

April 1st, 2016

The Honorable Paul Ryan
Speaker of the House of Representatives
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Speaker:

The undersigned represent the unified voice of the providers, payers, and stakeholders of the Puerto Rico health care system. We write to jointly urge the necessity that any Congressional legislation addressing the Puerto Rico economic crisis must also include urgently needed corrections to long-standing disparities in the Medicare and Medicaid programs' treatment of the Commonwealth.

You earlier designated the first three months of 2016 for relevant House committees to "come up with a responsible solution" for Puerto Rico's economic crisis. We are extremely disappointed that the initial House discussion draft has not included any healthcare related provision. It is necessary for Congress to recognize the degree to which the Puerto Rico health care crisis is intertwined with the economic crisis. The present crises are driving many Puerto Ricans, particularly our health care providers, to leave their homes and families to seek opportunities elsewhere in the 50 states. The Puerto Rico population declined more than seven percent between 2004 and 2014, leaving an older and poorer population behind. In 2012, for the first time, the median age of the population of Puerto Rico exceeded that of the United States mainland.

The older and poorer population places more strain on the Medicare and Medicaid programs in Puerto Rico which already face significant structural deficiencies in comparison to how those program operate in the 50 states and the District of Columbia. For example, Puerto Rico has far and away the highest Medicare Advantage (MA) penetration in the country to the point where that program accounts for approximately 50 percent of all health care dollars in the Commonwealth. Yet, due to prior existing disparate treatment and cuts included in the Affordable Care Act (ACA), reimbursements to MA plans in Puerto Rico have been reduced by 11 percent and are now nearly 40 percent less than the national average. Additionally, while the coverage and subsidies provisions of the ACA may not apply to Puerto Rico, the revenue raising provisions unfairly still do, leaving our health care plans, the government of Puerto Rico and consumers to pay approximately \$200 million under the ACA's health insurance provider tax in 2016.

Finally, a looming "cliff" in funding for Medicaid is rapidly approaching wherein federal support to Puerto Rico will fall nearly 75 percent, returning the Commonwealth's Medicaid program to its earlier, artificially capped levels. As every health care provider in Puerto Rico is a Medicaid provider, this will have devastating impacts on the health care system.

Many of these health care issues were discussed during negotiations over the omnibus budget legislation in December 2015, and we appreciate some of the initial steps taken to correct reimbursement inequities, but more work is needed to ensure the stability of Puerto Rico's health

care system. An opportunity now exists in Puerto Rico economic legislation to address the long-standing disparities in the Medicare and Medicaid programs in Puerto Rico in order to preserve adequate health care for the 3.4 million U.S. citizens in Puerto Rico. We urge you to seize this opportunity and include health care provisions in the imminent economic relief legislation. Otherwise, an economic fix will leave many underlying problems in place, laying the foundation for the next crisis.

Thank you for your consideration. We are prepared to provide you with any assistance that is necessary.

Sincerely,



James P. O'Drobinak
President, Medicaid and Medicare Advantage
Association of Puerto Rico (MMAPA)



Dennis Rivera
Chairman
Puerto Rico Healthcare Crisis Coalition



Dr. Joaquín Vargas
President, PR IPA Association



Eliot Pacheco
Vice-President, Entrepreneurs for Puerto Rico



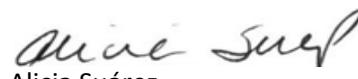
Dr. Wanda Velez
President
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Dr. Rolance Chavier
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José Vázquez Barquet, PhD.
President and Chairman of the Board
Puerto Rico Chamber of Commerce



Lcdo. Jaime Plá-Cortés
President
PR Hospital Association

cc: President Barack Obama
Minority Leader Nancy Pelosi
Chairman Rob Bishop
Chairman Kevin Brady
Chairman Fred Upton
Ranking Member Sander Levin
Ranking Member Raul Grijalva
Ranking Member Frank Pallone, Jr.

Senate Majority Leader Mitch McConnell
Senate Minority Leader Harry Reid
Chairman Orrin Hatch
Chairman Lisa Murkowski
Ranking Member Ron Wyden
Ranking Member Maria Cantwell