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001. press release	re: phone number (partial) (1 page)	01/27/1999	P6/b(6)
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COLLECTION:

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Devorah Adler
OA/Box Number: 20145

FOLDER TITLE:

Kids GME [Graduate Medical Education] [Folder 1]

2012-0463-S

rc775

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
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- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
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ASSOCIATION OF
AMERICAN
MEDICAL COLLEGES

2450 N STREET, NW
WASHINGTON, DC 20037-1126
TELEPHONE (202) 828-0400

December 7, 1999

Devora Adler
216 Old Executive Office Bldg
Washington, Dc 20502

Devora:

Marc Hartstein of HCFA asked me to send you the following report on Medicaid graduate medical education payments. I hope you find it useful.

If you have additional questions, please feel free to call me at (202) 862-6140, or the report's author, Tim Henderson, at (202) 624-3573.

Sincerely,

Karen S. Fisher, JD
Assistant Vice President
Division of Health Care Affairs

Karen S. Fisher, J.D., R.Ph.
Assistant Vice President
Division of Health Care Affairs



ASSOCIATION OF
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ASSOCIATION OF
AMERICAN
MEDICAL COLLEGES

Funding of Graduate Medical Education by State Medicaid Programs

Tim M. Henderson, MSPH
National Conference of State Legislatures

April 1999

For the
Association of American Medical Colleges



National Association of
Children's Hospitals



N • A • C • H •

November 11, 1998

Ms. Devora Adler
Domestic Policy
Room 216
Old Executive Office Building
Washington, DC 20502

Dear Devora:

Enclosed is a packet which contains in the left hand pocket a slide presentation, developed by Paul Hogan, Vice President, The Lewin Group, explaining the analysis his firm made of the estimated cost of providing commensurate federal GME support to children's teaching hospitals with their own Medicare provider number.

The estimates it provides are for FY 1996. The more recent material you have, which includes lower estimates, is for FY 1997.

Also enclosed is a list of affected hospitals, plus additional background materials on congressional support, which I believe you may already have seen.

Please feel free to call either Mr. Hogan at 703/218-5545, or me at 703/684-1355 x7006 if you have any questions or would like additional information.

Sincerely,

Peters D. Willson
Vice President for Public Policy

Enclosure

IMPROVING HEALTH CARE QUALITY AND PREVENTING MEDICAL ERRORS
LIST OF PARTICIPANTS

1 10745

SPEAKING ROLE

9

- 2 ✓ Secretary Herman (DOL)
② John Eisenberg (AHCPR)
③ Bruce Bradley (GM)
⑤ John Rother (AARP)
④ ✓ Gail Warden (AHA/IOM / Quality Forum)
⑨ Gerry Shea (AFL-CIO)
11 Dick Davidson (AHA)
10 Karen Ignani (AAHP) / 12
⑥ Chris Cassell (ACP)
⑧ Mary Foley (ANA)
③ ✓ 13 W

SEAT AT THE TABLE / NO SPEAKING ROLE

Nancy Ann Min DeParle (HCFA)
Paul London (Commerce)
DVA Representative
DoD Representative
Janet LaChance (OPM)

SEAT ON THE SIDE / NO SPEAKING ROLE

Janet Corrigan
Michael Cohen

STAFF

Dan Mendelson
Chris Jennings
Barbara Woolley

N • A • C • H



National Association of
Children's Hospitals

**PHOTOCOPY
PRESERVATION**

N • A • C • H

National Association of
Children's Hospitals



401 Wythe Street
Alexandria, Virginia 22314
703/684-1355
FAX 703/684-1589

**PHOTOCOPY
PRESERVATION**

Background
material in
congressional
support

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**SUPPORT FOR COMMENSURATE,
FEDERAL GRADUATE MEDICAL EDUCATION FUNDING
FOR INDEPENDENT CHILDREN'S TEACHING HOSPITALS**

November 2, 1998

National Organizations and Leaders The leading national organizations representing pediatricians and pediatric subspecialists, children's hospitals, teaching hospitals, and pediatric graduate medical education (GME) leaders strongly support congressional efforts to establish commensurate, federal GME funding for independent children's teaching hospitals that do not share a Medicare provider number with a larger institution. In addition, other health care advocates as well as individual public officials have given their support:

- American Academy of Pediatrics, representing more than 53,000 pediatricians;
- American Hospital Association, representing more than 4,900 hospitals;
- Association of American Medical Colleges, representing the nation's medical schools and teaching hospitals;
- Association of Medical School Pediatric Department Chairmen, representing the academic leaders of graduate medical education for pediatricians and pediatric subspecialists;
- Governor John Rowland (R) of Connecticut and Mayor Deedee Corradini (D) of Salt Lake City, UT;
- National Association of Children's Hospitals, representing over 100 children's hospitals;
- National Association of Community Health Centers, representing over 700 centers; and
- Utah Medical Education Council, the state legislature's expert advisory panel on medical education, and the Conference of Boston Teaching Hospitals.

Bipartisan Congressional Support As of November 2, 23 Senators and more than 100 Representatives had committed to co-sponsoring the "Children's Hospitals Education and Research Act," to provide on a time-limited, capped basis commensurate federal GME support for children's hospitals. There is strong, bipartisan support on each of the three committees of jurisdiction. For example:

House Ways and Means Committee: Reps. Nancy Johnson (R-CT), Xavier Becerra (D-CA), Dave Camp (R-MI), Mac Collins (R-GA), William Coyne (D-PA), Jennifer Dunn (R-WA), Philip English (R-PA), Barbara Kennelly (D-CT), Jerry Kleczka (D-WI), John Lewis (D-GA), Richard Neal (D-MA), Rob Portman (R-OH), Jim Ranstad (R-MN), Pete Stark (D-CA), and Karen Thurman (D-FL).

House Commerce Committee: Reps. Sherrod Brown (D-OH), Brian Bilbray (R-CA), Nathan Deal (R-GA), Diana DeGette (D-CO), Peter Deutsch (D-FL), John Dingell (D-MI), Anna Eshoo (D-CA), Gene Green (D-TX), Paul Gillmore (R-PA), Jim Greenwood (R-PA), Edward Markey (D-MA), Karen McCarthy (D-MO), James Rogan (R-CA), Bobby Rush (D-IL), Tom Sawyer (D-OH), Dan Schaefer (R-CA), Ted Strickland (D-OH), and Henry Waxman (D-CA).

Senate Finance Committee, Sens. Bob Kerrey (D-NE), Bob Graham (D-FL), Connie Mack (R-FL), Daniel Patrick Moynihan (D-NY), Carol Moseley-Braun (D-IL), and Frank Murkowski (R-AK).

**CHILDREN'S TEACHING HOSPITALS
WITH THEIR OWN MEDICARE PROVIDER NUMBER**

October 1998

ALABAMA

Children's Hospital of Alabama
Birmingham

ARKANSAS

Arkansas Children's Hospital
Little Rock

CALIFORNIA

Children's Hospital Oakland
Oakland

Childrens Hospital Los Angeles
Los Angeles

Lucile Salter Packard Children's Hospital at
Stanford
Palo Alto

Children's Hospital of Orange County
Orange

Children's Hospital and Health Center
San Diego

Valley Children's Hospital
Fresno

COLORADO

The Children's Hospital
Denver

National Jewish Center
Denver

CONNECTICUT

Connecticut Children's Medical Center
Hartford

DELAWARE

Alfred I. duPont Institute
Wilmington

DISTRICT OF COLUMBIA

Children's National Medical Center
Washington

FLORIDA

All Children's Hospital
St. Petersburg

Miami Children's Hospital
Miami

GEORGIA

ESR Children's Health Care System
Atlanta

HAWAII

Kapiolani Women's and Children's Medical
Center
Honolulu

ILLINOIS

Children's Memorial Hospital
Chicago

LaRabida Children's Hospital and Research
Center
Chicago

LOUISIANA

Children's Hospital
New Orleans

MARYLAND

Kennedy Krieger Children's Hospital
Baltimore

MASSACHUSETTS

Children's Hospital
Boston

MICHIGAN

Children's Hospital of Michigan
Detroit

MINNEAPOLIS

Children's Health Care
Minneapolis and St. Paul

Gillette Children's Specialty Healthcare
St. Paul

MISSOURI

St. Louis Children's Hospital
St. Louis

The Children's Mercy Hospital
Kansas City

NEBRASKA

Children's Hospital
Omaha

Boys Town National Research Hospital
Omaha

NEW JERSEY

Children's Specialized Hospital
Mountainside

NEW MEXICO

Carrie Tingley Hospital
Albuquerque

NEW YORK

Blythedale Children's Hospital
Valhalla

OHIO

Children's Hospital
Columbus

Children's Hospital Medical Center of
Akron
Akron

Children's Hospital Medical Center
Cincinnati

Children's Medical Center of Northwest
Ohio
Toledo

Rainbow Babies and Childrens Hospital
Cleveland

The Children's Medical Center
Dayton

Tod Children's Hospital
Youngstown

OKLAHOMA

Children's Medical Center
Tulsa

PENNSYLVANIA

Children's Hospital of Pittsburgh
Pittsburgh

St. Christopher's Hospital for Children
Philadelphia

The Children's Hospital of Philadelphia
Philadelphia

PUERTO RICO

University Pediatric Hospital
San Juan

TEXAS

Children's Medical Center of Dallas
Dallas

Cook Children's Medical Center
Fort Worth

Driscoll Children's Hospital
Corpus Christi

Santa Rosa Children's Hospital
San Antonio

Texas Children's Hospital
Houston

UTAH

Primary Children's Medical Center
Salt Lake City

VIRGINIA

Children's Hospital of the King's Daughters
Norfolk

WASHINGTON

Children's Hospital and Regional Medical
Center
Seattle

Mary Bridge Children's Health Center
Tacoma

WISCONSIN

Children's Hospital of Wisconsin
Milwaukee

American Academy of Pediatrics



Department of Government
Liaison
American Academy of Pediatrics
The Honor Building
601 Thirteenth Street, NW
Suite 400 North
Washington, DC 20005
202/347-8600
800/338-5475
Fax: 202/393-6137
E-mail: kids1st@aap.org
Web Site: <http://www.aap.org>

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Greeley, Colorado

Lucy S. Crain, MD
San Francisco, California

June 1, 1998

Dear Senator/Representative:

I am writing on behalf of the American Academy of Pediatrics to join in the recommendation of the National Association of Children's Hospitals (N.A.C.H.) for the establishment of interim federal support for the graduate medical education (GME) programs for freestanding, independent children's hospitals. These freestanding children's hospitals are those that do not share a Medicare provider number with an adult health care institution.

Because, the American Academy of Pediatrics is an organization of 53,000 primary care pediatricians, podiatric medical subspecialists, and pediatric surgical specialists dedicated to the health, safety, and well being of infants, children, adolescents, and young adults we are invested in the education of future pediatricians. To this end, the Academy is participating in supporting the work of the *Task Force on the Future of Pediatric Education*. Its purpose is to address the health needs of children in the 21st Century and the changing roles of pediatrics and pediatric education in meeting those needs.

In that light, we regard the education programs of independent children's hospitals as important to our pediatric workforce and therefore to the future health of all children, because they educate an important proportion of the nation's pediatricians. According to the N.A.C.H., representing less than one percent of all hospitals, independent children's hospitals educate approximately a quarter of all pediatricians.

However, because these independent children's teaching hospitals do not care for elderly patients, they do not qualify for the substantial GME support, which the federal government provides through the Medicare program. In 1997, the average teaching hospital in the United States received on average more than \$76,000 in combined direct and indirect medical education reimbursement per resident. In contrast, the average children's teaching hospital, with its own Medicare provider number, received less than \$400 per pediatric resident on average. In the highly competitive health care marketplace of today, such an enormous differential in federal GME support has placed the pediatric education programs of children's hospitals at increasing risk.

Given the importance of the independent children's hospitals to the pediatric workforce, it is appropriate that Congress has directed both the new Medicare Payment Advisory Commission (MedPAC) and the Bipartisan Commission on

Deseret News - Salt Lake City
SUNDAY, Sept 6, 1998

OPINION

Close med-student funding gap

Utah's congressional delegation should strongly support the Children's Hospitals Education and Research Act, which would level the funding field for Primary Children's Medical Center and other independent children's teaching hospitals.

Unlike adult facilities, Primary Children's and other similar institutions receive little federal funding for graduate medical education. The cost of educating residents comes off their bottom lines. That is because funding for residents' education is through Medicare, and pediatric hospitals treat few, if any, Medicare patients.

Teaching hospitals nationally receive an average of \$76,000 per resident from the federal government to help pay for training. Primary Children's and others like it are accorded, on average, less than \$400 per resident. The problem is exacerbated by the current climate of managed care, where penny-pinching payers are reticent to recognize and help cover the costs of a medical education.

Such inequity is unfair and needs to be quickly remedied for the long-term health of children's teaching hospitals. HR3855 and a companion bill in the Senate, S2049, would do

that for three years, until the problem is permanently remedied as part of overall Medicare reform.

Primary Children's Medical Center annually takes some \$1 million from its bottom line to help pay these costs of graduate medical students. That is money that could go toward providing indigent care or for other critical needs. It is not right to have the feds paying to educate all other types of physicians except for pediatricians.

In Utah, there already is a shortage of children's doctors that, with a booming population, could become worse. Most pediatricians who practice in this state and the surrounding region received their training at Primary Children's. Without adjusting the current inequitable funding structure, the ability to deliver needed training could be jeopardized.

The Children's Hospitals Education and Research Act would stabilize the funding system until a permanent, fair funding solution is worked out nationally. Utah's representatives and senators, with their strong vested interests, should be at the forefront of pushing that measure through Congress. Rep. Merrill Cook is on board as a co-sponsor. The others should follow suit.

Deseret News

Wm. James Mortimer
Publisher

John Hughes
Editor

LaVarr Webb

Managing editor/operations

Don Woodward

Managing editor/planning

Jay Evensen

Editorial page editor

AKRON BEACON JOURNAL

Founded April 15, 1839

C.L. Knight, June 15, 1867-September 26, 1933

John S. Knight, October 26, 1894-June 16, 1981

Janet C. Leach
Editor

John L. Dotson Jr.
Publisher

David B. Cooper
Associate Editor

OUR OPINION

Child-centered?

• The squeeze on funds for children's hospitals jeopardizes their ability to train young doctors

Children top just about every list of those the government should make its first priority. Liberals often deflect criticism of their proposals by insisting that kids would benefit. Conservatives point to their support of child-friendly policies as proof that they are not as hard-hearted as some would suggest.

You'd think with all this devotion to children, the nation's children's hospitals would have little trouble tapping into federal and state sources of money to meet their needs. The truth is, these institutions, including Children's Hospital Medical Center of Akron, face a budget squeeze that should alarm any advocate of family values.

One critical mission of many children's hospitals is the practical training of young doctors to become pediatricians and pediatric specialists. In no small way, these institutions are teaching hospitals, ensuring the kind of quality care, even seeming miracles, that Americans have come to expect from medicine.

Such training isn't cheap. Most teaching hospitals are not children's hospitals. They are general care facilities, and they receive \$76,000 a year from the federal Medicare program for each resident, or doctor-in-training. The amount reflects the many Medicare recipients who are patients at these hospitals.

The money is used to pay residents (around \$35,000 a year) and support staff and programs.

As might be expected, children's hospitals care for very few Medicare recipients. The program provides health care for Americans age 65 and older. As a result, a hospital such as Children's of Akron receives just \$350 per year for each resident, or roughly 0.5 percent of the sum that goes to general hospitals.

Children's hospitals do care for

many Medicaid patients. Medicaid is the program that combines federal and state money to provide health care to the poor. With the recent push to enroll Medicaid clients in health maintenance organizations, or HMOs, Children's of Akron has lost at least \$1 million a year in funds for medical education.

As a matter of public policy, the use of managed care in Medicaid makes sense. What is far less sensible is the penalty suffered by children's hospitals — and, if truth be told, communities as a whole. The practice merely compounds the inequities elsewhere in the flow of public money to teaching hospitals.

U.S. Rep. Sherrod Brown, a Lorain Democrat, visited Akron last week to highlight the problem and the risks it poses for the care of children over the long run. He has proposed that the feds spend an additional \$285 million over the next two years on medical education at children's hospitals. That would ease the pressure on hospitals to make cuts in services or scale back their residency programs.

Even more important is an enduring approach that ends the inequities and ensures the highest training of young doctors looking to care for children. In that pursuit, Brown should expect bipartisan support. Sen. Mike DeWine, an Ohio Republican, has expressed his concern. Together, they can proclaim: Do it for our children. Those words usually open doors in Washington.



A call for help

As the co-chair of the Concerned Citizens Committee of Southeast Ohio opposing the installation of Larry Baker's Muskie Genetics facility in Noble County, I would like to thank Beacon Journal writer Bob Downing for bringing this issue to the attention of the people of Northeast Ohio who come to our area for recreation, hunting and fishing. In Journal, May 28, "Hog farmer to turn Noble County plans".

Farmers in Southeast Ohio recognize the attempt being made to consolidate the livestock industry.

Pigs are raised by the farmers of Noble County without problems, but they have no desire to see their livelihoods, their property values or their quality of life destroyed by an absentee owner of a facility that creates more waste and animals than it has the technology to handle.

The latest business decision from this man is to circumvent the permit process that requires a public hearing and gives residents the option to require protective measures such as monitoring wells and

CHILDREN'S TEACHING HOSPITALS NEED CONGRESS' LEADERSHIP ON FEDERAL GRADUATE MEDICAL EDUCATION (GME) FUNDING

Children's teaching hospitals with their own Medicare provider number need leadership to help them address a growing competitive risk -- health care's conversion to managed care that does not pay for physician training. Although they train 5% of all residents, including 25% of pediatricians and the majority of many pediatric subspecialists, independent children's hospitals receive almost no federal GME funds. In contrast, teaching hospitals overall receive on average more than \$76,000 in direct and indirect Medicare GME payments per resident. Without federal support, children's teaching hospitals are at a serious competitive disadvantage.

Which children's hospitals are at risk? -- Fewer than 60. Fewer than 60 children's teaching hospitals have their own Medicare provider number. They do not file a joint Medicare cost report with an adult teaching hospital when they seek reimbursement. They include the nation's leading children's teaching hospitals.

How are they at risk? -- In the face of intense market competition, they alone have no significant federal GME support. Rapid growth in market competition makes it increasingly difficult for all teaching hospitals to fulfill their teaching missions while maintaining financial viability. But this problem is severe for children's teaching hospitals with no significant federal GME support.

Why don't they receive significant federal GME support? -- Since they serve only children, they do not qualify for significant Medicare GME support. Their only Medicare patients are children with end stage renal disease. They are virtually the only teaching hospitals that do not receive significant federal GME support. On average, they receive less than \$400 per resident in annual Medicare GME funds. The average teaching hospital receives over \$76,000. Independent children's teaching hospitals are the most vulnerable in cost driven market competition. That puts the nation's future supply of pediatricians at risk.

What has Congress done? -- Assigned the issue to two Medicare commissions for study. In the 1997 Balanced Budget Act, Congress established two new commissions to address several Medicare issues, including the need to develop alternative financing for GME and the GME reimbursement needs of children's hospitals. Recommendations are due in 1999.

Why does more need to be done? -- In the time it takes a study to be issued and acted upon, children's hospitals teaching programs could be in jeopardy. While it helps that Congress wants to study this issue, commission recommendations may be years away. In the meantime, the survival of the teaching programs of independent children's hospitals is in jeopardy. Until it reforms GME financing for all teaching hospitals, Congress needs to provide interim, commensurate federal funds to these children's hospitals.

