



August 4, 2021

The Honorable Darren Soto
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Gus Bilirakis
U.S. House of Representatives
Washington, D.C. 20515

Dear Representatives Soto and Bilirakis:

On behalf of the American Academy of Family Physicians (AAFP) and the 133,500 family physicians, residents, and medical students across the country that we represent, I write to thank you for introducing the *Supporting Medicaid in the U.S. Territories Act of 2021 (H.R. 4406)* to help protect physicians and their patients in American Samoa, the Commonwealth of the Northern Mariana Islands (CNMI), Guam, Puerto Rico, and the U.S. Virgin Islands.

Congress must pass this bipartisan agreement and ensure that the territories avoid reverting to a 55 percent federal medical assistance percentage (FMAP) on October 1. Otherwise, many physicians and patients will be left without adequate Medicaid funding while still coping with the effects of COVID-19 on their health and financial wellbeing.

The current Medicaid funding system is unfair to the territories and leads to more stringent Medicaid eligibility limits, less comprehensive Medicaid benefits to participants and inadequate payments to clinicians and hospitals. Unlike states' Medicaid funding mechanisms, financing for territorial Medicaid programs is capped and the FMAP for the territories is set by statute at 55 percent. This is significantly less than that of the states despite higher average Medicaid enrollment.

Your legislation makes a critical step to ensure territories have consistent funding for the next five and seven years, but additional action for long-term reform is needed. Our constituent chapters in the territories represent hundreds of family physicians who have long been proponents of changes to the current funding mechanisms to ensure that the territories are treated more equitably for Medicaid financing.

These territories are facing an ongoing exodus of physicians from the islands as reimbursement for services remains significantly lower than the same services performed in the U.S. mainland. As of 2016, physicians and surgeons in Puerto Rico earned a median hourly salary that was less than half of their main land counterparts.ⁱ In Puerto Rico, the current number of primary care physicians only address 1.9 percent of their need.ⁱⁱ Even basic preventative services have a significantly lower uptake in Puerto Rico than on the mainland. According to 2018 CMS data, flu shot uptake in Puerto Rico was at 37 percent compared to 64 percent of Puerto Ricans and 76 percent of Hispanics on the mainland receiving a flu shot.ⁱⁱⁱ Likewise, the main hospital for Medicaid beneficiaries in Guam has historically faced low staff salaries and poor infrastructure due to high rates of uncompensated care. Without adequate reimbursement from Medicaid and Medicare Advantage, physicians are unable to meet basic financial obligations for operating their practice and are unable to make longer-term investments to enhance or grow their practice. Furthermore, with higher rates of Medicaid

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participation and a large percentage of ethnic and racial minority groups, chronic underfunding and continuous re-evaluation of funding levels is crippling an already at-risk population.

The AAFP stands ready to partner with you to advance H.R. 4406, and to develop long-term policy solutions to strengthen Medicaid funding and the health care workforce in the U.S. territories. For more information, please contact Erica Cischke, Senior Manager of Legislative and Regulatory Affairs at ecischke@aafp.org.



Gary L. LeRoy, MD, FAAFP
Board Chair, American Academy of Family Physicians

ⁱ Patron, M. (2017, August 08). Puerto Rico's exodus of Doctors Adds health care strain to dire financial crisis. Retrieved March 16, 2021, from <https://www.nbcnews.com/news/latino/puerto-rico-s-exodusdoctors-adds-health-care-strain-dire-n783776>

ⁱⁱ Kaiser Family Foundation. Primary care health Professional Shortage Areas (HPSAS). (2020, November 05). Retrieved March 16, 2021, from <https://www.kff.org/other/state-indicator/primary-care-health-professional-shortage-areas-hpsas/?currentTimeframe=0&sortModel=%7B%22colId%22%3A%22Location%22%2C%22sort%22%3A%22asc%22%7D>

ⁱⁱⁱ CMS Office of Minority Health. "Comparing Puerto Rican's Health Status, Access to Care, and Satisfaction with Care to their Mainland Counterparts Prior to Hurricane Maria." October 2018. <https://www.cms.gov/About-CMS/Agency-Information/OMH/Downloads/CMS-OMH-October2018-PuertoRico-Data-Highlight.pdf>