

November XX, 2019

The Honorable Mitch McConnell
Majority Leader
S-230, The Capitol
Washington, DC 20510

The Honorable Chuck Schumer
Minority Leader
S-221, The Capitol
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker
H-232, The Capitol
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
H-204, The Capitol
Washington, DC 20515

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

The undersigned organizations write to urge you to extend critical funding for the Medicaid programs in US territories including American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, and the US Virgin Islands by November 21. The expiration of current enhanced federal funding allotments and matching rates for the territories poses a significant threat to the health and well-being of territory residents who face coverage losses, barriers to access, and cuts to important health care benefits. If these enhanced funds are allowed to expire, territories will revert to the inadequate capped allotment that would devastate their budgets, access to health care, and, ultimately, patients' health.

Medicaid serves some of the most vulnerable populations throughout the United States and the territories. In Puerto Rico, more than 1.3 million residents have incomes below the poverty line, and almost half of Puerto Rico's residents receive health coverage through Medicaid.¹ These individuals rely on Medicaid to access physical and mental health care services, needs that have been exacerbated by major hurricanes in recent years.

Despite its importance, the Medicaid program in each of the territories has faced limitations and challenges. The territories have access to a limited amount of Medicaid funding that is available via a lower base matching rate than any state, and when the total federal funding for the year has been exhausted, the territory must use its own funds to pay the entire remaining cost of Medicaid health care services. Recognizing the importance of Medicaid funding for the territories, Congress made additional funds available from July 2011 through December 2019, and enabled a temporary 100% federal match from January 2018 through November 21, 2019.

Puerto Rico and the other territories are facing a dramatic cliff if increased Medicaid funding totals and federal matching rates are not extended. Without new legislation, Puerto Rico would see its FMAP revert back to the statutorily mandated 55 percent level with a federal funding allotment of \$374 million. This funding allotment is projected to leave Puerto Rico facing a huge federal funding shortfall, forcing the territory to cut benefits, reduce provider payment rates below their already inadequate

¹ <https://www.census.gov/content/dam/Census/library/publications/2019/acs/acsbr18-02.pdf>

rates, and disenroll eligible beneficiaries.² Coverage losses would be massive: MACPAC estimates that between a third and half of Puerto Rico enrollees would lose coverage, and Guam and the US Virgin Islands have reported that they would have to cut enrollment by half.^{3,4}

The territories desperately need extensions and increases in the total available funds and federal matching rates. We strongly urge you to adopt the funding levels and duration laid out in the Territories Health Care Improvement Act, HR 3631, which reflects bipartisan agreement about the importance of Medicaid in the territories and the vital need to address outdated funding mechanisms and matching rates. We acknowledge that oversight measures are appropriate to ensure funds are serving Medicaid beneficiaries as intended. However, any such measures must not pose a barrier to the territories' ability to implement the Medicaid program.

Many important health care safety net programs require your attention this fall, and we ask that you act quickly to address them. On behalf of patients and health professionals, we are committed to working with you to extend and increase federal funds for Medicaid in the US territories, ensuring access to vital health care for vulnerable residents.

Sincerely,

[undersigned]

² <https://www.macpac.gov/wp-content/uploads/2019/05/When-will-the-territories-exhaust-federal-Medicaid-funding.pdf>

³ <https://www.macpac.gov/wp-content/uploads/2019/06/Mandated-Report-Medicaid-in-Puerto-Rico.pdf>

⁴ <https://energycommerce.house.gov/committee-activity/hearings/hearing-on-strengthening-health-care-in-the-us-territories-for-today-and>