



GOVERNOR OF PUERTO RICO
Wanda Vázquez Garced

September 14, 2019

The Honorable Mitch McConnell
Senate Majority Leader
United States Senate
Washington, DC 20515

The Honorable Nancy Pelosi
Speaker of the House
United States House of Representatives
Washington, DC 20515

The Honorable Charles Schumer
Senate Democratic Leader
United States Senate
Washington, DC 20515

The Honorable Kevin McCarthy
House Republican Leader
United States House of Representatives
Washington, DC 20515

Dear Majority Leader McConnell, Speaker Pelosi, Senate Democratic Leader Schumer, and House Republican Leader McCarthy:

As Congress prepares to consider a short-term Continuing Resolution (CR) to fund the federal government for the first few weeks of fiscal year 2020, I urge you to include in the CR a continuation of Puerto Rico's Medicaid funding at the level included in the Bipartisan Budget Act, P.L. 115-123 (BBA), until a longer-term solution is negotiated.

I want to reiterate the urgency that our government continues to face in obtaining the much-needed federal Medicaid funding. As you know, by the end of this month, the federal funding provided to Puerto Rico's Medicaid program under the BBA will expire. Along with the expiration of these critical funds, the 100% Federal Medical Assistance Percentage (FMAP) provided by the BBA will revert to the preexisting 55% FMAP. This means that Puerto Rico must once again contribute to a vastly disproportionate share of its own funds for its Medicaid program when compared to any other State.

Once Puerto Rico's current funding under BBA expires, funding provided by the ACA will expire on December 31, 2019. After the expiration of these funds, Puerto Rico will quickly deplete any remaining allotments under Section 1108, leaving Puerto Rico responsible for program costs solely from state generated funds. The combination of insufficient federal allotment at a low matching rate means that Puerto Rico will have an uncharacteristically high burn rate for state generated funding. Although attempts have been made in the budget to prepare for this event, it is possible that the Puerto Rico Treasury will not have sufficient state funds to cover program costs. Thus, it is crucial Puerto

Rico secures additional funding, in addition to the higher matching rate. In addition to these fiscal uncertainties:

- None of the provider reimbursement increases can be included in the new Managed Care Organizations (MCO) rates which start on November 1, 2019 and must be negotiated within the next two weeks. This will exacerbate the issue of provider shortages, because many providers will decide to not sign, leave the island, or not provide services to Medicaid patients;
- The budget cuts required by the Financial Oversight and Management Board (FOMB), created under the Puerto Rico Oversight, Management, and Economic Stability Act (PROMESA) will start taking effect. This represents \$222 million in Puerto Rico Fiscal year 2020. To implement such steep cuts from an already lean program, benefits, and potentially beneficiaries, will have to be cut from the program;
- None of the required benefits, that are currently not covered due to limited funding, will be included in the rates, such as Non-Emergency Medical Transportation;
- Many of the already implemented or planned transparency, reporting, and oversight measures will be delayed or may need to be re-evaluated as funds will be maximized to provide care for people;
- Three new HIV drugs cannot be added to the formulary: Pifeltro, Delstrigo, and Symtuza;
- Current negotiations to cover Hepatitis-C drugs will be halted; and
- Either a re-evaluation or an elimination of the planned increased in dental provider rates.

I am fully committed to continue improving program integrity, transparency and efficiency, but without federal funding stability, Puerto Rico cannot continue operating its Medicaid program. Since time is of the essence, I ask that Congress address this issue in the short-term CR which will soon considered and urge that you include a continuation of the funding and 100% FMAP included in the BBA be included in the CR so that the efforts the island has made to retain health professionals and provide HIV and Hepatitis-C patients with treatment will not be lost.

Sincerely,



Wanda Vázquez Garced
Governor of Puerto Rico

cc: Senator Chuck Grassley, Chairman, Senate Finance Committee
Senator Ron Wyden, Ranking Member, Senate Finance Committee
Congressman Frank Pallone, Chairman House Energy & Commerce Committee
Congressman Greg Walden, Ranking Member House Energy & Commerce Committee
Congresswoman Jenniffer Gonzalez-Colon (PR-At-Large)
Puerto Rico Federal Affairs Administration
Dr. Rafael Rodríguez-Mercado, MD, Secretary, Puerto Rico Department of Health