

**Committee on Energy and Commerce**  
**Opening Statement as Prepared for Delivery**  
**of**  
**Chairman Frank Pallone, Jr.**

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

**March 17, 2021**

Thank you, Madam Chair, for holding this important hearing. It wasn't long ago that we had our last hearing on how disastrous it would be for Medicaid funding in the territories to collapse. I was proud that we were able to work together on a strong, bipartisan bill that combined critical increases to the territories' funding and federal medical assistance percentage (FMAP) with important program integrity improvements.

While there may be differences between Republicans and Democrats on how best to address the Medicaid cliff, I think we all agree that we cannot let Medicaid funding in the territories collapse, especially during the COVID-19 public health emergency. The loss of access to health care would be devastating.

Medicaid in the territories has been chronically underfunded for decades. The consequences of this historic inequity can be seen in the crumbling health care infrastructure, emergency restrictions on provider networks, the failure to offer coverage of certain life-saving drugs, and even the debt crisis in Puerto Rico. Years of inadequate Medicaid block grants have forced the territories to divert more of their own dollars to ensure their residents have received the care they needed, and it has impeded access to critical health care services for the territories' residents.

This funding structure has forced the territories to pay more than their fair share for Medicaid – much more than they would have to pay if they were treated like states. These programs have been starved for decades, and unfortunately these are the results.

Last Congress, this Committee passed legislation that would have provided several years of increased funding and a higher FMAP to all the territories. Thanks to the leadership of Representatives Soto and Bilirakis, we were able to find common ground on this legislation. Unfortunately, I was deeply disappointed that, at the last minute, former President Trump refused to support our bipartisan, bicameral agreement and insisted at the last minute on reducing that long-term solution to two years. Because of that, we are now, once again, on the verge of another crisis.

The stakes are too high, and the consequences of inaction are too tragic, to continue down a path of short-term fixes. The territories need a permanent solution to their Medicaid funding shortfalls. They need a solution that ensures that they can make improvements to their programs with certainty that the increased funds they are relying on will be there for more than a couple of years. Beneficiaries need certainty about the services they critically need and rely on. And

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permanent improvements to these critical programs and to the health of beneficiaries can only be expected if Congress guarantees permanent, adequate funding.

I'm glad that our colleagues from the territories could be here to share their perspectives. I also know that bipartisan Committee staff recently met with health officials from the territories, and we have also received statements for the record from all of the territories. Hearing directly from the territories, through both their elected representatives and their local health officials, is an important part of this process; and we should make sure their voices are heard.

In just over six months, the territories will face a catastrophic loss in federal Medicaid funding that will jeopardize access to care. Long before that, the territories will have to begin the process of contingency planning to make the cuts necessary to address the looming fiscal cliff. This would include limiting reimbursement to providers, reversing expansions of eligibility that provided thousands of residents with access to Medicaid for the first time, and ending coverage of life-saving medications. We simply cannot allow this to happen.

Bipartisan members of this Committee fought hard last Congress to secure additional Medicaid funding for the territories. With that funding, they have made tremendous progress in improving their Medicaid programs. That progress, however, will be lost if we don't act quickly.

I look forward to hearing from the witnesses today, and I yield back.