Who in Congress supports addressing this problem? -- Members of both parties. In 1998, Sens. Bob Kerrey (D-NE) and Kit Bond (R-MO) introduced S. 2049, the "Children's Hospitals Education and Research Act," with the support of 21 other Senators. Reps. Sherrod Brown (D-OH), Nancy Johnson (R-OH), and Jim Greenwood (R-PA) has introduced the House version, H.R. 3855. They have the support of nearly 100 members of the House. Both bills would provide \$285 million annually, on a time-limited, capped basis, to provide commensurate federal GME funding to eligible children's teaching hospital on an interim basis until comprehensive GME reform.

Who else supports addressing this problem? -- Hospital and pediatric leaders nationwide. They include the American Academy of Pediatrics, American Hospital Association, Association of American Medical Colleges, Association of Medical School Pediatric Department Chairmen, National Association of Children's Hospitals, National Association of Community Health Centers and more.

105TH CONGRESS
2D SESSION

S. 2049

To provide for payments to children's hospitals that operate graduate medical education programs.

IN THE SENATE OF THE UNITED STATES

MAY 7, 1998

Mr. KERREY (for himself, Mr. BOND, Mr. DURBIN, Mr. KENNEDY, Mr. DEWINE, and Mr. MOYNIHAN) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To provide for payments to children's hospitals that operate graduate medical education programs.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled.*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Children's Hospitals
5 Education and Research Act of 1998".

6 **SEC. 2. PROGRAM OF PAYMENTS TO CHILDREN'S HOS-**
7 **PITALS THAT OPERATE GRADUATE MEDICAL**
8 **EDUCATION PROGRAMS.**

9 (a) PAYMENTS.—

1 dency training programs for a cost reporting period
2 is equal to the sum of—

3 (A) the product of—

4 (i) the per resident rate for direct
5 medical education, as determined under
6 paragraph (2), for the cost reporting pe-
7 riod; and

8 (ii) the weighted average number of
9 full-time equivalent residents in the hos-
10 pital's approved medical residency training
11 programs (as determined under section
12 1886(h)(4) of the Social Security Act) for
13 the cost reporting period; and

14 (B) the product of—

15 (i) the per resident rate for indirect
16 medical education, as determined under
17 paragraph (3), for the cost reporting pe-
18 riod; and

19 (ii) the number of full-time equivalent
20 residents in the hospital's approved medi-
21 cal residency training programs for the
22 cost reporting period.

23 (2) PER RESIDENT RATE FOR DIRECT MEDICAL
24 EDUCATION.—

1 under section 1886(d)(3)(E) of the Social Secu-
2 rity Act.

3 (3) PER RESIDENT RATE FOR INDIRECT MEDI-
4 CAL EDUCATION.—

5 (A) IN GENERAL.—The per resident rate
6 for indirect medical education for a hospital for
7 a cost reporting period ending in or after fiscal
8 year 1999 is the updated amount determined
9 under subparagraph (B).

10 (B) COMPUTATION OF UPDATED
11 AMOUNT.—The Secretary shall—

12 (i) determine, for each hospital with a
13 graduate medical education program which
14 is paid under section 1886(d) of the Social
15 Security Act, the amount paid to that hos-
16 pital pursuant to section 1886(d)(5)(B) of
17 such Act for the equivalent of a full twelve-
18 month cost reporting period ending during
19 the preceding fiscal year and divide such
20 amount by the number of full-time equiva-
21 lent residents participating in its approved
22 residency programs and used to calculate
23 the amount of payment under such section
24 in that cost reporting period;

1 balance due. The final amount so determined shall
2 be considered a final intermediary determination for
3 purposes of applying section 1878 of the Social Se-
4 curity Act and shall be subject to review under that
5 section in the same manner as the amount of pay-
6 ment under section 1886(d) is subject to review
7 under such section.

8 (d) LIMITATION ON EXPENDITURES.—

9 (1) IN GENERAL.—Subject to paragraph (2),
10 there are hereby appropriated, out of any money in
11 the Treasury not otherwise appropriated, for pay-
12 ments under this section for cost reporting periods
13 beginning in—

14 (A) fiscal year 1999 \$100,000,000;

15 (B) fiscal year 2000, \$285,000,000;

16 (C) fiscal year 2001, \$285,000,000; and

17 (D) fiscal year 2002, \$285,000,000.

18 (2) CARRYOVER OF EXCESS.—If the amount of
19 payments under this section for cost reporting peri-
20 ods ending in fiscal year 1999, 2000, or 2001 is less
21 than the amount provided under this subsection for
22 such payments for such periods, then the amount
23 available under this subsection for cost reporting pe-
24 riods ending in the following fiscal year shall be in-
25 creased by the amount of such difference.

1 section 1886(h)(5)(C) of the Social Security Act (42
2 U.S.C. 1395ww(h)(5)(C)).

3 (4) SECRETARY.—The term “Secretary” means
4 the Secretary of Health and Human Services.

○

M E M O



N • A • C • H

TO: Supporters of GME Funding for Children's Hospitals

FROM: Peters D. Willson, Vice President for Public Policy

DATE: October 26, 1999

SUBJECT: **Strong Editorial Support for GME Funding for Children's Hospitals from Across the Nation in Recent Months**

In addition to the broad, bipartisan support that has emerged in Congress, the cause of securing more equitable federal graduate medical education (GME) support for independent children's hospitals has won editorial support from newspapers across the nation in recent months.

The attached packet includes highlights of the coverage on the issue, as well as copies of the full text of individual editorials and stories. They have been consistently very positive.

Among the papers that have given their editorial support are the *Akron Beacon Journal*, *Boston Globe*, *Chicago Tribune*, *Columbus Dispatch*, *Desert News* in Salt Lake City, *Hartford Courant*, *Houston Chronicle*, and more.

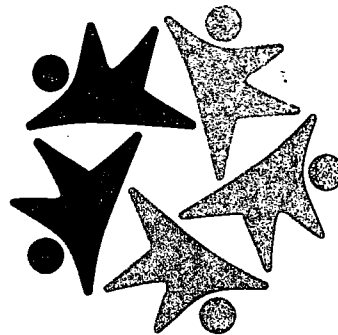
The coverage includes not only editorials but also op ed pieces, letters to the editor, and news stories. In some cases, such as the *Chicago Tribune* and the *Boston Globe*, the paper has published multiple, different pieces on the issue, including an editorial, news article, and op ed or letter to the editor.

We hope that these copies may be useful to your own efforts to continue to advance this issue in the final rounds of the FY 2000 budget bills working their way through Congress. Our goal is enactment and funding this year.

Please call Lisa Tate, NACHRI's vice president for public affairs, or me for more information about press coverage on this issue. And please let me know if we can be of assistance to you in any way.

Enclosure

N • A • C • H



National Association of
Children's Hospitals

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N • A • C • H

National Association of
Children's Hospitals



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PRESERVATION**

Chicago Tribune

Tuesday, August 10, 1999

Editorials

Find a Cure for Intern Pay

...One special group of hospitals needs immediate help. Some 58 independent pediatric hospitals across the country, such as Chicago's Children's Memorial Hospital and LaRabida Children's Hospital, have been training interns and residents in highly specialized pediatric specialties without the benefit of even the diminished Medicare surcharge.

The Boston Globe

TUESDAY, JULY 27, 1999

Caring for Children's Hospitals

...Children's Hospital in Boston and other free-standing institutions that specialize in care for young people have been left out of the debate about federal aid to teaching hospitals because, unlike hospitals with a broader focus, they do not get much Medicare support. These specialized hospitals are essential to caring for children with the most grievous medical conditions, and they deserve federal support . . .

...Eventually Congress will have to take a comprehensive look at all elements of medical education. Until that time comes, general hospitals will still be getting Medicare support, and the children's hospitals should be getting a fair share of federal aid.

Houston Chronicle

Saturday, October 2, 1999

Texas Children's: More federal funds to train pediatricians and specialists

...A bipartisan bill entitled the "Children's Hospitals Education and Research Act" that is pending in Congress would bring balance to graduate medical education funding. It would be a splendid investment in the health of our children and this nation's future.

...U.S. Sen. Kay Bailey Hutchison is a co-sponsor of the bill, along with a number of U.S. House members from Texas, including Ken Bentsen, Gene Green and Sheila Jackson Lee, to name several. The Houston Chronicle strongly urges other influential Texans in Congress, including Sen. Phil Gramm and Rep. Tom DeLay, to support this.

Friday, February 12, 1999

AKRON BEACON JOURNAL

OUR OPINION

Pediatric Boost

...Free-standing children's hospitals such as Children's Hospital Medical Center of Akron are in a tight spot. Besides treating sick children, they are teaching hospitals, providing opportunities for newly graduated doctors, called residents, and medical students to train in specialties in childhood diseases.

...If there is more to the call for a healthy start to life than mere sloganeering, Congress should give serious consideration in this session to bills along the lines offered by Brown and Kerrey.

The Boston Globe

AUGUST 23, 1999

Help Children's Teaching Hospitals

by Philip A. Pizzo

The path to leadership in children's health care is neither easy nor cheap. Pediatricians must train three to eight years beyond medical school. Fortunately, during this period, these young men and women are not only learning but also contributing to improving the lives of children at the bedside and in the research laboratory. Unfortunately, these contributions are in peril as a result of a funding gap unique to independent children's hospitals . . .

Both Republican and Democratic leaders, including the entire Massachusetts delegation, are sponsoring legislation called the Children's Hospitals Education and Research Act to fund pediatric graduate medical education. We hope that members of Congress throughout New England will be as supportive so that critical financial relief is provided to children's hospitals . . .

DESERET NEWS

Monday, September 20, 1999

Kids' Hospital Seeks Equal \$\$

Primary Children's Medical Center has joined with other teaching hospitals that serve children to ask for fair pay to cover the cost of training physicians . . . The entire Utah delegation has signed on as co-sponsors, which is good news, Primary Children's CEO Joe Horton said. But there's nothing to indicate the bill will become a priority issue, and if it doesn't come to a vote, it won't be resolved. The national association wants people to call 1-800-353-7627 and ask that a postcard in their name be sent to members of their congressional delegation . . .

The Columbus Dispatch

Monday, September 6, 1999

Reimbursement Policies Hurt Pediatric Hospitals

A loophole in the federal graduate medical education law keeps most independent children's hospitals from being fully reimbursed for training. About 60 independent children's hospitals nationwide train residents; six are in Ohio . . . Two bills introduced this year in Congress would provide a quick fix and would appropriate money for independent children's hospitals . . . Sen. Mike DeWine, R-Ohio, is one of the legislators promoting the bills, Children's Hospital officials said . . . If children's hospitals cut back on training residents, communities will feel the impact, Jerry Friedman, director of the Association of Ohio's Children's Hospitals said . . .

Chicago Tribune

Saturday, September 11, 1999

Letters

Miraculous Care

by Jenny Kustra-Quinn

As my baby approaches his first birthday, I want to commend the Chicago Tribune for addressing the issue of graduate medical education (GME) funding in the Aug. 10 editorial 'Find a Cure for Intern Pay.' Funding for residency programs at independent children's hospitals is an issue close to my heart . . . Thanks to the extraordinary level of care from doctors and residents at Children's, Brendan experienced a miraculous turnaround and was able to come home after six weeks in the hospital . . . Unfortunately, unintended federal funding inequities are causing losses of millions of dollars each year and are putting Children's Memorial Hospital's residency program and many others across the country at risk . . .

Chicago Tribune

Tuesday, August 10, 1999

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DESERET NEWS

Sunday, September 6, 1998

Close Med-Student Funding Gap

...Utah's congressional delegation should strongly support the Children's Hospitals Education and Research Act, which would level the funding field for Primary Children's Medical Center and other independent children's teaching hospitals . . .

...The Children's Hospitals Education and Research Act would stabilize the funding system until a permanent, fair funding solution is worked out nationally. Utah's representatives and senators, with their strong vested interests, should be at the forefront of pushing that measure through Congress. Rep. Merrill Cook is on board as a co-sponsor. The others should follow suit.

Friday, February 12, 1999

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The Hartford Courant.



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EDITORIALS

Toward A Healthier System

Times are not good for teaching hospitals. A large chunk of their funding to train physicians comes from Medicare. The Balanced Budget Act of 1997 put curbs on those grants. Coupled with a greater number of uninsured patients and reduced hospital stays due to managed care, teaching hospitals face a financial crisis.

The challenges are even more daunting for freestanding children's hospitals, such as the Connecticut Children's Medical Center. The federal funding system all but ignores their needs. Grants for training doctors are based on the number of Medicare patients the hospital treats. Since children's hospitals treat very few to none, they get less than a half-percent of what other teaching hospitals receive.

Thanks to U.S. Rep. Nancy Johnson of New Britain, the outlook is better for the Hartford-based regional hospital and about 50 others that treat only children. Through Mrs. Johnson's initiative, the re-

cently approved House version of the Health Research and Quality Act includes an amendment for \$565 million over the next two years to train pediatricians at children's hospitals.

This initiative does not cure inequities, but it will provide temporary relief pending reform of the system. The Johnson amendment must be reconciled with the Senate version of the bill, which does not contain the provision. Ultimately, Congress will also have to appropriate the money that's promised in the act.

But it's a healthy start. Surely, a hospital that caters exclusively to children deserves the same support as one that treats adults. Almost 30 percent of pediatricians are trained at children's hospitals. These institutions educate about 5 percent of all medical residents nationwide.

It makes sense that pediatricians should be trained where the children are.

Chicago Tribune

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10 Section 1

Tuesday, August 10, 1999

Editorials

Find a cure for intern pay

Congress has gone home for the summer after promising a big tax cut the nation cannot realistically afford. President Clinton has gone off to stump for Al Gore, promising new spending programs like a pharmacy benefit for Medicare.

Back in the real world, however, those charged with meeting the here-and-now needs of everyday Americans scramble to keep up with fast-changing conditions that Washington seems not to notice.

Take the problem of graduate medical education.

Until recently there existed a symbiosis in which young medical school graduates got their hands-on training as interns and residents at large medical centers or "teaching" hospitals. Their modest salaries—a fraction of what they stand to make as independent practitioners—were rolled into hospital overhead and billed accordingly. Then along came the double whammies of managed care and the federal Balanced Budget Act of 1997. Private insurance plans became unwilling to pay the doctor-in-training surcharge, and Congress, by capping the growth of Medicaid and Medicare, triggered a scaling back of reimbursements for that purpose.

It would be one thing if Congress or the White House put forward an alternative for funding gradu-

ate medical education. They have not. Recently the National Bipartisan Commission on the Future of Medicare timidly suggested the function be separated from Medicare, but Clinton's rejection of that report has pushed the issue by the wayside.

Interns and residents, however, get paid by the week. What's needed is a total revamp, preferably one that removes doctor training from Medicare and places it with a more focused grant-making agency such as the National Institutes of Health.

In the meantime, one special group of hospitals needs immediate help. Some 58 independent pediatric hospitals across the country, such as Chicago's Children's Memorial Hospital and LaRabida Children's Hospital, have been training interns and residents in highly specialized pediatric specialties without the benefit of even the diminished Medicare surcharge.

So dire is their situation that Illinois' two senators and most of its House members have joined a bipartisan coalition that is sponsoring a four-year, \$285 million appropriation to help the 58 hospitals pay their interns and residents.

It's a stopgap measure, but a necessary one until Congress and the White House get serious about how the nation should pay for graduate medical education.

The Boston Globe

TUESDAY, JULY 27, 1999

Caring for children's hospitals

Children's Hospital in Boston and other free-standing institutions that specialize in care for young people have been left out of the debate about federal aid to teaching hospitals because, unlike hospitals with a broader focus, they do not get much Medicare support. These specialized hospitals are essential to caring for children with the most grievous medical conditions, and they deserve federal support.

A bill has been introduced to provide the nation's 59 children's hospitals with \$100 million next year and \$285 million for the following three years to train specialists in pediatric illnesses.

Care of children became a particular concern of Congress two years ago when it passed a law, first proposed by Senator Kennedy, that encouraged states to enroll nearly all youngsters in health insurance programs. Most young people require only checkups and vaccinations, but for those who do get seriously ill, children's hospitals often provide the care of last resort.

That they do is in large measure because of the

skilled physicians who work there and were trained there. Nearly 30 percent of the pediatricians and almost half the pediatric specialists receive training in these institutions even though they comprise only 1 percent of all hospitals in the country. The hospitals are also an important source of continuing education for pediatricians.

Representatives of children's hospitals from around the nation will be in Washington tomorrow to make the case for federal support. They follow others from general teaching hospitals, who have been hard hit by cost containment measures in the Balanced Budget Act of 1997.

A commission is examining the issue now and is due to report back by early next month, but it will focus mainly on Medicare support for the major teaching hospitals. Eventually Congress will have to take a comprehensive look at all elements of medical education. Until that time comes, general hospitals will still be getting Medicare support, and the children's hospitals should be getting a fair share of federal aid.

Cure sought for funding crunch

By Lillie Wilson
TRIBUNE-REVIEW

Dr. Mark Hall felt the crunch first-hand.

As the pediatric chief resident at Children's Hospital in 1997, at times he had to buttonhole residents from other Pittsburgh hospitals to keep his rotations full.

"There were residents like that we used and depended on," said Hall, looking back on the administrative vexations of a year when budget restraints forced Children's enrollment of new residents to an all-time low of 17. "If one of those individuals (from another hospital) would change his mind, or suddenly just not be able to come, we'd be out of luck."

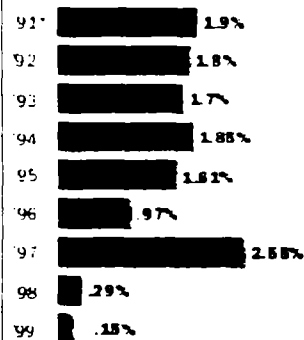
The predicament at Children's Hospital of Pittsburgh is hardly unique. With increasing severity, the nation's 59 independent children's hospitals are caught in the same financial vise: paying for residencies and internships - positions largely subsidized by the federal government at adult hospitals - when revenues are decreasing.



Dr. Mark Hall looks over a chest X-ray at Children's Hospital. (Philip G. Pavely/Tribune-Review photo)

Cutting to the bone

Most hospitals in western Pennsylvania have been just as strapped in the 1990s. These figures show the percentage of operating income — by what revenue percentage their budgets ended up in the black.



Fifty-eight percent of the nation's acute care children's hospitals with teaching programs did not earn enough from patient revenues to cover their expenses in fiscal year 1997, according to the National Association of Children's Hospitals and Related Institutions in Alexandria, Va.

The children's hospitals are hanging their hopes for some financial relief on two legislative measures that would allot federal money to pay for pediatric graduate medical training.

Without such funding, some children's hospitals are "without question" in danger of folding, said Dr. Richard L. Bucciarelli, chairman of the American Academy of Pediatrics' committee on federal governmental affairs.

The lack of money for residencies at children's hospitals, Bucciarelli said, "is putting severe pressure on the nation's ability to provide training for the next generation of health

providers for children."

Through Medicare, the federal government earmarks millions to support residencies and internships. But because that money goes through Medicare, only Medicare-eligible patient

populations - generally, the elderly - draw government reimbursements for their attending residents and interns.

According to the NACRI, Medicare's 1983 reimbursement regulations stipulate that only pediatric patients with end-stage renal disease are eligible for Medicare at children's hospitals. Those patients make up a tiny fraction of patients treated at Pittsburgh's Children's.

Last fiscal year, which ended in June, training interns and residents at Children's cost nearly \$17 million, hospital officials said. Less than \$40,000 of that was reimbursed by Medicare graduate medical education payments.

The difference meant the hospital began this fiscal year with about a \$16.8 million shortfall from its intern and residency programs, according to hospital financial statements. That's a significant bite from its approximately \$210 million budget.

"To start off the year with that kind of a deficit is incredibly difficult, especially in an era of declining reimbursements," said DeAnn Marshall, Children's director of corporate communications.

The House of Representatives last week passed a reauthorization rider that supported giving free-standing children's hospitals \$285 million a year for two years.

See this related story

Western Pa. hospitals hurting

In the Senate, a stronger version of the bill - one that would appropriate \$285 million a year for four years - is embroiled in the finance committee's budget debates, according to NACRI.

Peters Willson, NACRI's

vice-president for public policy, said it appears Congress now recognizes the unfairness in the system of paying for graduate medical education through Medicare. The question now, he said, is whether Congress will make the issue a high priority and get the funds into the final budget.



Dr. Donald Fischer helps James Hennen. 4. increase his heart rate Wednesday so Fischer can listen to his heartbeat during an examination at Children's Hospital. (Steven Adams/Tribune-Review photo)

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October 02, 1999, Saturday 3 STAR EDITION

SECTION: A; Pg. 40

LENGTH: 403 words

HEADLINE: TEXAS CHILDREN'S;

More federal funds to train pediatricians and specialists

SOURCE: Staff

BODY:

Texas Children's Hospital is an outstanding institution renowned for its care of children and its graduate training of pediatricians and pediatric specialists.

But it and some 57 other free-standing children's teaching hospitals in Texas and across the nation are in dire need of more federal funding. The funding balance for teaching hospitals is terribly out of kilter.

Medicare has become the only steady source of major income that hospitals can use to cover the costs of graduate medical education. But hospitals like Texas Children's care only for children and receive very little Medicare support to train doctors.

In fact, Texas Children's and other children's teaching hospitals get only 0.4 percent of the support for graduate medical education that Medicare provides to other teaching hospitals.

Teaching hospitals get on average more than \$ 66,000 per resident. Hospitals like Texas Children's receive on average less than \$ 400 in graduate medical education funding for each resident they train.

But look at the job Texas Children's and other children's teaching hospitals are doing. While the account for less than 1 percent of all hospitals, they train nearly 30 percent of all pediatricians and nearly half of all pediatric specialists. They also provide pediatric training for many general practitioners.

A bipartisan bill entitled the "Children's Hospitals Education and Research Act" that is pending in Congress would bring balance to graduate medical education funding. It would be a splendid investment in the health of our children and this nation's future.

The proposed bill would put children's teaching hospitals on an equal footing with all other teaching hospitals that rely on Medicare payments to support their resident training programs.

The bill would establish a capped fund to make medical education payments to eligible children's hospitals on a prorated basis. Fully implemented, it would cost no more than \$ 285 million annually.

U.S. Sen. Kay Bailey Hutchison is a co-sponsor of the bill, along with a number of U.S. House members from Texas, including Ken Bentsen, Gene Green and Sheila Jackson Lee, to name several.

The Houston Chronicle strongly urges other influential Texans in Congress, including Sen. Phil Gramm and Rep. Tom DeLay, to support this measure.

It would be money well-spent - an investment in quality health care for our children.

LANGUAGE: ENGLISH

TYPE: Editorial Opinion

The Washington Post

LETTERS TO THE EDITOR

WEDNESDAY, OCTOBER 6, 1999

Daniel Greenberg's argument that we're heading for a "glut" in the medical profession (op-ed, Sept. 20) is a matter of debate. One undisputed point that his generalization glosses over is that certain medical specialties are facing shortages.

In pediatrics, for example, we're already experiencing shortages of pediatric specialists in pulmonology, rheumatology, pharmacology, adolescent medicine and certain other disciplines, largely as a result of poor reimbursement for the care of the chronically ill child. Mr. Greenberg's sweeping perspective musses those shortages. But if your own child were severely ill, you certainly would want a physician specially trained in caring for children.

Another implication of this growing shortage may be less obvious: If fewer pediatricians train in subspecialties, the number of qualified researchers goes down as well. In children's teaching hospitals, they are, often, the same doctors. That means fewer researchers pursuing cures for cystic fibrosis, chronic asthma, cancer and more.

A great many of the nation's pediatric specialists are trained at the 59 independent children's hospitals across the nation. But these hospitals themselves are facing a severe economic crunch supporting their training programs because fewer and fewer payers cover the added costs of training. In addition, children's teaching hospitals receive little support for training from the one remaining, significant source of graduate medical education funding — Medicare — because they care for children, not the elderly.

JAMES A. STOCKMAN III

Chapel Hill

The writer is president of the American Board of Pediatrics.

Chicago Sun-Times

Letters to the Editor

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Kids' hospitals vital to training programs

There was much to cheer in President Clinton's recent speech on health care for children. His call for aggressive efforts to enroll all eligible children in the government's insurance program for disadvantaged children is right on target. He also recognized another vital need: We have the pediatricians and pediatric specialists ready and trained to provide the care they need.

Independent children's hospitals, like Children's Memorial Hospital in Chicago, represent just 1 percent of hospitals nationwide. Yet they train nearly 30 percent of the nation's pediatricians, almost half of all pediatric specialists and the majority of certain specialties, such as pediatric transplantation. Children across the country benefit from this expertise. For example, Children's Hospital has one of the most comprehensive pediatric transplantation centers in the country. Last year, the Syracuse Transplant Center performed more than 30 liver transplants, making it one of the top pediatric liver transplant programs in the United States.

Unfortunately, the government's current funding for teaching hospitals' training programs is incorporated in the Medicare payment

system—the nation's health care program for seniors. Therefore, children's hospitals get only a small fraction of the support they would get if their patients were seniors instead of children. That's bad news for children, because it jeopardizes the programs that train the doctors who care for them.

A bill now before Congress would address the problem. In fact, the House already has passed the Children's Hospitals Education and Research Act, but the Senate still needs to act. The bill is broadly supported by pediatricians, teaching hospitals and others concerned about children's health care. Despite this broad base of bipartisan support, there is a real danger that it will get lost in the shuffle of the budget debate and never make it to the president's desk. We need to make sure this legislation remains a priority.

The president should be congratulated for his leadership on this issue, as should the 22 members of the Illinois delegation who support the legislation.

For the sake of our children, it's time for the full Congress to follow suit.

**Patrick Magoon, CEO,
Children's Memorial Hospital**

The Columbus Dispatch

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STUDENT DOCTORS FUND HOSPITAL-BASED EDUCATION FAIRLY

Date: Monday, September 13, 1999
Section: EDITORIAL & COMMENT
Page: 10A

The federal funding formula for graduate medical education is inequitable; it should be overhauled. In the meantime, Congress should support a temporary fix in the system that compensates hospitals for training resident physicians.

In 1965, lawmakers, concerned that the rate of training wouldn't keep pace with demand, reimbursed the cost of graduate medical education via Medicare payments to hospitals for inpatient care.

Last year, that policy translated into about \$50,000 per resident at Ohio State University Medical Center.

Yet in the same period, Children's Hospital received about \$227 per resident.

Obviously, something is out of joint.

Similar inequities affect roughly 60 independent children's hospitals nationwide where residents are trained. Six are in Ohio.

Such a funding gap is unacceptable. Children's hospitals don't do a lot of Medicare business, which typically involves older patients. So these hospitals simply miss the boat. The process is unfair; it should be restructured to provide equity.

When the federal reimbursement plan was created, the main source of funds, Medicare, was supplemented by other sources, including payments from insurance companies. Over time, the alternative sources have dried up while Medicare continues, providing about \$7 billion a year.

How hospitals handle their money has changed, too. Before managed care, hospitals combined money sources to pay for various programs. Now, managed-care policies dictate where insurance reimbursements will go. And the burden of indigent care for children has increased. In May, fewer than one-fourth of the estimated 275,000 eligible children in Ohio alone were enrolled in a Medicaid program designed for them.

The buck for those cases often is passed to the billing offices of children's hospitals, which must absorb the costs from an ever-shrinking revenue base.

Two bipartisan bills introduced in Congress this year would create a temporary solution, appropriating money from discretionary sources instead of Medicare.

Sen. Mike DeWine, R-Ohio, is a chief proponent of the bills, which would channel about \$7 million a year to Children's Hospital in Columbus.

A permanent overhaul of the entire reimbursement system also is advisable.

Those who complain that such a repair would bring a new program into the mix just as federal lawmakers struggle to cut spending and balance the budget miss the point of the original Medicare-based plan, which was to help pay for the graduate education of all student doctors.

Spending emergency discretionary money to pay for the 2000 federal census -- something lawmakers have anticipated for a decade -- is a reach. Spending money to train pediatric physicians is not.

Times have changed. The time has come to change -- temporarily and then permanently -- how hospitals are repaid for medical training, both to improve the lot of children's hospitals and help them retain these crucial programs.

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SCRIPPS HOWARD

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Wednesday, October 13, 1999

Editorials

Training doctors

Whatever their disputes over health care policy, there is at least one issue that Republicans and Democrats in Congress ought to be able to agree on: Proper funding for residency programs at independent pediatric hospitals.

Because of a quirk in reimbursement practices, federal funds for graduate medical education go almost exclusively to hospitals that treat adults. The nation's 60 independent pediatric hospitals — Children's Hospital Medical Center in Cincinnati among them — get almost nothing.

This isn't a crisis here in Greater Cincinnati, but it is important. Children's Hospital, which employs about 130 residents on any given day, trains three-fourths of the region's pediatricians and plays a vital role in preparing pediatric specialists. Every dollar spent on training is one that doesn't go to research, construction, subsidized care for poor families or another such purpose.

Residency programs are central to America's unsurpassed system of training medical doctors. By working under the supervision of experienced physicians, men and women fresh out of medical school acquire essential real-world experience.

Without doubt, hospitals receive a benefit from residents. Young doctors routinely work brutal shifts — 80-hour weeks are not uncommon — for low pay, and perform tasks that might otherwise have to be handled by more expensive personnel. Still, it is widely acknowledged that the costs associated with teaching and supervising residents outweigh the financial benefits.

For much of the post-war era, private and public insurers permitted teaching hospitals to recover their higher costs as part of the overhead factored into their charges for services rendered.

The arrival of managed care has all but destroyed the old system. Most private insurers are no longer willing to pay more to teaching hospitals; Medicaid too has cut such funding.

The federal government now funds residency programs primarily through Medicare, the health-care program for the elderly. This works to a degree for adult hospitals. But, by definition, it all but cuts off pediatric hospitals.

Bills pending in Congress would earmark funds for graduate medical education at independent pediatric hospitals (such as Children's Hospital here) which are not affiliated with adult teaching hospitals.

One such measure has cleared the House; the Senate is considering a slightly different approach. The House measure would give Cincinnati Children's Hospital about \$13 million a year — roughly what an adult hospital with a similarly-sized teaching program now gets.

No matter how poisonous the atmosphere in Washington, Congress should craft a consensus bill and President Clinton should sign it.

Then, federal policy makers ought to sit down and figure out an enduring method for adequately funding residency programs of all kinds. And while they're at it, they should do something about those 80-hour work weeks.

The Columbus Dispatch

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House approves bill to reimburse children's hospitals for training

By Mark G. Sommersen
Dispatch Medical Reporter

Dozens of children's hospitals nationwide are a step closer to collecting government funds for training doctors — something adult-care hospitals have done for decades.

The U.S. House of Representatives passed a bill Tuesday night that would pay \$565 million over two years to reimburse children's hospitals for training medical residents.

"This is good news," said Morna Smith, director of child advocacy and community relations at Children's Hospital in Columbus. "To have the whole House say it is a legitimate concern is something."

A similar bill is being considered in the Senate.

After graduating from college, medical students pay tuition to attend a four-year school. After graduating from medical school, hospitals pay them to train there.

The training, depending on the specialty, lasts three to eight years and costs teaching hospitals tens of millions of dollars annually. Getting some of that money back is a tricky proposition for teaching hospitals in general and a particular problem for children's hospitals.

A loophole in the federal graduate-medical-education law keeps most independent children's hospitals from being fully reimbursed.

How bad is the disparity between adult and children's hospitals?

About 500 doctors served residencies at Ohio State University Medical Center last year. For training them, Ohio State received \$25 million from the federal government — about \$50,000 per resident.

Across town at Children's Hospital, about 150 doctors trained last year. Children's received about \$34,000 — \$227 per resident.

Under the proposal, Children's in Columbus would receive about \$7 million a year. The hospital spends about \$11 million a year to train residents, administrators say.

"Financially, we are strapped on a year-to-year basis to take care of all the kids in this community," said Keith Goodwin, Children's chief operating officer. "This additional funding will give us more flexibility to do more mission-driven things."

About 60 independent children's hospitals nationwide train residents; six are in Ohio.

When the federal reimbursement plan was created, a number of sources, including insurance companies, contributed to the pot of money. The main source was Medicare.

Over the years, most of the other sources have dropped out, and Medicare is left to provide about \$7 billion annually.

Medicare patients are typically senior citizens who aren't treated at children's hospitals. Thus, Medicare money used to reimburse teaching hospitals doesn't flow significantly to children's hospitals.

Medicaid funds, which are funneled through state government for treatment of low-income people, also provide for graduate medical education, and both adult-care and children's hospitals are reimbursed. Smith said those funds have been cut over the years.

The bill passed Tuesday was one of two introduced this year in Congress to provide a quick fix. Hospital administrators and legislators are seeking a more-lasting overhaul.

The House and Senate bills are sponsored by Democrats and Republicans. The House bill would provide \$280 million in the first year and \$285 million in the second for children's hospitals, including about \$30 million annually for Ohio's hospitals. The Senate bill would extend payments to four years.

The funding would come from discretionary spending in the federal budget, not the Medicare trust fund.

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EXAMINER

Primary Children's wants new Fed reimbursement

The Associated Press

SALT LAKE CITY - Primary Children's Medical Center and other hospitals that train doctors to treat children are asking Congress to overhaul the system of federal reimbursement for training doctors.

Primary Children's is lobbying for support of the bipartisan

Children's Hospitals Education and Research Act.

The proposed act would correct a discrepancy in the reimbursement formulas for hospitals with programs that train pediatricians and pediatric specialists.

Under the current law, hospitals with teaching programs get a

higher rate of reimbursement through the federal Medicare program.

However, since most patients at children's hospitals aren't covered by Medicare, the hospitals don't see the money at all, said Primary Children's CEO Joe Horton.

The National Association of

Children's Hospitals estimates that children's hospitals get about .5 percent of what they would get for graduate medical education if their patients were older.

The proposed legislation would create a new source of federal funds to level the reimbursement.

MIRACULOUS CARE

Jenny Knstra-Quinn.

Published: Saturday, September 11, 1999

Section: COMMENTARY

Page: 25

As my baby approaches his first birthday, I want to commend the Chicago Tribune for addressing the issue of graduate medical education (GME) funding in the Aug. 10 editorial "Find a cure for intern pay." Funding for residency programs at independent children's hospitals is an issue close to my family's heart.

There were many times my husband and I thought we'd never celebrate Brendan's first birthday. Brendan was born Oct. 21, 1998, with severe meconium aspiration, a condition that meant his lungs could not function. We were told after his birth that his only chance for survival was to be transferred to Children's Memorial Hospital. In Children's neonatal intensive care unit, Brendan was hooked up to a heart/lung machine called ECMO, which oxygenated his blood so his lungs could rest and heal. Brendan also suffered from acute kidney failure as a result of his ordeal and was placed on dialysis. It was touch and go several times during Brendan's first weeks of life.

But thanks to the extraordinary level of care from doctors and residents at Children's, Brendan experienced a miraculous turnaround and was able to come home after six weeks in the hospital. Even more miraculous, Brendan has made a complete recovery--his lung and kidney functions are now normal.

Brendan would not be alive today if it weren't for the technology and people at Children's--especially Dr. Mary Beth Madonna, a talented and devoted physician, who was and continues to be on call for our family 24 hours a day. Their caring ways and constant attention made the incredibly difficult situation bearable.

Experiences like ours happen at Children's Memorial Hospital every day. Children's is Illinois' only full-service, acute-care, independent teaching hospital dedicated exclusively to caring for children. The hospital's residency program is a valuable resource, not only to the Chicago community but to all of Illinois and the Midwest.

Unfortunately, unintended federal funding inequities are causing losses of millions of dollars each year and are putting Children's Memorial Hospital's residency program and many others across the country at risk. "The Children's Hospitals Education and Research Act" was introduced in Congress this year to close the GME funding gap. This legislation would authorize \$285 million in annual appropriations to support the residency programs in the 59 independent children's teaching hospitals across the country.

Brendan is a joy to everyone who knows him. He laughs and smiles all the time; he seems to know how blessed he is to be alive. My family and I can't imagine life without Brendan. Thanks to the specialists and residents at Children's, like Dr. Madonna, we don't have to.

The Boston Globe

Online

Editorials | Opinions

Helping children's teaching hospitals

By Philip A. Pizzo. 08/23/99

During 25 years as a pediatrician I have witnessed dramatic improvements in the health of children.

In my specialties of pediatric oncology and infectious diseases, cancer has gone from a nearly incurable disease to one in which nearly 75 percent of the children diagnosed are likely to survive and even be cured. Equally important, just in the past 10 years, therapies have commuted the "death sentence" for children with HIV infection and AIDS to the possibility of long-term survival. We are also able to virtually prevent the transmission of HIV from mother to child with antiviral drug therapy.

Such dramatic accomplishments do not happen by accident. They are born out of teaching hospitals where senior clinicians and scientists work with young doctors undergoing graduate medical education in pediatrics and pediatric specialties.

It is these interns and residents who become the pediatricians, specialists, and scientists of tomorrow and who will bring us the miracles of the 21st century. A cure for cancer, new vaccines, gene therapy, tissue engineering are all possibilities.

The path to leadership in children's health care is neither easy nor cheap. Pediatricians must train three to eight years beyond medical school. Fortunately, during this period, these young men and women are not only learning but also contributing to improving the lives of children at the bedside and in the research laboratory. Unfortunately, these contributions are in peril as a result of a funding gap unique to independent children's hospitals.

In recent weeks the media have reported on the devastating impact of the current and planned reductions in Medicare on teaching hospitals as a consequence of the 1997 Balanced Budget Act. Due to market changes, Medicare has become the remaining stable and significant source of support for physician training at teaching hospitals. Missing from this dialogue, however, is the fact that independent children's teaching hospitals, including Boston's Children's Hospital, receive

virtually no federal support for their teaching programs because they treat children, not the elderly.

The federal government invests on average per resident nearly 200 times as much through Medicare to train doctors in all teaching hospitals as it does to train them in free-standing children's hospitals. If Boston's Children's Hospital were supported for its mission in graduate medical education at the same level as adult teaching hospitals, it would receive approximately \$30 million a year. Instead, it receives \$2 million to \$3 million from Medicaid and virtually nothing from Medicare or private insurers.

The independent children's hospitals in this country train nearly 30 percent of the nation's pediatricians and nearly half of its pediatric specialists and researchers. The lack of adequate educational funding jeopardizes this future pool of pediatricians and research breakthroughs.

Focused solely on children, Boston's Children's Hospital has had the commitment to remain at the forefront of pediatric health care. When treatments are not available, physicians and research scientists at Children's Hospital create them.

For example, when I began training at the hospital in 1970, my colleagues and I witnessed numerous cases of deadly meningitis caused by *Hemophilus influenza*. Because of the pioneering work of Children's researchers, whose team included a number of pediatric trainees, a vaccine for this infection was developed. So in the mid-1990s, when my own daughter began her pediatric internship, neither she nor her classmates saw a case of H. flu meningitis.

Similar discoveries have led to new operations and less invasive ways to correct or repair damaged hearts, limbs, and other organs as well as novel ways to diagnose and treat disorders such as epilepsy and cystic fibrosis. Many discoveries have happened because treating and curing children is our only priority.

With all that has been achieved, there is much more to be done. Too many children still suffer and die. Fortunately, President Clinton has introduced a proposal for interim support in his budget this year, but this critical assistance will come only if the bills before the House and Senate are passed. In addition, both Republicans and Democratic leaders, including the entire Massachusetts delegation, are sponsoring legislation called the Children's Hospitals Education and Research Act to fund pediatric graduate medical education. We hope that members of Congress throughout New England will be as supportive so that critical financial relief is provided to children's hospitals. This assistance will come only if the bipartisan bills before the House and Senate are passed.

