

Puerto Rico Healthcare Community

November 16, 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 by eliminating barriers aggravated by the COVID-19 crisis, which in turn exacerbate long-standing Medicaid and Medicare funding disparities that impact 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 \$11,172.¹ 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 among 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—working together with the Congressionally-created Fiscal Oversight and Management Board—ensure 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 8th largest MA population in the U.S. This includes more than 280,000 seniors who are dually eligible for

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

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 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 declines, 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 MA 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



Puerto Rico Chamber of Commerce



College of Physicians and Surgeons of Puerto Rico



Puerto Rico Hospital Association



IPAs Association of Puerto Rico



Primary Care Association of Puerto Rico



Puerto Rico Community Pharmacies Association



Puerto Rico Medical Association



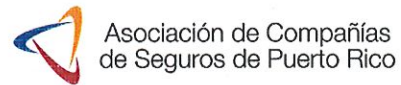
Clinical Laboratories Association of Puerto Rico



Pharmaceuticals College of Puerto Rico



CPA College of Puerto Rico



Puerto Rico Insurers Association of Puerto Rico



Medicaid & Medicare Advantage Products Association of Puerto Rico

Hon. Wanda Vázquez Garced
Governor of Puerto Rico

Hon. Jennifer González-Colón
Member of Congress (PR)

Hon. Pedro Pierluisi Urrutia
Governor-Elect of Puerto Rico

Lorenzo González Feliciano, MD, MBA, DHA
Secretary
Puerto Rico Department of Health

Jorge Galva, JD, MHA
Executive Director
Puerto Rico Health Insurance Administration