



Congressman Pedro R. Pierluisi
Statement As Prepared For Delivery
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Thank you—and good afternoon to you all. I want to thank my friend, Lcdo. Jaime Pla, and the new leadership of the Puerto Rico Hospital Association, for inviting me to speak today. My remarks will be very brief, because I prefer to have a conversation with you and to answer your questions.

I want to begin by doing something that those of us in public service perhaps do not do enough. And that is to pause for a moment to reflect on the importance of hospitals and to thank you—the doctors, nurses, administrators and other health professionals—for having devoted your lives to helping hospital patients. The work of a hospital is noble, and it is never done. Your doors are open 24 hours a day, seven days a week. You treat the sick and the injured, the rich and the poor, the young and the old. You are there when life begins, and often when its ends. A baby takes his first breath in a hospital. And as the sun sets on a patient’s life, a hospital does everything possible to ensure that her final days are filled with peace and dignity.

The best hospitals provide high-quality medical care, but they do so much more than that. A good hospital, through the dedication and compassion of its staff, can inspire as well as heal.

Hospitals offer stability and comfort to patients and their family members when they are vulnerable, anxious and afraid. The best hospitals become an integral part of the communities they serve.

Moreover, Puerto Rico's nearly 70 hospitals serve as a major economic engine for the Island, directly employing over 40,000 professionals whose labor, in turn, generates countless jobs in many other industries. As centers of graduate medical education, hospitals play a critical role in training today's doctors to confront tomorrow's health care challenges and to treat the next generation of Puerto Ricans.

So, thank you all. You should be immensely proud of what you do.

To say that it has been a busy year on the health care front would be a profound understatement. From the passage and early stages of implementation of the Affordable Care Act to the launch of Mi Salud, the action has been constant. Events like this are important, because they give us the opportunity to pause and take stock of where we were, where we are now, and where we are going.

As you know, the Affordable Care Act will transform the health care system in Puerto Rico. These changes are absolutely essential and long overdue. I have described on many previous occasions the efforts Governor Fortuño and I—and so many of you—made to ensure that Puerto Rico was treated fairly under this historic legislation. These efforts are well known at this point and so I will not review them now. Suffice it to say that, while the final result was extraordinary

for Puerto Rico, nobody should be under the impression that this result was preordained. We had to fight for every dollar we received, and I have the scars to prove it!

Under the Act, federal funding for the Mi Salud program will triple over the next decade. The bill also authorizes us to establish a health care exchange starting in 2014, and provides us with \$925 million help eligible individuals afford coverage through the exchange. I am confident that, thanks to this new Medicaid and exchange funding, the number of individuals in Puerto Rico without health insurance will decrease dramatically in the coming years. Finally, the bill establishes many important consumer protections and insurance market reforms.

Many battles in our war to improve health care for the people of Puerto Rico have been fought and won. But important battles lie ahead of us, particularly with respect to the treatment of Island hospitals under Medicare.

There are two principal disparities. The first disparity is longstanding. As you know, our hospitals are paid less per patient than hospitals in the states, because Puerto Rico is the only U.S. jurisdiction that does not receive 100% of the national payment rates. Instead, payments to Puerto Rico hospitals are derived from a formula that is based on 75% of the national rates and 25% of the local rates. One estimate concluded that this disparity reduces Medicare reimbursements to Puerto Rico hospitals by at least \$24 million each year. Imagine how much good you could do with that money. In 2009, I introduced legislation that would fix this unprincipled disparity. We will continue to fight next Congress to ensure that Puerto Rico

hospitals are treated the same as their counterparts in the states. You—and the patients you serve—deserve nothing less than full equality.

The second disparity is of more recent vintage. The HITECH Act, enacted as part of last year's Recovery Act, provides incentive payments under both Medicaid and Medicare to doctors and hospitals that become meaningful users of electronic health records, and penalizes them for failing to do so within a reasonable time period. Puerto Rico hospitals were inadvertently excluded from the Medicare component of the program. As a result, they are not eligible for the bonus payments, although they are not subject to the potential penalties either.

After consulting with the leadership of the Puerto Rico Hospital Association, and gauging the views of several of its member hospitals, I introduced legislation in February to include Puerto Rico hospitals. Senator Menendez has been a great champion on this issue, as he always is when it comes to health care issues in Puerto Rico. So, too, has Rob Andrews, a highly respected congressman from New Jersey who was one of the principle authors of the Affordable Care Act. I fully briefed Speaker Pelosi on this problem when she was recently in Puerto Rico, and she said publically that she was going to help us.

Let me be crystal clear. I am completely committed to securing your inclusion in the HITECH Act. Working with the Hospital Association's leadership, and with our many friends and allies, I am confident we can successfully resolve this issue, either this year or in the next Congress. Of course, it will not be easy. But, as our experience with the Affordable Care Act proved, nothing worth doing ever is.

In closing, I want to thank all of you again for the important work that you do, and for the support that you have provided in Washington for the benefit of the good people of Puerto Rico. Now I am happy to answer your questions.

Thank you.