

Committee on Energy and Commerce
Opening Statement as Prepared for Delivery
of
Subcommittee on Health Chairwoman Anna G. Eshoo

Hearing on “Averting a Crisis: Protecting Access to Health Care in the U.S. Territories”

March 17, 2021

In September of this year, the five U.S. territories will face a “Medicaid cliff.” I use this term because it means the supplementary Medicaid funding provided to the territories will run out. Without this federal funding, over 1.5 million enrollees, including many children, could lose their health care.

Each is an American citizen but they are treated differently than the constituents of every Member of this Subcommittee.

Since 1967, the territories have struggled with inadequate federal funding for their Medicaid programs because the Social Security Act capped Medicaid funding for the territories. Since 1978, Congress is on the record noting that the caps on the Medicaid programs severely affect the territories’ health and budgets, but there’s been no significant statutory change to this part of the Social Security Act in over 50 years.

This is a very important hearing that I hope we are going to build on and take action to reverse what I’m referring to.

Because of these restrictions, the territories routinely run out of Medicaid funds. Over the past decade, Congress has voted on six separate occasions to provide stopgap funds to certain territories, including as recently as December 2019.

Except for a temporary increase in federal funding for FY 2020 and 2021, the funding for the territories is typically 3 to 4 times below what a state Medicaid program would receive.

In the states, the Medicaid program has a flexible financing structure, which guarantees funding if more individuals enroll due to an economic downturn, a pandemic, or a natural disaster. For the rest of us that’s the way it works, but not for the territories.

The territories do not have a guarantee. When disaster strikes, the territories are forced to make hard decisions about coverage and services at the worst possible time. Just when they need it most, that’s when it hurts them most.

Fortunately, during the ongoing COVID-19 pandemic and economic downturn, the territories have benefitted from an increased federal match for fiscal years 2020 and 2021.

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American Samoa, the Northern Mariana Islands, Guam, and the U.S. Virgin Islands received an 83 percent federal match, and Puerto Rico's current federal match is 76 percent.

With this additional money, Puerto Rico was able to cover the cure for Hepatitis C for Medicaid patients for the very first time. The Northern Mariana Islands were able to establish an oncology center to provide cancer treatment locally.

But this funding is going to expire September 30th, which is why the territories obviously need a long-term solution to their Medicaid funding so they too can meet the needs of their constituents as we all work to meet the needs of ours.

In Puerto Rico, 85% of residents report they're worried that they'll be unable to access health care if they need it. In American Samoa, Guam, and the Northern Mariana Islands, the public hospitals face staff shortages due to low salaries, poor infrastructure, and high rates of uncompensated care.

If we allow the Medicaid cliff to happen, each of the territories would have to cut 69% to 94% of their Medicaid program in FY 2022. Obviously, percentages this high, we all know, produce dire consequences and it would to hundreds of thousands of American citizens.

We cannot fail to care for so many American citizens based solely on where they live. I think we could probably all agree that this is short term thinking, except this short term thinking has been around for an awfully long time. And it has caused the constituents of our colleagues that are with us today to testify, and I'm so happy to welcome each one of the Representatives, my hope is that the hearing will clear a path forward to a long-term financing solution that fits the needs of the territories and the Americans that are part of them.