

United States Senate

WASHINGTON, DC 20510

October 23, 2009

The Honorable Max Baucus, Chairman
Senate Finance Committee
219 Dirksen Building
Washington, DC 20510

Dear Chairman Baucus:

We are writing to urge your continued support for eliminating the inequities facing U.S. citizens who live in Puerto Rico and the other territories and who depend on federal health care programs. Current federal policy severely limits access to affordable health care in the territories. We have appreciated your attention to this matter in the past, including during the discussion of our amendments in the committee mark-up, and hope that you will advocate to address issues related to Medicare and Medicaid for Puerto Rico and the other territories throughout the negotiation process on health care reform.

We request that you allow residents of the U.S. territories to be eligible for the insurance exchanges on an equal basis with their fellow Americans in the states. Senators Schumer and Menendez introduced an amendment to grant the territories access to the subsidies in committee but had to withdraw because of a lack of a CBO score. We truly believe that all aspects of the insurance provisions should apply to the territories: the insurance and consumer reforms, the requirement for individuals to obtain coverage, and the affordability provisions.

We also urge you to provide parity for the U.S. territories' Medicaid program by lifting the current cap and increasing the federal matching payment. Under current law, federal contributions to Puerto Rico and the territories' Medicaid program are arbitrarily capped and federal payments are made at a fixed 50-50 rate. We are appreciative of the related provisions included in the Chairman's mark but by removing the funding cap and tying the FMAP to per capita income, we could eliminate the current disparities.

In addition, we respectfully request that you include Senator Menendez's amendment to eliminate the blended hospital reimbursements under the Medicare program in Puerto Rico, and instead provide 100% PPS payment. Hospitals in Puerto Rico face identical cost pressures and regulatory mandates as hospitals on the mainland, yet the Medicare program continues to reimburse them significantly below cost. Inaction this year will have severe consequences for citizens in Puerto Rico. We also ask that you include Senator Menendez's amendment to provide residents of Puerto Rico automatic enrollment in Medicare Part B. Puerto Rico is the only jurisdiction in the United States where seniors are not automatically enrolled in Medicare Part B. As a result, Puerto Rico has the lowest level of participation in Medicare Part B in the country and higher out of pocket costs for the residents.

We appreciate your continued attention to the serious inequities faced by U.S. citizens living in Puerto Rico and the territories, and look forward to working with you to include these provisions in the health care reform legislation.

Sincerely,



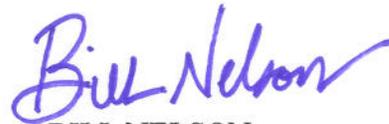
ROBERT MENENDEZ
United States Senator



CHARLES SCHUMER
United States Senator



JOHN F. KERRY
United States Senator



BILL NELSON
United States Senator



JEFF BINGAMAN
United States Senator

United States Senate

WASHINGTON, DC 20510-2102

October 19, 2009

The Honorable Thomas Rivera Schatz
President, Senado de Puerto Rico
Senado-EL Capitolio
P.O. Box 9023431
San Juan, PR. 00902-343

Dear Senator Rivera Schatz:

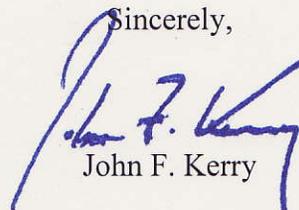
I am writing to update you on my continuing efforts to eliminate the inequities facing U.S. citizens who live in Puerto Rico and depend on federal health care programs. The health care bill recently passed by the Senate Finance Committee would increase the annual federal Medicaid spending caps for the territories by 30 percent and the applicable FMAP by five percentage points – to 55 percent – beginning on January 1, 2011.

I believe that we must go further to address the disparities at the core of our nation's health insurance system. As the bill moves to the Senate Floor, I will work to include language to provide parity for Puerto Rico's Medicaid program by lifting the current cap and increasing the federal matching payment. I will also work with my colleagues to provide automatic enrollment for Puerto Ricans into Medicare Part B and eliminating blended hospital reimbursements under Medicare, instead providing 100% PPS payment. Finally, I will work to ensure that all aspects of the insurance reform provisions apply to the territories: the insurance and consumer reforms, the requirement for individuals to obtain coverage, and the affordability provisions.

I know through your correspondence that these issues are very important to Puerto Rico. I appreciate your advocacy and leadership and thank you for your most recent letters and calls to my office regarding the need for these changes. I understand that you have championed the cause of making health care a universal human right.

I look forward to continue working with you during the next few weeks to include these critical provisions in the health care reform bill that is signed into law before the end of the year. Finally, please do not hesitate to call upon my office when you are in Washington.

Sincerely,



John F. Kerry