

**Good morning.**

**The Mariana Islands, which I represent,  
and the four other U.S. insular areas  
all face a “Medicaid cliff” at the end of this year.**

**Supplemental funding for the Medicaid programs in our areas,  
included in the Patient Protection and Affordable Care Act —  
or Obamacare as we like to call it —  
expires this year.**

**Loss of that funding puts health care delivery at risk —  
not just for Medicaid recipients in our islands,  
but for the population at large.**

**Today’s hearing is meant to shine a light on that imminent disaster.**

**I want to thank the directors of each of the insular areas  
Medicaid programs for being here today as witnesses.**

**Your programs are already short of cash.  
So, the cost of coming to Washington was not taken lightly, I know.**

**But I think that we could have no better spokespeople  
to describe how truly dire the situation is.**

**I hope we will be able to learn from you  
what the loss of Medicaid funds will mean to the people you serve**

**– real people,  
who simply have no other means of getting basic health care.**

**Also, invited to testify today is the Chief Executive Officer  
of the Marianas Health Care Corporation.**

**Ms. Esther Muna runs the one and only hospital in the Marianas.  
That hospital depends on Medicaid for over one-quarter  
of its revenue.**

**I hope Ms. Muna will be able to tell us  
what the loss of Medicaid funding will mean  
to the hospital’s ability to deliver services –  
and how that will impact not only Medicaid patients,  
but all patients.**

**I think Ms. Muna’s description of how the hospital depends on  
Medicaid revenue will help us understand how Medicaid revenues  
will affect health care providers in private practice, as well.**

**So we are all working from a common set of facts,  
let me quickly review the situation.**

**In the states and the District of Columbia  
Medicaid is an entitlement program.  
To the extent there is a need for services**

**and to the extent a state can provide local matching funds, federal Medicaid funds are always available.**

**In the five insular areas this is not the case. Up until 2011 we each received a block grant.**

**That block grant, I am sorry to say, is unrelated to the need in each of our areas. It seems to have been set rather arbitrarily, decades ago.**

**And the local match to access that block grant was set in law at 50-50. That is the same matching rate as the wealthiest states. While states as poor as the insular areas only match at a rate of 24-76.**

**Obamacare provided some relief: an extra \$7.3 billion in temporary Medicaid funding and a permanent change in the FMAP to 55-45.**

**But the Obamacare money is no longer available after this year. And all the insular areas will revert to their block grants.**

**For American Samoa, this means going from \$20 million in federal funding to \$12 million.**

**For Guam, from \$56 million to \$18 million.**

**For the Marianas, from \$25 million to \$7 million.**

**For the Virgin Islands from \$70 million to \$18 million.**

**And for Puerto Rico, from \$2.3 billion to just \$360 million.**

**You cannot suffer cuts like that and continue to deliver services.**

**The path forward is unclear.**

**Certainly, more money is needed and an equitable matching rate.**

**But there is also the need for each of the insular areas to build capacity.**

**Because ultimately the goal is not just to have the same funding as states.**

**What we want is medical care for those who need it in the insular areas to be every bit as good as medical care in the states.**

**I look forward to hearing from the witnesses for their advice and experience.**

**And I now recognize \_\_\_\_\_ for an opening statement.**

**[639 words ~ 4.5 minutes]**

