



THE PARTNERSHIP FOR MEDICAID

March 17, 2021

The Honorable Anna G. Eshoo
Chairwoman, Subcommittee on Health
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Brett Guthrie
Ranking Member, Subcommittee on Health
Committee on Energy and Commerce
2322 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairwoman Eshoo and Ranking Member Guthrie:

The undersigned member organizations of the Partnership for Medicaid, a nonpartisan, nationwide coalition made up of organizations representing clinicians, health care providers, safety net health plans, and counties, write to express our views on Medicaid in the U.S. territories and the subcommittee's hearing, "Averting a Crisis: Protecting Access to Health Care in the U.S. Territories." We commend the work of the subcommittee to highlight the detrimental effects of the Medicaid fiscal cliff for the territories on October 1st of this year. Absent Congressional intervention, each territory's Section 1108 allotments will revert to lower levels and their federal medical assistance percentage (FMAP) will be lowered back to 55%.

While we are thankful for Congress' past work to increase Medicaid funding and support over the years, we hope that the Committee will work to pass legislation to address the longstanding inequities in Medicaid affecting the territories. We hope that the Committee will consider H.R.265, the *Insular Area Medicaid Parity Act*, bipartisan legislation introduced by Congressman Sablan and Congresswoman Radewagen, to lift the Medicaid funding cap in the U.S. Territories. The Committee's hearing today demonstrates how Congress can ensure that Americans who reside in American Samoa, Guam, Puerto Rico, the Northern Mariana Islands, and the U.S. Virgin Islands have full access to the benefits of Medicaid. We look forward to working with you to make this legislation a reality.

The Medicaid program continues to be a vital lifeline for vulnerable individuals, families and children. Our members see the value that Medicaid provides to ensure the optimal health and well-being of beneficiaries enrolled in the program. Unfortunately, due to limitations in the funding statute, the Medicaid program operates differently in the U.S. Territories compared to those of the states through capped funding and a fixed federal medical assistance percentage. This discrepancy results in fewer federal dollars supporting territorial governments which in turn affects the financial viability of their Medicaid programs. At a [recent meeting](#) of the Medicaid and CHIP Payment and Access Commission, Medicaid Directors from the territories outlined the challenges their jurisdictions faced as a result of the inequitable funding mechanism of the Medicaid program as they addressed the dual public health and economic crisis arising from the pandemic. The territory leaders linked the existence of capped Medicaid funds and the detrimental effects it has on reimbursing providers fairly, which in turn affects beneficiary access to needed care.

Numerous reports detail the health and economic disparities that exist for residents of the U.S. territories, whose geographic locations and isolation contribute to more disparities. For example, natural disasters such as hurricanes and earthquakes have struck Puerto Rico, Guam, the U.S. Virgin Islands and the Northern Mariana Islands. Additionally, close to a decade ago, American Samoa suffered the devastation of a tsunami. We all understand the importance of Medicaid during these natural disasters, which have provided states with matching funds to help offset unanticipated costs associated

with disasters and in some cases has allowed the program to provide a heightened response, for example by facilitating short-term changes to program rules affecting eligibility, benefits, and provider payment. In terms of economic conditions, all these jurisdictions have experienced prolonged fiscal challenges resulting in rising levels of unemployment and poverty, only made worse by the global pandemic. Finally, residents of the U.S. territories have experienced more health challenges compared to their counterparts in the states. According to the Kaiser Family Foundation, self-reported health is significantly more likely to be fair or poor in Guam (22%) and Puerto Rico (37%) than in the 50 states and D.C. (18%)¹. Chronic disease disparities also exist with studies showing American Samoa having one of the highest rates of obesity and diabetes in the world.

Lastly, addressing the Medicaid funding limitation in the territories will help advance health equity and aim to correct longstanding disparities in health. The unequal treatment of Americans residing in the territories, of whom 98% are racial or ethnic minorities, is only exacerbated by the capped Medicaid funding which deprives some of the most marginalized populations of the federal support their counterparts living stateside enjoy. We hope that the Committee moves to enact policies to promote health justice and advance health equity for Americans in the territories.

In 2019, the Partnership sent a [letter](#) calling on Congress to address the impending Medicaid “fiscal cliff,” that would have resulted in decreased funds for the territories. While Congress has acted to increase funds for the Medicaid program over the years through legislation on a short-term basis, the *Insular Area Medicaid Parity Act* is needed legislation as it corrects this longstanding discrepancy by eliminating the statutorily set funding caps. This bipartisan legislative approach represents a long-term solution for Medicaid beneficiaries residing in the U.S. Territories, while ensuring that territorial governments are given fiscal relief to stabilize the health and economic security of their jurisdictions.

We look forward to passage of this legislation and for the Committee’s work to bring Medicaid parity for the insular areas. If you have any questions please contact Jonathan Westin at the Jewish Federations of North America, First Co-Chair of the Partnership for Medicaid at Jonathan.Westin@jewishfederations.org. Thank you for the opportunity to share our thoughts on this important issue.

Sincerely,
American Academy of Family Physicians
American College of Obstetricians and Gynecologists
American Dental Association
American Dental Education Association
American Network of Community Options & Resources (ANCOR)
Association for Community Affiliated Plans
The Catholic Health Association of the United States
Easterseals
Jewish Federations of North America
Medicaid Health Plans of America
National Association of Community Health Centers

¹ Kaiser Family Foundation analysis of the 2016 (USVI) and 2017 (50 States and D.C., Guam, Puerto Rico) Behavioral Risk Factor Surveillance System (BRFSS). Significance testing for USVI BRFSS data from 2016 was completed using 2016 BRFSS data for the 50 states and D.C., while significance testing for Guam and Puerto Rico used 2017 BRFSS data. BRFSS data from 2016 and 2017 were not available for American Samoa and Northern Mariana Islands

National Association of Pediatric Nurse Practitioners
National Association of Rural Health Clinics
National Council for Behavioral Health
National Health Care for the Homeless Council
National Rural Health Association