As the plea to help our teaching hospitals echoes nationwide, the quieter voices of our children must not go unheard.

Philip A. Pizzo is physician-in-chief at Children's Hospital and Thomas Morgan Rotch Professor of Pediatrics at Harvard Medical School.

The Columbus Dispatch

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REIMBURSEMENT POLICIES HURT PEDIATRIC HOSPITALS FEDERAL LAW DOESN'T ALLOW CHILDREN'S FACILITIES TO FULLY RECOVER THEIR COSTS FOR TRAINING, DOCTORS.

Date: Monday, September 6, 1999

Section: NEWS

Page: 01B

Illustration: Photo

Byline: Mark D. Somerson

Source: Dispatch Medical Reporter

About 500 doctors served residencies at Ohio State University Medical Center last year. For training them, Ohio State received \$25 million from the federal government -- about \$50,000 per resident.

Across town at Children's Hospital, about 150 doctors trained last year. Children's received about \$34,000 -- \$227 per resident.

"It's been this way for decades," said Dr. Thomas N. Hansen, Children's chief executive officer. "But it's become an issue as costs have increased and revenues have shrunk because of managed care.

"This is a glaring problem for us in the children's hospital business."

After graduating from college, medical students pay tuition to attend a four-year school. After graduating from medical school, hospitals pay them to train there.

The training, depending on the specialty, lasts three to eight years and costs teaching hospitals tens of millions of dollars annually. Getting some of that money back is a tricky proposition for teaching hospitals in general and a particular problem for children's hospitals.

A loophole in the federal graduate- medical-education law keeps most independent children's hospitals from being fully reimbursed for training.

About 60 independent children's hospitals nationwide train residents; six are in Ohio.

When the federal reimbursement plan was created, a number of sources, including insurance companies,

contributed to the pot of money. The main source, however, was Medicare.

Over the years, the other sources for the most part have dropped out, and Medicare was left to provide about \$7 billion annually.

Medicare patients are typically senior citizens.

"Children's hospitals don't do a lot of Medicare business," said Jerry Friedman, director of the Association of Ohio Children's Hospitals. "This funding mechanism is an artifact of how the feds have chosen to subsidize graduate medical education."

Two bills introduced this year in Congress would provide a quick fix and would appropriate money for independent children's hospitals. But hospital administrators and legislators are hoping for an overhaul. Congress has directed the Medicare Payment Advisory Commission and the Bipartisan Commission on the Future of Medicare to create a long-term solution, but both groups have indicated that no agreement will be found this year.

The two bills, which are sponsored by Democrats and Republicans in the House and Senate, would provide about \$285 million a year for as many as four years for children's hospitals, including about \$30 million for Ohio's hospitals.

The funding would come from discretionary spending, not the Medicare trust fund.

Sen. Mike DeWine, R-Ohio, is one of the legislators promoting the bills, Children's Hospital officials said. Children's in Columbus would receive about \$7 million a year.

The hospital spends about \$11 million a year to train residents, Hansen said. "All we are looking for is parity."

Even adult-care hospitals are feeling a pinch. A recent study published in The New England Journal of Medicine examining Medicare reimbursements for resident training at adult-care hospitals found disparities among cities and states. For example, teaching hospitals in New York received three to four times as much for each resident as those in Los Angeles or Cleveland.

The funding formula is based, in part, on the number of residents at each teaching hospital and the number of Medicare patients treated there.

The greatest disparity in funding is between independent children's hospitals and adult-care hospitals.

"We don't know how much longer we can go on doing this," said Morna Smith, director of child advocacy and community relations at Children's Hospital in Columbus. "We have not had to face that question yet because we have been creative with cost shifting and grants.

"But because of dramatic cost cutting in the mid-1990s, due to managed care, we've had to cut back on training."

Smith said that in the past five years 70 percent of Children's pediatric residents have entered primary care pediatrics, and more than half have stayed in Ohio to practice.

If children's hospitals cut back on training residents, communities will feel the impact, Friedman said. "We are talking about the future here."

AKRON BEACON JOURNAL

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OUR OPINION

Pediatric boost

*• Doctor-training is paid for largely from Medicare.
Children's hospitals have been at a distinct disadvantage*

President Clinton has been handing out goodies from his budget bag. He actually turned his attention last week to a most deserving constituency: children's hospitals. The president proposed to direct an additional \$40 million to children's hospitals to help them train pediatric doctors and specialists.

The hospitals could use every cent of it and more. Much more.

Free-standing children's hospitals such as Children's Hospital Medical Center of Akron are in a tight spot. Besides treating sick children, they are teaching hospitals, providing opportunities for newly graduated doctors, called residents, and medical students to train in specialties in childhood diseases.

It is very expensive to support the programs, equipment, facilities and personnel needed to turn out an adequate number of properly trained doctors.

The federal government pays for medical education largely by reimbursing hospitals on the basis of a formula involving the number of Medicare patients treated and the medical specialty programs.

The problem with this system is that Medicare is not a children's program, and few elderly patients ever require the services that a children's hospital provides. Consequently, Medicare dollars, the major source of funding for training doctors, are a scant resource for children's hospitals.

It costs Children's Hospital here in Akron about \$6.5 million a year for medical training. On the average, Children's is reimbursed about \$400 a year toward the training of each resident doctor. By comparison, general hospitals, such as Akron General Medical Center or Summa Health Systems, that are teaching hospitals and serve large numbers of Medicare patients, receive about \$77,000 a year for each resident doctor.

Such a lopsided funding scheme puts pediatric hospitals at a grave disadvantage. It limits the number of

training programs they can offer and how many residents they can train. It also restricts the pool of practitioners in childhood diseases.

The funding picture is getting grimmer. The Balanced Budget Act of 1997 initiated steady cuts in Medicare spending as well as in Medicaid, which provides a small percentage of funds for teaching hospitals. The Clinton budget plan includes further cuts in both programs. The reductions come out of reimbursements to hospitals.

Granted, the squeeze on Medicare funds is hurting all hospitals. However, given the funding gap between children's and other teaching hospitals in even the best of times, the shortfall is getting steeper for children's hospitals. Their residency programs risk becoming endangered.

Two identical bills were introduced in Congress last summer, in the House by Sherrod Brown, a Lorain Democrat, and in the Senate by Bob Kerrey, a Nebraska Democrat, to direct more money to children's hospitals for medical training. Both bills requested about \$285 million over two years for the purpose, a good deal higher than the \$40 million the president has proposed.

But Congress slid into the impeachment bog, and the bills languished. Clinton, to his credit, has returned attention to the question of financing medical education, particularly pediatric and family medicine. If there is more to the call for a healthy start to life than mere sloganeering, Congress should give serious consideration in this session to bills along the lines offered by Brown and Kerrey.

Deseret News

METRO

Section B

Salt Lake / Davis

MONDAY, SEPTEMBER 20, 1999

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• BOUNTIFUL • SALT LAKE CITY • MILLCREEK • HOLLADAY • COTTONWOOD • SANDY • MURRAY • WEST VALLEY CITY • TAYLORSVILLE • WEST JORDAN

Kids hospital seeks equal \$\$

Primary hospital may get funds to train physicians

By Lois M. Collins
Deseret News staff writer

Primary Children's Medical Center has joined with other teaching hospitals that serve children to ask for fair pay to cover the cost of training physi-

cians.

They're asking Congress to support a bipartisan bill, "Children's Hospitals Education and Research Act," that would eliminate the "gross funding inequity" between teaching programs at children's hospitals and at those hospitals that treat adults, according to the National Association of Children's Hospitals.

While there are fewer than 60 independent children's hospitals in the country, including

Primary Children's Medical Center, they train nearly one-third of the nation's pediatricians and about half of all pediatric specialists. But unlike teaching at hospitals that treat adults, they do not receive reimbursement from the government for providing that training. The bill would remedy that, according to Primary Children's CEO Joe Horton.

The problem was not an intentional one, he said. But years ago Medicare was desig-

nated as the mechanism to pay for the teaching programs. Hospitals submit a Medicare cost report and, if it's a teaching hospital, that includes the cost of training residents. Teaching hospitals are reimbursed for care at a higher rate than other hospitals to help defray those education costs of residents and others. But children's hospitals collect very little because most of the children they serve are not eligible for Medicare.

The national association esti-

mates that children's hospitals gets about 1/200th of what they would get for graduate medical education if their patients were older. So, the proposed legislation compensates for that by creating a separate source of federal funding that would support graduate medical education at comparable levels.

'Freestanding children's hospitals are all in this situa-

Please see **HOSPITAL** on B1

HOSPITAL

Continued from B1

tion nationally," Horton said. "For us, the amount of money is significant. We have 50 residents involved in this hospital on an annual basis, so this bill would provide about \$3 million a year that would bring us up to parity."

The entire Utah delegation has signed on as co-sponsors, which is good news, he said. But there's nothing to indicate the bill will become a priority issue, and if it doesn't come to a vote, it won't be resolved. The national association wants people to call 1-800-353-7827 and ask that a postcard in their name be sent to members of their congressional delegation. From that number, callers can also be patched in to their representatives' and senators' offices.

Teaching hospitals put themselves at a financial disadvantage because they have to pay residents and supervise them and "there is a learning curve that imposes responsibilities on the staff," Horton said. "But it's important. We're training the next generation of physicians and benefitting the large community."

The numbers are dramatic. While fewer than 1 percent of the country's children's hospitals are teaching hospitals, they provide a disproportionate amount of the training of pediatricians and pediatric specialists, he said.

And having people trained in pediatric medicine is crucial. Treating a child's heart or pulmonary system or other problems is much different than treating the condition in an adult. "Most cardiologists wouldn't want to treat a pediatric heart condition," he said.

The act would provide \$285 million annually to independent children's teaching hospitals. Exactly what the funding mechanism would be has not been decided. But it would be based on the same formula that Medicare uses to pay adult teaching hospitals. (Since Medicare does cover end-stage renal failure in children, the hospitals do receive a little compensation for training.)

No one questions the value of graduate education for those who will treat children, Horton said.

"It's appropriate and makes sense. The challenge is to get it moved up the priority ladder."

BUSINESS

SEPTEMBER 21, 1999

Hospital Reimbursements

Primary Children's Medical Center and other hospitals that train doctors to treat children are asking Congress to overhaul the system of federal reimbursement for training doctors.

Primary Children's is lobbying for support of the bipartisan Children's Hospitals Education and Research Act.

The act would correct a discrepancy in the reimbursement formulas for hospitals with programs that train pediatricians and pediatric specialists.

Under the current law, hospitals with teaching programs get a higher rate of reimbursement through the federal Medicare program. However, since most patients at children's hospitals aren't covered by Medicare, the hospitals don't see the money, said Joe Horton, Primary Children's chief executive officer.

The proposed legislation would create a new source of federal funds to level the reimbursement.

"For us, the amount of money is significant," Horton said. "We have 50 residents involved in this hospital on an annual basis, so this bill would provide about \$3 million a year that would bring us up to parity."

National Association of
Children's Hospitals

LAWRENCE A. McANDREWS, FACHE
President & Chief Executive Officer



N • A • C • H •

February 1, 1999

The First Lady
The White House
Washington, DC 20500

Dear Mrs. Clinton:

On behalf of both the National Association of Children's Hospitals and my many children's hospital colleagues who met with you last Thursday, I want to express again our sincere gratitude for both your personal commitment and the Administration's leadership in seeking to address the need for commensurate federal graduate medical education (GME) funding for children's teaching hospitals with their own Medicare provider numbers.

All of us were deeply impressed by the understanding you, Secretary Shalala, and Senator Kennedy expressed for the urgency with which children's hospitals have sought federal leadership to provide a more level playing field in federal GME funding for free-standing children's hospitals.

We also appreciated the administration's recognition that its proposed grant program is a first step in trying to address this funding need on an interim basis until comprehensive GME financing reform can be achieved. We were equally appreciative of the Secretary's assurances that when the Administration develops its position on overall GME reform, it will include children's hospitals.

Enclosed is a copy of our own press release, plus the initial set of press releases, which many of our member hospitals issued last week. Also enclosed are copies of the first news stories we have seen from local papers. Please have your staff call either Gillian Ray or Pete Willson on my staff for any additional information. In the meantime, we look forward to building on the Administration's leadership to achieve equitable federal GME support.

Sincerely,

Lawrence A. McAndrews

cc: Melanne Verveer, Jennifer Klein, Office of the First Lady, The White House
Christopher Jennings, Domestic Policy Staff, The White House
Barbara Woolley, Office of Public Liaison, The White House
Secretary Donna Shalala, Department of Health and Human Services



PRESS RELEASE
FOR IMMEDIATE RELEASE
January 28, 1999

N • A • C • H •
Contact: Gillian Ray, Lora Jarrell
703/684-1355
e-mail: gray@nachri.org
www.nachri.org

**PRESIDENT'S BUDGET HELPS LEVEL THE FUNDING FIELD FOR
CHILDREN'S HOSPITALS THAT TRAIN PEDIATRICIANS**

First Lady Delivers Welcome News to Hospital CEOs at White House Meeting

WASHINGTON, D.C. (January 28, 1999) – The National Association of Children's Hospitals (N.A.C.H.) applauds the Clinton Administration's new initiative that takes an important first step toward leveling the funding field for independent children's teaching hospitals. Each of these hospitals conduct graduate medical education programs that train pediatricians.

At the White House today with chief executive officers of more than 30 of the nation's freestanding children's teaching hospitals, First Lady Hillary Rodham Clinton announced the Clinton Administration has included federal funding for pediatric training programs of independent children's teaching hospitals in the President's FY2000 budget.

"Thanks to the strong leadership of the First Lady, the Clinton Administration is taking an important step toward ensuring our pediatric workforce for the 21st century and quality health care for America's children," said Lawrence McAndrews, president and chief executive officer of N.A.C.H. "Our current system of financing physician training relies predominantly on Medicare and shortchanges children's hospitals compared to other hospitals when it comes to federal funding. The President's budget recognizes this unintended but serious inequity and sends a strong message to Congress to do the same."

Medicare is the primary payer for graduate medical education in the U.S. Freestanding children's teaching hospitals that have their own provider numbers for the purposes of Medicare billing, have very few if any Medicare patients – only children with end stage renal disease. Consequently, they do not benefit from federal support of graduate medical education through Medicare.

(more)

CHILDREN'S HOSPITALS/PAGE 2

According to N.A.C.H., adult teaching hospitals receive on average \$76,000 per resident from the federal government through Medicare compared to \$400 on average per resident for freestanding children's teaching hospitals.

"Graduate medical education ensures the training and steady supply of adult physicians," said McAndrews. "But children's health care needs are different from those of adults. Children's doctors need special training in a setting that children's teaching hospitals provide the best, one that exposes them to a full range of primary care, prevention, and specialized care needed by children. The health of our children today and in the future is why we should invest in pediatric training to the same extent that we invest in training for doctors who care for adults."

Representing less than one percent of all hospitals, freestanding children's teaching hospitals train nearly 30 percent of pediatricians and the majority of many pediatric sub-specialists. They also provide training to a substantial number of residents from other institutions who require pediatric rotations.

"Short of broader reform to include children's teaching hospitals in graduate medical education financing," said McAndrews, "interim federal funding is our best and most direct route to ensuring that children receive the best possible care from the world's best trained pediatricians."

In the 105th Congress, Senators Bob Kerrey (D-NE) and Christopher "Kit" Bond (R-MO) and Representatives Sherrod Brown (D-OH), Nancy Johnson (R-CT) and Jim Greenwood (R-PA) introduced the "Children's Hospitals Education and Research Act" (H.R. 3855 and S. 2049). The bipartisan bill would have established interim commensurate federal support for independent children's teaching hospitals. N.A.C.H. anticipates the bills will be reintroduced in the 106th Congress.

#30

The National Association of Children's Hospitals (N.A.C.H.) is the public policy affiliate of the National Association of Children's Hospitals and Related Institutions. Representing more than 100 freestanding acute care children's hospitals, freestanding children's rehabilitation and specialty hospitals, and children's hospitals organized within larger medical centers, it addresses public policy issues affecting children's hospitals' missions of service to the children of their communities, including clinical care, education, research and advocacy.

The National Association of Children's Hospitals and Related Institutions (NACHRI) is a not-for-profit membership association of 154 acute care children's hospitals, large pediatric units of major medical centers and related organizations, including those that specialize in rehabilitation and care of children with serious chronic and congenital illnesses. NACHRI's mission is to promote the well being of children and their families through support of children's hospitals that are committed to excellence in providing health care to children.



FOR MORE INFORMATION, CONTACT
Ann Miller, Media Specialist 892-8592
Joel Momberg, Sr. VP/Cmty. Relations 892-4193

PRESIDENT'S BUDGET HELPS LEVEL THE FUNDING FIELD FOR CHILDREN'S HOSPITALS THAT TRAIN PEDIATRICIANS

First Lady Delivers Good News to All Children's Hospital CEO at White House Meeting

FOR IMMEDIATE RELEASE

WASHINGTON, D.C. (January 28, 1999) All Children's Hospital of St. Petersburg, FL applauds the Clinton Administration's new initiative to help level the funding field for All Children's Hospital and other independent children's teaching hospitals that train pediatricians.

At a meeting today at the White House with J. Dennis Sexton, All Children's President & CEO and heads of more than 30 other children's teaching hospitals, First Lady Hillary Rodham Clinton announced the Clinton Administration has included federal funding for pediatric training programs of independent children's teaching hospitals in the President's FY2000 budget.

"By including federal funding for pediatric training at children's hospitals in its budget, the Clinton Administration is taking an important step in ensuring our pediatric workforce for the 21st century," said Sexton. "Pediatricians are vital to the health of our nation. Our current system of financing physician training relies predominantly on Medicare and shortchanges children's hospitals compared to other hospitals when it comes to federal funding. The President's budget recognizes this unintended but serious inequity and sends a strong message to Congress to do the same."

According to the National Association of Children's Hospitals (N.A.C.H.), adult teaching hospitals receive on average \$76,000 per doctor for training from the federal government. All Children's Hospital and other independent children's teaching hospitals that do not share a Medicare provider number with a larger institution receive, on average, just \$400 per resident because they care for very few Medicare patients -- the majority of whom are elderly, not children. To protect pediatric training programs, children's hospitals are absorbing the programs unreimbursed costs with little federal relief.

(MORE)

FUNDING, pg. 2 of 2

"For years, All Children's Hospital has paid to train children's doctors out of our bottom line while adult hospitals get reimbursed to train their doctors," said Sexton. "We've done it because we know that the training pediatricians receive at All Children's will allow them to provide the best possible care to children. This cost, however, has become increasingly harder to afford in the managed care environment."

"It is gratifying to know that the Administration agrees that teaching programs at children's hospitals are critical to the future pediatric workforce and the future health of all children," said Sexton. "All Children's Hospital thanks the First Lady for taking a strong leadership role on our behalf and advocating better health care of children through quality pediatric training. We also acknowledge the bipartisan efforts of Florida leaders like Congressman C.W. "Bill" Young and Senators Connie Mack and Bob Graham for their assistance in obtaining this much-needed funding."

Representing less than one percent of all hospitals, freestanding children's teaching hospitals train nearly 30 percent of pediatricians and the majority of many pediatric sub-specialists in a setting where residents can experience the full range of pediatric care. They also provide training to a substantial number of residents from other institutions who require pediatric rotations. Some 18 residents each year embark on the accredited three-year pediatric residency program offered at All Children's Hospital in conjunction with Tampa General Hospital. In the past five years alone, the program has graduated 94 pediatricians, 67 of whom have remained in Florida to deliver pediatric care.

