
Children's Hospital Association Statement for the Record Energy and Commerce Health Subcommittee Hearing "Investing in America's Health Care" June 4, 2019 — 10:00 a.m.

The Children's Hospital Association thanks the Subcommittee for holding this hearing which, among other topics, will examine the importance of Medicaid disproportionate share hospital (DSH) payments. Medicaid DSH payments are vital to children's hospitals and their ability to care for all children. Without congressional action, major cuts to the DSH payment program will occur Oct. 1, 2019. We call on Congress to protect patient access to care and ensure that these cuts do not take effect as scheduled.

Congress created the Medicaid DSH program to provide financial help to hospitals that treat large numbers of Medicaid and uninsured patients. The program has been, and will continue to be, crucial in helping children's hospitals address Medicaid underpayment.

Medicaid is the single largest health insurer for children in the United States, covering 37 million children in a year. The Children's Health Insurance Program (CHIP) covers an additional 9 million. Together, Medicaid and CHIP are the foundation of our national commitment to providing coverage and access to care for children.

Children's hospitals are major Medicaid providers. Although they account for less than 5% of all hospitals, children's hospitals care for almost half of all children in the nation who require inpatient care. The majority of these children's hospitals' patients are covered by Medicaid.

Medicaid DSH payments supplement inadequate Medicaid reimbursement to children's hospitals. Including DSH payments, Medicaid reimburses children's hospitals an average of only 80% of the costs of providing care; Medicaid reimbursement to children's hospitals would fall even lower without vital DSH payments. These payments help children's hospitals sustain specialized pediatric care services and training programs that benefit all children.

In short, Medicaid DSH payments are important for the viability of children's hospitals across the country and their ability to care for our nation's children. We call on Congress to put patient care first and ensure DSH cuts do not take effect later this year as scheduled.

Additionally, we thank the Subcommittee for examining a number of necessary reauthorizations for key programs, including Community Health Centers, Family to Family Health Information Centers, and the Certified Community Behavioral Health Clinics and Community Health Center demonstration program. We look forward to working with Congress to ensure that these and other programs continue to serve children and families well.