

Puerto Rico Healthcare Community

March 29, 2022

Hon. Xavier Becerra
Secretary
Department of Health and Human Services
200 Independence Avenue SW
Washington, D.C. 20201

Mrs. Chiquita Brooks-LaSure
Administrator
Centers for Medicare & Medicaid Services
200 Independence Avenue SW
Washington, D.C. 20201

RE: Puerto Rico Healthcare Community Request for Equity in the Medicare Advantage program (CMS-4192-P)

Dear Honorable Secretary Becerra and Madam Administrator Brooks-LaSure:

As critical stakeholders representing the Puerto Rico healthcare community, we applaud the Biden administration, HHS, and CMS for your mission to achieve social justice through mitigating health disparities in underserved communities.

As the Biden administration and Congress continue their urgent actions to salvage and provide much-needed stability to Puerto Rico's Medicaid program, we are writing to request that HHS-CMS adopt crucial administrative policies to alleviate the current inequities in the operation of Puerto Rico's Medicare Advantage (MA) program. Doing so will positively 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 reduce the rate of provider migration to the states, strengthen the island's healthcare infrastructure while fulfilling the administration's overall commitment to equity for underserved areas.

Unfortunately, the current MA rate-setting formula has caused MA rates to be severely underestimated for Puerto Rico: MA rates in Puerto Rico that were 24% below the national average in 2011 are now 42% below the national average. That is 37% below the lowest state (Hawaii) and 23% below the next-lowest jurisdiction (U.S. Virgin Islands). Despite previous efforts by CMS, the gap in MA rates between Puerto Rico and the rest of the country has continued to widen. This lack of adequate funding has been particularly challenging as the island has been forced to navigate hurricanes, earthquakes, and a global pandemic. Moreover, due to historical underfunding and socio-economic factors, seniors in Puerto Rico are poorer and have more chronic conditions than the MA population in the states, and yet federal payments for these seniors continue to fall significantly relative to the states. The absolute dollar distance to the bottom of the MA benchmarks for Puerto Rico gets larger every year, and additional administrative fixes are necessary to break this spiral to the farthest bottom.

In Puerto Rico, 90% of Medicare beneficiaries with Medicare Part A and Part B and 98% of the eligible dual-eligible beneficiaries overwhelmingly choose to receive their Medicare and

Medicaid benefits through the MA program. As a result, MA has become a very important part of the backbone of the health care system for the 3.2 million American citizens on the island. It is too important to keep falling behind.

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, request that CMS exercise its legal authority and longstanding existing precedence to address the historically low MA payment rates and their consequences on Puerto Rico's health system. The time has come to fix these long-standing inequities. The MA program in PR has been doing more with less, has the highest acceptance rate of Medicare beneficiaries in the nation, and has improved significantly in quality measures. It is the most developed and federally monitored platform, and it needs the fair amount of resources to address clear inequities in a system focused on person-centered care.

Addressing inequities now will (1) immediately enhance the quality of care for the most vulnerable Medicare beneficiaries, (2) motivate residents and key healthcare providers on the island to forgo additional migration to the mainland, and (3) encourage future investment in Puerto Rico's healthcare system infrastructure; all of which are urgently needed.

"Biden will address historically low Medicare Advantage payment rates and their consequences to Puerto Rico's health system by directing the HHS Secretary to develop and recommend payment reforms and enhancements to the program."

- *The Biden-Harris Plan for Recovery, Renewal & Respect for Puerto Rico*

We look forward to the plan becoming a reality.

Sincerely,



Advocates of the Puerto Rico Healthcare Community



The Puerto Rico Chamber of Commerce



Medicaid & Medicare Advantage Products Association of Puerto Rico



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Puerto Rico Hospitals Association



Puerto Rico College of Healthcare Administrators



Puerto Rico Community Pharmacies Association



Pharmaceuticals College of Puerto Rico



IPAs Association of Puerto Rico



Puerto Rico College of Physicians & Surgeons



Primary Care Association of Puerto Rico



Puerto Rico Medical Association



Clinical Laboratories Association of Puerto Rico



Entrepreneurs for Puerto Rico



Puerto Rico United Retailers Association



Puerto Rico Manufacturers Association