

Congress of the United States
Washington, DC 20515

July 7, 2009

The Honorable Henry A. Waxman
Chairman
House Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Waxman:

On behalf of the nearly four and a half million Americans residing in the five U.S. territories, we write to thank you for your commitment to comprehensive health care reform, and to respectfully request that you continue to work to ensure that our constituents are fully integrated into the national health care system. In particular, we ask that you support (1) making residents of the territories fully eligible for the federal credits to help individuals afford public or private insurance on the health insurance exchange; and (2) parity for the territories under Medicaid, either implemented immediately or phased in by no later than 2020.

We understand that there is a financial cost associated with these measures—for the precise reason that the current system treats the territories in an unjust manner. But we are confident that you share our belief that the moral and long-term practical costs of not taking such action are far greater. We have a once-in-a-generation chance to repair a health care system that treats those living in the territories in a separate and unequal fashion. To allow this opportunity to pass, merely because it would be less expensive in the short run to do so, undermines the fundamental goal of national health care reform: to ensure quality care for all Americans.

In order for our constituents to afford to purchase public or private health insurance through a health insurance exchange, it is imperative that they be eligible for the same federal credits available to residents of the states. Likewise, small employers in the territories must be eligible for the federal credits available to mainland businesses. Otherwise, individuals and families in the territories will be included in the exchange in theory, but excluded in fact. We are encouraged that the Senate Health, Education, Labor and Pensions (HELP) Committee draft makes residents and employers in the territories eligible for federal subsidies to help them purchase coverage from the health insurance exchanges created by the legislation. However, in its current form, the House tri-committee “Discussion Draft” would not extend affordability credits to our constituents. We respectfully ask that the tri-committee draft be amended to make these subsidies available to Americans residing in the territories. To create a new federal program that effectively excludes our constituents would exacerbate inequalities between Americans in the territories and Americans in the states at the precise point in time when we

should be seeking to eliminate those disparities. It is also unsound policy, not least because our constituents can—and, as experience has shown, many will—move to the states to access fully-funded health care, including subsidized insurance through the exchange, if this care is not available in the territories.

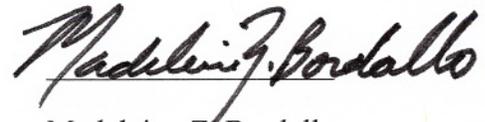
With respect to Medicaid, Section 1861 of the House tri-committee draft would provide \$10.35 billion to the Medicaid programs in the territories from 2011 to 2019. Although we recognize this would amount to an increase in funding over what the territories currently receive under the caps, it would likely still leave one or more territories—certainly Puerto Rico—with an effective FMAP of less than 50%, which is the minimum federal share provided to any state. If the territories received state-like treatment, their FMAPs would be set according to their per capita income and better reflect their true ability to share in financing Medicaid services. We respectfully ask that the bill be revised prior to its introduction to provide for full parity for all the territories under Medicaid. If parity cannot be provided immediately, we request that Section 1861 be revised so that parity would be phased in by no later than the beginning of fiscal year 2020. We believe such a revision would strike the proper balance between fundamental fairness and fiscal responsibility. We have attached draft legislative language for your consideration.

We thank you for your attention to this important matter, and we look forward to our meeting this Friday.

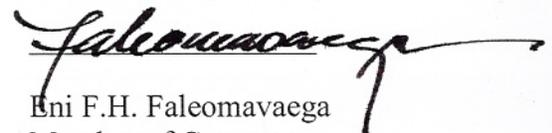
Sincerely,



Pedro R. Pierluisi
Member of Congress



Madeleine Z. Bordallo
Member of Congress


Donna Christensen
Member of Congress
Eni F.H. Faleomavaega
Member of Congress

Gregorio Kilili Camacho Sablan
Member of Congress

cc: The Honorable Charles B. Rangel, Chairman, House Committee on Ways and Means
The Honorable George Miller, Chairman, House Committee on Education and Labor

Enclosure