



Congressman Pedro R. Pierluisi
Floor Statement As Prepared For Delivery
“Health Care in Puerto Rico: Historic Progress and Continuing Challenges”
July 13, 2011

Madame Speaker:

I rise this morning to discuss the issue of federal support for health care in Puerto Rico and the other U.S. territories.

This is a story of unprecedented progress, justified on principle and achieved through perseverance. But it is also a chronicle of continuing challenges. While the treatment of the territories under federal health programs has substantially improved in recent years, serious disparities still remain.

The consequence of these inequalities is not difficult to discern. Last month, a study found that patients at hospitals in the territories fared significantly worse than patients at hospitals in the states. The study cited funding disparities under Medicaid and Medicare, along with the territories’ lack of voting representation in the federal government, as likely causes of the discrepancies. The study concluded that “eliminating the substantial quality gap in the U.S. territories should be a national priority.”

Consider Medicaid, which helps our most vulnerable citizens. Medicaid has always operated differently in the territories. The federal government pays at least 50 percent of the program’s cost in the wealthiest states and upwards of 80 percent in the poorest states. By contrast, federal

law imposes an annual cap on funding in the territories, even though they are among the most impoverished U.S. jurisdictions.

Historically, Puerto Rico's cap was so low that the federal government paid less than 20 percent of Medicaid costs on the Island in a given year. Inadequate federal funding has made it difficult for Puerto Rico to provide quality health care to its low-income population. It has also compelled the Puerto Rico government to fill the gap left by the shortfall in federal dollars, doing damage to the Island's fiscal health. If the purpose of this policy was to save the federal government money, it was shortsighted. Between 2005 and 2009, over 300,000 Puerto Rico residents moved to the states. Many were men and women of limited means who, upon migrating, immediately became eligible for full benefits under Medicaid and other federally-supported entitlement programs.

Last Congress, my fellow delegates and I fought hard to ensure that our constituents were treated in an equitable manner under the Affordable Care Act. Under the law, funding for Puerto Rico's Medicaid program will triple over the next decade. Though it is still far less than Puerto Rico would receive if treated like a state, the increased funding does represent a significant step towards parity. The law also authorizes Puerto Rico to establish an exchange, and provides \$925 million dollars in funding to help individuals afford coverage on that exchange. Finally, Puerto Rico and the other territories will benefit from nearly all of the consumer protections and insurance market reforms established by the law.

In short, the Affordable Care Act mitigated—but did not eliminate—some disparities facing my constituents, while leaving others untouched. For example, Puerto Rico is still subject to unequal treatment under Medicare. Although Island residents pay the same payroll taxes as their

fellow citizens in the states, ill-conceived federal formulas provide lower Medicare reimbursement rates to Puerto Rico hospitals. In addition, whereas the states receive large federal subsidies to help their low-income seniors purchase prescription drugs, Puerto Rico receives only a limited block grant.

Despite the pressing need to correct all of these disparities, I know that to legislate effectively, you must choose your battles wisely, especially in a fiscal climate as challenging as the one our country confronts. Filing a bill that has no realistic chance of passage may send an important message, but ultimately my constituents are interested in concrete results, not symbolic gestures.

Therefore, I have introduced three health bills that would correct unprincipled inequalities—and do so in a fiscally responsible way. The first bill amends the HITECH Act, which provides payments to doctors and hospitals that become users of electronic health records. The Act inadvertently excluded Puerto Rico hospitals from the Medicare payments, and my budget-neutral bill would include them. Electronic health records improve patient care and curb medical errors. Given the recent study that found health outcomes to be significantly worse at territory hospitals, the need for this legislation is crystal clear.

My second bill, which has bipartisan support, would modify a unique federal law that makes it more difficult for Puerto Rico seniors to enroll in Medicare Part B and would reduce the penalties for late enrollment.

My third bill would make it possible for territory Medicaid programs to cover breast and cervical cancer treatments by placing federal contributions for those services outside the annual cap.

In closing: for Puerto Rico and the other territories, the improvements made by the Affordable Care Act were just and long overdue. The legislation does not provide equal treatment, but it

does constitute a significant improvement over the status quo. Nevertheless, the fact that progress has been made should not blind federal policymakers to the inequalities that remain. I have filed cost-conscious bills to address some of these disparities, and I hope my colleagues on both sides of the aisle will support them.

Thank you, Madame Speaker: