Testimony for the Record

In support of FY 2018 funding for the Children's Hospitals Graduate Medical Education (CHGME) Program

Submitted to the Subcommittee on Labor, Health and Human Services (HHS), Education and Related Agencies, March 8, 2017, by James E. Shmerling, DHA, FACHE, President and Chief Executive Officer, Connecticut Children's Medical Center

The Children's Hospitals Graduate Medical Education (CHGME) program is administered by the Bureau of Health Workforce in the Health Resources and Services Administration at the Department of Health and Human Services. The statement testimony focuses on the purpose of CHGME and its benefit to all children. The testimony includes a request for the Subcommittee to appropriate $300 million for CHGME in Fiscal Year (FY) 2018.

Chairman Cole, Ranking Member DeLauro and members of the Subcommittee, thank you for the opportunity to testify in support of the Children's Hospitals Graduate Medical Education (CHGME) program. I am Jim Shmerling, president and CEO of Connecticut Children's Medical Center in Hartford, Connecticut. On behalf of Connecticut Children's and the 220 members nationwide of the Children's Hospital Association, I wish to thank the Subcommittee and its leadership for their long history of support for CHGME and children's health.

A robust pediatric workforce is essential to ensuring that no child lacks access to high-quality medical care. The CHGME program supports this goal by providing funding for the training of pediatric providers at independent children's teaching hospitals, much as Medicare supports training in teaching hospitals that primarily serve adults. CHGME benefits all children, supporting the training of doctors who go on to care for children living in every state—in cities, rural communities, suburbs and everywhere in between.

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Since the program's beginning, CHGME has enjoyed strong bipartisan support in Congress under both Republican and Democratic leadership. For FY 2016, Congress provided $295 million for CHGME, the program's first funding increase since FY 2010. For FY 2017, both the House and Senate Labor-HHS-Education Appropriations Subcommittees recommended $300 million in funding for CHGME, equal to the program's full authorization. Furthermore, bipartisan legislation reauthorizing CHGME through FY 2018 was enacted in 2014, demonstrating the high level of ongoing support among lawmakers for the program. Children's hospitals are extremely grateful for this strong commitment to the health of America's children. At this time, I respectfully request that the Subcommittee provide $300 million for the CHGME program in FY 2018.

Congress created CHGME in 1999 with bipartisan support because it recognized that the absence of dedicated GME funding for freestanding children's teaching hospitals created gaps in the training of pediatric providers, which potentially threatened access to care for children. At that time, independent children's hospitals, like Connecticut Children's, were effectively left out of the federal GME support provided through Medicare because we treat children and not the elderly.

Since 1999, the CHGME program has had a tremendous impact. Although the 58 hospitals that currently receive CHGME funding comprise only 1 percent of all hospitals, they train half of all pediatric residents—more than 7,000 annually—including 44 percent of all general pediatricians and 57 percent of all pediatric specialists.

To provide an example of the impact of CHGME, my own hospital, Connecticut Children's, is the academic home for the Department of Pediatrics at the University of Connecticut School of Medicine, and we serve as the principal training site for the university's pediatric residency program, pediatric fellowship programs and medical student pediatric education. We enroll 63 pediatric residents at any given time. They are engaged in learning onsite and in the greater Hartford area. CHGME funding supports the provision of their curriculum under the expertise of a highly qualified faculty with a diverse population of patients and health needs.

In 2016, 126 of our residency and fellowship program graduates were practicing in Connecticut while many of their colleagues had moved on to practice all over the country. America's children rely on the training provided by hospitals like ours that receive CHGME funds.

CHGME has enabled children's hospitals to increase their overall training by more than 85 percent since the program began in 1999. In addition, the CHGME program has accounted for 72 percent of the growth in the number of new pediatric subspecialists being trained nationwide.

