North Carolina Pediatric Society

April 20, 2020

The Honorable Alex Azar
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue SW
Washington, DC 20201

Dear Honorable Azar:

Thank you for your on-going work to respond to COVID-19. We know these are complex times and appreciate your attention to addressing important health issues during this crisis. We urge you to provide pediatricians and other health professionals significant fiscal relief through Medicaid or other venues, comparable to the support Medicare offers other providers.

The NC Pediatric Society represents 2,300 pediatricians and other child health professionals across NC to foster the physical, social and emotional well-being of infants, children and adolescents. In North Carolina, approximately 40% of children are insured through Medicaid, with that rising to 54% in rural areas. In contrast, children are rarely insured through Medicare and then only in special cases, such as when dually eligible for both Medicare and Medicaid.

Together with the NC Academy of Family Physicians, the NC Pediatric Society conducted a survey of primary care doctors in North Carolina over 4 days in late March. Key findings include the following:

- 83% of respondents reported significant or extreme financial distress, with that increasing to 91% for independently-owned practices
- 80% of pediatric practices reported reducing staff hours and 36% reported laying off or furloughing staff
- 18% of practices were considering temporarily closing.

Federal strategies to support and stabilize health care providers have, to date, relied heavily on Medicare to distribute federal payments. While this is an efficient and effective way to quickly disburse federal funds to providers serving Medicare beneficiaries, other strategies are needed to shore up those health providers more heavily reliant on Medicaid. These providers are essential to providing care to low-income beneficiaries and the uninsured, especially children. To address the needs of pediatricians and others with a high proportion of Medicaid business, HHS should address provider needs not addressed through other programs. Payments should be structured in a way to shore up our primary care system – our front line defense for health and vaccination – rather than create future financial risk through non-forgivable loans.

We urge you to consider strategies that bring immediate, short-term relief to providers who are at high risk of closure, jeopardizing states’ disaster response as well as the long-term safety net for Medicaid and the uninsured. It is important to highlight, however, that such a step, while essential, is not a permanent fix but rather a bridge to a more sustained solution. It will prevent key providers from going under imminently. With the short reprieve that such a strategy buys, Congress can determine how best to provide additional funding to such providers and CMS and states can continue to identify additional flexibilities under Medicaid 1115 Waivers and Disaster SPA strategies to address the situation.

Please do not hesitate to reach out and contact me with questions or to discuss further.

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Sincerely,

Susan Mims, MD, MPH, FAAP
President, North Carolina Pediatric Society