



The Children's Hospital
and Network of Care

February 26, 2009

The Honorable Bill Ritter
136 State Capitol
Denver, CO 80203-1792

Dear Governor Ritter:

As a member of the health care community and on behalf of The Children's Hospital, I thank you for the leadership you have provided in working with the Colorado Hospital Association in crafting the Colorado Health Care Affordability Act proposal embodied in recently introduced legislation.

This measure is an innovative package that strengthens health care policy while maximizing federal funds; a critically important approach in a state with limited resources and multiple needs. It builds on the recommendations of the Blue Ribbon Commission on Health Care Reform and provides a foundation for health care reform in the coming years. Furthermore, the combined effort to expand health care coverage to new populations, while mitigating hospital financial shortfalls associated with caring for these populations, wisely addresses the need to ensure access to hospital care for individuals enrolled in public health care coverage. Making basic investments in programs that will provide children better access to high-quality health care has been a focus of The Children's Hospital advocacy efforts for many years.

As Colorado's sole pediatric specialty hospital, we serve as a quaternary referral center not only for the state, but for the Rocky Mountain region. In this capacity, Children's consistently provides care to more Medicaid recipients than any other hospital in the state—over 41% of the total patient days are attributable to Medicaid recipients. This high Medicaid payor mix, unmatched by any other hospital, combined with inadequate Medicaid reimbursement rates that do not cover the costs associated with the care provided, creates an unsustainable trend. The Colorado Health Care Affordability Act creatively addresses this financial challenge for The Children's Hospital, and other hospitals in the state, in a meaningful and significant way.

I commend the vision in proposing this legislation, the action taken to make it a reality, and the resulting impact to the health of Colorado's children.

Sincerely,

James E. Shmerling, DHA, FACHE
President & CEO
The Children's Hospital

