



Statement of

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U.S. Department of Health and Human Services**

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Committee on Energy and Commerce,
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Chairman Pitts, Ranking Member Pallone, and Members of the Subcommittee, thank you for the opportunity to testify today on H.R. 1852, the Children's Hospital GME Support Reauthorization Act of 2011. I am Dr. Janet Heinrich, Associate Administrator of the Bureau of Health Professions at the Health Resources and Services Administration (HRSA), Department of Health and Human Services. HRSA appreciates your interest in our work, and welcomes the opportunity to discuss the Children's Hospital Graduate Medical Education (CHGME) program with you.

HRSA Overview

The Health Resources and Services Administration helps the most vulnerable Americans receive quality primary health care, without regard to their ability to pay. HRSA works to expand access to health care for millions of Americans—the uninsured, the underserved and the vulnerable. HRSA recognizes that people need to have access to primary health care and, through its programs and activities, the Agency seeks to meet these needs. The Agency collaborates with government at the Federal, State, and local levels, and also with community-based organizations, to seek solutions to primary health care problems. HRSA delivers on its obligation to address primary care access through the six Bureaus and thirteen Offices that comprise the Agency.

In addition to helping the most vulnerable Americans receive quality care, we also serve as a major source of support for the nation's health professions education and training infrastructure through our work with medical schools, nursing schools, residency training programs and community-based training organizations.

In all of these efforts, we collaborate with colleagues across the Federal government and with State and local governments, community-based organizations, health care providers and institutions, and a range of other partners. HRSA helps to train future nurses, doctors, and other clinicians, placing them in areas of the country where health resources are scarce. In fact, HRSA provides leadership and financial support to health care providers in every State and U.S. territory.

HRSA's Vision, Mission and Goals

HRSA's vision for the nation is healthy communities and healthy people. Our mission is to improve health and achieve health equity through access to quality services and a skilled health workforce.

We carry out our mission by working toward four major goals:

- Improve Access to Quality Care and Services;
- Strengthen the Health Workforce;
- Build Healthy Communities; and
- Improve Health Equity.

We are pleased to have the opportunity to share with you today some of the activities associated with our goal of strengthening the health workforce.

HRSA's Bureau of Health Professions

As the Associate Administrator of HRSA's Bureau of Health Professions, I have the opportunity to direct a range of programs designed to educate and train health professionals, including physicians, nurses, physician assistants, dentists, public health professionals, geriatric specialists, psychologists, home health aides and others.

Our programs fund the full training continuum – from pipeline programs aimed at developing young people's skills and interest in health professions; to support for students and residents in health professions training; to ongoing investments in the continuing education needed to maintain the workforce's skills in a changing health care environment.

We also support the important infrastructure needed to ensure the quality of health professions training, including faculty development, innovations in training curricula and the development of community-based clinical training sites to expose residents and students to community needs. Throughout these programs, we aim to continuously demonstrate our commitment to ensuring that the nation has the right practitioners, with the right skills, working where they are needed.

Bureau priorities to help achieve this goal include the following:

- Increase the capacity and distribution of the primary care workforce supply through education and training opportunities;
- Develop new team-based models of care based on interprofessional education and clinical training experiences;
- Reduce health disparities by training the health workforce to provide culturally- and linguistically- appropriate care, as well as increasing workforce diversity;
- Assure the health workforce is trained to provide high quality, culturally and linguistically appropriate care;
- Enhance geriatric/elder care training and expertise; and
- Improve workforce data collection and analysis to better inform decision-making on the health workforce.

Children's Hospital Graduate Medical Education (CHGME) Payment Program

The CHGME Payment Program is authorized by Section 340E of the Public Health Service Act through Fiscal Year 2011 and is administered by HRSA's Bureau of Health Professions.

The program provides Federal funds to the Nation's children's hospitals with graduate medical education programs that train resident physicians. CHGME funding is determined by annual appropriations.

The CHGME Payment Program was originally authorized by Congress in 1999 and subsequently reauthorized in 2006. Since its implementation began in 2000, it has allocated more than \$2.5 billion dollars to children's hospitals that support residency training. Children's hospitals supported through the program train general pediatricians, pediatric medical subspecialists, pediatric surgical subspecialists, adult medical subspecialists, adult surgical subspecialists, and dentists.

Determining Payments

The size of the annual appropriation, the number of participating hospitals and the number of residents trained each year impact the amount of resources each participating children's hospital receives from the program each year.

Family and internal medicine residents also do rotations in Children's Hospitals to increase their exposure to pediatric practice environments. A participating children's hospital may include both its full-time residents and the portion of time associated with residents who rotate through the hospital in its calculation of FTE residents – or full-time equivalent residents – to determine CHGME support.

Funds are distributed among eligible institutions based on a formula outlined in statute that takes into account the number of residents trained in the hospital, the number of hospital beds, the number of patients discharged, and the hospital's case-mix. Approximately one third of the CHGME payment is for direct graduate medical expenses and two thirds are for indirect graduate medical expenses.

Monthly payments are made to participating children's hospitals. Hospitals are audited, as required by law, to validate the number of FTE residents claimed. Once final payments are reconciled at the end of each fiscal year, HRSA displays payments per hospital for the fiscal year in a table posted on our Web site.

Participating children's hospitals are required to submit an annual report on the status of and changes to graduate medical education training in their institutions.

Residents and Awards

In Fiscal Year 2010, the program supported 56 children's hospitals located in 29 states and Puerto Rico, which were responsible for the training of about 5,800 full time equivalent – or FTE – residents on- and off-site.

In Fiscal Year 2010, the average award through the program was \$5.4 million. Data indicate that awards ranged in size from \$21,000 to \$21.7 million. The estimated overall average award per-resident FTE is about \$71,000. In Fiscal Year 2011, \$268 million was appropriated for the CHGME Payment Program.

Conclusion

H.R. 1852, the "Children's Hospital GME Support Reauthorization Act of 2011", would amend current law to extend the CHGME program through fiscal year 2016, and would also make a conforming date change regarding when the report to Congress is due. The Department has no technical comments on the bill as written.

Thank you for the opportunity to provide an overview of the CHGME Payment Program as Congress considers reauthorizing the program.