However, while much has been achieved in strengthening the pediatric workforce, much remains to be done. The national population of children is predicted to continue a growth rate of 3 percent through 2030. At the same time, the health care needs of the pediatric population are increasing. The number of children with complex medical conditions is growing at a faster rate than the overall child population, requiring an increasing number of specialty care providers.[i]

Unfortunately, funding to train the doctors who serve these children has not kept pace. Our nation's commitment to children's health care still lags behind our investment in adults with respect to workforce training. While children under 19 currently comprise about 24 percent of the U.S. population, only 9 percent of all federal support for graduate medical education is targeted toward training pediatric providers—including both CHGME and Medicare funding for pediatric residents.[ii]

Freestanding children's hospitals, which, as noted, train approximately half of all pediatricians, receive almost no federal GME support through Medicare. Furthermore, analysis commissioned by the Children's Hospital Association shows that at current funding levels, the average CHGME payment per full-time equivalent (FTE) resident represents only 45 percent of what Medicare GME provides to support training in adult teaching hospitals.

Nationwide, serious pediatric workforce shortages persist, most acutely among pediatric subspecialties. The most recent survey data available[iii] from children's hospitals shows the following wait times for scheduling appointments due to shortages:

- Developmental pediatrics – average wait time of 13 weeks
- Endocrinology – average wait time of 10 weeks
- Neurology – average wait time of nine weeks
- Pulmonology – average wait time of eight weeks
- Gastroenterology – average wait time of five weeks

Localized shortages of pediatric primary care also continue, particularly in certain rural areas.

Strengthening funding for CHGME will help all children and their families, including those children with rare and complex conditions. CHGME has allowed children's hospitals to develop training programs in highly specialized disciplines that target the unique needs of children—some examples include pediatric surgical oncology, radiation oncology, pediatric pathology and bone marrow transplantation. For some of these disciplines, only a small number of institutions provide training.[iv] Strong ongoing support is vital to maintaining and expanding programs focused on these subspecialties, and reductions in funding would slow the ability to train providers in areas of need. During a period of reduced CHGME funding earlier in this decade, some hospitals reported that their resident FTE levels, which had been increasing in response to demand, leveled off and even declined.

Even with CHGME, children's hospitals incur significant additional costs to support their teaching missions. These additional costs are particularly difficult to bear given that children's hospitals are typically large Medicaid providers, with more than 50 percent of the average number of days of care covered by Medicaid. Medicaid reimbursement levels in many states remain well below those of private insurance and other government programs. This creates another significant fiscal challenge for children's hospitals, particularly as state Medicaid programs have been scaled

back significantly in recent years. Without CHGME, hospitals will be at risk of having to cut back training experiences and patient care services, impacting children's access to care and the future pediatric workforce.

Furthermore, there are no adequate substitutes for CHGME to support training at freestanding children's hospitals. Other potential sources of support, such as Medicaid GME—which has been significantly reduced or eliminated in many states—or competitive grant funding, are not available to many children's hospitals and cannot support training on the scale necessary to meet current and future workforce needs.

The CHGME program is critical to protecting gains in pediatric health and ensuring access to care for children nationwide. We recognize that the current budget climate is extraordinarily challenging and that Congress has a responsibility to carefully consider the nation's spending priorities. However, continuing needs in the pediatric workforce, in particular with respect to subspecialty shortages, point to the necessity of strengthening funding for the program. Now is the time to take a step forward in pediatric medicine and ensure our children have access to the health care services they need.

On behalf of Connecticut Children's Medical Center, the Children's Hospital Association and the children and families we serve, thank you for your past support for this critical program. We respectfully request that the Subcommittee continue its history of bipartisan support for children's health and fund CHGME at its authorized funding level of $300 million in the FY 2018 Labor-HHS appropriations bill.

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[i] "Summary of Available Evidence and Methodology for Determining Potential Medicaid Savings from Improving Care Coordination for Medically Complex Children," p. vi, prepared for Children's Hospital Association by Dobson DaVanzo & Associates, issued October 2013.

[ii] U.S. Census Bureau; "Comparative Analysis of GME Funding for Children's Hospitals and General Acute Care Teaching Hospitals," prepared for Children's Hospitals Association by Dobson DaVanzo & Associates, issued April 2014.

[iii] "Pediatric Specialist Physician Shortages Affect Access to Care," Children's Hospital Association, issued August 2012.

[iv] "Percentage of Pediatric Specialists Trained at CHGME Recipient Hospitals," Children's Hospital Association, issued 2012.