Also attending Wednesday's meeting with the First Lady were Donna Shalala, Secretary of Health & Human Services, and Senator Edward Kennedy (D-MA), who has introduced additional legislation to acknowledge the role of the nation's freestanding children's hospitals as centers of treatment, teaching and research. In the 105th Congress, Senators Bob Kerrey (D-NE) and Christopher "Kit" Bond (R-MO) and Representatives Sherrod Brown (D-OH), Nancy Johnson (R-CT) and Jim Greenwood (R-PA) introduced the "Children's Hospitals Education and Research Act" (H.R. 3855 and S. 2049). The bipartisan bill would have established interim commensurate federal support for independent children's teaching hospitals. N.A.C.H. anticipates the bills will be reintroduced in the 106th Congress.

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All Children's Hospital is the only freestanding children's hospital on Florida's west coast and one of only 49 such children's hospitals in the nation. Its mission is to provide quality health care services, education and research programs in an atmosphere of respect for patients, families and staff. Founded in 1927 as an American Legion hospital for the treatment of youngsters with polio, All Children's has grown to 216 beds and has expanded services to include care for all manner of childhood illness and injury. As a regional referral center for children with some of the most challenging medical problems, All Children's draws patients from throughout Florida, all 50 states and 36 foreign countries.



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Columbus, Ohio 43205-2696
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NEWS RELEASE

**CONTACT: Katie Pakel or Pam Barber,
Public Relations, 614-722-4595**

PRESIDENT'S BUDGET HELPS LEVEL THE FUNDING FIELD FOR CHILDREN'S HOSPITALS THAT TRAIN PEDIATRICIANS

For Immediate Release (January 29, 1999) – Children's Hospital of Columbus, Ohio, applauds the Clinton Administration's new initiative to help level the funding field for Children's Hospital and other independent children's teaching hospitals that train pediatricians.

At a meeting yesterday at the White House with Thomas N. Hansen, M.D., CEO of Children's Hospital, and the heads of more than 30 other children's teaching hospitals, First Lady Hillary Rodham Clinton announced that the Clinton Administration has included federal funding for pediatric training programs of independent children's teaching hospitals in the President's FY2000 budget.

"By including federal funding for pediatric training at children's teaching hospitals in its budget, the Clinton Administration is taking an important step in ensuring our pediatric workforce for the 21st century," said Hansen. "Pediatricians are vital to the health of our nation. Our current system of financing physician training relies predominantly on Medicare and shortchanges children's hospitals compared to other hospitals when it comes to federal funding. The President's budget recognizes this unintended but serious inequity and sends a strong message to Congress to do the same."

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"For years, Children's Hospital has paid to train children's doctors out of our bottom line while adult hospitals get reimbursed to train their doctors," said Hansen. "We've done it because we know that the training pediatricians receive at Children's Hospital will allow them to provide the best possible care to children. This cost, however, has become increasingly harder to afford in the managed care environment."

"It's gratifying to know that the Administration agrees that teaching programs at children's hospitals are critical to the future pediatric workforce and the future health of all children," said Hansen. "Children's Hospital thanks the First Lady for taking a strong leadership role on our behalf and advocating better health care for children through quality pediatric training."

Columbus Children's Hospital has had 73 percent of its pediatric residents enter primary care pediatrics over the past five years, with half of these pediatricians remaining in Ohio to practice.

Representing less than one percent of all hospitals, freestanding children's teaching hospitals train nearly 30 percent of pediatricians and the majority of many pediatric sub-specialists in a

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setting where residents can experience the full range of pediatric care. They also provide training to a substantial number of residents from other institutions who require pediatric rotations.

In the 105th Congress, there was bi-partisan support for a bill that would have established interim commensurate federal support for independent children's teaching hospitals. Representatives from the Columbus Children's Hospital service area who co-sponsored the House bill were Bob Ney, Deborah Pryce and Ted Strickland. Senator DeWine and then-Senator John Glenn co-sponsored the Senate version. Representative Sherrod Brown, an Ohio Democrat, introduced the House bill along with two Republican sponsors. N.A.C.H. anticipates the bills will be reintroduced in the 106th Congress.

Children's Hospital, Inc., in Columbus, Ohio, is a health care network that provides wellness, preventive, diagnostic, treatment and rehabilitative care for infants, children, adolescents and selected adult patients. Every child needs Children's Hospital because only Children's can apply pediatric expertise to every situation. The preferred pediatric provider in central Ohio since 1892, Children's Hospital is dedicated exclusively to full-service health care for children - serving every child for every reason.

NEWS



Children's Hospital
300 Longwood Avenue
Boston, MA 02115
617-355-6000

Children's Hospital

PRESIDENT'S BUDGET HELPS LEVEL THE FUNDING FIELD FOR CHILDREN'S HOSPITALS THAT TRAIN PEDIATRICIANS

*First Lady Delivers Good News to Children's Hospital, Boston CEO
at White House Meeting*

WASHINGTON, D.C. (January 28, 1999) – Children's Hospital of Boston, Mass., applauds the Clinton Administration's new initiative to help level the funding field for independent children's teaching hospitals that train pediatricians, including Children's Hospital, Boston.

At a meeting today at the White House with David S. Weiner, chief executive officer of Children's Hospital, Boston, and the heads of more than 30 other children's teaching hospitals, First Lady Hillary Rodham Clinton announced the Clinton Administration has included federal funding for pediatric training programs of independent children's teaching hospitals in the President's FY2000 budget.

"By including federal funding for pediatric training at children's teaching hospitals in its budget, the Clinton Administration is taking an important step in ensuring our pediatric workforce for the 21st century," said Weiner. "Pediatricians are vital to the health of our nation. Our current system of financing physician training relies predominantly on Medicare and shortchanges children's hospitals compared to other hospitals when it comes to federal funding. The President's

budget recognizes this unintended, but serious inequity and sends a strong message to Congress to do the same."

According to the National Association of Children's Hospitals (N.A.C.H.), adult teaching hospitals receive on average \$76,000 per doctor for training from the federal government. Children's Hospital, Boston, and other independent children's teaching hospitals that do not share a Medicare provider number with a larger institution receive, on average, just \$400 per resident because they care for very few Medicare patients. To protect pediatric training programs, children's hospitals are absorbing the programs' unreimbursed costs with little federal relief.

"For years, Children's Hospital, Boston, has paid to train children's doctors out of our bottom line, while adult hospitals get reimbursed to train their doctors," said Weiner. "We've done it because we know that the training pediatricians receive at Children's Hospital, Boston, will allow them to provide the best possible care to children. This cost, however, has become increasingly harder to afford in the managed care environment.

"It's gratifying to know that the Administration agrees that teaching programs at children's hospitals are critical to the future pediatric workforce and the future health of all children," said Weiner. "Children's Hospital, Boston, thanks the First Lady for taking a strong leadership role on our behalf and advocating better health care for children through quality pediatric training."

Representing less than one percent of all hospitals, freestanding children's teaching hospitals train nearly 30 percent of pediatricians and the

majority of many pediatric sub-specialists in a setting where residents can experience the full range of pediatric care. They also provide training to a substantial number of residents from other institutions who require pediatric rotations.

In the 105th Congress, bipartisan legislation was introduced in both the House and Senate that would have established interim commensurate federal support for independent children's teaching hospitals. The "Children's Hospitals Education and Research Act" (H.R. 3855 and S. 2049) received broad bipartisan support, including the support of the entire Massachusetts Congressional Delegation. "Children's Hospital is especially gratified by the support we have received from every member of our own congressional delegation. Senator Edward M. Kennedy (D-MA) was an original co-sponsor of the legislation in the Senate and has provided strong and consistent leadership on this issue. Senator Kennedy and Representative John Joseph Moakley (D-MA) both worked with the White House in developing this initiative and including funding in the President's FY2000 Budget. We are extremely grateful to them for their support," said Weiner.

Children's Hospital, Boston, anticipates that these bills will be reintroduced in the 106th Congress.

FOR IMMEDIATE RELEASE

Jan. 28, 1999

Contact: Dean Forbes, (206) 368-4817, or

Susan Macek, (206) 368-4815

PRESIDENT'S BUDGET HELPS LEVEL THE FUNDING FIELD FOR CHILDREN'S HOSPITALS THAT TRAIN PEDIATRICIANS**First Lady Delivers Good News to Hospital CEOs at White House Meeting**

WASHINGTON, D.C. (January 28, 1999) – Treuman Katz, President and CEO of Children's Hospital and Regional Medical Center in Seattle, Washington, joined more than 30 other heads of children's teaching hospitals today to support the Clinton Administration's new initiative to help level the funding field for independent children's teaching hospitals that train pediatricians.

At their meeting today at the White House, First Lady Hillary Rodham Clinton announced the Clinton Administration has included federal funding for pediatric training programs of independent children's teaching hospitals in the President's FY2000 budget. Sen. Edward Kennedy (D-Mass) and Secretary of Health and Human Services Donna Shalala also attended the private meeting.

"By including federal funding for pediatric training at children's teaching hospitals in its budget, the Clinton Administration is taking an important step in ensuring our pediatric workforce for the 21st century," said Katz. "Pediatricians are vital to the health of our nation. Our current system of financing physician training relies predominantly on Medicare funding. This shortchanges children's hospitals compared to other hospitals when it comes to federal funding. The President's budget recognizes this unintended but serious inequity and sends a strong message to Congress to do the same."

According to the National Association of Children's Hospitals (NACH), adult teaching hospitals receive on average \$76,000 per doctor for training from the federal government. Children's Hospital and other independent children's teaching hospitals that do not share a Medicare provider number with a larger institution receive, on average, just \$400 per resident because they care for very few Medicare patients—the majority of whom are elderly, not children. To protect pediatric training programs, children's hospitals are absorbing the programs' unreimbursed costs with little federal relief.

"For years, Children's Hospital has paid to train children's doctors out of our bottom line while adult hospitals get reimbursed to train their doctors," said Katz. "We've done it because we know that the training pediatricians receive at Children's will allow them to provide the best possible care to children. This cost, however, has become increasingly harder to afford in the managed care environment."

"It's gratifying to know that the Administration agrees that teaching programs at children's hospitals are critical to the future pediatric workforce and the future health of all children," said

Katz. "On behalf of Children's Hospital in Seattle, I congratulate the First Lady for taking a strong leadership role on our behalf and advocating better health care for children through quality pediatric training."

Representing less than one percent of all hospitals, freestanding children's teaching hospitals train nearly 30 percent of pediatricians and the majority of many pediatric sub-specialists in a setting where residents can experience the full range of pediatric care. They also provide training to a substantial number of residents from other institutions who require pediatric rotations.

Children's is the dominant provider for the training of practicing pediatricians in the Pacific Northwest. Children's is the only civilian residency program for pediatric training in Washington, Wyoming, Alaska, Montana and Idaho. The University of Washington's Department of Pediatrics, which is considered one of the top pediatric training programs in the country, is based at Children's.

In the 105th Congress, Senators Bob Kerrey (D-NE) and Christopher "Kit" Bond (R-MO) and Representatives Sherrod Brown (D-OH), Nancy Johnson (R-CT) and Jim Greenwood (R-PA) introduced the "Children's Hospitals Education and Research Act" (H.R. 3855 and S. 2049). The bipartisan bill would have established interim commensurate federal support for independent children's teaching hospitals. N.A.C.H. anticipates the bills will be reintroduced in the 106th Congress.

#30

Children's Hospital and Regional Medical Center is the premier regional pediatric care center in the Pacific Northwest, with national prominence for its clinical expertise and affiliation with the University of Washington School of Medicine. Children's mission is to serve the Pacific Northwest's children with the best medical care for every child who needs it. It serves as the pediatric referral center for health care providers throughout Washington, and in Alaska, Montana and Idaho. Children's conducts research into the development of new treatments for childhood illnesses and diseases. Its affiliation with the UW has helped Children's become a renowned research center and to serve as an academic resource for teaching future health care providers. The hospital's mission also includes a role as an effective advocate for children's health and safety.

The National Association of Children's Hospitals (N.A.C.H.) is the public policy affiliate of the National Association of Children's Hospitals and Related Institutions. Representing more than 100 freestanding acute care children's hospitals, freestanding children's rehabilitation and specialty hospitals, and children's hospitals organized within larger medical centers, it addresses public policy issues affecting children's hospitals' missions of service to the children of their communities, including clinical care, education, research and advocacy.

The National Association of Children's Hospitals and Related Institutions (NACHRI) is a not-for-profit membership association of 154 acute care children's hospitals, large pediatric units of major medical centers and related organizations, including those that specialize in rehabilitation and care of children with serious chronic and congenital illnesses. NACHRI's mission is to promote the well being of children and their families through support of children's hospitals that are committed to excellence in providing health care to children.



For Immediate Use
January 28, 1999

Childrens Hospital Los Angeles

Contact: Steve Rutledge
(323) 669-4121

Childrens Hospital Los Angeles' CEO Participates in Announcing President's Initiative To Provide \$40 Million to Fund Pediatric Training

(Los Angeles) -- Walter W. Noce Jr., president and CEO at Childrens Hospital Los Angeles, applauds the Clinton Administration's new initiative to provide \$40 million to help level the funding field for Childrens Hospital Los Angeles and approximately 50 other independent children's teaching hospitals that train pediatricians.

At a meeting today at the White House with Noce and the heads of more than 30 other children's teaching hospitals, First Lady Hillary Rodham Clinton announced the Clinton Administration has included federal funding for pediatric training programs of independent children's teaching hospitals in the President's FY2000 budget.

"This addresses an inequity in Public Policy that has existed for a long time," Noce said. "I am pleased the White House has recognized the importance of children's hospitals needs in graduate medical education and has taken this important step in correcting the long-standing inequity. Pediatricians are vital to the health of the nation. Our current system of financing physician training relies predominantly on Medicare and shortchanges children's hospitals compared to other hospitals when it comes to federal funding."

According to the National Association of Children's Hospitals (NACH), adult teaching hospitals receive on average \$76,000 per doctor for training from the federal government. Childrens Hospital Los Angeles and other independent children's teaching hospitals that do not share a Medicare provider number with a larger institution receive, on average, just \$400 per resident because they care for very few Medicare patients -- the majority of whom are elderly, not children. To protect pediatric training programs, children's hospitals are absorbing the program's unreimbursed costs with little federal relief.

"For years, Childrens Hospital Los Angeles has paid to train children's doctors out of our bottom line while adult hospitals get reimbursed to train their doctors," Noce said. "We've done it

Respect • Service • Excellence • Knowledge • Teamwork

Page 2

because we know that the training pediatricians receive at Childrens Hospital Los Angeles will allow them to provide the best possible care to children. This cost, however, has become increasingly harder to afford in the managed care environment.

"It's gratifying to know the Administration agrees that teaching programs at children's hospitals such as ours are critical to the future pediatric workforce and the future health of all children," Noce said. "Childrens Hospital Los Angeles thanks the First Lady for taking a strong leadership role on our behalf and advocating better health care for children through quality pediatric training."

Representing less than one percent of all hospitals, freestanding children's teaching hospitals train nearly 30 percent of pediatricians and the majority of many pediatric sub-specialists in a setting where residents can experience the full range of pediatric care. They also provide training to a substantial number of residents from other institutions that require pediatric rotations.

In the 105th Congress, Senators Bob Kerrey (D-NE) and Christopher "Kit" Bond (R-MO), and Representatives Sherrod Brown (D-OH), Nancy Johnson (R-CT) and Jim Greenwood (R-PA) introduced the "Children's Hospitals Education and Research Act" (HR 3855 and SB 2049). The bipartisan bill would have established interim commensurate federal support for independent children's teaching hospitals. NACH anticipates the bills will be reintroduced in the 106th Congress.

Founded in 1901, Childrens Hospital Los Angeles is a global resource for advanced pediatric care, research and medical education. Each year, the nonprofit 330-bed hospital treats nearly 200,000 patients from newborn to 18 years of age with specialized, multidisciplinary care in pediatric and adolescent medicine. CHLA houses an internationally recognized research program and, since 1932, has trained pediatric specialists through its affiliation with the University of Southern California School of Medicine.

For nine consecutive years--1990 to 1998--*U.S. News & World Report* magazine has named Childrens Hospital Los Angeles one of the top five pediatric facilities in the country, and the best in the West.

Visit us at our website: www.chla.org



Children's

Hospital Medical Center of Akron

NEWS RELEASE

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FOR IMMEDIATE RELEASE

PRESIDENT'S BUDGET HELPS LEVEL THE FUNDING FIELD FOR CHILDREN'S HOSPITALS THAT TRAIN PEDIATRICIANS

First Lady Delivers Good News to William Considine at White House Meeting

AKRON, Ohio (January 29, 1999) – Children's Hospital Medical Center of Akron, Ohio applauds the Clinton Administration's new initiative to help level the funding field for Children's Hospital and other independent children's teaching hospitals that train pediatricians.

First Lady Hillary Rodham Clinton announced at a meeting on Jan. 28 that the Clinton Administration has included federal funding for pediatric training programs of independent children's teaching hospitals in the President's FY2000 budget. Akron Children's Hospital President and CEO William Considine joined the heads of more than 30 other pediatric teaching hospitals at the White House on Jan. 28 for this announcement.

"By including federal funding for pediatric training at children's teaching hospitals in its budget, the Clinton Administration is taking an important step in ensuring our pediatric workforce for the 21st century," said Mr. Considine. "Pediatricians are vital to the health of our nation. And since the current system of financing physician training relies predominantly on Medicare (a program primarily for the elderly), children's hospitals are shortchanged when it comes to federal funding compared to other hospitals. The President's budget recognizes

-more-

ADD ONE - Funding

this unintentional but serious inequity and sends a strong message to Congress to do the same."

According to the National Association of Children's Hospitals (N.A.C.H.), adult teaching hospitals receive on average \$76,000 per doctor for training from the federal government. In contrast, Akron Children's and other independent children's teaching hospitals receive only about \$400 per resident, leaving children's hospitals absorbing the programs' unreimbursed costs.

"For years, Children's Hospital has paid to train children's doctors out of its bottom line while adult hospitals get reimbursed to train their doctors," said Mr. Considine. "We've done it because we know that the training pediatricians receive at Children's Hospital will allow them to provide the best possible care to children. This cost, however, has become increasingly harder to afford in the managed care environment."

Freestanding children's teaching hospitals receive little funding for training, although they train nearly 30 percent of pediatricians and the majority of pediatric sub-specialists. They also provide training to a substantial number of residents from other institutions who require pediatric rotations.

Through its various programs, Akron Children's trains several hundred physicians each year, and most pediatricians practicing in its 17-county service area were trained at Akron Children's.

On behalf of Akron Children's Hospital, Mr. Considine thanked the First Lady for taking a strong leadership role in advocating better health care for children through quality pediatric training. "It's gratifying to know that the Administration agrees that teaching programs at children's hospitals are critical to the future pediatric workforce and the future health of all children," he said. "For the past several years, we have shared this dilemma with elected officials at both the state and federal levels."

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ADD TWO - Funding

Ohio Congressman Sherrod Brown (D) along with Republican Representatives Nancy Johnson (R-CT) and Jim Greenwood (R-PA) and Senators Bob Kerrey (D-NE) and Christopher "Kit" Bond (R-MO) introduced the "Children's Hospitals Education and Research Act" (H.R. 3855 and S. 2049) to the 105th Congress. The bipartisan bills which Congressman Tom Sawyer (D-OH) co-signed, would have established interim commensurate federal support for independent children's teaching hospitals had they passed. N.A.C.H. anticipates the bills will be reintroduced in the 106th Congress.

Children's Hospital Oakland

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CHILDREN'S HOSPITAL OAKLAND CEO RECEIVES GOOD NEWS AT WHITE HOUSE MEETING

President's Budget Helps Level the Funding Field for Children's Hospitals That Train Pediatricians

WASHINGTON D.C. (January 28, 1999)-- Children's Hospital Oakland will benefit from the Clinton Administration's new initiative to help Children's Hospital Oakland and other independent children's hospitals that train pediatricians.

