



SENATE
COMMONWEALTH OF PUERTO RICO

Hon. William E. Villafañe Ramos
Senator at Large

November 30, 2023

The Honorable Xavier Becerra
Secretary of Health and Human Services
200 Independence Ave, S.W.
Washington, DC 20201

Dear Secretary Becerra,

I hope this letter finds you well. As an elected state senator and future congressional candidate of Puerto Rico, I am deeply committed to advocating for the welfare of Medicare beneficiaries and healthcare providers on the island. I am writing to urge your support and assistance on several vital and renewed Medicare Advantage policies. Puerto Rico, home to a significant number of Medicare beneficiaries and healthcare providers, faces unique challenges in ensuring adequate access to quality healthcare services. The implementation of these Medicare Advantage policies is crucial to addressing these challenges and enhancing the healthcare landscape for our constituents.

As you know, every year the Puerto Rico Department of Health (PRDoH) must face many pressing issues in managing the federal funds for the Island's Medicaid public health insurance program. The PRDoH has the oversight responsibility over matters related to health, sanitation, and general welfare in Puerto Rico. Approximately half of Puerto Rico's 3.2 million residents have low incomes and rely on the public health system for medical care. In the context of Medicare Advantage (MA), we currently have about 648,000 beneficiaries, which accounts for 93% of the Part A&B eligible Medicare beneficiaries on the Island. This represents the highest concentration of an MA population in the nation. Furthermore, the Puerto Rico Medicaid Program

(PRMP) provides medical assistance coverage to approximately 298,000 dual eligible beneficiaries (both Medicare and Medicaid).

However, due to Puerto Rico's current political context and territorial status, we face significant exclusions from crucial programs and benefits, including:

1. **Lack of a Medicare Savings Program (MSP).** The MSP covers Part B costs for our impoverished patients and older population. It is disheartening to note that Puerto Rico is the only jurisdiction in which the local Medicaid program does not pay the monthly \$164.90 Medicare Part B premium for dual-eligible beneficiaries. All other duals in the U.S. mainland at 120% FPL and below receive this benefit. Puerto Rico is the only jurisdiction in the U.S.
2. **Disparity in MA benchmark.** Fixing this disparity would eliminate the inequity among American citizens on the island and the rest of the nation. Furthermore, it would balance the impact of the risk score model change for 2024-2026. The use of guardrails is also recommended to make sure that any additional funding is streamlined directly to physicians and hospitals.
3. **Exclusion from the Medicare Part D Low Income Subsidy (LIS).** The LIS program helps reduce the drug costs of low-income beneficiaries up to 150% of FPL. (This change alone would impact all duals, and approximately 400,000 citizens in total).
4. **Exclusion from Supplemental Security Income (SSI).** The lack of SSI benefits increases the importance of MA coverage to low-income beneficiaries that receive help to pay for Part B premiums. In other words, the lack of MSP and SSI means that most low-income Medicare beneficiaries must use their social security payments to pay for their Part B premiums.

Specifically, we seek your support in closing the gap and eliminate disparities in our current MA base rates. The failure to bridge the funding disparity in MA between Puerto Rico and the mainland relegates Puerto Rico's healthcare system to a second-tier status and worsens existing inequities. To attain greater health equity and accurately fund the actual cost of caring for Puerto Rico's most vulnerable residents, we need support from the Department of Health and Human Services.

Adequate funding is key to renew our healthcare infrastructure, retain our physicians on the island, and elevate the overall quality of care. The first step to tackle these inequities is to include an increase in the MA base rates. To address the ongoing disparities that place our aging population at a disadvantage, we propose the following actions:

1. Setting a floor of 0.70 in the average geographic adjustment (AGA) factor. This is needed to address statutory inequities and data anomalies in Puerto

- Rico that have impacted the health care value and pricing structures for decades. It would keep Puerto Rico lower than any state, but at the US Virgin Islands level. A proposal for this should be included in the 2025 MA Advance Notice being prepared now on Q4 2023.
2. The implementation of required Medicare Savings Program (MSP) in the territory.
 3. Inclusion of Medicare Part D Low-Income Subsidy (LIS) in Puerto Rico to aid our most vulnerable populations and help them pay for their prescription drugs.

HHS can take administrative action in MA by proposing a meaningful step in enhancing MA rates in the upcoming MA 2025 Advance Notice. Matching Puerto Rico's AGA factor to the USVI would not only benefit the American citizens residing in Puerto Rico, but also the thousands of USVI residents that travel to Puerto Rico every year to receive medical assistance and care from our physicians and in our hospitals. In parallel, we urge HHS to advocate for Congressional action to include specific language to end the exclusion of the MSP and Part D LIS to US citizens in Puerto Rico.

The importance of these policies cannot be overstated, especially considering the ongoing healthcare disparities and challenges faced by Puerto Ricans. Your support in expediting the implementation process will significantly impact the lives of many individuals who rely on Medicare for their healthcare needs in our region.

I kindly request a meeting or discussion to further elaborate on these policies and explore viable strategies for their efficient implementation in Puerto Rico. Your leadership and assistance in this matter would be instrumental in ensuring equitable healthcare opportunities for our constituents.

Thank you for your attention to this urgent matter. I look forward to the possibility of collaborating with your office to bring about positive changes for Medicare beneficiaries and providers in Puerto Rico.

Sincerely,



William E. Villafañe-Ramos
Senator at Large