

Voz y Acción de la Empresa Privada



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June 19, 2019

Honorable Frank Pallone
Chairman
Committee of Energy & Commerce
US House of Representatives
2125 Rayburn House Building
Washington, DC 20515

Honorable Greg Walden
Ranking Member
Committee of Energy & Commerce
US House of Representatives
2322 Rayburn House Building
Washington, DC 20515

Dear Chairman Pallone and Ranking Member Walden:

The Puerto Rico Chamber of Commerce (PRCC) is an active advocate, promoting ideas on behalf of our 1,200 members for developing a sustainable, growing economy in Puerto Rico. Since 1913, the PRCC has been the voice and action of free enterprise in Puerto Rico. Our mission is to strengthen the development of our members by providing knowledge, multi-sector representation, and protecting the values and foundations of free enterprise. We foster the sustainable development of Puerto Rico and a better quality of life for all its U.S. citizens.

The PRCC is grateful that the Energy & Commerce Committee has chosen to hold a hearing tomorrow about the very dangerous Medicaid funding shortage in Puerto Rico (Medicaid Cliff).

As this Committee is well aware, 44.4 percent¹ of Puerto Ricans live under the poverty level. These people rely mostly in public services and benefits such as Medicaid to cover basic healthcare needs. This number is almost unbelievable when compared with the official poverty rate in the US which according to Census data reaches 12.3 percent.²

Approximately 1.3 million Puerto Ricans are covered under Medicaid at a cost of \$2.62 billion a year.³ Unfortunately, because Puerto Rico is a territory, the Medicaid program works differently

¹ <https://www.census.gov/quickfacts/pr>

² <https://www.census.gov/search-results.html?q=pov-erty+level&page=1&stateGeo=none&searchtype=web&cssp=SERP>

³ <https://thehill.com/opinion/healthcare/436556-2019-medicaid-funding-cliff-could-cause-mass-migration-from-puerto-rico>

than it does in the states. Federal Medical Assistance Percentages (FMAP) are calculated and determined according to “actual costs and needs as economic circumstances change”. Most low income states have an FMAP of 70% or above.⁴ But because Puerto Rico is a U.S. territory, the FMAP is capped at 55%.⁵ This is also considerably lower than the 83% rate based on per capita income that we would receive if we were a state.

Last year Congress approved additional funding (approximately \$4.8 billion) which will expire in September 2019. This cliff threatens healthcare coverage for Puerto Ricans which until now have relied on the program for healthcare services. There has to be a permanent solution for this issue.

Please note that there are enormous disparities in Medicare funding for Puerto Rico as well, as the panelists in the hearing today will discuss in detail. Action is necessary now. We support H.R. 813 which would correct some of these disparities in Puerto Rico. Furthermore, we are fully endorsing the petitions made in the letters sent by the Governor of Puerto Rico on May 1, 2019 and May 13, 2019.

There is no doubt the healthcare is an essential service and Puerto Ricans deserve equitable treatment. We thank the Committee for discussing this important issue. The PRCC welcomes the opportunity to collaborate with this and any other Congressional Committee in order to put this urgent healthcare issue on the right path moving forward.

Cordially,



Kenneth Rivera-Robles
President

⁴ <https://www.businesswire.com/news/home/20190225005910/en/Disproportionate-Medicaid-Funding-Puerto-Rico-Unfair>

⁵ Id.