

## For Immediate Release

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### President' s FY 2013 Budget Threatens Pediatric Care

#### *Cuts to Medicaid and Pediatrician Training Undermines Children' s Health Care*

(Alexandria, VA) — President Obama' s FY 2013 budget contains diminished funding for two programs that are crucial to children' s health care—Medicaid and the Children' s Hospitals Graduate Medical Education (CHGME) program. The budget proposes cuts of \$73 billion over a 10 year period to Medicaid, the single largest health coverage program for children, covering one in three nationwide. While the budget includes \$88 million for pediatrician training through CHGME, the amount represents one-third of the current annual funding level of nearly \$270 million. CHGME supports the training of 5,600 pediatricians each year at children' s teaching hospitals across the nation.

“ The funding cuts to Medicaid and gutting the CHGME program represent a regression of children' s health care,” said Mark Wietecha, president and CEO of the Children' s Hospital Association, a national trade organization of 220 children' s hospitals. “ Half of hospitalized children — very sick kids—in children' s hospitals rely on Medicaid for coverage. They also depend on pediatric specialists to help them heal. Cuts to Medicaid and CHGME would harm children' s health care.”

“ While the president has said that this is not time for austere measures, we find it unacceptable that he does not view an investment in strengthening pediatric care for kids on par with his efforts to expand job growth and infrastructure,” said Wietecha. “ How can we believe that the president is serious about growing the number of primary care doctors in this country if he won' t invest adequate resources in the pediatric workforce?”

Since its enactment more than 10 years ago, CHGME has increased the number of pediatric providers and improved children's access to primary and specialty care. The program enables children's teaching hospitals to train 45 percent of all pediatricians and 50 percent of all pediatric specialists.

The CHMGE program has helped address long-standing regional workforce shortages in children's health care, pediatric specialty care, and at the same time supports the national goal of expanding primary care. Approximately 60 percent of residents at CHGME hospitals are trained in general pediatrics.

In his FY 2012 budget, the president proposed eliminating CHGME. Congress rejected the president's proposal and appropriated nearly \$270 million in funding for the program in FY 2012 which enjoys strong bipartisan support.

“ Even at CHGME's current annual funding level, children's hospitals struggle to train enough pediatricians and pediatric specialists to keep up with the growing demand,” explained Wietecha. “ A growing child population is colliding with shortages of pediatric specialists and pediatricians resulting in impaired access to pediatric care, delayed care, longer wait times for appointments and greater travel distances for families. It is in our nation's best interest not to shortchange our children's health programs.”

“ We believe there are alternatives to cutting the programs on which children depend in order to curb federal spending. We advocate the spread of innovative pediatric care solutions that are saving Medicaid dollars to more settings. Not only will quality of care improve, but spending will decrease. Because America's future depends on the well-being of children today, we must do all in our power to protect and ensure children's access to preventive and acute health care services.”

While children, including those with disabilities, represent 50 percent of Medicaid enrollees, they only account for 25 percent of Medicaid spending. Spending per adult and per elderly adult is more than twice and nearly five times higher respectively than for children. Furthermore, Medicaid provides exemplary early and periodic screening, diagnostic and treatment (EPSDT) benefits, such as annual wellness visits and regular

vaccinations, which are critical to the health and well-being of all children on Medicaid, but especially those with special health care needs and chronic conditions.

Cuts to Medicaid could make it more challenging for families to find the right care at the right time for their children. Medicaid reimburses office-based preventive care services at 72 percent, on average, of what Medicare pays for the same service. In fact, Medicaid reimbursement to physicians for an appendectomy ranges widely among states, with some states paying less than 25 percent of what Medicare pays for the same service.

“ The president’ s budget proposal puts the progress that we’ ve made for children at risk,” said Wietecha. “ Children are not being given their fair share; they are being shortchanged. Leaders at children’ s hospitals know that there are alternatives to across the board cuts that save lives and health care dollars. Children’ s hospitals are working hard to preserve access to quality health care service for all children by implementing new care models and quality initiatives. We invite our nation’ s leaders to partner with us to continue innovating solutions.”

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#### **About the Children’s Hospital Association**

The Children’s Hospital Association advances child health through innovation in the quality, cost and delivery of care. Representing more than 220 children’s hospitals, the Association is the voice of children’s hospitals nationally. The Association champions public policies that enable hospitals to better serve children and is the premier resource for pediatric data and analytics, driving improved clinical and operational performance of member hospitals. Formed in 2011, Children’s Hospital Association brings together the strengths and talents of three organizations: Child Health Corporation of America (CHCA), National Association of Children’s Hospitals and Related Institutions (NACHRI) and National Association of Children’s Hospitals (N.A.C.H.). The Children’s Hospital Association has offices in Alexandria, VA, and Overland Park, KS.