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Congress of the United States
House of Representatives
Washington, DC 20515-5200

Prepared statement for Congresswoman Radewagen for the record regarding the June 20, 2019 House Committee on Energy and Commerce's Subcommittee on Health's Hearing on Strengthening Health Care in the U.S. Territories for Today and Into the Future

June 19, 2019

Thank you to Chairman Pallone, Chairwoman Eshoo, Ranking Member Walden, and Ranking Member Burgess for putting together this hearing on the Medicaid fiscal cliff currently facing the US Territories. As we have learned in the May 23, 2019 hearing on territorial Medicaid in the House Committee on Natural Resources, Medicaid funding provided by the ACA is set to expire later this year.

Almost all of American Samoa's 60,000 residents rely on Medicaid for health care coverage and receive care from a single hospital, the Lyndon B. Johnson Tropical Medical Center (LBJ). Unless Congress addresses the funding cliff soon, American Samoa will be forced to cut critical services beginning October 1 of this year, putting at risk the lives of thousands of Americans; many of them veterans.

Unlike states, territories have an annual allotment of capped federal Medicaid funds and a federal medical assistance percentage (FMAP) that is statutorily set at 55%. The recently passed disaster relief package provides much needed relief to American Samoa with a temporary 100% FMAP rate until the end of FY2019, but it is not enough. American Samoa's Medicaid office has estimated an annual need of \$30 Million in federal Medicaid dollars to support the health care needs of my constituents. Unfortunately, American Samoa currently receives just under \$12 Million annually – less than half the needed amount. This is inequitable and urgently needs to be addressed.

Long before I was elected to Congress, the ACA introduced \$7.3 Billion in Medicaid funds for the territories. Of that amount, only \$197.8 Million was made available to American Samoa. The additional funding drastically improved access to health care in the territory and allowed for the expansion of services. Unfortunately, due to CMS rules on the order in which funds could be used and the 55% FMAP, there was no scenario in which American Samoa would have been able to spend \$197.8 Million over 10 years.

For comparison, Nebraska's FMAP is currently 54.72%, but has a GDP 190 times greater than American Samoa according to December 2017 data from the Bureau of Economic Analysis.

Mississippi has the nation's highest FMAP at 76.98%, but still has a GDP 176 times greater than American Samoa. American Samoa is simply unable to generate the local match fund and is being held back by arbitrary statutes put in place decades ago. American Samoans deserve health justice and now is the time to do the right thing.

Going hand in hand with our Medicaid funding cliff, our only hospital LBJ, was built in the 1960's and is in dire need of renovation or replacement. A recently completed assessment of American Samoa's health care infrastructure and services by the United States Army Corps of Engineers found LBJ to be in a state of failure due to age. LBJ will need extensive repair and/or replacement to ensure compliance with basic hospital accreditation standards. The report goes on to project a range of \$161 – \$900 Million for varying levels of cost of repair or replacement for LBJ to protect the life, health, and safety of patients, staff, and visitors.

American Samoa has long been a faithful territory of the United States, consistently standing up to defend freedom here and abroad with the highest volunteer recruitment for the U.S. Army and other service branches per-capita. Our entire health care infrastructure is collapsing due to neglect and it is time to change the status quo. This is not a hand out – it is a hand up. American Samoa, like our sister territories, needs the support of Congress fix our Medicaid system and our aging LBJ hospital so that we can get back to what we do best – fighting for our community and country.

Sincerely,



Aumua Amata Coleman Radewagen
Member of Congress