Children's Hospital Oakland President and CEO Tony Paap attended a meeting today at the White House, along with more than 30 other CEOs from pediatric teaching hospitals across the country. First Lady Hillary Rodham Clinton announced the Clinton Administration has included federal funding for pediatric training programs in the President's FY2000 budget.

"Children's Hospital Oakland is committed to providing the best care for its patients and the best training for its doctors," said Tony Paap. "By including federal funding for pediatric training, the Clinton Administration is taking an important step in ensuring our children continue to get the treatment they deserve. Our current system of financing physician training relies predominantly on Medicare and shortchanges children's hospitals. The President's budget sends a strong message to Congress to remedy this inequity."

According to the National Association of Children's Hospitals, adult teaching hospitals receive on average \$76,000 per doctor from the federal government for training. Children's and other independent children's teaching hospitals that do not share a Medicare provider number with an adult institution receive, on average, just \$400 per resident because they care for very few Medicare patients, the majority of whom are elderly. To protect pediatric training programs, children's hospitals are absorbing the programs' unreimbursed costs with little federal relief.

(more)

*The pediatric medical center
for Northern California*

747 Fifty Second Street
Oakland, CA 94609-1809
510 428 3000

Children's Hospital Oakland
Page two

"Children's Hospital Oakland has paid to train doctors while adult hospitals get reimbursed," said Tony Paap. "We've done it because we would not compromise our children's care. This cost, however, has become increasingly more difficult to afford in the managed care environment. Children's thanks the First Lady for taking a strong leadership role on our behalf and advocating better health care for children through quality pediatric training."

Representing less than one percent of all hospitals, freestanding children's teaching hospitals train nearly 30 percent of all pediatricians and the majority of many pediatric sub-specialists in a setting where residents can experience a full range of pediatric care. Children's Hospital Oakland is training 70 residents.

Children's Hospital Oakland is the oldest, largest, busiest and most comprehensive pediatric medical center between Los Angeles and Seattle. Founded in 1912, Children's Oakland is available to provide exceptional medical care for every child in the region.

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For more information contact: Carol Hyman
510-428-3367



CHILDREN'S
HEALTH SYSTEM

FOR IMMEDIATE RELEASE

January 28, 1999

Contact: Dianne Black
205/939-6660

Children are the
center of our lives.

**PRESIDENT'S BUDGET HELPS LEVEL THE FUNDING
FIELD FOR CHILDREN'S HOSPITALS THAT TRAIN
PEDIATRICIANS**

1600 7th Avenue, S.

Birmingham, AL 35233

Phone: (205) 939-9100

**First Lady delivers Good News to Hospital CEOs at White House
Meeting**

WASHINGTON, D.C. (January 28, 1999) – Children's Hospital of Birmingham, Alabama applauds the Clinton Administration's new initiative to help level the funding field for Children's Hospital of Alabama and 56 other independent children's hospitals that train pediatricians.

At a meeting today with the heads of more than 30 children's teaching hospitals in its budget, the Clinton Administration's is taking an important step in ensuring our pediatric workforce for the 21st century," said Jim Dearth, M.D., chief executive officer of the Children's Hospital. "Pediatricians are vital to the health of our nation. Our current system of financing physician training relies predominantly on Medicare and shortchanges children's hospitals compared to other hospitals when it comes to federal funding. The President's budget recognizes this unintended but serious inequity and sends a strong message to Congress to do the same."

According to the National Association of Children's Hospitals (N.A.C.H.), adult teaching hospitals receive on average \$76,000 per physician for training from the federal government. The Children's Hospital of Alabama and 56 other independent children's teaching hospitals receive, on average, just \$400 per resident because they care for very few Medicare patients – the majority of whom are elderly, not children. For Children's Hospital of Alabama the new funds could equate to as much as \$7 million. To protect pediatric training programs, children's hospitals are absorbing the programs' unreimbursed costs with little federal relief.

Press Release**January 28, 1999****Page Two**

"For years, the Children's Hospital of Alabama has paid to train children's doctors," said Jim Dearth, M.D. "We've done it because we know that the training pediatricians receive at Children's Hospital will allow them to provide the best possible care to children. This cost, however, has become increasingly harder to afford in the managed care environment."

"It is gratifying to know that the Administration agrees that teaching programs at children's hospitals are critical to the future pediatric workforce and the future health of all children," said Dr. Dearth. "The Children's Hospital thanks the First Lady for taking a strong leadership role on our behalf and advocating better health care for children through quality pediatric training. On our behalf, four members of the Alabama Congressional delegation - Senator Jeff Sessions, Representative Spencer Bachus, Representative Earl Hilliard, and Representative Robert Aderholt have led the Congressional effort to provide pediatric graduate medical education funding."

Representing less than one percent of all hospitals, freestanding children's hospitals train nearly 30 percent of pediatricians and the majority of many pediatric sub-specialists in a setting where residents can experience the full range of pediatric care. They also provide training to a substantial number of residents from other institutions who require pediatric rotations. In Alabama, more than 75% of practicing pediatricians received their training at the Children's Hospital.

In the 105th Congress, Senators Bob Kerrey (D-NE) and Christopher "Kit" Bond (R-MO), Representatives Sherrod Brown (D-OH), Nancy Johnson (R-CT), and Jim Greenwood (R-PA) introduced the "Children's Hospitals Education and Research Act" (S. 2049 and H.R. 3855). The bipartisan bill would have established interim commensurate federal support for independent children's teaching hospitals. N.A.C.H. and Children's Hospital anticipates the bills will be reintroduced in the 106th Congress. Dr. Dearth said, "We look forward to working with the four members of the Alabama delegation who were co-sponsors last year - Senator Jeff Sessions, Representative Spencer Bachus, Representative Earl Hilliard, and Representative Robert Aderholt to ensure the bill gains additional sponsors and passage this year."

**Children's Hospital
of The King's Daughters**
601 Children's Lane, Norfolk, Virginia 23507
NEWS RELEASE

FOR IMMEDIATE RELEASE

January 29, 1999

**Contact: George Stinnett
(757) 668-7043**

**PRESIDENT'S BUDGET HELPS LEVEL THE FUNDING FIELD FOR
CHILDREN'S HOSPITALS THAT TRAIN PEDIATRICIANS**

Norfolk, VA (January 29, 1999) – Children's Hospital of The King's Daughters applauds the Clinton Administration's new initiative to help level the funding field for independent children's teaching hospitals that train pediatricians.

At a meeting yesterday at the White House with Robert I. Bonar Jr., CHKD president and CEO, and the heads of more than 30 other children's teaching hospitals, First Lady Hillary Rodham Clinton announced the Clinton Administration has included federal funding for pediatric training programs of independent children's teaching hospitals in the President's FY2000 budget.

"By including federal funding for pediatric training at children's teaching hospitals in its budget, the Clinton Administration is taking an important step in ensuring our pediatric workforce for the 21st century," said Bonar. "Pediatricians are vital to the health of our nation. Our current system of financing physician training relies predominantly on Medicare and shortchanges children's hospitals compared to other hospitals when it comes to federal funding. The President's budget recognizes this unintended but serious inequity and sends a strong message to Congress to do the same."

According to the National Association of Children's Hospitals (N.A.C.H.), adult teaching hospitals receive on average \$76,000 per doctor for training from the federal government. CHKD and other independent children's teaching hospitals that do not share a Medicare provider number with a larger institution receive, on average, just \$400 per resident because they care for very few Medicare patients—the majority of whom are elderly, not children. To protect pediatric training programs, children's hospitals are absorbing the programs' unreimbursed costs with little federal relief.

"For years, CHKD has paid to train children's doctors out of our bottom line while adult hospitals get reimbursed to train their doctors," said Bonar. "We've done it because we know that the training pediatricians receive will allow them to provide the best possible care to children. This cost, however, has become increasingly harder to afford in the managed care environment."

Page 2

"It's gratifying to know that the Administration agrees that teaching programs at children's hospitals are critical to the future pediatric workforce and the future health of all children," said Bonar. "CHKD thanks the First Lady for taking a strong leadership role on our behalf and advocating better health care for children through quality pediatric training."

Representing less than one percent of all hospitals, freestanding children's teaching hospitals train nearly 30 percent of pediatricians and the majority of many pediatric sub-specialties in a setting where residents can experience the full range of pediatric care. They also provide training to a substantial number of residents from other institutions who require pediatric rotations.

In the 105th Congress, Senators Bob Kerrey (D-NE) and Christopher "Kit" Bond (R-MO) and Representatives Sherrod Brown (D-OH), Nancy Johnson (R-CT) and Jim Greenwood (R-PA) introduced the "Children's Hospitals Education and Research Act" (H.R. 3855 and S. 2049). The bipartisan bill would have established interim commensurate federal support for independent children's teaching hospitals. N.A.C.H. anticipates the bills will be reintroduced in the 106th Congress.

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The National Association of Children's Hospitals (N.A.C.H.) is the public policy affiliate of the National Association of Children's Hospitals and Related Institutions. Representing more than 100 freestanding acute care children's hospitals, freestanding children's rehabilitation and specialty hospitals, and children's hospitals organized within larger medical centers, it addresses public policy issues affecting children's hospitals' missions of service to the children of their communities, including clinical care, education, research and advocacy.

The National Association of Children's Hospitals and Related Institutions (NACHRI) is a not-for-profit membership association of 154 acute care children's hospitals, large pediatric units of major medical centers and related organizations, including those that specialize in rehabilitation and care of children with serious chronic and congenital illnesses. NACHRI's mission is to promote the well being of children and their families through support of children's hospitals that are committed to excellence in providing health care to children.



Children's
Hospital of Pittsburgh

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PRESIDENT'S BUDGET COULD HELP LEVEL THE FUNDING FIELD FOR CHILDREN'S HOSPITALS THAT TRAIN PEDIATRICIANS

First Lady Delivers Good News to CEO Ronald Violi at White House Meeting

PITTSBURGH, PA, January 28, 1999 – Children's Hospital of Pittsburgh applauds the Clinton Administration's new initiative to help level the funding field for Children's Hospital of Pittsburgh and other independent children's teaching hospitals that train pediatricians.

At a meeting today at the White House with Ronald Violi and the heads of more than 30 other children's teaching hospitals, First Lady Hillary Rodham Clinton announced that the Clinton Administration has included federal funding for pediatric training programs of independent children's teaching hospitals in the President's Fiscal Year 2000 budget.

"By including federal funding for pediatric training at children's teaching hospitals in its budget, the Clinton Administration is taking an important step in ensuring our pediatric workforce for the 21st century," said Ronald Violi, chief executive officer of Children's Hospital of Pittsburgh. "Pediatricians are vital to the health of our nation. Our current system of financing physician training relies predominantly on Medicare and shortchanges children's hospitals compared to other hospitals when it comes to federal funding. The President's budget recognizes this unintended but serious inequity and sends a strong message to Congress to do the same."

According to the National Association of Children's Hospitals (N.A.C.H.), adult teaching hospitals receive, on average, \$76,000 per doctor for training from the federal government. However, Children's Hospital of Pittsburgh and other independent children's teaching hospitals that do not share a Medicare provider number with a larger institution receive, on average, just \$400 per resident because they care for very few Medicare patients – the majority of whom are elderly, not children. To protect pediatric training programs, children's hospitals are absorbing the programs' unreimbursed costs with little federal relief.

- more -

-2-

"For years, Children's Hospital of Pittsburgh has paid to train children's doctors out of our bottom line while adult hospitals get reimbursed to train their doctors," said hospital CEO Ronald Violi. "We've done it because we know that the training pediatricians receive at Children's Hospital of Pittsburgh will allow them to provide the best possible care to children. This cost, however, has become increasingly harder to afford in the managed care environment."

"It's gratifying to know that the Administration agrees that teaching programs at children's hospitals are critical to the future pediatric workforce and the future health of all children," said Ronald Violi. "Children's Hospital of Pittsburgh thanks the First Lady for taking a strong leadership role on our behalf and advocating better health care for children through quality pediatric training."

Representing less than one percent of all hospitals, freestanding children's teaching hospitals train nearly 30 percent of all pediatricians and the majority of many pediatric sub-specialists in a setting where residents can experience the full range of pediatric care. They also provide training to a substantial number of residents from other institutions that require pediatric rotations.

In the 105th Congress, Senators Bob Kerrey (D-NE) and Christopher "Kit" Bond (R-MO) and Representatives Jim Greenwood (R-PA), Sherrod Brown (D-OH) and Nancy Johnson (R-CT) introduced the "Children's Hospitals Education and Research Act" (H.R. 3855 and S.2049). The bipartisan bill would have established interim commensurate federal support for independent children's teaching hospitals. The National Association of Children's Hospital (NACH) anticipates the bills will be reintroduced in the 106th Congress.

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The National Association of Children's Hospitals (N.A.C.H.) is the public policy affiliate of the National Association of Children's Hospitals and Related Institutions. Representing more than 100 freestanding acute care children's hospitals, freestanding children's rehabilitation and specialty hospitals, and children's hospitals organized within larger medical centers, it addresses public policy issues affecting children's hospitals' missions of service to the children of their communities, including clinical care, education, research and advocacy.

The National Association of Children's Hospitals and Related Institutions (NACHRI) is a not-for-profit membership association of 154 acute care children's hospitals, large pediatric units of major medical centers and related organizations, including those that specialize in rehabilitation and care of children with serious chronic and congenital illnesses. NACHRI's mission is to promote the wellbeing of children and their families through support of children's hospitals that are committed to excellence in providing health care to children.



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NewsRelease

FOR IMMEDIATE RELEASE

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PRESIDENT'S BUDGET HELPS LEVEL FUNDING FIELD FOR CHILDREN'S HOSPITALS THAT TRAIN PEDIATRICIANS

*First Lady Delivers Good News to
Children's Hospital of Wisconsin CEO at White House Meeting*

Milwaukee (1/28/99) - Children's Hospital of Wisconsin applauds the Clinton Administration's new initiative to help level the funding field for the hospital and the other independent pediatric teaching hospitals that train pediatricians.

At a meeting today at the White House with Children's Hospital President and CEO Jon E. Vice and heads of more than 30 other pediatric teaching hospitals, First Lady Hillary Rodham Clinton announced the Clinton Administration has included federal funding for pediatric training programs at independent pediatric teaching hospitals in the President's FY 2000 budget.

"By including federal funding for pediatric training at pediatric teaching hospitals in its budget, the Clinton Administration is taking an important step to ensure our pediatric workforce for the 21st century," Children's Hospital President and CEO Jon E. Vice, said.

MORE

add-1
pediatric training funds

"Pediatricians are vital to the health of our nation. Our current system of financing physician training relies predominantly on Medicare. It shortchanges pediatric hospitals compared to other hospitals when it comes to federal funding. The President's budget recognizes this unintended, but serious, inequity and sends a strong message to Congress to do the same."

According to the National Association of Children's Hospitals (NACH), adult teaching hospitals receive, on average, \$76,000 per doctor from the federal government. Children's Hospital of Wisconsin and other independent pediatric teaching hospitals that do not share a Medicare provider number with a larger institution receive about \$400 per doctor for training because they care for very few Medicare patients – the majority of whom are elderly, not children. To protect pediatric training programs, pediatric hospitals have been absorbing the programs' unreimbursed costs with little federal relief.

"For years, Children's Hospital of Wisconsin has paid to train pediatricians out of our bottom line, while adult hospitals were reimbursed to train their doctors," Vice said. "We've done it because we know the training pediatricians receive at Children's Hospital allows them to provide the best possible care to children. The cost, however, has become increasingly harder to afford in the managed care environment."

"It's gratifying to know the Administration agrees teaching programs at pediatric hospitals are critical to the future pediatric workforce and the future health of all children," Vice said. "We, at Children's Hospital of Wisconsin, thank the First Lady for taking a strong leadership role on our behalf and advocating better health care for children through quality pediatric training."

MORE

add-2

pediatric training funds

Representing less than one percent of all hospitals, freestanding pediatric teaching hospitals train nearly 30 percent of pediatricians and the majority of many pediatric subspecialists in a setting where they can experience the full range of pediatric care. They also provide training to a substantial number of physicians from other institutions who require pediatric rotations. In Wisconsin, approximately 50 percent of practicing pediatricians receive their training at Children's Hospital of Wisconsin. The hospital currently receives approximately \$20,000 from the Medicare program for this training. Annually, the hospital trains about 100 residents.

The "Children's Hospitals Education and Research Act" (H.R. 3855 and S. 2049) was introduced as a bipartisan bill to establish interim commensurate federal support for independent pediatric teaching hospitals in the 105th Congress. NACH anticipates the bills will be reintroduced in the 106th Congress.

"We are grateful to Wisconsin Representatives Gerald Kleczka and Thomas Barrett, both of whom have been very supportive of this effort," Vice said.

The National Association of Children's Hospitals (NACH) is the public policy affiliate of the National Association of Children's Hospitals and Related Institutions. Representing more than 100 freestanding acute care pediatric hospitals, freestanding pediatric rehabilitation and specialty hospitals and pediatric hospitals organized within larger medical centers, it addresses public policy issues affecting pediatric hospitals' missions of service to the children of their communities, including clinical care, education, research and advocacy.

The National Association of Children's Hospitals and Related Institutions (NACHRI) is a not-for-profit membership association of 154 acute care pediatric hospitals, large pediatric units of major medical centers and related organizations, including those that specialize in rehabilitation and care of children with serious chronic and congenital illnesses. NACHRI's mission is to promote the well being of children and their families through support of pediatric hospitals that are committed to excellence in providing health care to children.

Children's Hospital of Wisconsin, founded in 1894, is one of the leading centers for pediatric medicine in the United States. Private, independent, and not-for-profit, it serves Wisconsin and the Upper Peninsula, providing for the medical needs of children regardless of race, color, creed or ability to pay.

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News

Department of Corporate Communications

January 28, 1999
Contact: Jim Feuer

Children's President James M. Anderson At White House Meeting Today

*President Clinton's Budget to Help Level Funding Field
For Children's Training Hospitals*

CINCINNATI -- James M. Anderson, president and chief executive officer of Children's Hospital Medical Center of Cincinnati, was one of about 30 CEOs of children's teaching hospitals to meet at the White House today with First Lady Hillary Rodham Clinton.

The First Lady announced that the Clinton Administration has included in its FY 2000 budget federal funding for pediatric training programs at independent children's teaching hospitals.

"Our current system of financing physician training relies predominately on Medicare, thus shortchanging children's hospitals," says Anderson. "By including federal funding for pediatric training at children's teaching hospitals in its budget, the Clinton administration is taking an important step in ensuring our pediatric workforce of the 21st century."

Adult teaching hospitals receive on average \$76,000 per doctor from the federal government for training. Independent children's teaching hospitals that do not share a Medicare provider number with a larger institution receive on average about \$400 per resident, because they take care of few Medicare patients. Children's hospitals absorb those unreimbursed costs, which has become increasingly harder to afford in the managed care environment.

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White House meeting

-2-

CHMC

Freestanding children's hospitals represent less than 1 percent of all hospitals, but they train nearly 30 percent of pediatricians and most pediatric subspecialists. With 121 pediatric residents in five different programs, Children's Hospital Medical Center's program is one of the largest within a single institution in the United States.

Cincinnati Children's believes that its strong commitment to educating tomorrow's health-care practitioners enhances its patient-care program. "By training physicians and other health-care professionals, we not only create a stimulating environment that attracts the best of today's care givers, we also shape the future of health care," says Anderson.

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Public Affairs and Communications
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NewsRelease

ASSIGNMENT EDITOR
For Immediate Release:
January 28, 1999

CHILDREN'S MEMORIAL HOSPITAL CEO MEETS WITH FIRST LADY ON INCREASED FUNDING FOR CHILDREN'S TEACHING HOSPITALS

At a White House meeting today, the president and CEO of Children's Memorial Hospital Patrick Magoon, and heads of more than 30 other children's teaching hospitals met with First Lady Hillary Rodham Clinton. The First Lady announced that the Clinton Administration has included in its budget \$40 million in federal funding for pediatric training programs of independent children's teaching hospitals.

