



Governor of Puerto Rico
WANDA VÁZQUEZ GARCED

September 1, 2020

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
H-232, The Capitol
Washington, D.C. 20515

The Honorable Mitch McConnell
Majority Leader
United States Senate
S-230, The Capitol
Washington, D.C. 20515

The Honorable Charles Schumer
Democratic Leader
United States Senate
S-221, The Capitol
Washington, D.C. 20515

The Honorable Kevin McCarthy
Republican Leader
U.S. House of Representatives
H-204, The Capitol
Washington, D.C. 20515

Dear Speaker Pelosi, Majority Leader McConnell, Democratic Leader Schumer, Republican Leader McCarthy:

I write to thank you and urge for your continued support of Puerto Rico's Medicaid program. Due to the hardships from the Coronavirus (COVID-19) pandemic, the partial fiscal year (FY) term given to use all appropriated funds, and the bureaucratic requirements imposed by the federal government and the Financial Oversight and Management Board (FOMB) to make any changes to our Medicaid program, I urge Congress to allow Puerto Rico the ability to use any unspent FY 2020 Medicaid funding in FY 2021. Without Congressional authority to carry over unspent FY 2020 Medicaid funding into FY 2021, critical sustainability measures to improve and increase Medicaid services to address the urgent medical needs for our beneficiaries will be hampered, further exacerbating the ongoing medical crisis caused by the COVID-19 pandemic.

As you are aware, H.R. 1865, Further Consolidated Appropriations Act, 2020 (P.L. 116-94), provided Puerto Rico and the other U.S. Territories an increase in both Section 1108(g) of the Social Security Act (SSA) capped funds and in the Federal Medical Assistance Percentage (FMAP). Puerto Rico was appropriated increased capped funding of \$2,623,188,000 for FY 2020, and \$2,719,072,000 for FY 2021, at an increased FMAP of 76 percent. The increased capped funding for FY 2020 and FY 2021 respectively, were also subject to a potential annual increase of \$200,000,000, if the Secretary of Health and Human Services (HHS) certified that Puerto Rico established a reimbursement floor, implemented through a directed payment arrangement plan, for physician services covered under Medicare Part B at a rate not less than 70 percent. Earlier this year, with the enactment of H.R. 6201, the Families First Coronavirus Response Act (FFCRA) (P.L. 116-127), Puerto Rico's capped funding was increased to \$2,716,188,000 for FY 2020 and

\$2,809,063,000 for FY 2021 with a temporary increase in the FMAP of 6.2 percentage points on a quarterly basis during the term of the public health emergency period.

Medicaid is designed to treat our nation's most vulnerable populations, including low-income families, the elderly, children, and individuals with disabilities. Unfortunately, COVID-19 has created numerous disturbances to our health care facilities and services for vulnerable beneficiaries across the island; a situation not unique to Puerto Rico. As we have seen in communities across the United States, many of Puerto Rico's vulnerable beneficiaries are deferring seeking treatments and/or access to certain programs due to fear of exposure to COVID-19, an understandable precaution given COVID-19's fatality rate among vulnerable populations. As such, certain initiatives, such as our Hepatitis C informative campaign, have been delayed following medical recommendations to ensure the safety of vulnerable beneficiaries and to stem the spread of infections.

Bureaucratic procedures and determinations have also caused delays to the timely usage of the appropriated FY 2020 Medicaid funding, and in one instance, has required us to stop working towards implementation of one of the five critical sustainability measures we previously communicated to Congress. For example, we began our initiative for implementation of the Medicare 70 percent fee scheduled on March 1, 2020 but did not receive approval from the FOMB until July 27, 2020. Moreover, the FOMB is prohibiting the Government of Puerto Rico from implementing a critical sustainability measure to expand the base of Medicaid coverage for those low-income individuals and families on the island who are unable to afford health insurance without federal assistance, although they would be eligible for Medicaid coverage if they lived stateside. This determination by the FOMB, which my Administration vehemently disagrees with, is denying the people of Puerto Rico swift use of and access to federally appropriated funds, which inconsistent with the FOMB's roles and responsibilities as defined by PROMESA.

As a result of such impediments, from the total amount of \$2,916,188,000 appropriated for FY 2020, approximately \$1,054,200,000 has not been assigned. Therefore, Puerto Rico will not be able to use the entirety of the FY 2020 Medicaid funding prior to the September 30, 2020 deadline. However, this current spend rate of the FY 2020 Medicaid funds should not lend itself to the conclusion that there is not an urgent need for this Medicaid funding. On the contrary, the totality of the FY 2020 Medicaid funds is needed now more than ever. The U.S. citizens of Puerto Rico have faced drastic challenges in recent years from the debt crisis to the devastating damage from Hurricanes Irma and Maria and recent ongoing earthquakes. The COVID-19 pandemic has further exacerbated the vulnerabilities in our health care system. These hardships have caused serious disruption to services at hospitals and other medical facilities. Without the flexibility to permit unspent federal Medicaid funding to rollover to FY 2021, there will be a reduction of health care services, worsening the ongoing medical crisis. As Congress considers the federal government's funding for FY 2021, I urge Congress to allow Puerto Rico the ability to use any unspent FY 2020 Medicaid funding in FY 2021 so that we can meet the healthcare needs of the nearly 1.4 million Medicaid beneficiaries on the island while continuing to combat the COVID-19 pandemic.

Thank you in advance for your attention to this request. For further reference, I have included with this letter the Centers for Medicare and Medicaid Services (CMS) Quarterly Report and Puerto Rico's Comprehensive Oversight and Monitoring Plan. Should you require additional information

or have any questions, please do not hesitate to contact Jennifer M. Storipan, Esq., Executive Director of the Puerto Rico Federal Affairs Administration at (202) 778-0710 or via email at jstoripan@prfaa.pr.gov.

Sincerely,



Wanda Vázquez Garced
Governor of Puerto Rico

cc: The Honorable Frank Pallone, Chairman, U.S. House Energy and Commerce Committee
The Honorable Greg Walden, Ranking Member, U.S. House Energy and Commerce Committee
The Honorable Chuck Grassley, Chairman, U.S. Senate Committee on Finance
The Honorable Ron Wyden, Ranking Member, U.S. Senate Committee on Finance
The Honorable Jenniffer González-Colón (PR-At-Large)
The Honorable Lorenzo González Feliciano, Secretary, Department of Health
Jorge E. Galva, Executive Director, Health Insurance Administration of Puerto Rico
Rear Admiral Peter J. Brown, Special Representative for Puerto Rico, Executive Office of the President
Jennifer M. Storipan, Esq., Executive Director, Puerto Rico Federal Affairs Administration