

October 25, 2021

The Honorable Frank Pallone  
Chairman, House Energy & Commerce Committee  
2125 Rayburn House Office Building  
Washington, D.C. 20515

Dear Chairman Pallone:

We write to you as a group of leading independent children's hospitals across the nation regarding the Children's Hospital Graduate Medical Education Program (CHGME). We are extremely grateful for the leadership that you have demonstrated in supporting annual increases in funding for this vital program as well as timely reauthorizations. With your strong assistance we have created a robust nationwide pediatric medical education program that is helping to address the shortfall of primary, specialty and subspecialty pediatric physicians.

We are profoundly appreciative of your leadership in including \$250 million for the program in the version of the House Build Back Better reconciliation bill. As you know, other medical education programs -- including the Medicare GME program and the Teaching Health Centers GME program -- have received augmented funding in the American Rescue Plan Act (ARPA), the FY22 budget resolution and the House reconciliation bill. Additional funding for CHGME in the Build Back Better legislation would provide some measure of equal treatment for this program. We are currently hard at work securing support from dozens of Senators to include this House funding in a final bill.

As you know, the CHGME program remains well short of covering the cost of our pediatric residency training programs. All of us extensively subsidize these programs to ensure their success. And the funding provided through CHGME is also far short of the amount provided for other programs. As a 2018 General Accountability Office (GAO) report (using 2015 data) made clear, there is a great disparity in the relative level of support provided through different medical education programs on an adjusted average per FTE basis:<sup>1</sup>

- Medicare Hospital GME = \$117,000/FTE
- Teaching Health Ctrs. GME = \$131,000/FTE
- Veterans Affairs GME = \$137,000/FTE
- Children's Hospital GME = \$51,000/FTE

Since that time, this disparity has only grown. According to the President's FY22 budget submission, the CHGME program provides approximately the same \$51,000/year per FTE<sup>2</sup> while the per FTE per year amount under the Teaching Health Center GME program (THGME) is

---

<sup>1</sup> GAO Report on Physician Workforce, March, 2018 (GAO=18-240) Tables 2 & 4, pages 18 & 23.

<sup>2</sup> In FY 2021, HRSA intends to support 7,140 FTE residents with an appropriation of \$350 million. See HRSA FY22 Budget request, p. 178.

approximately \$160-170,000.<sup>3</sup> And Medicare GME payments have received annual increases as well.

We very much appreciate your inclusion of these additional funds to make a much appreciated dent in the disparity in funding for CHGME program.<sup>4</sup> We understand the pressure you are under to reduce the cost of the overall bill, and respectfully urge that you press for retention of the House funding in a final bill that would bring it into closer alignment with the proposed treatment of other medical education programs.

Thank you for your leadership on this matter and for your consideration of our request.

Sincerely,



Marc H. Gorelick, MD  
President and Chief Executive Officer  
Children's Minnesota



Kevin B. Churchwell, M.D.  
President & CEO  
Boston Children's Hospital



Mark A. Wallace  
President & CEO  
Texas Children's Hospital



Thomas P. Shanley, MD  
President & CEO  
Ann & Robert H. Lurie Children's Hospital of Chicago

---

<sup>3</sup> In FY 2021, HRSA intends to support 740 FTEs with an appropriation of \$126,500. This does not include the additional \$330 million for the program provided through FY 2023 in the American Rescue plan. See HRSA FY22 budget request, p. 184.

<sup>4</sup> If the House funding in the Build Back Better legislation were distributed over a five year period it would, in combination with the \$400 million proposed regular annual appropriation, raise the CHGME per FTE amount to \$63,000.



Donna W. Hyland  
President and Chief Executive Officer  
Children's Healthcare of Atlanta



R. Lawrence Moss, MD, FACS, FAAP  
President and Chief Executive Officer  
Nemours Children's Health



Jim Shmerling, DrHA, FACHE  
President and CEO  
Connecticut Children's Medical Center



Henry T. Sachs III MD  
President  
Bradley Hospital



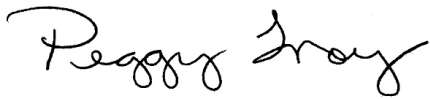
Paul S. Viviano  
President and Chief Executive Officer  
Children's Hospital Los Angeles



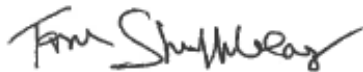
Paul D. Kempinski, MS, FACHE  
President and Chief Executive Officer  
Children's Mercy Kansas City



Jena Hausmann  
President & CEO  
Children's Hospital Colorado



Peggy Troy  
President & CEO  
Children's Wisconsin

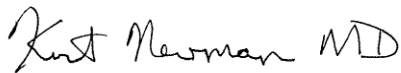


Tom Shufflebarger  
President & CEO  
Children's of Alabama



Kathy Donovan (Oct 13, 2021 16:09 EDT)

Kathy Donovan, MSN, RN, NE-BC  
Chief Executive Officer  
Children's Hospital of Michigan



Kurt Newman, M.D.  
President and Chief Executive Officer  
Children's National