



GOVERNMENT OF PUERTO RICO

LUIS G. FORTUÑO
GOVERNOR

April 26, 2012

The Honorable Fred S. Upton
Chairman
Committee on Energy and Commerce
2125 Rayburn House Office Building
U.S. House of Representatives
Washington, DC 20515-6115

Dear Chairman Upton:

I write to you as a friend and former colleague to express my strong disagreement and disappointment with the decision of the Committee on Energy and Commerce to cut Medicaid funding for the U.S. territories that was included in the Affordable Care Act (ACA). As a fiscal conservative, I fully support efforts to responsibly reduce the cost and size of government, and have taken dramatic steps to do just that in Puerto Rico. However, I strongly believe it is fundamentally wrong to single out the U.S. territories to bear the brunt of cuts that are not shared by the rest of the nation, especially when the territories already do not have parity with the states in healthcare programs.

Prior to the ACA, Washington only paid 20 percent of Puerto Rico's Medicaid costs. By comparison, the federal government pays nearly 75 percent for Mississippi's program and 70 percent for the District of Columbia's program. When Congress began debating the ACA, we saw it as the only legislative vehicle available to substantially narrow the gap between the treatment of the territories and the states.

While current law still does not result in full equality, and falls far short of what we would receive if we were a state, the expanded Medicaid funding for Puerto Rico serves a unique and vital purpose that is different from other Medicaid provisions of the Affordable Care Act. ACA addressed some of the disparate treatment the territories received under Medicaid. With a combined increase of

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\$6.3 billion over 10 years, the territories' Medicaid cap increase is so critical to our ability to serve our most vulnerable citizens. Puerto Rico has already begun to use the ACA funds in order to provide critical health care services.

The Energy and Commerce Committee's budget reconciliation bill would reinstate the discrimination in healthcare, which we have worked so hard to end. The territory provision is not about the ACA, nor individual mandates, nor government run healthcare. It is about ending the unfair treatment of the American citizens of Puerto Rico in Medicaid, which has existed since that program was established.

I urge you to restore the Medicaid funds for Puerto Rico as you move forward in your budget deliberations.

Sincerely,



Luis G. Fortuño