

Testimony Before the Senate Special Committee on Medicaid Reform

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**on behalf of Children's Memorial Hospital,
La Rabida Children's Hospital and Research Center,
Comer Children's Hospital at the University of Chicago,
the Illinois Chapter of the American Academy of Pediatrics, and
Voices for Illinois Children**

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Statehouse Room 400
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Good afternoon. On behalf of Children's Memorial Hospital, La Rabida Children's Hospital and Research Center, Comer Children's Hospital at the University of Chicago, the Illinois Chapter of the American Academy of Pediatrics, and Voices for Illinois Children, we thank the Senate Special Committee on Medicaid Reform for holding these important hearings and for your commitment to children and the health challenges that they face.

We commend your Committee for its thoughtful consideration of options that will increase the efficiency and reduce the costs of Illinois' Medicaid program. We have worked consistently with the Department of HealthCare and Family Services, the Illinois General Assembly and Governor Quinn's office in the development of Illinois Health Connect and Your Healthcare Plus. Providers that serve large numbers of Medicaid patients are well aware of the need to control costs because they must do so given the low and inconsistent timing of Medicaid payments in Illinois.

It is vital for this committee to understand that a grave problem exists now. Sick children in Illinois now experience diminished access to essential pediatric specialty care because the Medicaid system does not adequately reimburse pediatric specialists who treat these children. We believe that this failure to reimburse pediatric specialists for the cost of their care constitutes a material threat to the promise of health care reform in Illinois because children who rely on Medicaid will be unable to access necessary specialty care.

Currently, pediatric specialists in Illinois are reimbursed just 32 cents for every dollar that it costs them to care for a child who relies on Medicaid for payment of their health care. While Medicaid rates have increased for primary care, hospitals, and nursing homes in recent years, rates for pediatric specialists have not improved. Access to specialty pediatricians is now drastically limited for sick children who rely on Medicaid. Necessary care for these children is not available. These children are at risk and the situation is only getting worse.

Failure to reimburse pediatric specialists for the cost of the care they provide to children on Medicaid is, simply, life threatening. Children insured by Medicaid are now waiting months to see the limited pediatric specialists who still will treat them when their medical conditions necessitate immediate care. Timely access to specialty care is necessary in order to keep fragile children stable and healthy and, in some cases, alive. Long waits to be seen by a pediatric specialist can translate into a worsening health condition for a sick child, as well as higher costs for the State of Illinois as treatment for their deteriorating condition requires more and more intensive and expensive clinical response.

Failure to reimburse pediatric specialists for the cost of their care hinders access to needed health care, and forces sick children and their parents to miss school and work to travel outside of their community to treat emergency situations in emergency rooms, driving up costs for the State. These Illinois families now drive upwards of a hundred miles for care, as pediatric cardiologists, pulmonologists, surgeons and other specialists within their own community are forced to limit their treatment of children who rely on Medicaid.

Looking to the future, Illinois' failure to adequately reimburse pediatric specialists serves to discourage newly trained pediatric specialists from practicing in our State, further crippling Illinois' ability to provide appropriate care for all of our children with complex and special needs – not just those who rely on Medicaid.

We are already seeing the consequences of ignoring this issue and it is being played out on the national level. For example, the American Board of Pediatrics reported that in 2009 there were only 75 new pediatric endocrinologists and 23 new pediatric rheumatologists in the entire nation who completed their studies. Inadequate Medicaid reimbursement hampers Illinois' ability to attract and retain scarce and essential pediatric specialists.

At Children's Memorial, our top recruits are uniformly wary of the prospects for fair Medicaid reimbursement in Illinois, and they are worried about the impact of that under reimbursement on their ability to provide quality of care to sick children.

We recognize that other components of the Medicaid system are also in need of reform, and it is not our intention to ignore those initiatives. However, as pediatricians, child health advocates and hospital administrators, we believe that the breakdown in our specialists' ability to deliver appropriate care is putting the health and lives of our children at risk. Physicians simply cannot continue to sustain these losses and the State must act now to protect these children.

We realize the immensity of Illinois' budget problems. Collectively, we will embrace new delivery models, but they must allow us to provide quality specialty care to the children who need it. There is no substitute for our children having access to quality specialty care by doctors with a track record of good outcomes for our kids.

As advocates for fragile children who have limited or no ability speak as part of this public process, we respectfully implore you to address this issue now as a part of the changes you consider. Please, partner with us to protect the well-being of our State's sick and injured children - as a top priority.

Thank you for the opportunity to testify.

