ASOCIACIÓN DE HOSPITALES
DE PUERTO RICO
1942

June 1, 2016

Hon. Rob Bishop
Chairman
Natural Resources Committee
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

Congratulations on your successful passage of HR 5278, PROMESA, with a strong bi-partisan majority.

As the primary organizations representing the 71 hospitals in Puerto Rico, The Hospital Association of Puerto Rico is writing to express our support for final passage in the U.S. House of Representatives when this legislation is expected to be considered following the Memorial Day District Work Period.

While the legislation is far from perfect, we believe you have made significant progress in developing workable solutions to the Government of Puerto Rico's fiscal crisis. However, we do note the legislation could have done much more to address the health care crisis facing Puerto Rico.

Clearly, prompt passage by the the House of Representatives of the PROMESA legislation is vital to restoring a level of confidence needed to give business and families a level of confidence in the future and provide them the comfort to move forward on their plans to continue to be part of the fabric of our special community in Puerto Rico.

The Resources Committee took a critical step when it adopted an amendment to ensure that the Task Force considers the circumstances facing our vital health care sector which is under great stress due to the government's fiscal crisis and disparate treatment under both the Medicaid and Medicare programs. These circumstances have resulted in the recent loss of over 500 doctors plus additional health professionals and specialists who have lost confidence in Puerto Rico's future. Without the availability of quality health care, it will be very difficult to retain and recruit skilled workers and their families to live in Puerto Rico.

The health care crisis facing Puerto Rico is real and soon we will face the loss of 75% of our Federal matching funds should Congress allow the impending Medicaid Cliff to occur. The Center for Medicare & Medicaid Services (CMS) projects this "cliff" will occur as early as July, 2017, with devastating consequences for our hospital and other health system serving 3.46 million U.S. Citizens.

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Puerto Rico and the Territories are the only jurisdictions in the United States which operate under a cap in Medicaid funding forcing the local governments to provide a much greater share of Medicaid funding than their counterparts stateside.. The State of Oregon is equivalent to Puerto Rico in population but receives $5 billion in Federal matching funds even though its poverty level is much lower that Puerto Rico. Puerto Rico is capped at $360 million per year. Removing the cap and treating Puerto Rico with Medicaid parity is the only true solution. How can one justify treating one U.S. Citizen differently than the other.

We also note that this past week's markup in Committee improved the legislation by adding additional components focusing on the need for more economic growth required to create new jobs and generate more local tax revenues to support basic government services and paying off the government's significant debt burden. These components are also crucial to give hope to local residents for the future of Puerto Rico.

Urgent action is needed to address the health care crisis in Puerto Rico and jumpstart our economy and passage of PROMESA is only the first step towards this important goal.

With best regards,

Jaime Plá
Executive President