

## Puerto Rico Healthcare Community

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October 2020

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives

The Honorable Mitch McConnell  
Majority Leader  
U.S. Senate

The Honorable Kevin McCarthy  
Minority Leader  
U.S. House of Representatives

The Honorable Charles Schumer  
Minority Leader  
U.S. Senate

### **RE: Historical Disparities on the Medicaid & Medicare Funding for beneficiaries residing in Puerto Rico**

Dear Speaker Pelosi, Leader McConnell, Leader McCarthy, and Leader Schumer:

As stakeholders in the Puerto Rico healthcare community, we thank you for including the Island in the multiple pandemic relief efforts enacted by Congress this year. As we continue with our recovery, after Hurricanes Irma, Maria and the 2020 earthquakes, we respectfully call on you to take the next step and eliminate barriers aggravated because of the COVID-19 crisis which in turn exacerbate our long-standing Medicaid and Medicare funding disparities impacting the quality of care received by beneficiaries in Puerto Rico.

Payment disparity impacts access to and quality of care. Puerto Rico estimated health care spending totaled approximately \$12 billion for 2020. This approximately \$3,700 per capita health care spending amounts to only one third of the national average per capita health care spending of \$11,172.<sup>1</sup> This dramatic payment disparity contributes to the higher prevalence of chronic conditions in Puerto Rico, such as diabetes, asthma, and cardiovascular diseases.

The Medicaid program's success in Puerto Rico is at a crossroads. The Puerto Rico healthcare community, including patients, providers, and all the system's stakeholders, absolutely depend upon the total Medicaid levels appropriated for FY 2020 and 2021 in the Further Consolidated Appropriations Act, 2020 (P.L. 116-94). There was uniform agreement between Congress, the Puerto Rico government, and the local health care community that this funding would be used for the much-needed implementation of critical Medicaid sustainability and program integrity measures. Further Congressional action is necessary to preserve the availability of these funds. Such Congressional action should also address the rapidly approaching FY 2022 Medicaid cliff, and ensure that the Congressionally-created Fiscal Oversight and Management Board collaborates, with the full implementation of the vitally needed sustainability and program integrity measures as intended by Congress. Puerto Rico needs long-term funding stability for the operation of an effective and sustainable healthcare system.

Like Medicaid, Medicare is a cornerstone healthcare program that sustains patients and providers in Puerto Rico. More than 600,000 seniors in Puerto Rico are covered by Medicare Advantage (MA), the 8<sup>th</sup>

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<sup>1</sup> National Health Expenditure Data, Centers for Medicare & Medicaid Services (2018).

largest MA population in the U.S. This includes more than 280,000 seniors who are dually eligible for Medicare and Medicaid. MA rates in Puerto Rico have been falling behind the national average for seven years to a level that is now 40% below the national average, and even 22% below the USVI. This funding disparity is compounded by the statutory disparity of Puerto Rico being excluded from the Medicare Part D Low Income Subsidy, which would enhance pharmacy benefits for approximately 400,000 beneficiaries.

As federal health care funding to Puerto Rico decline, fewer resources are available to patients and providers. The Island's economic crisis, the catastrophic devastation of Hurricane Maria, and the current COVID-19 pandemic have resulted in a health care system with a fragile and eroding infrastructure and constant provider migration to the states.

Congress needs to step-in to address historically low MA payment rates and its dire consequences to Puerto Rico's health system by enacting payment reform to eliminate the unequitable funding allocation for Puerto Rico. The positive actions implemented administratively by CMS to-date have not been enough to eliminate the disparity in the MA payment.

Addressing MA payment issues now will (1) immediately enhance the quality of care for the most vulnerable Medicare beneficiaries, (2) motivate residents and key healthcare providers in the island to forgo additional migration to the mainland, and (3) encourage future investment in Puerto Rico's healthcare system infrastructure; all of which are urgently needed.

The Puerto Rico healthcare community is urging Congress to assist us rebuild the Island's healthcare system, eliminate Medicaid and Medicare payment disparities with the rest of the U.S., and ensure that increased resources flow to patients and providers to avoid further migration, as well as adverse impact to quality of care and our healthcare infrastructure.

Sincerely,

***Advocates of the Puerto Rico Healthcare Community***



Signature:

Print Name:

Title: