

Congress of the United States
House of Representatives
Washington, DC 20515-5400

March 13th, 2017

Puerto Rico Financial Oversight and Management Board
c/o José B. Carrión III, Chair

Dear Board Members:

I am writing to reiterate my request that you advise the Congress and the President of the United States of the need to replace the Federal funding for healthcare for low-income individuals that Puerto Rico will have used up by the end of this year.

The primary purpose of the Board is to help the territorial government balance its budgets. A replacement of the current funding is critically needed for this purpose.

Unless the Federal government acts, the Government of Puerto Rico will lose \$1.3 billion a year in Federal contributions to Medicaid. This is because of limits in funding for territories that were contained in the 2010 healthcare legislation known as 'Obamacare.' These limits were not, however, in Obamacare's funding for States.

The loss to Puerto Rico would be about 80% of current Federal funding. This would be about 44% of total Medicaid spending in the territory. According to the U.S. Department of Health and Human Services, it would require the discontinuation of Medicaid coverage for more than 470,000 needy American citizens.

This would also, however, increase needs for care that the territorial government could not ignore, with costs it would have to bear. The necessity would make it more difficult for the government to meet the Board's targets for healthcare savings.

Further, the loss of healthcare would probably prompt many Puerto Ricans to move to a State, where they will not only again be able to receive Medicaid services but be able receive more services than the territory's program provides and where they will be eligible for other Federal social program

assistance also not available in the territory. The migration will further depress the islands' economy, making it even more difficult to balance the insular government budget.

I, and others, have explained the need to the pertinent Federal officials, including Members of the Congress and the Secretary of Health and Human Services. They appear understand the situation and want to address it -- but yours is a crucial missing voice of authority because of your responsibility for the territory's budget.

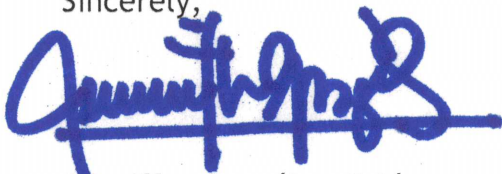
Additionally, Puerto Rico does not have the two Senators, five voting members of the House of Representatives, and seven Electoral Votes to ensure that its needs are met - although the problem would not exist in the first place if it did. The islands would be treated equally with the States in Medicaid and all other Federal programs. In Medicaid alone, this would provide several times as much in Federal assistance.

I know that you are sympathetic to the need to replace the limited funding that will run out but it is vital that the Board officially advise the Congress and the President of the problems that would result if the current funding is not replaced. A president appointed each of you, and all but one of you were appointed at the recommendation of congressional leaders. Federal officials will hold your advice on this matter in the highest regard . . . and it could be pivotal.

As of now, all that they know from the Board's letters to the Governor is that, despite your sympathy, you have recommended reducing spending for healthcare in the islands. These prescriptions can only undermine the effort to avoid the 'cliff.'

So, I, again, respectfully request that the Board formally advise the Congress and the President of the problems that will result if the current funding is not replaced, making clear the current disparity with the States in Medicaid as well as the much worse one that would be a consequence of Federal inaction.

Sincerely,



Jenniffer González-Colón
Member of Congress