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February 8, 2021

The Honorable Charles Schumer Majority Leader United States Senate

The Honorable Nancy Pelosi Speaker United States House of Representatives The Honorable Mitch McConnell Minority Leader United States Senate

The Honorable Kevin McCarthy Minority Leader United States House of Representatives

Dear Leader Schumer, Leader McConnell, Speaker Pelosi and Leader McCarthy:

On behalf of children's hospitals and the patients, families and communities we serve, we applaud congressional efforts to continue to respond to the current public health emergency. As you consider additional COVID-19 relief legislation, we ask you to give special attention to the urgent needs of children in this crisis environment.

The coronavirus pandemic impact is tearing away at children's health and the financial sustainability of their pediatric providers. Children's mental, emotional and behavioral (MEB) health is in crisis stage with hospital emergency departments seeing increases in suicide attempts, self-harm and violent outbursts. This crisis is exacerbated by issues of race and health equity. Revenue shortfalls for mental health services plagued pediatric providers before COVID-19 and the added stresses of the pandemic has hampered our national disaster response capability.

Children's health and children's health care providers need federal assistance, and urge Congress to ensure the current bill:

- Provide an additional injection of provider relief funding (PRF), specifying support to pediatric providers including children's hospitals as they are disproportionate providers of care to children relying on Medicaid
- Strengthen children's access to mental, emotional and behavioral (MEB) care and treatment under Medicaid
- Designate immediate disaster relief for children in MEB crisis to support emergent care in children's hospitals and the community
- Advance workforce initiatives to support MEB training and staffing to support children's health

These policies are essential to address the impact of the pandemic now and sustain access to health care for children, support the pediatric safety net infrastructure, meet the urgent needs of children with MEB conditions and support public health.

Provide PRF funding that supports children's health and pediatric providers

The COVID-19 pandemic has created catastrophic financial damage threatening the essential role children's hospitals play in the future of our country. The COVID-19 relief allocations provided by Congress and HHS to date have helped mitigate some of the negative impact, but the pandemic continues to damage children's hospital

revenues as families stay at home, and continued relief is needed for many hospitals. We urge Congress to provide additional PRF funding to offset the growing cumulative damage of COVID-19 on children's hospitals and pediatricians and protect their ability to serve children and families now and into the future.

We also recommend Congress include clear legislative intent (noted below) in relief provisions specifying the importance of strong funding to providers caring for children, including high Medicaid providers.

"Provided further, that the Secretary shall ensure payments to eligible providers that serve at-risk individuals, including children, pregnant women and the elderly (as described in 42 USC 300hh-1(b)(4)(B)), and eligible providers that serve large volumes of low-income individuals requiring specialized care (such as patients with comorbidities, chronic conditions, and social risk factors) who may be especially vulnerable to complications from COVID-19."

Establishing this congressional intent is essential to ensure children's hospitals are not left at even greater risk and ensuring that pediatric health care infrastructure remains viable during and after this pandemic.

Strengthen children's access to MEB treatment through Medicaid

Even before the pandemic, our nation faced a severe pediatric MEB crisis, exacerbated by a shortage of pediatric behavioral health services. COVID-19 has introduced additional and dramatic stress for children and families, including parental unemployment, family member illness and death, and social isolation. We are seeing escalating demand as a result of these experiences and a lack of capacity to meet the need.

We urge Congress to take steps through the Medicaid program to enhance pediatric mental and behavioral health services. We recommend providing an overall increase to the Federal Medicaid Assistance Percentage (FMAP) to mitigate pressure on state Medicaid programs to cut provider payments, which would hurt children and threaten the sustainability of the health care workforce during the public health and economic crises. Congress previously enacted a temporary 6.2% increase to the FMAP, and given the scope of the challenges facing the health care system, we support a temporary increase of at least another 5.8% in each state's FMAP, resulting in a cumulative increase of 12%.

We also urge Congress to enact targeted Medicaid policies to provide critical support for a pediatric MEB care system that is under-resourced and uniquely strained to meet the needs of America's children. We recommend:

- Providing a FMAP increase for pediatric MEB services
- Enacting an increase to provider payment rates for pediatric behavioral health services akin to Section 1202 of the Affordable Care Act, which created a time-limited add-on for primary care services
- Enacting an increased FMAP for pediatric tele-behavioral health services to 100% of Medicare rates

Designate immediate disaster relief for children in MEB crisis

In the American Rescue Plan (ARP), the president calls for Congress to provide \$4 billion to expand access to behavioral health services. We support this investment and urge Congress to direct programs within the Substance Abuse and Mental Health Services Administration (SAMHSA) and Health Resources and Services Administration (HRSA) to prioritize the health needs of children in allocating funding, and that funding be made available to pediatricians, pediatric behavioral health providers and children's hospitals to carry out these activities.

