



## CONGRESSIONAL HISPANIC CAUCUS

*Joaquin Castro | Chairman*

116<sup>TH</sup> CONGRESS

May 6, 2020

The Honorable Alex M. Azar  
Secretary  
U.S. Department of Health and Human Services  
200 Independence Avenue, S.W.  
Washington, DC 20201

The Honorable Seema Verma  
Administrator  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard  
Baltimore, MD 21244

Dear Secretary Azar and Administrator Verma,

The Congressional Hispanic Caucus (CHC) respectfully requests that the U.S. Department of Health and Human Services (HHS) and the Centers for Medicare & Medicaid Services (CMS) consider capturing Medicare Advantage (MA) and Medicaid costs as you obligate the remaining \$48 billion from the Public Health and Social Services Emergency Fund (PHSSEF) under the CARES Act and the \$75 billion appropriated to the PHSSEF under the Paycheck Protection Program and Health Care Enhancement Act to best support Puerto Rico's health care infrastructure during this unprecedented pandemic.

The CHC remains focused on ensuring that Puerto Rico receives the support it needs to continue managing the COVID-19 outbreak. Unfortunately, the territory's health care infrastructure was already fragile from the onset of the pandemic, crippled by a physician shortage<sup>1</sup> and Hurricane Maria, as some hospitals are still not operating at pre-storm levels.<sup>2</sup> Moreover, a large share of Puerto Rico's population is at high-risk of severe illness from COVID-19. Its population is older with about 20 percent of its residents 65 years or older<sup>3</sup> and Puerto Rico's adults suffering from higher rates of asthma and diabetes.<sup>4</sup> While the government of Puerto Rico has taken steps to contain the spread of the virus, the federal government must ensure that it is providing all available

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<sup>1</sup> Catherine Kim, *A 13-year-old's death highlights Puerto Rico's post-Maria health care crisis* Feb 27, 2020 <https://www.vox.com/identities/2020/2/27/21150176/puerto-rico-health-care-hospital-access-hurricane-maria> (last accessed April, 27, 2020).

<sup>2</sup> Modern Healthcare, "Puerto Rico's slow recovery leaves health system exposed for next major storm," Steven Ross Johnson, September 8, 2018, <https://www.modernhealthcare.com/article/20180908/NEWS/180909959/puerto-rico-s-slow-recovery-leaves-health-system-exposed-for-next-major-storm> (last accessed April 27, 2020).

<sup>3</sup> Government Accountability Office, "DISASTER RESPONSE: HHS Should Address Deficiencies Highlighted by Recent Hurricanes in the U.S. Virgin Islands and Puerto Rico," September 2019, <https://www.gao.gov/assets/710/701551.pdf>. (last accessed April 27, 2020).

<sup>4</sup> Judith Solomon, *Puerto Rico's Medicaid Program Needs an Ongoing Commitment of Federal Funds* Apr 22, 2020 <https://www.cbpp.org/research/health/puerto-ricos-medicaid-program-needs-an-ongoing-commitment-of-federal-funds> (last accessed April 27, 2020).

relief it can to Puerto Rico with the goal of stabilizing its health care system, including the retention of health care workers.

As you know, the initial \$30 billion disbursed by HHS provided funding to physician practices, hospitals, and other providers for Medicare Part A and Medicare Part B expenses. An additional \$22 billion in payments were obligated to hospitals with large numbers of COVID-19 inpatient admissions and rural providers. The exclusion of payments for Medicare Advantage and Medicaid costs, including uncompensated care costs associated with treating Medicaid beneficiaries, disadvantages jurisdictions like Puerto Rico where most Medicare beneficiaries are enrolled in MA plans<sup>5</sup> and where almost half of the territory's residents receive health coverage through Medicaid.<sup>6</sup> Due to the lack of hospital revenue in Puerto Rico, significant layoffs of hospital staff are anticipated in the next weeks.<sup>7</sup> In order to avoid exacerbating the existing public health and economic crisis in Puerto Rico, we urge you to consider capturing Medicare Advantage and Medicaid costs in forthcoming allocations of PHSSEF funding. It is imperative that the federal government provide the tools necessary during this pandemic to sustain the availability of beds, testing and surge capacity to care for the U.S. citizens in Puerto Rico.

Sincerely,

Joaquin Castro  
CHC Chair

Ruben Gallego  
CHC First Vice Chair

Nanette Diaz Barragán  
CHC Second Vice Chair

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Member of Congress

Tony Cárdenas  
Member of Congress

Juan Vargas  
Member of Congress

Albio Sires  
Member of Congress

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<sup>5</sup> Meredith Freed, Anthony Damico, and Tricia Neuman *A Dozen Facts About Medicare Advantage in 2020* Apr 22, 2020 <https://www.kff.org/medicare/issue-brief/a-dozen-facts-about-medicare-advantage-in-2020/> (last accessed April 27, 2020).

<sup>6</sup> Judith Solomon, *Puerto Rico's Medicaid Program Needs an Ongoing Commitment of Federal Funds* Apr 22, 2020 <https://www.cbpp.org/research/health/puerto-ricos-medicare-program-needs-an-ongoing-commitment-of-federal-funds> (last accessed April 27, 2020).

<sup>7</sup> Marga Parés Arroyo, *Asociación de Hospitales anticipa más despidos de profesionales de las salud* Apr 14, 2020 <https://www.elnuevodia.com/noticias/locales/nota/asociaciondehospitalesanticipamasdespidosdeprofesionalesdelasalud-2561225/> (last accessed April 27, 2020).