



Congressman Pedro R. Pierluisi
Statement for the Record
Extension of Remarks
Introduction of Puerto Rico Hospital Medicare Equity Act of 2012
February 16, 2012

Mr./Madame Speaker:

As a territory, Puerto Rico has always been treated unequally under federal health programs. While the *Affordable Care Act* dramatically improved the Island's treatment under Medicaid, a number of key inequalities remain under both Medicaid and Medicare.

Today, I am re-introducing legislation to eliminate a provision in federal law that requires Medicare to reimburse Puerto Rico hospitals far less than stateside hospitals.

Under the current system, Medicare pays every hospital in the states the same base amount per patient to cover the hospital's operating and capital costs. The base amount is then adjusted based on a variety of factors, like the severity of the patient's illness and market conditions in the area where the hospital is located.

However, Puerto Rico hospitals are paid a base rate that is about 13 percent lower than the base rate for stateside hospitals. Thus, an Island hospital will receive substantially less than any urban, suburban, or rural hospital in the states for providing the exact same inpatient services, making it harder for Island hospitals to deliver high-quality care and to remain financially sound.

This law serves as yet another example of how the people of Puerto Rico are placed at a clear disadvantage in the race of life because of the Island's territory status.

I hope my colleagues on both sides of the aisle will support this bill.

Thank you, Mr./Madame Speaker. I yield back the balance of my time.