



AAFP Urges Fix to Medicaid Funding for U.S. Territories

Letter Warns of Impending 'Fiscal Cliff'

July 01, 2019 03:01 pm [News Staff](mailto:aafpnews@aafp.org) (mailto:aafpnews@aafp.org) – Time is running out for U.S. territories faced with a fast approaching Medicaid "fiscal cliff," the AAFP said in a recent letter to leaders of the House Committee on Energy and Commerce's Health Subcommittee.

[The June 19 letter](#),



(<https://www.aafp.org/content/dam/AAFP/documents/advocacy/coverage/medicaid/LT-ECHealth-MedicaidTerritoryFunding-061919.pdf>)_written in collaboration with AAFP chapters in Guam, Puerto Rico and the U.S. Virgin Islands, went to subcommittee Chair Anna Eshoo, D-Calif., and Ranking Member Michael Burgess, M.D., R-Texas.

"Unlike states' Medicaid funding mechanisms, financing for territorial Medicaid programs is capped, and the federal medical assistance percentage for the territories is set by statute at 55%, significantly less than that of the states," said the AAFP in the letter, which was signed by AAFP Board Chair Michael Munger, M.D., of Overland Park, Kan.

Furthermore, the letter continued, these Medicaid programs have long been underfunded due to "demographic and health circumstances unique to the territories."

The AAFP reminded Eshoo and Burgess that the 2010 Patient Protection and Affordable Care Act included an additional \$6.3 billion in federal Medicaid funding to be paid out to the territories through Sept. 30. Moreover, the Bipartisan Budget Act of 2018 allotted an additional \$5.2 billion for Puerto Rico and the U.S. Virgin Islands only.

In its letter, the Academy referenced a [report](https://fas.org/sgp/crs/misc/IF11012.pdf) (<https://fas.org/sgp/crs/misc/IF11012.pdf>) developed by the Congressional Research Service on the topic of Medicaid funding for the territories. That report revealed that territories are increasingly reliant on ACA funding for their Medicaid programs because the current funding system is insufficient.

The letter called on Congress to "act quickly to address the expiration of the territories' temporary ACA Medicaid funds" to avoid severe funding shortfalls in fiscal year 2020 that would leave territories with no choice but to reduce recipient benefits or restrict Medicaid coverage.

As family physicians likely know, the United States includes five major territories -- Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa and the Commonwealth of the Northern Mariana Islands -- and the Medicaid funding cap applies to them all.

Even as the AAFP urged Congress to address the immediate funding crisis, the letter also asked legislators to examine long-term Medicaid financing mechanisms for U.S. territories.

"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 health care providers," the Academy concluded.

In addition to the AAFP's letter, [The Partnership for Medicaid](http://www.partnershipformedicaid.org/) (<http://www.partnershipformedicaid.org/>), sent a [joint letter](http://www.partnershipformedicaid.org/wp-content/uploads/2019/06/Partnership-for-Medicaid-U.S.-Territory-Medicaid-Funding.pdf) (<http://www.partnershipformedicaid.org/wp-content/uploads/2019/06/Partnership-for-Medicaid-U.S.-Territory-Medicaid-Funding.pdf>) to congressional leaders urging action on the same issue.

That correspondence went to Senate Majority Leader Mitch McConnell, R-Ky.; Senate Minority Leader Chuck Schumer, D-N.Y.; House Speaker Nancy Pelosi, D-Calif.; and House Minority Leader Kevin McCarthy, R-Calif.

As first co-chair of the partnership, the AAFP signed the letter along with 14 other organizations, including the American Academy of Pediatrics, American College of Obstetricians and Gynecologists, American Dental Association, National Association of Community Health Centers, National Council for Behavioral Health, and National Rural Health Association.

Related AAFP News Coverage

[AAFP Joins Objection to Administration's Move Against ACA](#)

[DOJ Announcement Breaks Promise to Millions of Patients, Say Groups](https://www.aafp.org/news/government-medicine/20190401acalawsuit.html) (<https://www.aafp.org/news/government-medicine/20190401acalawsuit.html>)

(4/1/2019)

More From AAFP

[Policy: Core Principles of Medicaid](https://www.aafp.org/about/policies/all/medicaid-principles.html) (<https://www.aafp.org/about/policies/all/medicaid-principles.html>)


Additional Resource

[The Partnership for Medicaid press release: Millions Face Prospect of Losing Access to Health Care](http://www.partnershipformedicaid.org/wp-content/uploads/2019/06/Puerto-Rico-Medicaid-RLSE-FINAL-062019.pdf)

(<http://www.partnershipformedicaid.org/wp-content/uploads/2019/06/Puerto-Rico-Medicaid-RLSE-FINAL-062019.pdf>)



ADD TO FAVORITES

0 comments [Follow Comments](#)

Be the first to make a comment.

We welcome your comments and encourage thoughtful discussion and differing viewpoints. Feel free to challenge the ideas of those with whom you disagree (including the AAFP), but please be respectful.

Comment *

Follow the comments to receive an e-mail when new comments are made on this page.

Add Comment

AAFP Urges Fix to Medicaid Funding for U.S. Territories

<https://www.aafp.org/news/government-medicine/20190701medicaidterrcutoff.html>

Copyright © 2020 American Academy of Family Physicians. All rights reserved.

11400 Tomahawk Creek Parkway • Leawood, KS 66211-2680

800.274.2237 • 913.906.6000 • Fax: 913.906.6075 • aafp@aafp.org