

Congress of the United States
Washington, DC 20515

April 20, 2012

The Honorable Fred Upton
Chairman
House Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Upton:

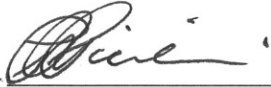
As the representatives of the 4.1 million Americans residing in the five U.S. territories, we write to express our disappointment that you filed legislation that would repeal the provision in the *Affordable Care Act* that mitigated, but by no means ended, the unequal treatment that our constituents have long received under Medicaid. We understand that the Fiscal Year 2013 budget approved by the House last month requires the Energy and Commerce Committee to submit legislation to reduce the deficit by \$96.76 billion over the next decade. However, by proposing to undo all of the progress that Congress recently made in providing more equitable treatment for the territories under Medicaid, and instead seeking a return to the unprincipled *status quo ante*, you are sending a terrible message of exclusion to our constituents.

As you know, the federal government pays at least 50 percent of the Medicaid program's cost in each of the states and upwards of 80 percent in the poorest states. By contrast, federal law imposes an annual cap on funding in the territories. Historically, the territories' caps were shockingly low. In Puerto Rico's case, for example, the federal government typically paid less than 20 percent of total Medicaid program costs in any given year. As a result of chronic underfunding by the federal government, too many patients in the territories receive inadequate care, too many providers in the territories are not adequately compensated for their services, and too much of the financial burden associated with health care delivery must be borne by the territorial governments themselves.

The moral and public policy arguments in favor of reducing these disparities were beyond compelling, and the *Affordable Care Act* happened to serve as the legislative vehicle for this essential change, providing \$6.3 billion in additional Medicaid funding to the territories between Fiscal Year 2011 and Fiscal Year 2019. As noted, this provision mitigated the inequality gap between the states and the territories, but did not come anywhere close to eliminating it. While we understand that you support repealing the ACA in its entirety, we also understand that you are in favor of replacing that landmark bill with another piece of legislation designed to improve health care services in this country. We would hope that you would have included in any such legislation a provision narrowing the gap between the treatment of the territories and the treatment of the states under Medicaid. Instead, with this bill, you have proposed to cut every single dollar of our new funding.

We urge you—respectfully, but in the strongest possible terms—to reconsider this proposal, which would do severe harm to our constituents if implemented.

Sincerely,




Pedro R. Pierluisi
Member of Congress



Donna M. Christensen
Member of Congress



Madeleine Z. Bordallo
Member of Congress



Eni F.H. Faleomavaega
Member of Congress



Gregorio Kilili Camacho Sablan
Member of Congress

cc: The Honorable Henry A. Waxman, Ranking Democratic Member, House Committee on Energy and Commerce