

Federal officials: Pediatric practices will receive funding through CARES Act

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Editor's note: For the latest news on coronavirus disease 2019, visit <https://www.aapublications.org/news/2020/01/28/coronavirus>.

Pediatric practices and children's hospitals facing financial crisis can expect to see financial relief in the second round of federal emergency funding from the Coronavirus Aid, Relief and Economic Security (CARES) Act, said Centers for Medicare & Medicaid Services chief Seema Verma at a White House press briefing Tuesday.

The CARES Act makes available \$100 billion in public health and social services emergency funding, of which initial funding would go to hospitals that have more Medicare volume. Adult medicine counterparts will see advanced and accelerated payments through Medicare and a 20% increase in Medicare payments.

However, pediatricians and children's hospitals get little to no Medicare funding, Verma acknowledged. "Those organizations will be addressed in the second tranche of funding. And we'll have a priority for these organizations and these types of health care providers."

Putting hospitals into the initial \$30 billion funding allocation, or tranche, was necessary to get money out as quickly as possible, she said.

Yesterday, Ambassador Deborah L. Birx, M.D., coronavirus response coordinator in the office of the vice president, spoke with the leadership of the American Academy of Pediatrics about the pandemic's pediatric impact.

She also acknowledged the essential role of pediatricians during a White House press briefing.

“Behind the scenes and working every day are the pediatricians fielding those phone calls from every concerned mother and of course grandmothers like myself and protecting our children every day to ensure that they have access to the medical care that they need while this is happening,” Dr. Bix said.

“Our AAP message is reaching the highest levels of government, and we welcome the comments of Administrator Verma and Ambassador Bix. Now we need to see action to provide relief to struggling practices and wide-ranging support for the care of children and families in this crisis,” said Mark Del Monte JD, CEO\executive vice president.

Earlier this week, the AAP and Children’s Hospital Association (CHA) voiced concerns in a [letter to the U.S. Department of Health and Human Services \(HHS\)](#) that pediatric providers and hospitals would not see funding increases despite experiencing financial hardships.

“Our members have proudly stepped up to meet the call of the nation, have sacrificed financially to do so and should receive relief as intended by the CARES Act,” said AAP President Sara “Sally” H. Goza, M.D., FAAP, and CHA President and CEO Mark Wietecha in the correspondence.

As health care systems that serve adults have braced for the impact of the coronavirus disease 2019 (COVID-19) pandemic, pediatricians and children’s hospitals have rapidly adapted to maintain safe, essential access to care. They also have employed innovative care modalities, reorganized practice workflows, expanded their patient age ranges and taken on additional pediatric patients to support other settings’ ability to accommodate surges in adult care capacity, the AAP and CHA said.

Despite attempts to transition as many sick and well-child visits to virtual care, pediatricians are losing revenue due to forgone visits and poorly compensated remote care. Children’s hospitals also are seeing large revenue losses from cancellation of deferrable procedures.

Nearly all office-based pediatricians are considered small businesses with very small staffs and narrow margins. Practice managers have reported seeing only 20% to 30% of their normal caseload as a result of the pandemic, and children’s hospitals have experienced a revenue decline of 20% to 40% or more, according to the letter.

“Pediatric providers, as the nation’s medical safety net for all children, face unique challenges now and in the period after the COVID-19 pandemic,” according to the AAP and CHA. They anticipate these challenges will spur increases in:

- The number of children enrolled in Medicaid in the economic downturn.
- The likelihood that independent practices will close temporarily or permanently, leading to inconsistencies and delays in access to care.
- Delays in administering a COVID-19 vaccine once available due to pediatric practices closing.

As COVID-19 threatens lives, AAP and CHA leaders stressed the importance of recognizing the need to keep the nation’s children healthy.

“Pediatricians must be able to continue to vaccinate children to prevent an outbreak of another infectious disease,” they said. “Pediatric practices and children’s hospitals are an essential part of our nation’s public health and health care infrastructure.”

Resources

- [For more information about AAP advocacy during the COVID-19 pandemic, visit <http://www.aap.org>, click on the COVID-19 banner, then click Advocacy.](http://www.aap.org)

- [The AAP joined a letter with the American Medical Association and other groups that calls on HHS to provide immediate financial assistance to physicians.](#)

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