

U.S. CONGRESSWOMAN PUERTO RICO AT LARGE

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Puerto Rico Chamber of Commerce Congressional Status Update

Facts: Population

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	PUERTO RICO	50 States & DC
Population Change (2010-2018)	↓ 16%	↑ 6%
<65 years	20.7%	16%
Poverty Index	43.1%	11.8%
Median Income	↓ 19,775 (5.5%)	↑ \$63,179 (2.6%)
Per Capital Income	\$12,081	\$31,177
Medicaid	47%	20.6%
Unemployed	8.5%	3.1%

Facts: Health

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**Adults
reporting
poor health status**

34%
Puerto
Rico



18%
50 States
& DC



**Adults
with diabetes**

13.7%
Puerto
Rico



9.5%
50 States
& DC



**Child
Mortality
(per 100,000)**

7.1%
Puerto
Rico



5.9%
50 States
& DC



**HIV
Diagnosis
(per 100,000)**

17.8%
Puerto
Rico



14.7%
50 States
& DC



Healthcare Legislation

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HR 813 : Puerto Rico Integrity in Medicare Advantage Act

To amend title XVIII of the Social Security Act to provide for temporary stabilization of Medicare Advantage payments following Hurricane Maria.

HR 2241: Puerto Rico Federal Matching Requirement Equity Act

To amend title XIX of the Social Security Act to treat Puerto Rico as one of the 50 States for purposes of calculating the federal medical assistance percentage under the Medicaid program.

HR2243: Territory Health Insurance Tax Relief Act

To exempt health insurance of residents of United States territories from the annual fee on health insurance providers

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HR 2306: Puerto Rico Medicaid Act of 2019

To amend titles XI and XIX of the Social Security Act to strengthen the Medicaid program in Puerto Rico, and for other purposes.

H.R.2310 : Fairness in Medicare Part B Enrollment Act

To amend title XVIII of the Social Security Act to eliminate late enrollment penalties under part B of the Medicare program for individuals residing in Puerto Rico if such individuals enroll within 5 years of becoming entitled to benefits under part A of such program.

H.R.4699: To amend title XIX of the Social Security Act to remove the matching requirement for a territory to use specially allocated Federal funds for Medicare covered part D drugs for low-income individuals

Healthcare Legislation

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Status of efforts to avert the
“Medicaid Cliff”

