

March 17, 2021

The Honorable Anna Eshoo
Chairwoman
Subcommittee on Health
U.S. House Committee on Energy and Commerce
Washington, DC 20510

The Honorable Brett Guthrie
Ranking Member
Subcommittee on Health
U.S. House Committee on Energy and Commerce
Washington, DC 20510

Dear Chairwoman Eshoo and Ranking Member Guthrie:

The Medicaid and Medicare Advantage Products Association of Puerto Rico (“MMAPA”) applauds your convening the hearing today on "Averting a Crisis: Protecting Access to Health Care in the U.S. Territories." We offer the views below in strong support of permanent solutions to the long-standing inequities in Puerto Rico’s treatment under federal health care laws, particularly Medicaid and Medicare Advantage.

About MMAPA

MMAPA is a non-profit, member-driven trade association composed of the leading Medicaid and Medicare Advantage organizations in Puerto Rico: First Medical, Humana, MCS, MMM/PMC, Plan de Salud Menonita, and Triple-S Advantage. Founded in 2009, MMAPA advocates for increased government investment in the Puerto Rican health care system. MMAPA's mission is to develop policy proposals that sustain and improve funding for Medicaid and Medicare Advantage beneficiaries and the Puerto Rican health care system at large. To achieve this, MMAPA members educate, advocate to, and collaborate with local and federal officials to stabilize and increase investments in the island's health care system.

Medicaid

The 1.4 million U.S. citizens in Puerto Rico who rely on Medicaid face an immediate crisis: over 75% of the federal funding for the program will evaporate on October 1, 2021 unless Congress acts this year.

Current federal law caps Puerto Rico Medicaid funding and contributes at a far lower federal matching rate than if Puerto Rico were treated like a state. This longstanding inequitable treatment leads to less care, lower reimbursement to providers, and reduced access to coverage. In recent years, Congress has intervened and provided short-term legislation to increase funding and a higher matching rate. Most recently, Congress provided \$5.7 billion for 2020 and 2021, as well as

an increase in the federal matching rate to 76%, rather than the statutory 55% matching rate. Current short-term funding expires on September 30, 2021, at which time funding will revert to the statutory amount of approximately \$392 million and a 55% matching rate.

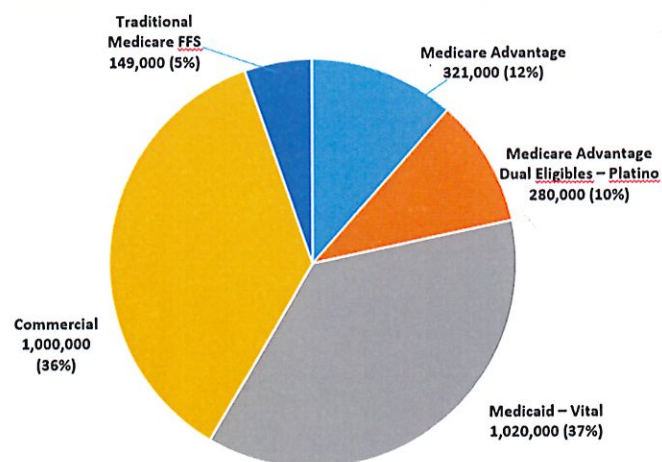
The situation on the ground commands Congress’s attention. 43% of Puerto Ricans are living in poverty, compared to just 13% in the states. Puerto Rico's population has significantly higher rates of hypertension, diabetes, asthma, HIV/AIDS, and other medical conditions. This situation could make Puerto Rico an important test case for demonstrating the value of addressing the social determinants of health. Instead, however, due to unpredictable and insufficient funding Puerto Rico continues to lag in long-term investments in its fragile healthcare system. An attached white paper delineates the differences between the Medicaid program in Puerto Rico and the states.

While MMAPA deeply appreciates the funding Congress has provided to the Island’s Medicaid program in recent years, the time to provide certainty is now. The simplest and most equitable manner to do this is by removing the statutory cap on funding and permitting a federal matching rate on par with the states, and we endorse that approach. Recognizing fiscal realities, however, we would welcome the opportunity to discuss other approaches so long as they would adequately address the enormous needs of the U.S. citizens of Puerto Rico and also provide the long-term funding needed to invest in critical health and wellness programs. In doing so, as we have in the past, we are prepared to partner with Congress and the Puerto Rico government to enact and abide by all appropriate program integrity safeguards.

