

## 2015-K1082

LEGISLATIVE RESOLUTION memorializing the United States Congress to pass and the President to sign both the Improving the Treatment of the U.S. Territories Under Federal Health Programs Act of 2015 (H.R. 2635), and the Puerto Rico Chapter 9 Uniformity Act of 2015 (H.R. 870)

WHEREAS, It is the sense of this Legislative Body to memorialize the United States Congress to pass and the President to sign both the Improving the Treatment of the U.S. Territories Under Federal Health Programs Act of 2015 (H.R. 2635), which would make improvements to the treatment of the United States territories under the Medicare and Medicaid programs, and the Puerto Rico Chapter 9 Uniformity Act of 2015 (H.R. 870); and

WHEREAS, According to the 2010 Census, Puerto Ricans make up 9% of New York City's total population and New York State contains 23% of all Puerto Ricans in the United States; and

WHEREAS, Puerto Ricans are United States citizens who pay the same Medicare taxes, yet the island receives less healthcare funding than any of the 50 states; and

WHEREAS, Enrollment numbers show that up to 60% of the Island's population receives their health care through Medicare, Medicare Advantage or Medicaid; and

WHEREAS, Even though these public programs are such a large portion of Puerto Rico's health care industry, practitioners receive much smaller Medicare and Medicaid reimbursement rates than those received by their counterparts on the mainland; and

WHEREAS, The amount of funding that the federal government provides to support the Medicaid program in territories is capped although there is no limit in matching funds for states; and

WHEREAS, The federal contribution to states for Medicaid ranges from

50% for the wealthiest states to 83% for the poorest states, however territories are capped at 50%; and

WHEREAS, The situation is so bad that some advocates estimate that one doctor a day leaves Puerto Rico to go work in the states; and

WHEREAS, One study found that compared with hospitals in the states, hospitals in the U.S. territories have significantly higher 30-day mortality rates and lower performance levels on every standard of care measured in the study; and

WHEREAS, The Patient Protection and Affordable Care Act (ACA) of 2010 provided \$6.4 billion in additional Medicaid funding to Puerto Rico from Fiscal Year 2011 to the end of Fiscal Year 2019; and

WHEREAS, With this additional funding running out in the coming years and the territory's current disastrously low funding rate, Puerto Rico will have to come up with billions of dollars starting in 2018 or dramatically reduce its Medicaid program; and

WHEREAS, Puerto Rico is currently facing one of the greatest fiscal and economic crises in its modern history and the austerity measures needed for its fiscal well-being are sure to take a toll on public health services; and

WHEREAS, Pedro R. Pierluisi, Puerto Rico's resident commissioner to the U.S. Congress, introduced the Improving the Treatment of the U.S. Territories Under Federal Health Programs Act of 2015 (H. R. 2635); and

WHEREAS, Starting in Fiscal Year 2017, the bill would provide the territories, including Puerto Rico, with state-like treatment by eliminating the funding cap for Medicaid and calculating reimbursement based on a territory's per capita income; and

WHEREAS, H.R. 2635 would amend the Social Security Act to include the territories in the Medicaid disproportionate share hospital program

(which provides funding to hospitals that treat a high percentage of low-income and uninsured patients), from which they have always been excluded; and

WHEREAS, The legislation would also improve the formula for the Medicare disproportionate share hospital program in Puerto Rico, as the current formula calculates payments based on the number of patients enrolled in the federal Supplemental Security Income program, a program that was not extended to Puerto Rico; and

WHEREAS, H. R. 2635 would also change the base rate for Puerto Rico's hospitals to be equal to those in the states; and

WHEREAS, The bill would establish a reasonable floor for Medicare payments to compensate for a Medicare formula that many believe is disadvantageous to Puerto Rico and results in insufficient payments to physicians; and

WHEREAS, H. R. 2635 would also cut in half the annual fee on insurers in territories that was created in the ACA, since the purpose of the fee was to help offset the cost of the ACA and territories are not eligible for many of the benefits provided in the ACA; and

WHEREAS, If the government does not intervene, hundreds of thousands of patients in Puerto Rico could see a dramatic decrease in their healthcare coverage; and

WHEREAS, We need to act now to save Puerto Rico's healthcare system; and

WHEREAS, The Commonwealth of Puerto Rico is struggling with a weak economy, declining population and crushing debt obligations; and

WHEREAS, The unemployment rate in Puerto Rico has remained consistently high and currently stands at around 11.6%; and

WHEREAS, According to the U.S. Census, Puerto Rico's poverty rate is about 45% or nearly twice that of Mississippi, the poorest state in the Union; and

WHEREAS, Puerto Rico's financial plight is also distressing to the many New York City residents who have called the island their home, or have family and friends who live there; and

WHEREAS, Due to economic pressures the Puerto Rican population has declined, in contrast to the U.S. population which has increased; and

WHEREAS, Puerto Rico holds over \$73 billion dollars in public sector debt, much of which is held by its state-run corporations, such as the Puerto Rico Electrical Power Authority; and

WHEREAS, Puerto Rico is neither an independent nation, nor a U.S. state, but rather a U.S. territory; and

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WHEREAS, Puerto Rico may not manipulate its currency to satisfy debt obligations as an independent nation might; and

WHEREAS, According to U.S. law, as currently written, Puerto Rico's municipalities, and their publicly-owned corporations, may not claim bankruptcy in the way that the municipalities of states, such as Detroit, may; and

WHEREAS, In an effort to fill the gap in the law, the Puerto Rican government passed the Puerto Rico Public Corporations Debt Enforcement and Recovery Act ("Recovery Act"), which would have authorized certain government-owned corporations to restructure their debt; and

WHEREAS, In February of 2015, a court ruled the Recovery Act was inconsistent with federal law; and

WHEREAS, Without the Recovery Act or access to bankruptcy, Puerto Rico, and its residents-who are United States citizens-will be unable to avail themselves of orderly and established bankruptcy processes common under federal law; and

WHEREAS, The Puerto Rico Chapter 9 Uniformity Act of 2015 would amend Title 11 of the United States Code to treat Puerto Rico as a state for the purposes of adjusting the debts of municipalities; and

WHEREAS, Access to bankruptcy for the Commonwealth would provide an orderly, established, process for both debtors and creditors that balances public and private interests; now, therefore, be it

RESOLVED, That the Congress of the United States be and hereby is respectfully memorialized by this Legislative Body to pass and the President to sign both the Improving the Treatment of the U.S. Territories

Under Federal Health Programs Act of 2015 (H.R. 2635), and the Puerto Rico Chapter 9 Uniformity Act of 2015 (H.R. 870); and be it further RESOLVED, That copies of this Resolution, suitably engrossed, be transmitted to the President of the Senate of the United States, the Speaker of the House of Representatives, and to each member of the Congress of the United States from the State of New York.