Medicaid Funding

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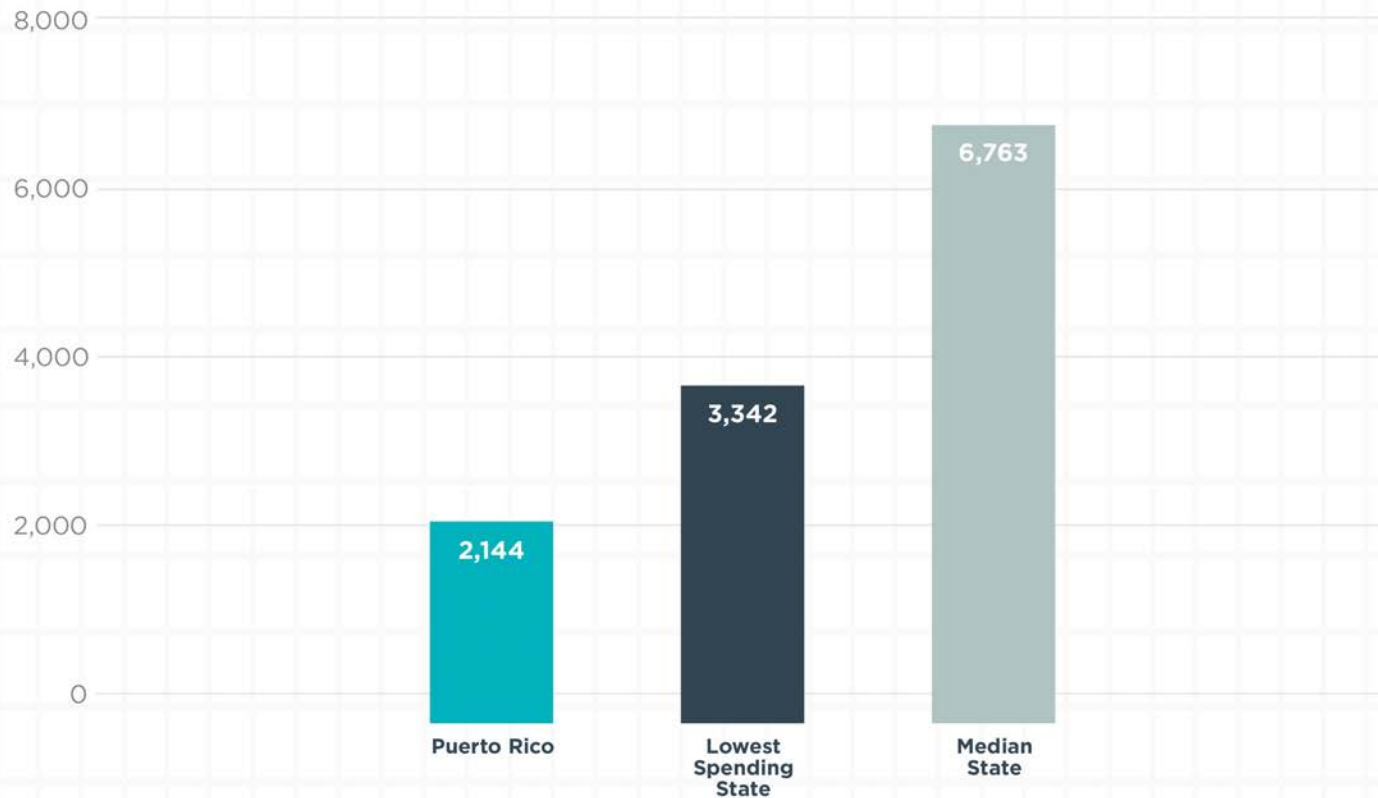
	Puerto Rico	Mississippi	50 States & DC
FMAP 2020	55%	76.98%	Between 50-83% based on per capita income
Federal Funding	Limited by §1108(g) of SSA	No limit	No limit

**If the FMAP formula were to be used,
the federal government would have to
provide 83% (instead of 55%) of Medicaid funds.**

