

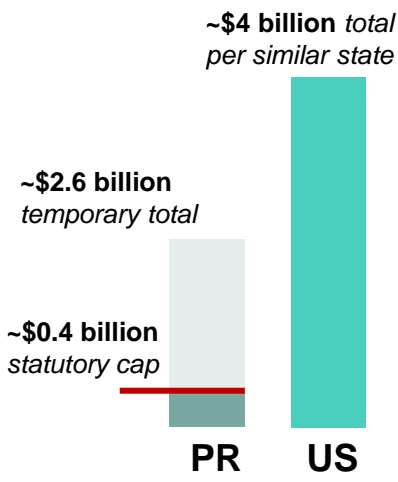
# Medicaid in Puerto Rico — as of Feb 2022

## Financial Inequity Due to Capped Allotment

### Capped Allotment

**10x more**

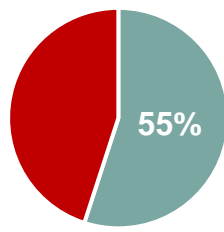
Amount of Medicaid funding comparable states received relative to Puerto Rico's capped amount<sup>1</sup>



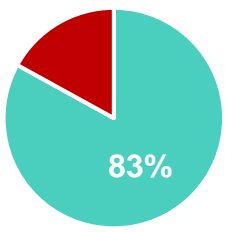
### Lower FMAP

PR

US



Federal dollars are capped at 55% of PR's Medicaid program costs



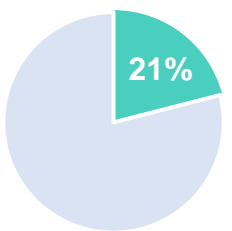
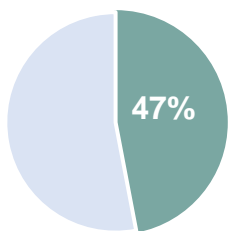
Federal FMAP account for up to 83% of other state Medicaid programs

## Higher Medicaid Population % with Fewer Federal \$

### Residents Enrolled

PR

US

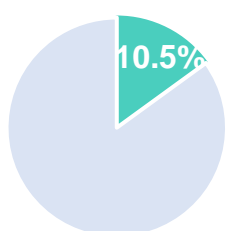
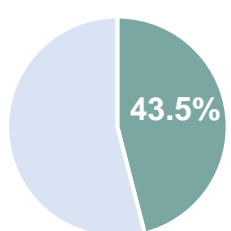


PR enrolls more residents into Medicaid, reflecting the Island's higher poverty rate<sup>2</sup>

### Residents Below 100% FPL

PR

US



Over twice the Medicaid population, yet a fraction of the federal support of other Medicaid programs

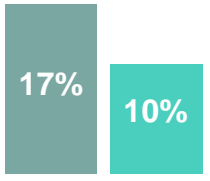
## Higher Prevalence of Chronic Conditions in Adult Population

Underfunding of the Medicaid program contributes to higher prevalence of chronic conditions...

...preventing residents from getting the care they need and driving up healthcare costs long-term

