



May 19, 2004

The Honorable Arlen Specter
Chairman, Labor-HHS Subcommittee
U.S. Senate
Washington, DC 20510

The Honorable Ralph Regula
Chairman, Labor-HHS Subcommittee
U.S. House of Representatives
Washington, DC 20515

The Honorable Tom Harkin
Ranking, Labor-HHS Subcommittee
U.S. Senate
Washington, DC 20510

The Honorable David Obey
Ranking, Labor-HHS Subcommittee
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairmen and Ranking Members:

On behalf of the American Hospital Association, Association of American Medical Colleges, and National Association of Children's Hospitals, we write in support of making the federal Children's Hospitals Graduate Medical Education (CHGME) Payment Program a priority in the FY 2005 Labor-HHS-Education Appropriations Bill.

In the last five years, Congress has taken important steps to address federal GME support for the nation's independent children's hospitals, because they are indispensable to the health care of all children. In 1999, Congress authorized the establishment of CHGME, including \$285 million for FY 2001. In 2000, it reauthorized the program through FY 2005 for such sums as necessary.

Because of your leadership, Congress appropriated \$303 million for FY 2004 – the full authorization for the program adjusted for inflation based on the consumer price index. This year, there is strong, bipartisan support for President Bush's request of \$303 million for FY 2005.

This funding is essential not only to the independent children's teaching hospitals but also to the future of pediatrics overall. Because they care for children, not the elderly, children's hospitals are unable to qualify for significant support from the one reliable source of GME funding – Medicare. In an increasingly price-driven market place, federal support helps children's hospitals to sustain their core missions of caring for all children, teaching, and research.

Although they represent less than one percent of all hospitals, the independent children's teaching hospitals train almost 30 percent of all pediatricians, almost half of all pediatric subspecialists, and two-thirds of pediatric critical care physicians. They are the major pipeline for future pediatric researchers. Together, they and their medical

May 19, 2004

Page 2

school affiliated pediatric departments are among our nation's leading centers of pediatric research. Congress enacted CHGME to close the gap in federal GME support and help to secure the future of our pediatric workforce and advancements in children's health care.

GME funding for children's hospitals is a sound investment in the future of pediatric medicine and children's health. We urge you to provide \$303 million for the federal Children's Hospitals' GME Payment Program in the FY 2005 Labor-HHS Appropriations Bill. Thank you very much for your consideration.

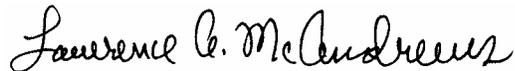
Sincerely,



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