



Congressman Pedro R. Pierluisi
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Saludos!

Greetings from our nation's capital.

I want to begin by expressing my regret that I cannot be there with you in person. Unfortunately, my responsibilities in Washington made that impossible. While you are meeting in sunny Puerto Rico, Democrats in the House of Representatives have convened in the not-so-sunny Maryland suburbs to strategize about our legislative agenda for the current congressional session. You can be sure that one of the main topics of our discussions will be how we can work most effectively with President Obama and Senate Democrats to protect the Affordable Care Act from any and all repeal efforts.

I want to say a special “thank you” to the Puerto Rico College of Health Care Executives and the Puerto Rico Hospital Association for organizing this symposium on the implementation of the Affordable Care Act in Puerto Rico and for putting together such an impressive list of speakers, including Dr. Louis Sullivan, the former Secretary of Health and Human Services, and several current, high-ranking officials at the Centers for Medicare & Medicaid Services. I am particularly grateful to these federal officials for making the trip to Puerto Rico. Their attendance sends a powerful and welcome message. It demonstrates their commitment to ensuring that the immense promise of the ACA is fully realized on the Island. To be successful, implementation of the ACA must be a collaborative effort between the government of Puerto Rico, the federal government and stakeholders in the private and non-profit sectors. You can count on me and my office to be a stalwart ally in this shared endeavor.

Because I know taped messages have an unfortunate tendency to induce sleep in audience members, I will be brief. The Affordable Care Act, enacted into law last March, transforms the way that health care will be delivered and paid for in this country. For our Island, the changes made by the legislation are just, essential and long overdue. I have described on many previous occasions the efforts that Governor Fortuño and I—working side-by-side with so many of you—undertook

to ensure that Puerto Rico was treated in a fair and equitable manner under this landmark bill. While the final result was extraordinary for Puerto Rico, nobody should be under the impression that this result was preordained or inevitable. Because it absolutely was not. We had to battle for each and every dollar we ultimately received. It was a noble fight, and I was proud to make it.

Most significantly, the ACA increases funding to Puerto Rico's Medicaid program, now known as "Mi Salud." As you know all too well, Medicaid has always operated differently in Puerto Rico and the other U.S. territories. The federal government pays a significant share of the program's cost in the 50 states—and more than 80% in the poorest states. By contrast, federal law imposes an annual cap on funding in Puerto Rico. Before enactment of the ACA, Puerto Rico's cap was so low that the federal government typically paid about 18 percent of Medicaid costs on the Island in a given year. This was a travesty, from both a moral and policy perspective. Inadequate federal funding makes it extremely difficult for Puerto Rico to provide quality health care to its most vulnerable citizens. It also requires the Puerto Rico government to spend a tremendous amount from its own coffers to compensate for the shortfall in federal dollars, causing terrible damage to the Island's fiscal health.

Under the legislation, federal funding for Mi Salud will essentially triple over the next decade. This is not parity or state-like treatment, and we should not pretend that it is, but it does constitute a remarkable improvement over the status quo. The Fortuño Administration, led by the Department of Health, is now thinking creatively to determine how it can most effectively use this new funding to improve quality of care and expand coverage to more people.

The final bill, unlike earlier drafts, also authorizes Puerto Rico to establish a health care exchange starting in 2014. It provides \$925 million in federal funding to help eligible individuals afford coverage through the exchange, a marketplace of private insurance plans regulated by the federal government. If Puerto Rico opts not to establish an exchange, it will receive this \$925 million in the form of additional Medicaid money. I am confident that, thanks to the new federal funding contained in the ACA, the number of families in Puerto Rico with health insurance will increase dramatically in the coming years.

Finally, the bill establishes many important consumer protections and insurance market reforms—and creates multiple federal grant programs to enforce these

protections. Puerto Rico will benefit from nearly all of these reforms, some of which have already taken effect and some of which take effect in the near future.

Although much has been accomplished on the health care front, much work remains to be done, particularly with respect to Medicare. Puerto Rico is subject to unequal treatment under this federal program in various respects. To take one example, the HITECH Act, enacted as part of the 2009 Recovery Act, provides incentive payments to doctors and hospitals under Medicaid and Medicare to become meaningful users of electronic health records. The bill excluded Puerto Rico hospitals from the Medicare bonus payments. I introduced legislation to rectify this error in the last Congress and I will re-introduce that legislation in the current Congress. It will not be easy, but I am hopeful that we can achieve success on this issue.

I have also been working hard to ensure that the changes made by the ACA to the Medicare Advantage program do not result in Puerto Rico seniors being treated unfairly. A greater proportion of Medicare-eligible seniors are enrolled in Medicare Advantage in Puerto Rico than in any other jurisdiction. Starting in 2012, the ACA will link per enrollee payments to MA plans to the amount spent,

on average, to treat Puerto Rico patients enrolled in regular, fee-for-service Medicare. For a variety of reasons, fee-for-service estimates in Puerto Rico are significantly understated. Thus, payments to MA plans on the Island will be too low—unless CMS uses its authority to slightly adjust the formula used to make those estimates. In order to ensure that Puerto Rico seniors enrolled in an MA plan can continue to receive affordable and high-quality care, Governor Fortuño and I—along with our congressional allies—have continuously raised this technical but supremely important issue with CMS. And I am optimistic that our efforts will bear fruit.

In closing, I want to speak candidly about the nature of the threat posed to the ACA by the new majority in the House of Representatives. Rest assured that I intend to do everything within my power to protect the unprecedented gains the people of Puerto Rico achieved through this legislation. I will not make the mistake of taking this threat too lightly or underestimating the seriousness of purpose that members of the new majority bring to their repeal mission. To the contrary, I will be vigilant and active. It is important to understand that the provisions in the ACA pertaining to Puerto Rico's Medicaid and exchange funding both authorize and appropriate this money. In other words, this funding will not be reduced by a single dollar unless legislation mandating such a reduction passes the House and

the Democratic-controlled Senate and is signed by the Democratic President. In addition, the consumer protection provisions in the ACA are extraordinarily popular among the American public, and efforts to repeal or water them down are likely to be met with resistance. Overall, I think this is a fight we—the defenders of the ACA—are going to win. But, again, I will not be complacent for a single moment.

In closing, I want to thank all of you for your concern about this critically important issue. I hope you find this symposium both interesting and instructive. For those of you visiting Puerto Rico from the states, I hope you have time to enjoy all the sights and experiences that our beloved Island has to offer.

Gracias—y qué disfruten!