### Diabetes<sup>3</sup>

2019

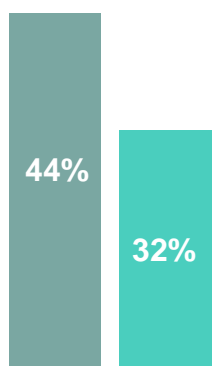


PR

US

### Hypertension<sup>3</sup>

2019

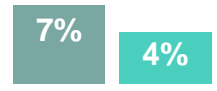


PR

US

### Heart Disease<sup>3</sup>

2019

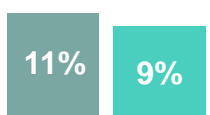


PR

US

### Asthma<sup>4</sup>

2014

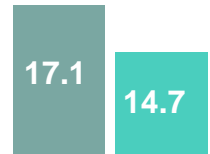


PR

US

### HIV<sup>5</sup>

2015



PR

US


Diagnosis rate per 100k


### Sources:


- 1 – [Kaiser Family Foundation, 2020](#). Comparison includes MI, NM, AL, KY for FY19 funding year
- 2 – [US Census, 2019](#)
- 3 – [MACPAC, 2019](#)
- 4 – [Urban Institute, 2017](#)
- 5 – [Kaiser Family Foundation, 2017](#)
- 6 – [MACPAC, 2019](#)
- 7 – [CMS, 2020](#). Comparison includes NY, PA, NJ, TX, CT for FY18 funding year


Puerto Rico Coverage Gaps


Lack of Funding Limits Ability to Provide Critical Benefits


- 

**Long-Term Services and Supports (LTSS)** – Extended care for the elderly and disabled
- 

**Non-Emergency Medical Transportation (NEMT)** – Transport to and from medical appointments
- 

**Adult Vaccinations** – Flu shots, etc.
- 

**Provider Incentives** – Sustained funding for competitive provider payments. (Temporary funding allowed for +\$50 million to PCPs, +\$110 million to hospitals)
- 

**Diabetes Supplies (Durable Medical Equipment)** – Glucose monitors, testing strips, etc.
- 

**Hep C Treatment** – Ongoing funding to continue coverage for these treatments

Ongoing Challenges

Provider / Beneficiary Flight

- ~500**

**Doctors** leaving for the mainland per year, before Hurricane Maria<sup>6</sup>
- ~1/2**

**Rate** of ER physicians, neurosurgeons, ENT specialists compared to mainland average<sup>6</sup>
- Of 78 municipalities**

**72** are medically underserved  
**32** have a primary care shortage  
**53** have an OB-GYN shortage<sup>6</sup>
- 5-6x higher**


**Per capita Medicaid cost** in most common outmigration states<sup>7</sup>


More Unequal Treatment

- No Disproportionate Share Hospital (DSH) Payments** – PR has to cover the full cost of hospital care for the uninsured
- No LIS Medicare Part D Premiums** – Dual-eligible residents do not receive assistance paying for Part D
- No Medicare Part B Buy-in** – Dual-eligibles receive no assistance with Part B

Solution

Continue Path to State-like Treatment

-  **Policy Change**

  - **Increase FMAP for Puerto Rico** to give PR FMAP consistent with other state programs, up to an 83% federal match. If the state formula was applied to PR, the FMAP would be 83%
  - **Increase Federal Allotment** to provide PR sufficient funding to administer program
-  **Resulting Improvements**

  - **Ability to Raise Eligibility Level Above 85% FPL** – Equal to that of many states
  - **Provide Missing Mandatory Benefits** – NEMT, diabetes supplies (DME), adult vaccinations, and fund Part B Buy-in
  - **Initiate LTSS** – Federal allotment to enable initiation of LTSS in a cost-effective way

Puerto Rico FMAP Scenarios – as of Feb 2, 2022

At 55% FMAP

Puerto Rico’s share would range **from \$1.1B in FY2022 up to \$1.7B in FY2026** – while Puerto Rico has only budgeted **\$750M in FY2022**

**\$40M - \$160M** per year in Federal Funds would go **unused** due to Puerto Rico not having available local funds to draw down the Federal Funds

At 76% FMAP

PR’s share would range from **\$750M in FY2022 up to \$1.1B in FY2026**

A deficit in Federal Funds ranging from **\$320M in FY2022 up to \$510M** in FY2026 is projected.

Puerto Rico’s current FY2022 budget of \$750M would be **\$320M short**

At 83% FMAP

Puerto Rico’s share would range from **\$600M in FY2022 up to \$940M in FY2026**

There would be a deficit in Federal Funds ranging from **\$480M in FY2022 up to \$690M in FY2026**.

Puerto Rico’s current FY2022 budget of \$750M would be **\$330M short**