Medicaid Funding

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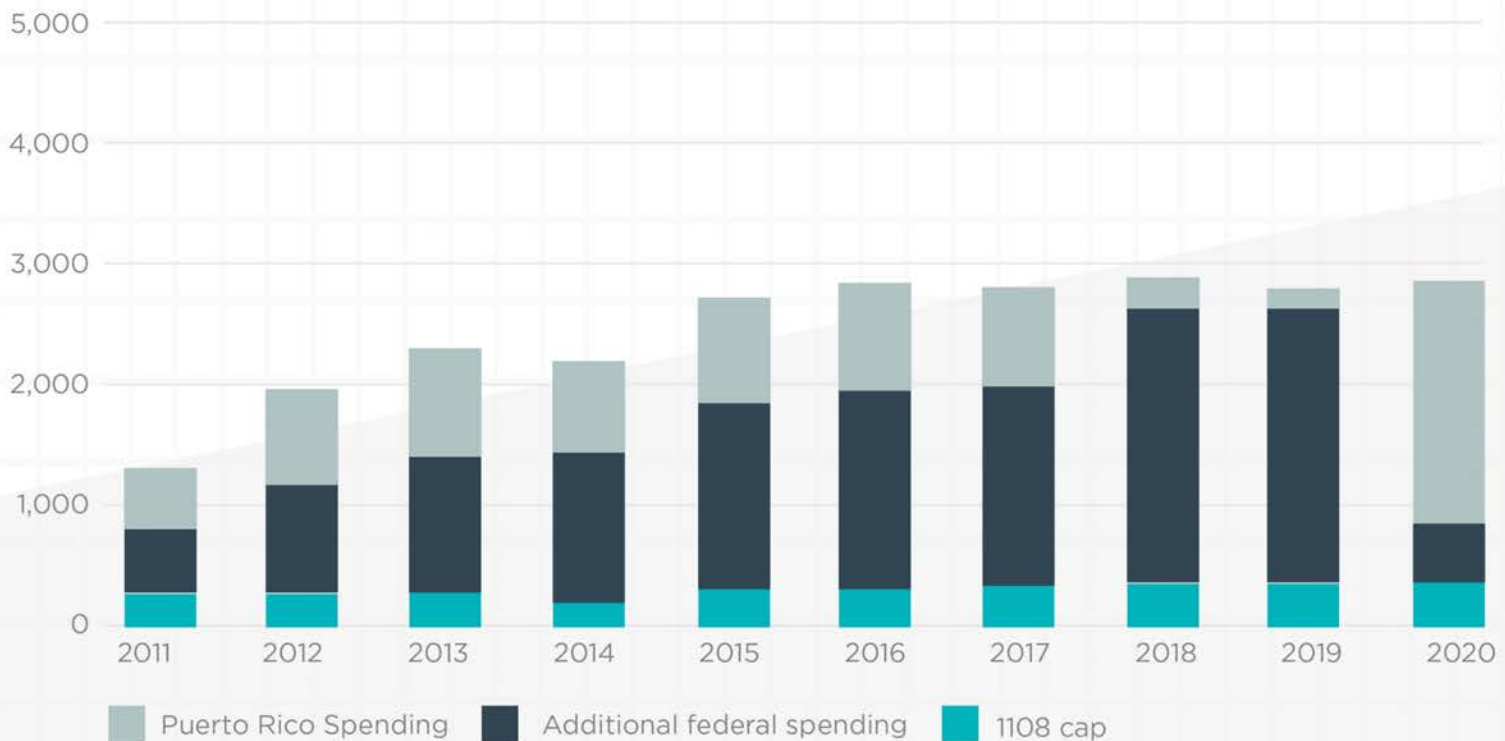
Benefit pending per full-year enrollee, 2020 projection



Medicaid Funding

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Medicaid Spending in Puerto Rico by Years and Source of Funds, Fiscal Years 2011-2020



**Since 2011, spending on the medicaid Program
in Puerto Rico has exceeded the statutory federal cap**

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Source of Federal Medicaid Funding for Puerto Rico and Periods Funding is Available (in millions)

Section 1108 Allotment	Affordable Care Act			Consolidated Approp. Act of 2017	Bipartisan Budget Act of 2018
	Section 2005	Section 1323	Total ACA Funds		
FY2020	July 2011 - Sept 2019	Jan 2014 - Dec 2019	July 2011 - Sept/Dec 2019	May 2017 - Sept 30 2019	FYs 2018 and 2019
\$375.1	\$5,476.4	\$925.0	\$6,401.4	\$295.9	\$4,800.0

Medicaid Funding

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**Medicaid Spending in Puerto Rico
by Years and Source of Funds, Fiscal Years 2011-2020**



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FY2020 Challenges

Our current Medicaid Program costs **\$2.80 billion a year.**

Federal funding sources in FY2020:

Section 1108 allotment of \$375.1 million
ACA Section 1323 balance of \$586.4 million

Resulting in a gap in funding for FY2020
of approximately **\$1 billion**

Medicaid “Cliff” Legislation

HR 2306, Puerto Rico Medicaid Act of 2019

PROPOSED LEGISLATION: In order to immediately address the “Medicaid cliff” while Congress works on a long-term solution—

- **APPLICATION OF STANDARD FMAP:** Puerto Rico’s FMAP should be determined pursuant to its *per capita* income relative to the national average, according to the same formula used for the States. Based on this, the applicable FMAP would be 83%
- **INCREASE IN CAP FOR FY20 and FY21:** With total projected expenditures of close to \$3.2 billion for FY20 and FY21, if the standard FMAP formula of 83% were used, Puerto Rico would need to have the statutory capped increased to \$2.65 billion for each of these two years.

