortages in the pediatric workforce still remain, particularly in pediatric specialty care. The National Association of Children's Hospitals and Related Institutions' (NACHRI) 2009 Pediatric Subspecialty Survey found a strong connection between pediatric specialty shortages, long-term vacancies and children's access to timely and appropriate health care. According to the survey, national shortages contribute to vacancies in children's hospitals that commonly last 12 months or longer for a number of pediatric specialties, including pediatric neurology, developmental-behavioral pediatrics, pediatric endocrinology, pediatric pulmonology, and pediatric gastroenterology.

Sick children bear the brunt of the shortages of pediatric specialists. Wait times for scheduling appointments with pediatric specialists often exceeds the prevailing national benchmark of two weeks. In fact, at least half of children's hospital survey respondents reported wait times far longer than two weeks. For example:

- 68 percent of children's hospitals experience difficulty scheduling endocrinology visits; the average wait time is over 10 weeks
- 61 percent report difficulty scheduling neurology visits; the average wait time is 9 weeks
- 50 percent report difficulty scheduling developmental pediatrics visits; the average wait time is over 13 weeks. This exceptionally long wait time is of particular concern given the rise in autism-related disorders among the nation's children.

A January 2010 Wall Street Journal article, "*For Severely Ill Children, a Dearth of Doctors*," put a human face on the NACHRI survey findings and described the impact of these shortages on a young patient and his family. "Three-year old Kenneth Jones, for example, was born in Alaska with a rare gastrointestinal disorder that made him unable to absorb protein. He had to travel three hours to see one pediatric GI specialist in the

state—a doctor who left a year later. The family moved to Oregon for work-related reasons and found a clinic that could provide complete care for the disorder—in Ohio, at a Cincinnati Children's Hospital clinic where they had to wait seven months for Kenneth's first appointment. 'There are so few pediatric GIs out there and so many children that need to be seen that you just have to wait in line,' says Kenneth's mother, Lauren Jones. 'That's the hardest thing to endure for a parent with a sick child who needs help right away.'"

As the nation's clinical workforce prepares for an increased patient volume through health reform CHGME funding will play an even larger role in a patient's access to care as our hospitals ensure that there are enough pediatricians and pediatric subspecialists trained to meet this new demand. CHGME has allowed children's hospitals to begin to address the large gap that exists between families' need for pediatric specialty care and the supply. In fact, free-standing children's hospitals that receive CHGME funding have accounted for 65 percent of the growth in pediatric specialty programs.

By strengthening children's hospitals' training programs and the nation's pediatric workforce, CHGME benefits all children, not just those treated at independent children's teaching hospitals. CHGME funds indirectly strengthen children's hospitals' roles as pediatric centers for excellence, the safety net for low-income children, and the leading centers of pediatric research. Children's hospitals are at the center of scientific discovery as a result of their strong academic programs supported by CHGME and advanced life-saving clinical research. Children's teaching hospitals' scientific discoveries have helped children survive diseases that were once fatal, such as polio and cancer. Furthermore, as a result of scientific research breakthroughs at children's teaching hospitals, children now can grow and thrive with disabilities and chronic health conditions, such as congenital heart disease, cystic fibrosis, cerebral palsy, juvenile diabetes, and spina bifida, and become economically self-supporting adults and valuable members of their communities.

CHGME is a sound investment. With full funding, CHGME will help to ensure a stable future for the nation's children's hospitals and the pediatric workforce. With that support, children's hospitals will continue to be centers for excellence and be able to provide the highest quality health care to all children.

Once again, thank you for your past support for this critical program. On behalf of N.A.C.H., and the Children's Hospital of Wisconsin, and the children and families we serve, I respectfully ask you to provide \$330 million for CHGME in FY 2011 to support the continued progress that has been made in CHGME. As the nation embarks on the implementation of the landmark health reform legislation, it is imperative that we have a strong pediatric workforce with a sufficient pool of specialists to meet the unique health care needs of all children.

The National Association of Children's Hospitals (N.A.C.H.) is the public policy affiliate of the National Association of Children's Hospitals and Related Institutions (NACHRI). N.A.C.H. is a trade organization of 140 children's hospitals and supports children's hospitals to address public policy issues that affect their ability to fulfill their missions to serve children and their families. N.A.C.H. works to strengthen the ability of children's hospitals and health systems to influence public policy makers, understand federal and state policy issues, advance access and quality of health care for all children, and sustain financially their missions of clinical care, education, research and advocacy.