We also urge that from the \$4 billion, Congress set aside a designated pool of funding targeting the needs of children, under the oversight of HRSA. This pool should allow flexibility to fund a range of activities, including, for example, community health workers or navigators to coordinate family access, funding to support telehealth treatment, pediatric training for crisis response, mental and behavioral health urgent care, community-based initiatives such as school-based partnerships, and initiatives to decompress emergency departments, including partial hospitalization, step down residency programs and intensive outpatient programs. All of these initiatives would be directed at strengthening children's MEB crisis care and access, focused on the highest needs at the local level along the care continuum.

From the funds called for in the ARP, Congress should also provide additional support to existing HRSA programs that support pediatric MEB, including the Behavioral Health Workforce Education and Training (BHWET) program and the Pediatric Mental Health Care Access Program.

Finally, in the context of supporting schools in safely reopening, the ARP specifically directs school districts to "to meet students' academic, mental health and social, and emotional needs in response to COVID-19." We applaud this recognition of the need to prioritize the mental well-being of children. Children's hospitals stand ready to serve as partners in these efforts, and we urge Congress to provide dedicated funding to children's hospitals and pediatric providers to directly support these efforts. Additionally, among potential uses for school funding identified within ARP is "ensur[ing] every school has access to a nurse." We also recommend ensuring every school has access to a MEB professional and again the funding to support these services. This is another area where children's hospitals can work as partners with schools and providing dedicated funding to support these efforts would help identify children most in need of MEB support or intervention.

Advance workforce initiatives to support MEB training and staffing for children

We believe there are additional opportunities to take action related to the health care workforce that will help address children's MEB needs. Notably, the ARP includes a proposal to fund 100,000 public health workers to work in their local communities to perform vital tasks like vaccine outreach and contact tracing in the near term, and to transition into community health roles to build our long-term public health capacity. Congress should direct that a portion of these new workers be focused on outreach serving children.

As the academic hubs of pediatric training and research, children's hospitals advance the health and well-being of every child in their community and in the nation. As children's hospitals suffer significant financial damages from the pandemic, the future of the pediatric workforce pipeline is at risk, particularly with respect to MEB providers, where crippling shortages already exist. The Children's Hospital Graduate Medical Education (CHGME) program is the most important federal investment in training the next generation of pediatric providers. CHGME is currently underfunded at half of the level provided by the Medicare GME program on a per-resident level. As a result, every CHGME training slot represents added financial stress on children's hospitals at a time when the need for a strong pediatric workforce has never been greater, particularly with respect to MEB. Congress can support expanded MEB pediatric training by increasing CHGME program support of children's MEB trainees to 100% of comparable Medicare GME per-resident support. This would help protect access to care for children and families.

Finally, the ARP includes numerous public health provisions we believe will benefit children and families during this crisis. We applaud the commitment of resources to scale up testing and stop the spread of COVID-19, including the investment in a national vaccine program and the call to expand FMAP to 100% for the administration of vaccines. As more groups of children become eligible to receive vaccines, this will become particularly important.

We support the inclusion of provisions related to expanding access to affordable childcare and expanding the Child Tax Credit, which would bolster financial security for families in the midst of the pandemic. Additionally, we support the president's call to subsidize continuation of health coverage (COBRA). In times of economic uncertainty, helping families preserve insurance coverage is critical to avoiding gaps in care. Preserving private insurance will also ease the burden on state Medicaid programs.

Children's hospitals appreciate the efforts of leaders in both the Senate and House to work together to maintain the viability of America's pediatric health care system, of which children's hospitals are a pillar. Thank you for your consideration of these requests, and we look forward to working together to ensure a better future for all children.

Very best regards,

Mark Wietecha

Chief Executive Officer

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Children's Hospital Association

CC: Chairman Wyden

Ranking Member Crapo

Chairman Pallone

Ranking Member McMorris Rodgers

Chairman Neal

Ranking Member Brady

Chairman Murray

Ranking Member Burr

Chairman Leahy

Ranking Member Shelby

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