



Statement for Hearing on
“Averting a Crisis: Protecting Access to Health Care in the U.S. Territories”
Submitted to the House Energy & Commerce
Subcommittee on Health

March 17, 2021

Medicaid is an essential part of American health care. It helps improve the health and financial security of over 70 million hard-working Americans, children, older adults, people with disabilities, and veterans.¹

As our nation works to overcome the COVID-19 crisis, America’s Health Insurance Plans (AHIP) greatly appreciates the Subcommittee on Health’s focus on the imminent reductions in Medicaid funding for the U.S. territories. Medicaid has long been a critical lifeline to Americans in Puerto Rico, the U.S. Virgin Islands, the Northern Mariana Islands, American Samoa, and Guam. This need has only grown throughout the pandemic and is expected to continue to grow in the years to come.

By passing the *Further Consolidated Appropriations Act, 2020* and the *Families First Coronavirus Response Act (FFCRA)*, Congress took critical steps in providing additional temporary funding for the territories and increasing the federal Medicaid match rates. These important steps were necessary to ensure the stability and vitality of Medicaid through the pandemic, but those funds are set to expire on September 30, 2021, which would have severe negative consequences for the millions of Americans who rely on Medicaid coverage and each of the health care systems in the five territories.

We look forward to working with the Subcommittee to ensure that the most vulnerable residents of the U.S. territories can continue to rely on a viable Medicaid program for their health care needs and to assure that the health care systems relied on by all citizens of territories remain stable as we continue to fight the pandemic.

Medicaid Managed Care’s Unique Role in Puerto Rico

Medicaid has served as an essential safety net in Puerto Rico through the worst disasters, both playing a critical role in the island’s resilience through hurricanes, earthquakes, and a crippling

¹ <https://www.medicaid.gov/medicaid/program-information/medicaid-and-chip-enrollment-data/report-highlights/index.html> (September 2020).

global pandemic. Health insurance providers are committed to ensuring that Medicaid is effective and affordable for all enrollees in Puerto Rico.

Medicaid serves over 1.4 million enrollees in Puerto Rico – over half of the island’s residents.² Puerto Rico is also the only U.S. territory that uses a managed care delivery system to provide services. Moreover, Medicaid is a crucial piece to Puerto Rico’s health care financing system due to the island’s high poverty rate and prevalence of health chronic conditions, such as high blood pressure, diabetes, and HIV/AIDS. In 2018, 47.8 percent of all Puerto Ricans had Medicaid coverage.³

Medicaid funding caps have resulted in Puerto Ricans receiving fewer benefits and being subject to more restrictive eligibility requirements as compared with Medicaid programs in states. Failure to provide continued funding for Puerto Rico’s Medicaid program could lead to beneficiaries experiencing further reductions in benefits or more stringent eligibility requirements. To that end, AHIP and our member managed care plans in Puerto Rico are committed to ensuring that Medicaid enrollees maintain their access to affordable, high-quality coverage and care.

For Puerto Rico in particular, the Medicaid program is also critically important to the health of the island’s residents and to the ongoing viability of the island’s provider infrastructure. Continued funding will support efforts by Puerto Rico’s government, its Medicaid managed care plans and their contracted providers to deliver health care to the island’s most vulnerable residents.

Swift Action Needed to Protect Puerto Rico’s Dual Eligible Population

Puerto Rico also has a large number of Medicaid enrollees who are dually eligible for Medicare and Medicare Advantage (MA) plans. As of February 2021, over 610,000 individuals in Puerto Rico were enrolled in an MA plan, representing nearly 80 percent of the island’s Medicare-eligible population.⁴ In addition, nearly 280,000 individuals in Puerto Rico are enrolled in a Dual Eligible Special Needs Plan (D-SNP), which are plans designed to roll benefits from Medicaid and Medicare Advantage into one simple plan, particularly for special needs individuals.⁵

While MA plans face significant funding challenges in Puerto, they still provide basic medical benefits, important supplemental benefits, and other services that address the needs of dually eligible populations. To that end, it is important for Congress to act soon to remedy impending funding shortfalls that could affect the dual eligible population and have implications for MA

² Puerto Rico Medicaid enrollment data available at “[Estadísticas](#),” Medicaid Program, Puerto Rico Department of Health, Aug. 2020.

³ “How States Would Fare Under Medicaid Block Grants or Per Capita Caps: Lessons from Puerto Rico”; Park, E. The Commonwealth Fund, January 6, 2021

⁴ Centers for Medicare & Medicaid Services. (2021). “MA State/County Penetration 2021 03.” Retrieved from <https://www.cms.gov/research-statistics-data-and-systemsstatistics-trends-and-reportsmcradvpartdenroldata/ma-state-county/ma-statecounty-penetration-2021-03>.

⁵ Centers for Medicare & Medicaid Services. (2021). “SNP Comprehensive Report 2021 03.” Retrieved from <https://www.cms.gov/research-statistics-data-and-systemsstatistics-trends-and-reportsmcradvpartdenroldata/special-needs/snp-comprehensive-report-2021-03>.

plan bids that are required to be submitted to the Centers for Medicare & Medicaid Services (CMS) by June 7, 2021. By acting swiftly, Congress can ensure that the health security of hundreds of thousands of dual eligibles in Puerto Rico will be protected.

Recommended Action on the *Insular Area Medicaid Parity Act*

AHIP supports legislation introduced by Rep. Gregorio Kilili Camacho Sablan (I-MP), the *Insular Area Medicaid Parity Act* ([H.R. 265](#)), which would eliminate the Medicaid funding cap in the U.S. territories to give them full access to Medicaid coverage.

Lifting the Medicaid funding cap should be the top priority for Congress in averting a crisis in Puerto Rico and other U.S. territories. However, if Congress fails to pass H.R. 265, AHIP then recommends additional funding similar to the funding provided by the *Further Consolidated Appropriations Act, 2020* and the *Families First Coronavirus Response Act (FFCRA)*. However, that temporary funding is set to expire on September 30, 2021.

As such, AHIP implores Congress work together and create a long-term solution that strengthens Medicaid and protects health care access for the millions of Americans in Puerto Rico and the other territories who rely on the program.

Conclusion

Everyone deserves access to affordable and quality coverage and care, especially as the nation grapples with the COVID-19 pandemic. We thank the members of the Subcommittee for your dedication to address upcoming Medicaid fiscal cliff. We appreciate your leadership as you work to advance guaranteed long-term funding for Puerto Rico and all the territories' residents. We look forward to working with the Congress to ensure that these residents can rely on a viable Medicaid program for their health care needs in the years to come.