HEARING TESTIMONY

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Full House Committee on Natural Resources
On The President's FY ' 22 Budget for the Territories
Medicaid, SSI and SNAP Parity

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Good afternoon Vice-Chairman Sablan, Vice Ranking member Gonzales-Colon, chairman Grijalva, Ranking Member Westerman, committee members and fellow panelists. Thank you for holding this hearing and for the opportunity to testify on the long, but yet unfinished journey to full and fair treatment for the Territories under the important safety-net programs of SNAP, SSI and Medicaid. President Biden's budget statement on ending territorial inequity in these programs makes today's hearing extremely important and gives us hope.

I was asked to tell sort of an insider story based on my experience and activities in the efforts for state like treatment thus far. I came to Congress primed for these issues because I had faced the consequences of not having SSI and the caps on Medicaid, in particular, with many of the patients in my more than 21 years of a family practice and with the community at large as a public health administrator in the Virgin Islands.

During that time I had patients who moved home from a state and lost the SSI benefit they had relied on to meet the additional needs and services their disability/s required. I had other patients who with a disability themselves or in a family member had to make the difficult decision to leave their extended family behind to move to one of the states to be able to become eligible for the needed help that SSI provided.

I had many patients who, though having extremely low incomes, made more that the income eligibility levels of $5000/ 5500/ 6580 and could not qualify for Medicaid. The cap back then and until the ACA not only kept the eligibility low but also limited the services that could be accessed by those who were beneficiaries. Some had not worked for the required time to be eligible for Medicare either.

It was heartbreakingly hard to properly manage diabetes, hypertension and other chronic diseases because when those who needed treatment could not afford a full month of medication, even though we did our best to keep the cost low and augmented it with samples. This also applied if we had expended the federal funds or couldn't meet the required match.

Needed long term care was limited and the restrictive Medicaid cap was partially responsible for the closure of the one facility that struggled for years to stay open. I also remember times when off island hospitals refused to take individuals requiring specialized tertiary care because we had not been able to fully pay past bills for those who did not have private insurance.

Many, not being able to access all needed services, ended up with complications that could have been avoided. We cannot ever be allowed to go back to those conditions again.

When I came to Congress I was determined to do whatever I could to address these ills and others that I could not from my office practice.

FOOD STAMPS/ SNAP

I will begin with SNAP because, in my opinion, it is the one program where for us there has been not just equality, but equity, because our allotments take into account the substantially higher food costs. Only Alaska, Hawaii and Guam's are higher. As a Member, and since, I have argued that funding cannot be solely dependent on size or population, but must take into account the need. This is one instance where it happens at least in Guam and the Virgin Islands. SNAP must be extended to Puerto Rico, the Commonwealth of the Northern Marianas and American Samoa.

I can attest to the higher allowance personally because I have taken the Food stamp challenge twice. It was extremely hard to feed myself for two weeks when home in the VI on the DC allotment which is lower.

The then Food Stamp Program was extended to the Territories in 1974. We have received the recent 15% increases provided in the 2021 Consolidated Appropriations Act which thus far have been extended through September of this year. The Virgin Islands has also received several bonuses over the years because of our stewardship of the program.

There are 26,776 persons now being served by the SNAP program. The average individual benefit is over $200 per month.

In short, in this program we have the state-like treatment we have been doggedly pursuing in the other two programs - SSI and Medicaid.

SOCIAL SECURITY SUPPLEMENTAL INCOME

The effort to extend this program to the Territories began almost immediately as the first Territorial delegates were sworn into .Congress.

I found the first legislation to amend the Social Security Act and extend this critical program to the Territories of Guam and the Virgin Islands being introduced by VI Delegate Ron DeLugo in 1973 in the 93rd Congress. It has been introduced in almost every Congress since by the different Delegates, including myself.
Puerto Rico was added in the 95th Congress and I believe it actually passed the House inning 1975 and 77 but got no further.

When Congresswoman Bordallo and I introduced it in the 106th Congress in 1999, it did not include Puerto Rico and it had already been extended to the Northern Marianas. We rationalized that Puerto Rico was on the road to statehood and would have it extended automatically. The cost would also have been significantly less. Resident Commissioner Pedro Pierluisi introduced the legislation adding Puerto Rico in 2013.

One recent estimate of the cost to extend the benefit to all of the remaining Territories for the period 2021 to 2030 is $23.4 billion. That is $700 million for Guam, the Virgin Islands and American Samoa, and would be $22.7billion for Puerto Rico.

