



March 17, 2021

The Honorable Anna Eshoo
Chairwoman
House Committee on Energy and
Commerce, Health Subcommittee
Washington, DC 20515

The Honorable Brett Guthrie
Ranking Member
House Committee on Energy and
Commerce, Health Subcommittee
Washington, DC 20515

Dear Chairwoman Eshoo and Ranking Member Guthrie:

On behalf of the American Academy of Family Physicians (AAFP), representing more than 136,700 family physicians, residents, and medical students across the country, I write in response to the hearing: “Averting a Crisis: Protecting Access to Health Care in the U.S. Territories” to share the family physician perspective and the AAFP’s recommendations to protect Medicaid access in the territories.

The most immediate concern is the impact of the impending Medicaid fiscal cliff in the U.S. territories. If Congress fails to act before the end of the current fiscal year, all providers, including family physicians, and their patients in American Samoa, the Commonwealth of the Northern Mariana Islands (CNMI), Guam, Puerto Rico, and the U.S. Virgin Islands, will face significant reduction in resources and access to necessary care.

The current Medicaid funding system is unfair to the territories and leads to more stringent Medicaid eligibility limits, less comprehensive Medicaid benefits to participants and inadequate payments to clinicians and hospitals. Unlike states’ Medicaid funding mechanisms, financing for territorial Medicaid programs is capped and the federal medical assistance percentage (FMAP) for the territories is set by statute at 55 percent, significantly less than that of the states, despite having higher average Medicaid enrollment than most states. While we appreciate the short-term funding passed in the Affordable Care Act in 2010, the Bipartisan Budget Act in 2018, and the CARES Act in 2020, Medicaid programs in these territories remain chronically underfunded.

Our constituent chapters in the territories represent hundreds of family physicians who have long been proponents of changes to the current funding mechanisms to ensure that the territories are treated more equitably to the states for the purposes to Medicaid financing. Without additional support, the territories will revert to a 55 percent FMAP on October 1, when many physician practices and patients will still be coping with the effects of COVID-19 on their health and financial wellbeing. Any short-term funding options to avert this cliff should remain at the level passed under the CARES Act, but long-term reforms are also needed. **Specifically, Congress should pass H.R. 265, the Insular Area Medicaid Parity Act, which would lift the Medicaid funding cap in the U.S. territories.**

Additionally, these territories are facing an ongoing exodus of physicians from the islands as reimbursement for services remains significantly lower than the same services performed in the U.S. mainland. As of 2016, **physicians and surgeons in Puerto Rico earned a median**

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hourly salary that was less than half of their main land counterparts.ⁱ In Puerto Rico, the current number of primary care physicians only address 1.9 percent of their need.ⁱⁱ Even basic preventative services have a significantly lower uptake in Puerto Rico than on the mainland. According to 2018 CMS data, flu shot uptake in Puerto Rico was at 37 percent compared to 64 percent of Puerto Ricans and 76 percent of Hispanics on the mainland receiving a flu shot.ⁱⁱⁱ Without adequate reimbursement from Medicaid and Medicare Advantage, physicians are unable to meet basic financial obligations for operating their practice and are unable to make longer-term investments to enhance or grow their practice.

Furthermore, with higher rates of Medicaid participation and a large percentage of ethnic and racial minority groups, chronic underfunding and continuous re-evaluation of funding levels is crippling an already at-risk population. Ensuing adequate Medicaid funding for U.S. territories is an important step toward achieving health equity. Passing the Insular Area Medicaid Parity Act will allow the U.S. territories to better serve their communities, grow their physician workforces, plan for long-term health care spending, and better respond to future natural disasters.

The AAFP stands ready to partner with you to advance H.R. 265, and to develop policy solutions to strengthen the health care workforce in the U.S. territories. For more information, please contact Erica Cischke, Senior Manager of Legislative and Regulatory Affairs at ecischke@aafp.org.

Sincerely,



Gary L. LeRoy, MD, FAAFP
Board Chair, American Academy of Family Physicians

ⁱ Patron, M. (2017, August 08). Puerto Rico's exodus of Doctors Adds health care strain to dire financial crisis. Retrieved March 16, 2021, from <https://www.nbcnews.com/news/latino/puerto-rico-s-exodus-doctors-adds-health-care-strain-dire-n783776>

ⁱⁱ Kaiser Family Foundation. Primary care health Professional Shortage Areas (HPSAS). (2020, November 05). Retrieved March 16, 2021, from <https://www.kff.org/other/state-indicator/primary-care-health-professional-shortage-areas-hpsas/?currentTimeframe=0&sortModel=%7B%22colld%22%3A%22Location%22%2C%22sort%22%3A%22asc%22%7D>

ⁱⁱⁱ CMS Office of Minority Health. "Comparing Puerto Rican's Health Status, Access to Care, and Satisfaction with Care to their Mainland Counterparts Prior to Hurricane Maria." October 2018. <https://www.cms.gov/About-CMS/Agency-Information/OMH/Downloads/CMS-OMH-October2018-Puerto-Rico-Data-Highlight.pdf>

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