

National Association of
Children's Hospitals

Shirley

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

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
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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.

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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.



NEWS RELEASE

FOR MORE INFORMATION, CONTACT
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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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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.

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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NEWS RELEASE

**CONTACT: Katie Pakel or Pam Barber,
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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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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 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 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.

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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 • ^{-more-} Knowledge • T work

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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



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

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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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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

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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
510 436 2000

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

3705 Fifth Avenue
Pittsburgh, PA 15213

Dean Walters
412-692-5016

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 -

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"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.



**Children's
Hospital**
of Wisconsin™

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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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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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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

(more)

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

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**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."

- more -

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.

**St. Christopher's
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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

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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.

— more —

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 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 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.

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

View Related Topics

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

Copyright 1999 Knight Ridder/Tribune Business News
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>

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JOURNAL-CODE: AK

LOAD-DATE: February 1, 1999

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City News Service

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