

Resident Commissioner Pablo José Hernández (PR-00)
Statement for the Record
House Committee on Energy and Commerce
December 12, 2025

Thank you to the Members and staff of the House Committee on Energy and Commerce for the opportunity to appear before you today and discuss one of the most pressing challenges facing my district and the people of Puerto Rico.

Medicaid Parity for Puerto Rico

Puerto Rico's Medicaid program serves approximately 1.5 million American citizens — almost half of the Island's population. But unlike the 50 states and the District of Columbia, Puerto Rico's Medicaid funding is capped by federal law, regardless of enrollment or changes in healthcare needs. States, by contrast, have access to federal funding that responds to actual need. While states receive an annually adjusted FMAP that reflects per capita income and economic conditions, Puerto Rico's FMAP is written into statute. It does not adjust, and it does not respond to local fiscal realities.

The Consolidated Appropriations Act of 2023 provided much-needed stability by extending Puerto Rico's Medicaid funding through FY2027, including a more than \$3.5 billion Section 1108 allotment and a 76% FMAP. I want to thank the Members of this Committee who played a role in securing that essential relief for the Island. But once that authority expires, Puerto Rico is forced back to pre-2019 level — a 55% FMAP and a drastic reduction in its federal allotment. Such a reversion would strip billions from the program and severely destabilize an already fragile healthcare system. This funding cliff is not theoretical, it means closed clinics, lost providers, and patients left without care.

Puerto Rico cannot continue operating under a system that creates a Medicaid funding cliff every few years, forcing the Island to repeatedly face the threat of drastic cuts. And while every other U.S. territory has seen its FMAP increased permanently, Puerto Rico remains the only jurisdiction without a durable, long-term solution. Every extension buys time; only parity buys stability.

Parity would address these long-standing inequities by eliminating the federal cap so the program can grow with need, and permanently extending the FMAP to reflect economic conditions, and create a stable federal funding stream that strengthens provider networks, expands access to specialty care, and improves health outcomes.