Medicaid Funding

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Medicaid “Cliff” Legislation

The House Energy & Commerce Committee
included the Puerto Rico “Medicaid cliff” legislation
in HR 2328, the REACH Act

\$12billion in Medicaid funding over the next 4 years

Statutory FMAP

FY20 and FY21: **83%**

FY22 and FY23: **76%**

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ONGOING negotiations between
the House Energy & Commerce Committee
and the Senate Finance Committee

Statutory FMAP

HOUSE Proposal
FY20 and FY21: **83%**
FY22 and FY23: **76%**

SENATE Proposal
70%

1108 Funding Cap

HOUSE Proposal
\$12 billion

SENATE Proposal
\$9.8 billion

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Integrity measures proposed by the House

Payment Error Rate Measurement Program

Asset Verification Program

**Audit by HHS Inspector General of HHS
for waste, fraud, or abuse**

Audit by HHS Inspector General on contracting practices

**Report by the Comptroller General contracting oversight
with recommendations to improve the program integrity**

System for tracking and reporting Medicaid federal funds

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Additional integrity measures proposed by the Senate

Annual forensic audit

Contracting reform plan

Establishment of benchmark payment rate

Contract oversight by CMS and audits of contracts by HHS Inspector General

**Annual reports to Congress on how the increase in Medicaid cap
and in the FMAP were used to increase access to health care**

Technical review by HHS of the hearings and appeals processes

Report to Congress by HHS Inspector General on the program integrity

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Additional integrity measures proposed by the Senate

15% Penalty if Puerto Rico fails:

- **to establish Payment Error Rate Measurement
 - **and Asset Verification Programs**
 - **to cooperate with forensic audit****
- **to establish and comply with contracting reform plan**

**20% penalty if Puerto Rico fails to
comply with benchmark payment rate**

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**Public Law 116-59, Continuing Resolution
to fund agencies through **November 21, 2019****

**100% FMAP for Puerto Rico
No additional funding**

**IN NEGOTIATIONS for an additional Continuing
Resolution to fund federal agencies through
December 20, 2019**

**100% FMAP for Puerto Rico
No additional funding**

Healthcare Legislation

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Status of efforts to eliminate

Medicare Part B Late Enrollment Penalty

Medicare Part B



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- Beneficiaries in Puerto Rico are **required to take the affirmative step of enrolling** in Part B during their seven-month initial enrollment period.
- If they fail to enroll, they are subject to a **lifetime late-enrollment penalty** of 10% for each 12-month period they were eligible but failed to enroll.

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- According to CMS 2017 data, **38,343 beneficiaries** in Puerto Rico paid **\$20.3 million** in penalties for late enrollment in Part B.
- The annual Part B premium of \$1,626.00 might be too costly for a large number of residents of the territories to pay

Medicare Part B



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HR 2310, Fairness in Medicare Part B Act

This bill would maintain the automatic opt-out enrollment, but extends the period for Medicare beneficiaries in Puerto Rico to enroll in Medicare Part B to a total of five years.

