



November 19, 2019

The Honorable Frank Pallone  
Chairman  
Committee on Energy and Commerce  
U.S. House of Representatives  
Washington, DC 20510

The Honorable Chuck Grassley  
Chairman  
Committee on Finance  
U.S. Senate  
Washington, DC 20515

The Honorable Greg Walden  
Republican Leader  
Committee on Energy and Commerce  
U.S. House of Representatives  
Washington, DC 20510

The Honorable Ron Wyden  
Ranking Member  
Committee on Finance  
U.S. Senate  
Washington, DC 20515

Dear Chairmen Pallone and Grassley and Ranking Members Walden and Wyden:

The Medicaid and Medicare Advantage Products Association of Puerto Rico (“MMAAPA”) salutes your efforts to address Puerto Rico’s health care crisis, particularly the impending Medicaid cliff. In particular, we applaud Congress’s decision to continue a 100% Federal Matching Assistance Percentage (“FMAP”) for Puerto Rico’s Medicaid program in its recent short-term continuing resolution. We urge you to continue these bipartisan efforts in drafting longer-term proposals. Our views on such legislation are set forth below.

MMAAPA is a non-profit association composed of the leading Medicaid and Medicare Advantage organizations in Puerto Rico. Our mission is to develop policy proposals that sustain and improve funding for Medicare Advantage and Medicaid beneficiaries and the Puerto Rican health care system at large. Almost 95% of Puerto Rico’s Medicaid program is run and managed by MMAAPA members, who will be responsible for implementing many of the requirements contained in the legislation you are now considering.

Medicaid is a particularly important program in Puerto Rico, where the population suffers from some of the highest rates of chronic disease, including diabetes and cardiovascular illness, in the country. Medicaid and the Children's Health Insurance Program (“CHIP”) cover 1.5 million Americans in Puerto Rico—approximately 45 percent of the island's population, including approximately 350,000 also eligible for Medicare. The devastation caused by Hurricanes Irma and Maria further strained the health care situation in Puerto Rico. With many medical facilities

suffering damage, access to care became even more difficult. As a result of this and other factors, thousands of physicians have fled the Island, creating a crisis of access.

Despite this need, the American citizens of Puerto Rico receive the lowest per-capita federal Medicaid funding in the country because the program is subject to statutory caps on both its FMAP and total funding. Experts estimate that, were it treated as a state, Puerto Rico's FMAP would be in the range of 83%. Further, the needs of Puerto Rico's program far exceed the roughly \$370 million ceiling imposed by current law.

MMAPA believes that the "Territories Health Care Improvement Act," as passed by the U.S. House Committee on Energy and Commerce, represents a solid, bipartisan solution to address Puerto Rico's Medicaid program for the next several years. We also believe, however, that any funding extension should address meaningfully all the major deficiencies in the program. Specifically, we support the requests by the Government of Puerto Rico which tie the funding extension to implementation of some of the key standard Medicaid benefits not covered by the current program. Puerto Rico is interested in including, among other things, the payment of Part B member premiums for the most fragile dual-eligible population, a critical support that Medicaid provides in the states and other territories, but not Puerto Rico. Current federal law dictates that seniors in Puerto Rico are not automatically enrolled into Medicare Part B when they enter the Social Security Program, like their fellow citizens in the states and the other territories. As a result, Puerto Rico has the lowest Medicare Part B participation rate in our nation. We also strongly support funding to improve access to costly Hepatitis C medications and other life-saving drugs, while increasing reimbursement for providers. For your reference, attached is a copy of H.R. 3371, the "Puerto Rico Health Care Fairness, Accountability, and Beneficiary Access Act of 2019", which addresses these and other issues.

MMAPA is mindful of the bipartisan desire to include program integrity provisions in a Medicaid assistance package. We support appropriate measures with reasonable deadlines that provide well-defined missions for the Government of Puerto Rico and others that are critical to the management of the health care system on the island. We caution, however, that any penalties (such as a reduction in federal funding) for non-compliance with any integrity requirements be appropriately calibrated, considering that while the Puerto Rico Government only recently implemented the Medicaid Management Information System and Medicaid Fraud Control Unit, all MMAPA members that run the Medicaid program have been addressing fraudulent claims for years through their own payment integrity programs. For example, rather than an all-or-nothing standard for the release of funds conditioned upon meeting program integrity metrics, we urge that progress should be acknowledged proportionally. The possibility of significant reductions in overall funding will create enormous uncertainty for our members, providers and others in the health care community, not to mention disruptions in access to care for the beneficiaries we are privileged to serve. If money needs to be withheld, we strongly prefer a structure similar to the Bipartisan Budget Act of 2018, as opposed to proposals that claw back allocated funding.

Further, as Congress begins to work on longer term reforms, it should also level the playing field in Medicare Advantage ("MA"). Puerto Rico may depend on Medicaid to cover a large low-income population, but we also depend on MA to provide the majority of the funding to the Puerto Rico healthcare system. MA accounts for nearly 50% of all health care funding to patients and

providers in Puerto Rico. Further, 97% of the Part A & B dual eligible population currently depends on a fully integrated MA-SNP + Medicaid program that we call Medicare Platino. This program is a successful case study of Medicare + Medicaid integration, but its stability and progress are greatly hindered by the disparity of MA base rates in Puerto Rico compared to anywhere else in the United States.

Puerto Rico depends on MA to cover its large senior population. If it were a state, Puerto Rico would have the 8th largest MA-covered population in the nation. But the disparity in funding is enormous and getting worse: back in 2011, PR MA rates were 24% lower than the US average. Now, nine years later, they are 43% lower.

Legislation introduced by Resident Commissioner Jenniffer Gonzalez, Rep. Nydia Velazquez, Rep. Darren Soto, and a group of bipartisan colleagues, the Puerto Rico Integrity in Medicare Advantage Act (“PRIMA”), H.R. 813, would dramatically improve Medicare funding by setting a three-year floor to federal payments. Puerto Rico would still have the lowest levels of MA rates in the nation, but we could begin to reverse the disparities, fully recover from the hurricanes, and fund the health care system these Americans residing in Puerto Rico want and deserve. We urge the Committee to give full consideration to this vitally needed legislation for hundreds of thousands of Puerto Rico’s seniors.

We look forward to continuing our work with you in addressing Puerto Rico’s urgent Medicaid and Medicare Advantage problems, and we thank you for your bipartisan efforts to include a more lasting solution to Puerto Rico’s Medicaid challenges.

Sincerely,



James P. O’Drobinak  
President & CEO, MCS Healthcare Holdings, LLC.  
President, MMAPA



Roberto García Rodríguez, Esq.  
President & CEO, Triple-S Management Corp.  
Former President, MMAPA Board



Richard A. Shinto, MD  
CEO, InnovaCare, Inc.  
Former President, MMAPA  
Governor’s Task Force for Healthcare Parity



Juan Dominguez  
Vice President, First Medical  
MMAPA Board



Luis A. Torres-Olivera, Esq.  
President, Humana Puerto Rico  
MMAPA Board