Magoon applauds the Clinton Administration's new initiative to help level the funding field for Children's and other independent children's hospitals that train pediatricians.

"The Clinton Administration is taking an important step in ensuring a well-educated and trained pediatric workforce for the 21st century," said Magoon. "Our current system of financing physician training significantly shortchanges children's hospitals compared to other hospitals."

According to the National Association of Children's Hospitals, adult teaching hospitals receive on average \$76,000 per doctor for training from the federal government. Children's and other free-standing children's teaching hospitals that do

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Hospital Reimbursement/add two

not share a Medicare provider number with a larger institution receive, on average, \$400 per resident.

Representing less than one percent of all hospitals, freestanding children's teaching hospitals train nearly 30 percent of pediatricians and the majority of many pediatric sub-specialists.

"Children's, which is one of the major pediatric training centers in the country, trains 151 residents each year. We can not continue to absorb the programs' unreimbursed costs with little relief," said Magoon. "Children's thanks the First Lady for taking a strong leadership role on our behalf and advocating better health care for children through quality pediatric training."

For more information, contact Julie Pesch, Public Affairs and Communications, Children's Memorial Hospital, 773-880-4500.

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Children's
National Medical Center.

Serving Children and Their Families Since 1870

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PRESIDENT'S BUDGET HELPS LEVEL THE FUNDING FOR CHILDREN'S HOSPITALS THAT TRAIN PEDIATRICIANS

Children's National Medical Center CEO Meets with First Lady to Discuss funding

Washington, D.C. (January 28, 1999) – At a meeting today at the White House with Children's National Medical Center (CNMC) CEO Edwin K. Zechman and the heads of more than 30 other children's teaching hospitals, First Lady Hillary Rodham Clinton announced the Clinton Administration has included federal funding for pediatric training programs of independent children's teaching hospitals in the President's FY2000 budget.

"By including federal funding for pediatric training at children's teaching hospitals in its budget, the Clinton Administration is taking an important step in ensuring our pediatric workforce for the 21st century," said Zechman. "Pediatricians are vital to the health of our nation. Our current system of financing physician training relies predominantly on Medicare and shortchanges children's teaching hospitals compared to other hospitals when it comes to federal funding. The President's budget recognizes this unintended but serious inequity and sends a strong message to Congress to do the same."

According to the National Association of Children's Hospitals (N.A.C.H.), adult teaching hospitals receive an average of \$76,000 per resident for training from the federal government. CNMC and other independent children's teaching hospitals that do not share a Medicare provider number with a larger institution receive, on average, just \$400 per resident because they care for very few Medicare patients – the majority of whom are elderly, not children. To protect pediatric training programs, children's hospitals are absorbing the programs' unreimbursed costs with little federal relief.

"For years, CNMC has paid to train children's doctors out of our bottom line while adult hospitals get reimbursed to train their doctors," said Zechman. "We've done it because we know that the training pediatricians receive at CNMC will allow them to

(more)

provide the best possible care to children. Today's managed care environment makes it more challenging to finance medical educations."

"It's gratifying to know that the Administration agrees that the teaching programs at children's hospitals are critical to the future pediatric workforce and the future health of all children," said Zechman. "CNMC thanks the First Lady for taking a strong leadership role on our behalf and advocating better healthcare for children through quality of pediatric training."

Representing less than one percent of all hospitals, freestanding children's teaching hospitals train nearly 30 percent of pediatricians and the majority of many pediatric sub-specialists in a setting where residents can experience the full range of pediatric care. They also provide training to a substantial number of residents from other institutions who require pediatric rotations.

In the 105th Congress, Senators Bob Kerrey (D-NE) and Christopher "Kit" Bond (R-MO) and Representatives Sherrod Brown (D-OH), Nancy Johnson (R-CT) and Jim Greenwood (R-PA) introduced the "Children's Hospitals Education and Research Act" (H.R. 3855 and S. 2049). The bipartisan bill would have established interim commensurate federal support for independent children's teaching hospitals. N.A.C.H. anticipates the bills will be reintroduced in the 106th Congress.

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Children's National Medical Center (CNMC) is a private non-profit medical and research facility. The CNMC family includes six suburban outpatient centers located in Upper Marlboro, MD; Laurel, MD; Shady Grove, MD; Frederick, MD; Fairfax, VA and the Spring Valley neighborhood in Northwest D.C. CNMC also has a regional network of over 200 pediatricians and offers ambulatory surgery centers in Rockville, MD and Arlington, VA. For over 125 years, CNMC has been providing a complete range of pediatric care to local, national, and international patients.



**Connecticut
Children's
MEDICAL CENTER**

Public Relations Office

Connecticut Children's Medical Center
282 Washington Street Hartford, CT 06106-3316

news release

FOR IMMEDIATE RELEASE: January 28, 1999

CONTACT: Tom Hanley, Public Relations 860.545.9954 or pager, 860.948.3553

"A FIRST STEP" FOR FUNDING CHILDREN'S HOSPITAL TEACHING PROGRAMS

HARTFORD --Larry Gold, President and CEO of Connecticut Children's Medical Center, said he applauds the Clinton Administration's new initiative to help independent children's hospitals receive federal funding for the cost of training pediatricians.

"While it is unclear at the moment what children's teaching hospitals will actually receive in terms of funding, we are hopeful that at the end of the Congressional session, children's hospitals will be fairly compensated for the true cost of training pediatric physicians. The fact that the Administration has included some funding in the budget is an important first step," Gold said.

"The fact is that while children's hospitals train 30 percent of the nation's pediatricians and 50 percent of the pediatric specialists, under the present structure for graduate medical education we receive little or no federal funding," Gold said. He explained that adult teaching hospitals receive federal funding for the cost of training physicians through Medicare reimbursement, but children's hospitals have been excluded because Medicare is primarily an insurance program for adults.

"It has been an unintended but serious oversight in the system for years, and represents a huge funding inequity which effects children's teaching hospitals," Gold said. "In order to operate pediatric training programs, independent children's hospitals have been absorbing the cost out of the bottom line, while adult hospitals get reimbursed from the federal government to train their doctors."

The Clinton Administration's support for pediatric physician training in the budget proposal (amounting to \$40 million nationally) was announced by First Lady Hillary Rodham Clinton at a White House meeting Thursday attended by Gold and other children's hospital CEOs. Gold said he was "gratified to see that the Administration agrees that federal support for teaching programs at children's hospitals is critical to our ability to educate the pediatric providers of the future."

Connecticut has been at the forefront of efforts by children's teaching hospitals to bring about change in federal policy to support pediatric physician training in the new Clinton budget. In fact, Connecticut was the first state to have its entire Congressional delegation sign on to support the proposed legislation last year.

"Clearly Connecticut has had strong bi-partisan support on this issue" said Gold. "We are extremely grateful to Representative Nancy Johnson, who was an original co-sponsor of the 'Children's Hospital Education and Research Act' last year. She will reintroduce the legislation this session. Governor John Rowland demonstrated his support of this issue by writing to Republican congressional leadership, the President, and his gubernatorial peers to gain their commitment. US Senator Christopher Dodd was an original Senate sponsor. He also arranged meetings for children's hospital representatives with key officials from the Clinton administration."

 Wayne State University**DMC** The Detroit
Medical Center**FOR IMMEDIATE RELEASE**
January 28, 1999**Contact Julie Nemeth**
(313) 578-3800**PRESIDENT'S BUDGET HELPS LEVEL THE FUNDING FIELD FOR
CHILDREN'S HOSPITALS THAT TRAIN PEDIATRICIANS****First Lady Delivers Good News to Larry E. Fleischmann, MD, at White House
Meeting**

Washington, D.C. (January 28, 1999) – Children's Hospital of Michigan, of Detroit, Michigan, applauds the Clinton Administration's new initiative to help level the funding field for Children's Hospital of Michigan and other independent children's teaching hospitals that train pediatricians.

At a meeting today at the White House with Larry E. Fleischmann and the heads of more than 30 other children's teaching hospitals, First Lady Hillary Rodham Clinton announced the Clinton Administration has included federal funding for pediatric training programs of independent children's teaching hospitals in the President's FY2000 budget.

"By including federal funding for pediatric training at children's teaching hospitals in its budget, the Clinton Administration is taking an important step in ensuring our pediatric workforce for the 21st century," said Dr. Fleischmann, Senior Vice President of Children's Hospital of Michigan. "Pediatricians are vital to the health of our nation. Our current system of financing physician training relies predominantly on Medicare and shortchanges children's hospitals compared to other hospitals when it comes to federal funding. The President's budget recognizes this unintended but serious inequity and sends a strong message to Congress to do the same."

According to the National Association of Children's Hospitals (N.A.C.H.), adult teaching hospitals receive on average \$76,000 per doctor for training from the federal government. Children's Hospital of Michigan and other independent children's teaching hospitals that do not share a Medicare provider number with a larger institution receive, on average, just \$400 per resident because they care for very few Medicare patients – the majority of whom are elderly, not children. To protect pediatric training programs, children's hospitals are absorbing the programs' unreimbursed costs with little federal relief.

"For years, Children's Hospital of Michigan has paid to train children's doctors out of our bottom line while adult hospitals get reimbursed to train their doctors," said Dr. Fleischmann. "We've done it because we know that the training pediatricians receive at Children's Hospital of Michigan will allow them to provide the best possible care to children. This cost, however, has become increasingly harder to afford in the managed care environment."

"It's gratifying to know that the Administration agrees that teaching programs at children's hospitals are critical to the future pediatric workforce and the future health of all children," said Dr. Fleischmann. "Children's Hospital of Michigan thanks the First Lady for taking a strong leadership role on our behalf and advocating better health care for children through quality pediatric training."

Representing less than one percent of all hospitals, freestanding children's teaching hospitals train nearly 30 percent of pediatricians and the majority of many pediatric subspecialists in a setting where residents can experience the full range of pediatric care. They also provide training to a substantial number of residents from other institutions who require pediatric rotations. Half the pediatricians in Southeast Michigan and one third of practicing pediatricians in Michigan received their training at Children's Hospital of Michigan.

In the 105th congress, Senators Bob Kerrey (D-NE) and Christopher "Kit" Bond (R-MO) and Representatives Sherrod Brown (D-OH), Nancy Johnson (R-CT) and Jim Greenwood (R-PA) introduced the "Children's Hospitals Education and Research Act" (H.R. 3855 and S. 2049). The bipartisan bill would have established interim commensurate federal support for independent children's teaching hospitals. N.A.C.H. anticipates the bills will be reintroduced in the 106th Congress.

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NEWS RELEASE

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FOR IMMEDIATE RELEASE

FEDERAL BUDGET LEVELS THE FIELD FOR CHILDREN'S HOSPITALS **First lady delivers funding news to Margaret Perryman at White House Meeting**

Washington, DC [January 27, 1999] – Gillette Children's Specialty Healthcare CEO and President Margaret Perryman was on hand for a Clinton Administration announcement of a new initiative to help level the funding field for Gillette Children's and other independent children's teaching hospitals.

At a meeting today at the White House with Perryman and the heads of more than 30 other children's teaching hospitals, First Lady Hillary Rodham Clinton announced the Administration has included federal funding for pediatric training programs at independent children's teaching hospitals in the President's fiscal year 2000 budget.

"By including federal funding for pediatric training at children's teaching hospitals in its budget, the Clinton Administration is taking an important step toward ensuring that quality pediatricians continue to be trained," said Perryman. "For years, Gillette Children's has paid to train pediatricians, while adult hospitals have been reimbursed. We've continued this because we know that training pediatric doctors is vital to the health of our community."

Gillette Children's Specialty Healthcare is an independent, not-for-profit hospital and clinics with facilities in St. Paul, Minnetonka and New Brighton. Gillette is world renown for its work in the diagnosis and treatment of children, adolescents and young adults with chronic conditions, including cerebral palsy, brain and spinal cord injuries, complex orthopaedic problems, arthritis, epilepsy, chronic pain, spina bifida and technology dependent conditions.



**LUCILE PACKARD CHILDREN'S
HEALTH SERVICES**

UCSF Stanford Health Care

NEWS

For immediate release

Contact: Monique Binkley Smith
(650) 497-8364

President's Budget Provides More Funding for Children's Hospitals that Train Pediatricians

*First Lady Delivers News to Lucile Packard Children's Health Services C.O.O.
Christopher Dawes*

WASHINGTON, D.C. (January 28, 1999) – Lucile Packard Children's Health Services, a part of UCSF Stanford Health Care, applauds the Clinton Administration's new initiative to provide more funding for Lucile Salter Packard Children's Hospital at Stanford and other independent children's teaching hospitals that train pediatricians.

At a White House meeting today with the heads of more than 30 children's teaching hospitals, First Lady Hillary Rodham Clinton announced the Clinton Administration has included federal funding for pediatric training programs of independent children's teaching hospitals in the President's FY2000 budget.

"By including federal funding for pediatric training at children's teaching hospitals in its budget, the Clinton Administration is taking an important step in ensuring an adequate number of pediatricians to take care of children in the 21st century," said Christopher Dawes, chief operating officer for Lucile Packard Children's Health Services who attended the meeting with the First Lady. "Pediatricians are vital to the health of our nation. The president's budget recognizes the unintended but serious inequity of the current system of financing physician training and sends a strong message to Congress."

The government now helps pay for training doctors by reimbursing hospitals through the Medicare program for the elderly. But that system is based on the number of Medicare patients a hospital sees, which creates a disadvantage for hospitals that treat mainly children.

According to the National Association of Children's Hospitals (N.A.C.H.), adult

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teaching hospitals receive on average \$76,000 per doctor for training from the federal government as opposed to children's hospitals which receive just \$400 per resident on average.

For years, Lucile Salter Packard Children's Hospital has paid to train children's doctors out of our bottom line while adult hospitals get reimbursed to train their doctors, said Dawes. "We've done it because we know the training that pediatricians receive at Lucile Salter Packard Children's Hospital will allow them to provide the best possible care to children. This cost, however, has become increasingly harder to afford in the managed care environment."

"We are especially pleased with the announcement because Lucile Packard Children's Health Services is in a unique situation as a result of the merger that created UCSF Stanford Health Care. Our pediatric program at UCSF trains about the same number of residents (44) per year as Lucile Salter Packard Children's Hospital, but UCSF receives \$3.5 million more a year in reimbursement. The new money will help to create equity across our combined pediatric services."

"It's gratifying to know that the Administration agrees that teaching programs at children's hospitals are critical to future pediatricians and the future health of all children," said Dawes. "Lucile Salter Packard Children's Hospital thanks the First Lady for taking a strong leadership role on our behalf and advocating better health care for children through quality pediatric training."

Representing less than one percent of all hospitals, freestanding children's teaching hospitals train nearly 30 percent of pediatricians and the majority of many pediatric sub-specialists in a setting where residents can experience the full range of pediatric care. They also provide training to a substantial number of residents from other institutions who require pediatric rotations.

In the 105th Congress, Senators Bob Kerrey (D-NE) and Christopher "Kit" Bond (R-MO) and Representatives Sherrod Brown (D-OH), Nancy Johnson (R-CT) and Jim Greenwood (R-PA) introduced the "Children's Hospitals Education and Research Act" (H.R. 3855 and S. 2049). The bipartisan bill would have established interim commensurate federal support for independent children's teaching hospitals. N.A.C.H. anticipates the bills will be reintroduced in the 106th Congress.



THE MARY ANN KNIGHT INTERNATIONAL INSTITUTE OF PEDIATRICS
FOUNDED AS VARIETY CHILDREN'S HOSPITAL

FOR IMMEDIATE RELEASE

Contact: Monique Armbrister
(305) 663-8476

PRESIDENT'S BUDGET HELPS LEVEL THE FUNDING FIELD FOR CHILDREN'S HOSPITALS THAT TRAIN PEDIATRICIANS

First Lady Delivers Good News to Miami Children's Hospital CEO at White House Meeting

WASHINGTON, D.C. (January 28, 1999) - Miami Children's Hospital applauds the Clinton Administration's new initiative to help level the funding field for Miami Children's Hospital and other independent children's teaching hospitals that train pediatricians.

At a meeting today at the White House with Thomas M. Rozek and the heads of more than 30 other children's teaching hospitals, First Lady Hillary Rodham Clinton announced the Clinton Administration has included federal funding for pediatric training programs of independent children's teaching hospitals in the President's FY2000 budget.

"By including federal funding for pediatric training at children's teaching hospitals in its budget, the Clinton Administration is taking an important step in ensuring our pediatric workforce for the 21st century," said Rozek, the recently-appointed chief executive officer of Miami Children's Hospital. "Pediatricians are vital to the health of our nation. Our current system of financing physician training relies predominantly on Medicare and shortchanges children's hospitals compared to other hospitals when it comes to federal funding. The President's budget recognizes this unintended but serious inequity and sends a strong message to Congress to do the same."

According to the National Association of Children's Hospitals (N.A.C.H.), adult teaching hospitals receive on average \$76,000 per doctor for training from the federal government. Miami Children's Hospital and other independent children's teaching hospitals that do not share a Medicare provider number with a larger institution receive, on average, just \$200 per resident because they care for very few Medicare patients—the majority of whom are elderly, not children. To protect pediatric training programs, children's hospitals are absorbing the programs' unreimbursed costs with little federal relief.

"For years, Miami Children's Hospital has paid to train children's doctors out of our bottom line while adult hospitals get reimbursed to train their doctors," said Rozek. "We've done it because we know that the training pediatricians receive at Miami Children's Hospital will allow them to provide the best possible care to children. This cost, however, has become increasingly harder to afford in the managed care environment."

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WHITE HOUSE MEETING/2

"It's gratifying to know that the Administration agrees that teaching programs at children's hospitals are critical to the future pediatric workforce and the future health of all children," said Rozek. "Miami Children's Hospital thanks the First Lady for taking a strong leadership role on our behalf and advocating better health care for children through quality pediatric training."

Representing less than one percent of all hospitals, freestanding children's teaching hospitals train nearly 30 percent of pediatricians and the majority of many pediatric subspecialists in a setting where residents can experience the full range of pediatric care. They also provide training to a substantial number of residents from other institutions who require pediatric rotations. In Florida, almost 20 percent of practicing pediatricians received their training at Miami Children's Hospital.

In the 105th Congress, Senators Bob Kerrey (D-NE) and Christopher "Kit" Bond (R-MO) and Representatives Sherrod Brown (D-OH), Nancy Johnson (R-CT) and Jim Greenwood (R-PA) introduced the "Children's Hospitals Education and Research Act" (H.R. 3855 and S. 2049). The bipartisan bill would have established interim commensurate federal support for independent children's teaching hospitals. N.A.C.H. anticipates the bills will be reintroduced in the 106th Congress.

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The National Association of Children's Hospitals (N.A.C.H.) is the public policy affiliate of the National Association of Children's Hospitals and Related Institutions. Representing more than 100 freestanding acute care children's hospitals, freestanding children's rehabilitation and specialty hospitals, and children's hospitals organized within larger medical centers, it addresses public policy issues affecting children's hospitals' missions of service to the children of their communities, including clinical care, education, research and advocacy.

The National Association of Children's Hospitals and Related Institutions (NACHRI) is a not-for-profit membership association of 154 acute care children's hospitals, large pediatric units of major medical centers and related organizations, including those that specialize in rehabilitation and care of children with serious chronic and congenital illnesses. NACHRI's mission is to promote the well being of children and their families through support of children's hospitals that are committed to excellence in providing health care to children.

