



GOVERNMENT OF PUERTO RICO

PUERTO RICO FEDERAL AFFAIRS ADMINISTRATION

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STATEMENT BY CARMEN M. FELICIANO, ESQ.
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before the

**Full Committee on Insular Affairs of the
U.S. House of Representatives Committee on Natural Resources on hearing of
“The President's FY22 Budget Priority for the Territories: Medicaid, SSI, and SNAP Parity.”**

Wednesday, April 28, 2021

Chairman Grijalva, Ranking Member Westerman, and Members of the Committee:

Thank you for holding today’s hearing on several of the most important and urgent matters facing the people of Puerto Rico — the inequitable treatment of Puerto Rico in Medicaid, Supplemental Security Income (SSI), and the Supplemental Nutrition Assistance Program (SNAP). While the disparate treatment of Puerto Ricans has roots in our territorial status, I urge you to stop treating the 3.2 million residents of Puerto Rico as second-class American citizens when it comes to administering these critical programs to the Island.

Puerto Rico, this Committee, and the Biden Administration are committed to Building Back Better after the ravages of a global pandemic, natural disasters, and their human and economic toll. The President’s FY 22 Budget clearly outlines and supports “eliminating Medicaid funding caps for Puerto Rico and other Territories while aligning their matching rate with States (and moving toward parity for other critical Federal programs including SSI and SNAP).”

Historically, Puerto Rico’s Medicaid program has been underfunded compared to other states with a higher per-capita income and lower populations. Puerto Rico must contend with a program that lurches from ‘cliff’ to ‘cliff’, a territorial funding cap, and an effective Federal Medical Assistance Percentage (FMAP) that underfunds the Federal portion of the program. The result is a less generous and comparatively inequitable health care system for the 47 percent of Puerto Rico that is eligible for Medicaid benefits. As an example, with a population of 3.2 million, with 43.5 percent of the population below the federal poverty level (FPL) and a per-capita income of \$23,470, Puerto Rico is subject to a statutory 55 percent FMAP and for FY 2019 received \$2.65 billion in federal contribution. Whereas Mississippi, with 2.96 million people —19.7 percent below the FPL— and a per-capita income of \$37,904, has an FMAP of 84.5 percent and received \$4.26 billion in federal funding.



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We are grateful to the Members of the House Energy and Commerce Committee who put forward the bipartisan H.R. 4406, the Supporting Medicaid in the U.S. Territories Act of 2021 to avoid the fast-approaching Medicaid cliff. However, it is not a long-term, permanent solution. Under the current funding scheme an individual at 90 percent of the FPL in Puerto Rico would not be covered. That individual would be covered by simply moving to other jurisdictions. Currently, Puerto Rico's Medicaid program serves over 1.4 million low-income U.S. citizens. In the past, Members of this Committee have sponsored bills to rectify this inequity, and CMS and MACPAC have studied the feasibility of parity for Puerto Rico: the time for action is now. Puerto Rico and I wholeheartedly support the Committee's urgent efforts to provide state like treatment for Puerto Rico's Medicaid program by removing the caps and increasing the FMAP to 83 percent.

Just as the federal support for healthcare is subjected to limited terms and capped funding, so is Puerto Rico's Nutrition Assistance Program, or NAP. NAP funding in Puerto Rico is currently capped at approximately \$1.9 billion. As a result, when the Government of Puerto Rico establishes the eligibility for the program, it must be mindful of the financial constraints imposed by the block grant and not base it solely in need like all the other states that instead participate in the Supplemental Nutrition Assistance Program (SNAP). Furthermore, as it became evident during the COVID-19 pandemic, the 2017 hurricanes Irma and María, and the earthquakes, the NAP program doesn't offer the same flexibility SNAP does when confronted with an emergency. The time is now to move Puerto Rico from NAP to SNAP.

Similar to SNAP and Medicaid, SSI is a federal program that aids those over 65 and older with income under the poverty level and minors with disabilities or conditions such as cancer, cerebral palsy, downs syndrome, and multiple sclerosis. According to the GAO, if SSI were applied to Puerto Rico, the territory would receive between \$1.5 billion and \$ 1.8 billion, impacting more than 354,000 Puerto Ricans. However, the US citizens in Puerto Rico are ineligible for this benefit. Again, Members of this Committee have bills before this Chamber that can rectify this situation by bringing Puerto Rico closer to parity with its fellow citizens on the mainland.

The Government of Puerto Rico is committed to its inclusion in our national safety nets, Medicaid, SNAP, and SSI. Our island cannot continue to lurch from block grant to block grant; we must attain the same federal guarantee that the mainland enjoys.

Thank you.