Medicare Advantage

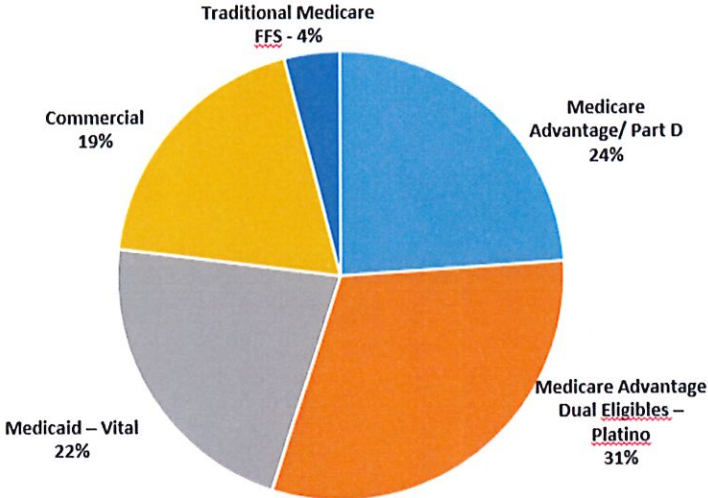
It is impossible to have a discussion about Puerto Rico’s healthcare system without also evaluating the needs of its Medicare Advantage program. Medicare Advantage (MA) is a cornerstone healthcare program that sustains patients and providers in Puerto Rico, particularly for the 280,000 elderly Medicaid beneficiaries enrolled in MA Dual Eligible Special Needs Plans (D-SNPs). It is largely because of the shortfalls in Medicaid funding that the MA program plays an outside role in providing stable health care in Puerto Rico.

Puerto Rico Distribution of Health Care Coverage - 2020 Estimate



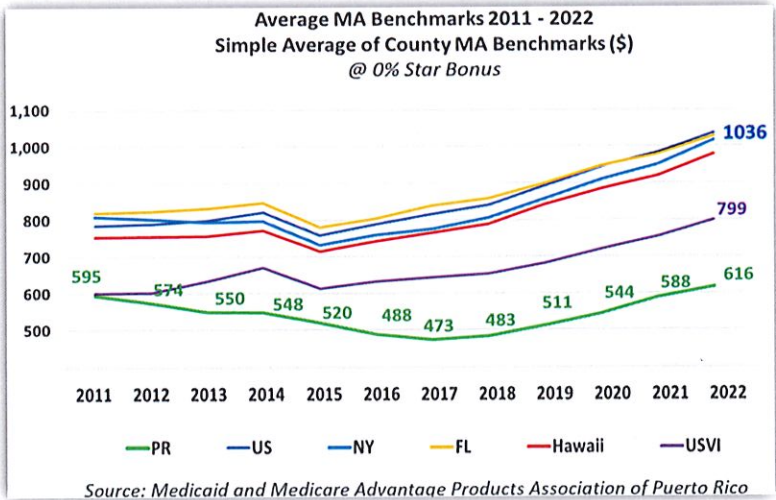
80% of Medicare beneficiaries in Puerto Rico choose MA, leading to an enrolled population of approximately 601,000 in 2020, the 8th largest MA population in the U.S. Due to the high local poverty rate and lack of availability of certain subsidy programs offered in the U.S., many low-income seniors cannot afford Medicare Part B or Part D premiums, therefore MA plans are an essential option to access outpatient medical and prescription drug services. MA plans serve many of our most vulnerable residents, including the 98% of dual eligibles who have chosen to receive their Medicaid benefits through an MA plan. Stability in the MA program is therefore essential to the sustainability of the entire Puerto Rico health care system.

Estimated Distribution of Health Care Resources



Source: National Association of Insurance Commissioners data

MA plans strive to support the Puerto Rico health care system in spite of the fact that MA rates in Puerto Rico have been falling behind the national average for 7 years. Historic inequities in the structure of Puerto Rico’s health care system have depressed MA benchmarks to levels that are inconsistent with MA funding in other parts of the United States. Puerto Rico’s MA rates are now 41% below the national average and 23% below the rates in the US Virgin Islands.



Source: Medicaid and Medicare Advantage Products Association of Puerto Rico

In spite of limited discretionary relief from CMS, the gap is widening between Puerto Rico MA benchmarks and those in the states. This funding disparity is compounded by the statutory disparity of Puerto Rico being excluded from the Medicare Part D Low Income Subsidy, which would enhance pharmacy benefits for approximately 400,000 beneficiaries.

Part of averting a crisis and protecting access to health care in Puerto Rico is preventing MA rates from falling further behind the national average. We urge Congress to establish a Minimum Standard Benchmark in the MA program that would ensure Puerto Rico rates are more in line with geographic and statistical norms. Reforming MA payment issues now will (1) immediately enhance the quality of care for dual eligibles and other vulnerable Medicare beneficiaries, (2) motivate residents and key healthcare providers in the island to forgo additional migration to the mainland, and (3) encourage future investment in Puerto Rico's healthcare system infrastructure; all of which are urgently needed.

MMAPA has worked closely with Resident Commission Jenniffer Gonzalez to address the MA and related Puerto Rico health care disparities over the last several years. We want to thank her for her thoughtful work in this area and on all aspects of Puerto Rico's fragile healthcare system. We highly recommend that the subcommittee consider her legislation in these areas as soon as possible.

Again, MMAPA greatly appreciates the opportunity to present these views. We stand ready to assist the subcommittee in any way we can to provide meaningful, long-term legislative solutions to Puerto Rico's health care issues.

Sincerely,



Roberto García
President and CEO, Triple S Management Corporation
President, MMAPA

Attachment