

Testimony of Congresswoman Stacey Plaskett (VI)

House Committee on Energy and Commerce

Hearing: “Members Day”

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Thank you to the Chair and Ranking Member, and members of the committee, for allowing me the opportunity to present a brief statement of my views on the work of this committee in the 116th Congress. I would like to use my time to speak in particular about health care concerns of the island territories in the United States.

The territories will need significant investments in health care in this session. Even before the severe natural disasters of the last two years, the health care systems in the territories were under great stress.

Specifically, regarding Medicaid, the arbitrarily high local match required of U.S. territories under Medicaid imposes severe and unsustainable financial demands on the territories. Each of the territories have tried to resolve this very differently and have had little success in doing so up until now.

In addition, while overall federal Medicaid funding to the States and the District of Columbia is open-ended, Medicaid in the territories is subject to annual federal funding caps. Once the cap is reached, the territory must assume the full cost of Medicaid services.

While the capped federal funding has been supplemented by additional Affordable Care Act block grants since 2011, the Virgin Islands and all other territories face the so-called fiscal cliff on September 30th of this year when these Affordable Care Act allotments expire.

Up to 30 percent of my district could lose access to health care unless Congress takes action to eliminate the Medicaid fiscal cliff. Congress must act to prevent to this potential calamity before September 30th.

I am grateful that this committee has taken action to address the Medicaid cliff by moving legislation, H.R. 2328, the REACH Act, which includes the language of Mr. Soto's bill, the Territories Health Care Improvement Act, to provide an additional stream of Medicaid funds for the Virgin Islands and the other territories from fiscal year 2020 through fiscal year 2025.

Under this bill, for my district, the Virgin Islands, the Medicaid cap would be increased by an overall \$756 million over six years (\$126 million in each of fiscal years 2020 through 2025). The rate of federal matching funds for Medicaid in the Virgin Islands would also be raised, temporarily, to 100% for fiscal 2020, 83% from fiscal 2021 to 2024, and 76% in fiscal 2025.

Without this additional funding stream, and at least another year of a waiver for any local match required under Medicaid, the resulting Medicaid cuts would put health care delivery at risk; not only for Medicaid recipients on our islands, but also for the population at large. Due to the relatively large number of individuals on Medicaid, our hospitals and other systems depend on Medicaid revenue. Therefore, the loss of Medicaid revenue resulting

from the fiscal cliff would hurt health care providers in private practice as well. Using 2018 data for the Virgin Islands, Medicaid funding would go from roughly \$70 million to just \$18 million. The islands cannot suffer cuts like that and continue to deliver services. Significantly more funding is needed, and at a far more equitable matching rate.

While I am very appreciative of the committee's approval of the Territories Health Care Improvement Act, I respectfully request that the Virgin Islands have the ability to carry over any unspent funds provided in any given fiscal year to a later fiscal year in order to improve flexibility in the way dollars are able to flow, and to better ensure that the beneficiaries will see the services they need for the full entirety of the bill's six-year period.

Lastly, I would like to highlight health care needs of the territories that fall outside of the Medicaid funding cliff.

Even before the 2017 hurricanes, the Virgin Islands' two hospitals, publicly owned, have been excluded from the disproportional share hospital (or "DSH") program, despite the disproportionate amount of care provided to low income patients. The exclusion of all of the territories from Medicaid DSH, and the small territories from Medicare DSH (Puerto Rico receives Medicare DSH), has been a major health issue in the territories for many years; resulting in significant uncompensated care cost burdens on providers, hospitals, and local government finances across all of the islands.

These uncompensated care costs, in many ways, were a major reason why the hospitals experienced the extent of their destruction in the event of

disaster. For a very long time, the hospitals have been forced to make choices like whether to pay doctors and nurses or to fix a roof. The hospitals in the Virgin Islands are still waiting for modular structures to come online, while primarily doing triage care, and having people evacuated out for any long-term care. The hospital on St. Croix has only one operating room. Both hospitals remain in a very precarious situation nearly two years after the 2017 hurricanes.

I have sponsored legislation, H.R.1354, the Territories Health Equity Act of 2019, joined by my colleagues from the territories, and others, to correct the inequities faced by the territories across all of the federal health programs. The bill eliminates the Medicaid funding caps and provides for fair inclusion of the territories in Medicaid and Medicare DSH. It also improves the treatment of the territories in the Medicare Part D low income subsidy program, and addresses their exclusion from the health insurance exchange program under the Affordable Care Act.

Regarding the Affordable Care Act, I have long been dismayed that it was underinclusive of U.S. territories. My bill would allow residents of the territories (where there are no Affordable Care Act insurance marketplaces) who lack employer-provided health care to access marketplace insurance plans offered to Members of Congress and congressional staff.

We must confront the difficult reality that Americans living in the territories are U.S. citizens that have been neglected and allowed to fall behind. I trust that this committee sees the importance of this and is willing to work with us to resolve these issues. Thank you.