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FOR IMMEDIATE RELEASE

January 28, 1999

Contact: Kathy Eichlin (215) 427-5396

**PRESIDENT'S BUDGET HELPS LEVEL THE FUNDING FIELD FOR CHILDREN'S
HOSPITALS THAT TRAIN PEDIATRICIANS**

**First Lady Delivers Good News to Calvin Bland, CEO at St. Christopher's Hospital
for Children at White House Meeting Today**

Calvin Bland, CEO of St. Christopher's Hospital for Children in Philadelphia and chairman of the National Association of Children's Hospital's (NACHRI) has been invited to the White House as a featured guest at First Lady Hillary Rodham Clinton's national press conference on the Clinton Administration's new initiative to help level the funding field for children's teaching hospitals that train pediatricians.

At a meeting today at the White House with Mr. Bland and the heads of more than 30 other children's teaching hospitals, First Lady Hillary Rodham Clinton announced the Clinton Administration has included federal funding for pediatric training programs of independent children's teaching hospitals in the President's FY2000 budget.

"By including federal funding for pediatric training at free-standing children's teaching hospitals in its budget, the Clinton Administration is taking an important step in ensuring our pediatric workforce for the 21st century," said Calvin Bland, chief executive officer at St. Christopher's Hospital for Children and chairman of NACHRI.

According to the National Association of Children's Hospitals (NACH), adult teaching hospitals receive on average \$76,000 per doctor for training from the federal government. St. Christopher's Hospital for Children and other independent children's teaching hospitals that do not share a Medicare provider number with a larger institution receive, on average, just \$400 per resident because they care for very few Medicare patients--the

majority of whom are elderly, not children. To protect pediatric training programs, children's hospitals are absorbing the programs' unreimbursed costs with little federal relief.

"It is gratifying to know that the Clinton Administration agrees that teaching programs at children's hospitals are critical to the future pediatric workforce and the future health of all children," said Mr. Bland. "St. Christopher's Hospital for Children thanks the First Lady for taking a leadership role on our behalf and advocating better health care for children through quality pediatric training."

Representing less than one percent of all hospitals, freestanding children's teaching hospitals train nearly 30 percent of pediatricians and the majority of many pediatric subspecialists in a setting where residents can experience the full range of pediatric care. They also provide training to a substantial number of residents from other institutions who require pediatric rotations.

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News Release

St. Louis Children's Hospital
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February 1, 1999

St. Louis Children's Hospital President Meets with First Lady to Discuss Funding

ST. LOUIS, Feb. 1, 1999 — St. Louis Children's Hospital President Ted Frey and the heads of more than 30 other children's teaching hospitals met with First Lady Hillary Rodham Clinton at the White House Thursday to discuss the Clinton Administration's new initiative to help level the funding field for St. Louis Children's Hospital and other independent children's teaching hospitals that train pediatricians.

The First Lady announced that the Clinton Administration has included federal funding for pediatric training programs at independent children's teaching hospitals in the President's FY2000 budget.

"By including federal funding for pediatric training at children's teaching hospitals in its budget, the Clinton Administration is taking an important step in ensuring our pediatric workforce for the 21st century," said Frey. "Pediatricians are vital to the health of our nation. Our current system of financing physician training relies predominantly on Medicare and shortchanges children's hospitals compared to other hospitals when it comes to federal funding. The President's budget recognizes this unintended but serious inequity and sends a strong message to Congress to do the same."

According to the National Association of Children's Hospitals (N.A.C.H.), St. Louis Children's Hospital and other independent children's teaching hospitals that do not share a Medicare provider number with a larger institution receive, on average, just \$400 per resident because they care for very few Medicare patients — most of whom are elderly, not children.

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Budget/Add 1

To protect pediatric training programs, children's hospitals are absorbing the programs' unreimbursed costs with little federal relief. In Missouri, the Medicaid program has recognized the serious inequity that exists in pediatric graduate medical education financing and has reimbursed St. Louis Children's Hospital approximately 15 percent of the hospital's total teaching costs.

"For years, St. Louis Children's Hospital has paid to train children's doctors out of our bottom line," said Frey. "We've done it because we know that the training pediatricians receive at Children's Hospital will allow them to provide the best possible care to children. This cost, however, has become increasingly harder to afford in the managed care environment.

"It's gratifying to know that the Administration agrees that teaching programs at children's hospitals are critical to the future pediatric workforce and the future health of all children," Frey said. "St. Louis Children's Hospital thanks the First Lady for taking a strong leadership role on our behalf and advocating better healthcare for children through quality pediatric training."

Representing less than 1 percent of all hospitals, freestanding children's teaching hospitals train nearly 30 percent of pediatricians and the majority of many pediatric subspecialists in a setting where residents can experience the full range of pediatric care. They also provide training to a substantial number of residents from other institutions who require pediatric rotations.

In 1991, St. Louis Children's Hospital launched an additional educational program called Community Outpatient Practice Experience (COPE), which represents a unique partnership among Washington University School of Medicine, St. Louis Children's Hospital and primary care physicians in the community. Through the program, pediatric residents are paired with experienced community pediatricians, who act as mentors during the three-year residency program. Residents spend a half day each week in the physician's office, gaining experience with general pediatric issues ranging from asthma and ear infections to adolescent health supervision and toddler sleeping dilemmas.

-- more --

Budget/Add 2

In the 105th Congress, Senators Christopher "Kit" Bond (R-MO) and Bob Kerrey (D-NE) and Representatives Sherrod Brown (D-OH), Nancy Johnson (R-CT) and Jim Greenwood (R-PA) introduced the "Children's Hospitals Education and Research Act" (H.R. 3855 and S. 2049). The bipartisan bill would have established interim commensurate federal support for independent children's teaching hospitals. N.A.C.H. anticipates the bills will be reintroduced in the 106th Congress.

St. Louis Children's Hospital is a member of BJC Health System, the first fully integrated healthcare system in the country to join an academic medical center with suburban, rural and metropolitan-based healthcare facilities. St. Louis Children's Hospital also is affiliated with Washington University School of Medicine.

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Editor's note: For more information or to arrange an interview with Children's Hospital President Ted Frey, please call Patty Johnson at 286-0304.

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January 29, 1999

FIRST LADY DELIVERS GOOD NEWS TO VALLEY CHILDREN'S HOSPITAL AT WHITE HOUSE MEETING

At a meeting yesterday with First Lady Hillary Rodham Clinton at the White House, J.D. Northway, M.D., President and CEO of Valley Children's Health System and 30 other children's teaching hospital administrators learned about the Clinton Administration plan to include federal funding for pediatric training programs and fight childhood asthma.

Both initiatives will be included in the budget President Clinton submits to Congress next week for the fiscal year starting October 1st, said a White House official. The \$68 million asthma plan, is billed as the "first-ever comprehensive, administration-wide strategy" to fight the disease. Most of the money, \$50 million, would be used for competitive state grants to identify and treat poor children served by Medicaid who have asthma.

Fresno County has the third highest asthma mortality rate in the United States. There were 6,000 emergency room visits at Valley Children's by children with asthma in 1997. Fresno Unified School District recorded 4,989 asthma cases making this disease the second most frequent health problem among school age children. Hospitalizations for asthma cost over \$350 million each year in California.

The new Valley Children's Hospital Pediatric Mobile Asthma Van is scheduled to visit elementary schools in rural areas. Asthma is the most common cause of school absences due to chronic medical problems. This new pediatric program is the first of its kind in Central California. Trained pediatric nurses will screen children and educate parents about asthma and its effects on their health.

To protect pediatric training programs, children's hospitals are absorbing the programs' unreimbursed costs with little federal relief.

"By including federal funding for pediatric training at children's teaching hospitals in its budget, the Clinton Administration is taking an important step in ensuring our pediatric workforce for the 21st century," said Dr. Northway. "Pediatricians are vital to the health of our nation. Our current system of financing physician training relies predominantly on Medicare and shortchanges children's hospitals compared to other hospitals when it comes to federal funding. The President's budget will recognize this unintended but serious inequity and sends a strong message to Congress to do the same."

According to the National Association of Children's Hospitals (N.A.C.H.) adult teaching hospitals receive on average \$76,000 per doctor for training from the federal government. Valley Children's Hospital and other independent children's teaching hospitals that do not share a Medicare provider number with a larger institution receive, on average, just \$400 per resident because they care for very few Medicare patients, the majority of whom are elderly, not children. In 1997 Valley Children's received just \$236 per resident.

For over twenty years, Valley Children's Hospital, has paid to train children's doctors while adult hospitals get reimbursed to train their doctors, according to Robert Kezirian, M.D., Pediatric Residency Coordinator at Valley Children's. "Our program continues to grow and we know that the training pediatricians receive here will allow them to provide the best possible care for the large number of underserved children. In the managed care environment this cost has become increasingly harder to cover," said Kezirian, who was trained as a pediatric resident at Valley Children's from 1985 to 1988.

Representing less than one percent of all hospitals, freestanding children's teaching hospitals train nearly 30 percent of pediatricians and the majority of many pediatric sub-specialists in a setting where residents can experience the full range of pediatric care. At Valley Children's there are over 30 sub-specialty clinics where residents can receive their pediatric training. Approximately half of the primary care pediatricians who practice in Central California have received their training at Valley Children's which is affiliated with UC San Francisco-Fresno, Central San Joaquin Medical Education Program and Community Health System. At least 80 percent of the residents who graduate stay in California.

Palo Alto Daily News 1-29-99

Hillary Clinton proposal would increase funding at Packard Children's Hospital

BY SARAH LOMBARDO
PALO ALTO DAILY NEWS STAFF

Officials from the Lucile Salter Packard Children's Hospital at Stanford say they are pleased with a Clinton Administration proposal to increase funding to independent children's teaching hospitals.

The plan, unveiled by Hillary Rodham Clinton yesterday in Washington, D.C., includes federal funding for children's teaching hospitals, like the Lucile Salter Packard hospital, in the President's budget for the fiscal year 2000.

Currently, teaching hospitals are partially reimbursed for training doctors based on the number of Medicare patients they see. But independent children's hospitals see very

few Medicare patients, which means less funding.

"Those hospitals that are not a part of an adult facility are really at a disadvantage," Christopher Dawes, chief operating officer for Lucile Packard Children's Health Services, told the Daily News.

Federal funding for children's hospitals would put them on the same funding level as other hospitals, Dawes said, and would let children's hospitals continue to concentrate on training pediatricians without worrying about cutting into revenue.

Although the Lucile Salter Packard Children's Hospital merged last year with the University of California at San Francisco's medical center to create the UCSF Stanford Health Care facility, Dawes said offi-

cials are keeping the children's hospital a separate entity.

Dawes said now it costs the Lucile Packard Children's Health Services between \$4 and \$5 million to run its teaching program, and it trains about 44 doctors a year. But the hospital only receives \$330 a year per doctor.

On the other hand, adult teaching hospitals receive some \$76,000 per doctor from the federal government, according to the National Association of Children's Hospitals.

Dawes said that although independent children's hospitals account for less than one percent of all hospitals in the nation, almost 30 percent of all pediatricians — and about half of all pediatric specialists — are trained by them.

METRO/STATE

Children's Hospital will share in funds for MDs

By MICHAEL BRUMAS

News Washington correspondent

WASHINGTON — The Clinton administration wants to spend \$40 million helping Children's Hospital of Alabama and other pediatric teaching hospitals train pediatricians.

First Lady Hillary Rodham Clinton announced Thursday that the president's budget request for the fiscal year that begins Oct. 1 will include \$40 million to help the nation's 57 independent children's hospitals train pediatricians.

"The funding for those who work with children and are being trained to work with children is grossly disproportionate to the need," Mrs. Clinton said in a speech at the National Press Club.

Clinton will submit his Fiscal Year 2000 budget to Congress on Monday.

Jim Dearth, chief executive officer of Children's Hospital in Birmingham, said the existing system of financing physician training shortchanges children's hospitals.

"The president's budget recognizes this unintended but serious in-

equity and sends a strong message to Congress to do the same," he said.

Medicare is the primary source of funding for graduate medical education in the nation. But because children's hospitals have few if any Medicare patients — only children with end-stage renal disease — they get very little, if any, federal money for graduate medical education through Medicare.

Dearth said adult teaching hospitals receive an average of \$76,000 in federal aid per physician for training, compared to about \$400 per pediatric resident at the 57 indepen-

dent children's teaching hospitals.

Children's Hospital of Alabama has paid to train children's doctors, he said, but that has become "increasingly harder to afford in the managed care environment."

During the last Congress, bipartisan bills were introduced in the Senate and the House of Representatives to provide money for pediatric training, but the legislation was never passed.

Four Alabama lawmakers — Republican Sen. Jeff Sessions, and Reps. Spencer Bachus, R-Vestavia Hills; Earl Hilliard, D-Birmingham;

and Robert Aderholt, R-Haleyville — were co-sponsors.

Bachus applauded Clinton for including the proposal in next year's budget.

"Our health care system ought to put our children first," he said. "The present Medicare set-up on training doctors puts them last. This is an important step at getting our priorities right."

Suzanne Respass, spokeswoman for Children's Hospital of Alabama, said the legislation last year called for \$300 million to fund the 57 pediatric graduate medical education

programs excluded from the existing Medicare formula.

She said Children's Hospital in Birmingham, which trained more than 75 percent of the practicing pediatricians in Alabama, could get as much as \$7 million under last year's bill. Similar legislation is expected to be reintroduced shortly in the new 106th Congress, she said.

"Children's Hospital is extremely important to all Alabama families," said Sessions, who promised to make sure it "gets the support that it needs to remain a leader in pediatric care and training."

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Pittsburgh Post-Gazette

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January 30, 1999, Saturday, SOONER EDITION

SECTION: LOCAL, Pg. A-8

LENGTH: 338 words

HEADLINE: PEDIATRIC TRAINING BID WOULD AID CHILDREN'S

BYLINE: CHRISTOPHER SNOWBECK, POST-GAZETTE STAFF WRITER

BODY:

A Clinton administration initiative could bring \$ 700,000 to \$ 800,000 in federal support to train resident doctors in pediatrics who work at Children's Hospital of Pittsburgh, hospital officials said yesterday.

Ronald Violi, chief executive officer of Children's, lauded the Clinton proposal, which was announced Thursday and still must make its way through Congress.

At a news conference yesterday, Violi said the proposal would begin to address the unique financial pressures facing independent pediatric hospitals that train doctors.

The Medicare program has been the federal government's primary vehicle for funding hospitals with residency programs for specialty training.

But unlike hospitals that treat adults, children's hospitals treat few Medicare patients. That shortchanges hospitals, such as Children's, that are not part of a larger medical center, Violi said.

These free-standing hospitals represent less than 1 percent of all hospitals in the country, yet they train 30 percent of all **pediatricians**, according to the hospital.

Children's now spends about \$ 16 million a year to train resident physicians, Violi said. Those funds, which come from hospital operations, help cover the salaries of residents, the salaries of teaching physicians at the hospitals and the administrative costs of running the residency program.

Children's has about 140 residents.

Violi said Children's would not use the proposed federal money to train more residents; instead, the funds would help preserve the existing training program.

First lady Hillary Rodham Clinton announced the proposed subsidies for training **pediatricians** on

Thursday following a meeting with Violi and about 20 other chief executives from free-standing children's hospitals across the country. The Clinton proposal would extend \$ 40 million through existing grant programs to the hospitals.

The initiative will be included in the budget President Clinton submits to Congress next week for the fiscal year starting Oct. 1.

LOAD-DATE: January 31, 1999

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Copyright 1999 Akron (Ohio) Beacon Journal.
AKRON BEACON JOURNAL

January 29, 1999, Friday

KR-ACC-NO: AK-PEDIATRIC

LENGTH: 543 words

HEADLINE: Akron, Ohio, Children's Hospital Likes Clinton's Pediatrics Plan

BYLINE: By Stuart Drown

BODY:

When it comes to getting dollars to train doctors, children's hospitals have been at the back of the line, mainly because one of the biggest sources of education money comes through Medicare, a program for adults.

Yesterday, the White House took a step in addressing the problem, adding \$ 40 million to the president's budget proposal for training young doctors to be good **pediatricians**. If approved, the money will work out to \$ 9,400 for each resident, less than a quarter of the cost of training.

"It definitely is going to help raise awareness and will help level the playing field," said William Considine, president of Children's Hospital Medical Center of Akron.

Considine was one of more than 30 administrators of children's hospitals across the country who met with first lady Hillary Rodham Clinton yesterday to learn details of the budget proposal. Clinton earlier in the day announced a plan to spend \$ 68 million to help poor children fight asthma. Both will be part of the budget President Clinton submits to Congress on Oct. 1.

Under current guidelines, Children's Hospital receives about \$ 400 a year for each resident, compared with the roughly \$ 77,000 paid to other types of hospitals through Medicare, Considine said.

Children's Hospital spends about \$ 6.5 million each year on its medical education program, \$ 4.5 million from its own funds. Children's Hospital's program includes 31 pediatric residents, 12 internal medicine residents, eight emergency room fellows, as well as more than 200 medical students who rotate through various assignments at the hospital.

"About 1 percent of the hospitals are training 30 percent of the pediatric residents, and we're one of them," Considine said.

The government now helps pay for training doctors by reimbursing hospitals through Medicare, the federal health insurance for seniors and the disabled. But the system is based on the number of Medicare patients a hospital sees. For Childrens Hospital, that number is small.

As a result, it and most other children's hospitals lose money on an operating basis, more than most other teaching hospitals. The \$ 40 million proposed yesterday would come through existing grant programs. The average hospital would see about \$ 689,000.

Changes in Medicaid, the state and federal program for poor families and children, also have cut into the money available for education, he said.

Ohio and many other states are requiring some counties, including Summit and Cuyahoga, to enroll Medicaid recipients in health maintenance organizations, or HMOs, as part of an effort to control Medicaid spending.

Medicaid HMOs have reduced the amount they pay to hospitals for children's care.

Urban hospitals with large populations of Medicaid patients, such as Childrens Hospital in Akron and Rainbow Babies in Cleveland, have been particularly hard hit.

"The current climate is threatening medical education," said Gail Larson, who as senior vice president for Cleveland's University Hospitals, is in charge of Rainbow Babies and Children's Hospital. "We'll always do it, but it might mean we take fewer residents."

Visit Akron Beacon Journal Online on the World Wide Web at <http://www.ohio.com/bj>

LANGUAGE: ENGLISH

JOURNAL-CODE: AK

LOAD-DATE: February 1, 1999

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January 28, 1999, Thursday

LENGTH: 726 words

HEADLINE: Childrens Hospital

DATELINE: LOS ANGELES

BODY:

The president of Childrens Hospital Los Angeles met with first lady Hillary Rodham Clinton at the White House today, where she unveiled a plan to give \$40 million to help CHLA and 50 other hospitals.

The money, included in the president's fiscal year 2000 budget, will be used to fund pediatric training programs at independent children's hospitals.
said CHLA President Walter Noce Jr.

It will help "level the funding field" for CHLA and the other independent hospitals that train **pediatricians**, Noce said. Now, the medical centers rely on Medicare primarily for the training.

"For years, Childrens Hospital Los Angeles has paid to train children's doctors out of our bottom line, while adult hospitals get reimbursed to train their doctors," Noce said.

"It's gratifying to know that the (Clinton) administration agrees that teaching programs at children's hospitals such as ours are critical to the future pediatric workforce and the future health of all children."

LANGUAGE: ENGLISH

LOAD-DATE: January 29, 1999

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THE DAILY OKLAHOMAN

January 27, 1999, Wednesday CITY EDITION

SECTION: THE NORMAN OKLAHOMAN: Pg. 3, Kid's Medicine

LENGTH: 753 words

HEADLINE: Winter Is the Season for Respiratory Viruses in Children

BYLINE: Dr. Tom Kuhls

BODY:

We are currently in the middle of the busiest month for **pediatricians**. This is the time when respiratory viruses run rampant in our community. It is not uncommon to have school and daycare absentee rates as high as 10 percent to 25 percent, and many of the children who are able to attend school have runny noses