This extended period will allow beneficiaries to learn that, unlike the rest of the United States, they were not automatically enrolled in Part B and to determine if they can financially afford the cost of the Program

Medicare Part B



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**We are in discussions
to include HR 2310
as an amendment to
reported Medicare legislation**

Healthcare Legislation

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Status of efforts to extend

Low Income Subsidy to Puerto Rico

Medicare Part D

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- The **LOW INCOME SUBSIDY** provides assistance in paying the **Medicare Part D** insurance premium, deductibles and co-payments to enrollees who fall below 150% of the federal poverty level (FPL)
- **Residents of Puerto Rico** and the other territories are **excluded** from the LOW INCOME SUBSIDY program
- Instead, the P.R. Medicaid Program receives a block grant provide coverage of prescription drugs for duals
- Unlike the LOW INCOME SUBSIDY program, this block grant is subject to the **matching requirements at the statutory 55% FMAP.**

Low Income Subsidy (LIS)

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- For years, Puerto Rico has been unable to use all of the funds allocated for this block grant because **it does not have the funds** to meet the matching requirement.
- For example, in 2016, Puerto Rico was able to use only \$16million of the \$42million available under the grant because of lack of funding to meet the matching requirements.
- Residents of Puerto Rico fail to receive an estimated \$300 million that would correspond to the Low Income Subsidy.

Low Income Subsidy (LIS)

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H.R. 4699, to amend the Social Security Act

To remove the matching requirement before a territory can access and draw down the territory's federal funds for Medicare Part D drugs.

HR 4195, Territories Medicare Prescription Drug Assistance Equality Act

To require the Low Income Subsidy Program to apply in the territories in the same way it applies in the States and in DC.

Low Income Subsidy (LIS)

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The House Energy & Commerce Committee
included a provision in
HR 3, the Lower Drug Costs Now
to extend the Low Income Subsidy
to **duals** in Puerto Rico's Medicaid Program

FEMA in Healthcare

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As of October 24, 2019, FEMA has obligated \$40,578,845.38 in 230 FEMA Public Assistance emergency work projects (categories A and B).

As of October 24, 2019, the preliminary cost estimates for eligible health care system components based on damages assessed is of \$390,123,435.82

HOSPITAL MENONITA in Cayey: \$6,207,750.75

Debris Removal (CAT A) Obligated for \$250,853


Protective Measures (CAT B) Obligated for \$5,667,917.60

Management Cost (CAT Z) Obligated for \$288,979.20

Public Buildings (CAT E) estimated \$75 million in 4 projects

- CIMA Hospital, Aibonito Hospital, Caguas Hospital
- Aguas Buenas Hospital, Cayey Hospital, Cidra, & Guayama-
- Casa Aibonito, Casa Aurora, Casa Barranquitas
- Cidra Corp Offices + Sites: culvert Caguas, 2 muds slide (Cidra)

Contributions of FEMA to the Recovery of Healthcare Facilities



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SOCIEDAD ESPAÑOLA AUXILIO MUTUO

Historical Buildings

5 buildings

Obligated for \$2.5 million dollars

Non-Historical Builds

12 buildings as classified as small projects

Obligated for \$768,020

Non-Historical Building

28 Buildings

Currently obligated for \$332,340

Estimated total permanent work is \$10 million

Contributions of FEMA to the Recovery of Healthcare Facilities

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CENTRO CARDIOVASCULAR OF PR AND CARIBE

BBA Funds will be used to apply industry standards in construction recovery efforts

Status

✓ FEMA completed Damage Description and Dimension review

Awaiting preliminary Architecture & Engineering from Applicant

Contributions of FEMA to the Recovery of Healthcare Facilities

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CORP DE SERVICIOS DE SALUD Y MEDICINA AVANZADA (COSSMA)

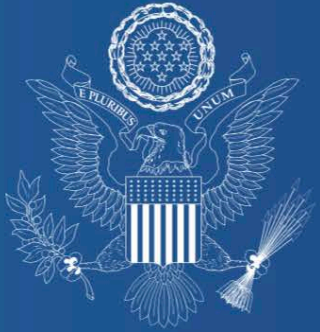
Private non-profit health clinic in the Municipality of San Lorenzo which provides essential critical services to the surrounding community

Severely impacted by the storm and was deemed unsafe to the public and its surrounding, where demolition had to be considered

Status

- ✓ 10 Emergency Work projects obligated for a total of \$1,026,507.19

Currently determining whether to repair or replace facilities



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Q & A