

Congress of the United States
House of Representatives
Washington, DC 20515-5400

March 18, 2022

The Honorable Xavier Becerra
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

Dear Secretary Becerra:

As the Centers for Medicare and Medicaid (CMS) continues to analyze the recently released proposed payment policy changes for the Medicare Advantage (MA) and Part D drug programs in 2023, we are writing to request that you consider adopting the necessary policies to reduce the current inequities in the operation of Puerto Rico's MA program. Doing so will dramatically improve health care services for 630,000 U.S. senior citizens living in Puerto Rico, including more than 280,000 dually eligible beneficiaries. Such action would also fulfill the administration's overall commitment, as set forth in its 2023 Medicare Advantage and Part D Advance Notice, to reduce disparities and improve health equity in the Medicare program.

Unlike the mainland, the vast majority (90%) of Medicare beneficiaries with Medicare Part A and Part B in Puerto Rico and almost all (97%) dual-eligible beneficiaries receive their care through local MA plans. As a result, MA accounts for nearly half of all health care expenses in Puerto Rico. As you well know from your visits to Puerto Rico, these seniors are generally poorer and have more chronic conditions than the Medicare Advantage population in the states, and yet federal payments for these seniors continues to fall relative to the states.

Unfortunately, the current MA rate-setting formula has caused MA rates to be severely underestimated for Puerto Rico: MA rates to Puerto Rico that were 32% below the national average in 2015 are now 42% below the national average. That is 37% below the lowest state (Hawaii) and 23% below the next-lowest jurisdiction (the U.S. Virgin Islands). We appreciate the corrective actions that CMS has taken over the years to temporarily stabilize MA rates for Puerto Rico. However, despite these efforts, the gap in MA rates between Puerto Rico and the rest of the country has continued to widen. Shockingly, today, MA plans in Puerto Rico are reimbursed approximately \$1 billion less than they were in 2011 – contrary to the trend across every state in the nation. This lack of adequate funding has been particularly challenging as the island has been forced to navigate hurricanes, earthquakes, a pandemic and other adversities.

Failing to close the MA funding gap between Puerto Rico and the states effectively relegates the Puerto Rico health care system to second-tier status. We therefore ask that in accordance with all applicable laws, rules, and regulations you consider working to address the historically low Medicare Advantage payment rates and their consequences to Puerto Rico's health system. The time has come to fix these long-standing inequities once and for all.

Thank you for your full and fair consideration of this matter, consistent with applicable agency guidelines.

Sincerely,



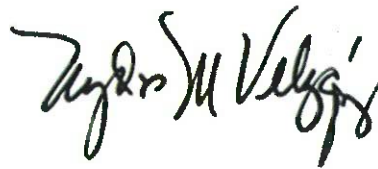
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