What has been provided for the Territories instead is the Aged Disabled And Blind funding which has been extended to us since 1935. This is grossly inferior and an insult to the people of the territories. Any attempts to substantially increase it have been unsuccessful.

The total number in individuals receiving ABD funding in the Virgin Islands today is 953. The monthly allowance is $187.00. On the other hand, SSI monthly payments in the 50 states and DC run anywhere from $1400 to over $1800. The discrepancy in the treatment is glaring and a travesty. To further add insult to injury, we American citizens are denied a benefit that some non citizens enjoy.This treatment of fellow Americans, who have demonstrated their loyalty and patriotism in military service above and beyond many states, is shameful and must be ended.

I do not know how our country can face the rest of the world when this discriminatory treatment exists. President Biden has clearly and firmly stated in his budget message that we must be given state like treatment in all safety net programs. This must be actualized in the final budget and appropriations.

MEDICAID

The legislative effort to give the same treatment as the states to the US Territories began in 1977 in a bill introduced by Puerto Rico Resident Commissioner Corrada Baltazar.

In the year I was elected The federal Medicaid cap in the Virgin Islands was $4.2 million and eligibility was at about $5000 annual income. In my first 2 years i worked with the Clinton White House and others to steadily increase it. We may have been on the verge on doubling it at the end of Clinton's second term, but it never happened.

I introduced my first bill to lift the cap and change the match on 9/7/2000. - essentially to give us the state- like treatment we are still seeking today.
Either I or one of my fellow Delegates introduced this legislation in every Congress thereafter. Our current Delegate, Stacey Plaskett and has steadfastly and stridently continued this effort, and has introduced HR 3434 this year.

According to a GAO report by 2008 the cap had increased to $13,020,000. In that year the income eligibility was set at $5500 and there were 6668 people enrolled. The match had not budged from 50%.

In 2009 I became a member of the House Committee on Energy and Commerce and was able to advocate for a Medicaid increase for the Territories in the American Recovery and Reinvestment Act. By 2010 the cap was raised to $18.2million.

The prospect of Healthcare reform presented opportunities to advocate further for state -like treatment and we took advantage of it.

The Congressional Black Caucus started early, shortly joined by the Hispanic and Asian Pacific Islander Caucuses. The CBC had created 12 benchmarks, which as a Tri-Caucus were fine-tuned down to about 5, one of the main ones being state-like treatment for the Territories in Medicaid.

The territorial representatives began by meeting with the Chairs of the relevant Committees Charles Rangel and Henry Waxman to make the case for state like treatment. I believe we were joined by Congressman Serrano. The chairmen listened but were non committal.

We continued to make the case at Caucus meetings, including those where the President addressed us.

As history will record we didn't quite reach that goal but when the Patient Protection and Affordable Care Act passed the House it included the following:
Medicaid. $10.35 billion
Match. 75/25
Exchange. 4 billion

We were ecstatic but just for a moment, because the Senate and White House did not plan for more than a 30% increase in Medicaid.

The Tri- and Progressive Caucus Chairs and health leads had several tough meetings at the White House with the President and also with Senate leadership.
We made progress but Could not get them to the House levels. In the end the ACA included:
Medicaid. $6.3 billion
Match. 55/45
Exchanges. $1 billion
The Virgin Islands share was $243million in Medicaid over 10 years, and $24.9 million for the exchange, which we like of sister territories, was added to Medicaid.

Again state like treatment had eluded us!

By 2015 enrollment in the VI was at 18,036, even with the poverty level still set low at $6581 for one person / $13,449 for a family of 4. In 2017 that was changed to an annual income eligibility at $15,654 for a one person household and $$20,833 if that person is over 65, disabled or blind. It became $31,931 and $42,495 for a family of 4, where it remains. Today the enrollment is 33,540 individuals. Coverage increased for tens of thousands compared to the 6668 in 2008

But the Medicaid program and our benefits have continuously been in a state of uncertainty. This hampers planning and expanding services, not to mention the sleepless nights over what we are going to do if we drop from the current $127.9 million to $19.6million as would be projected.

We only narrowly missed a cliff because of 2 category 5 hurricanes, and again because of the COVID19 pandemic. While we are appreciative of the extensions, it should not take a catastrophe to get more equitable treatment?

There are several legislative efforts to bring equity in Medicaid to the Territories.

I'm sure each of us is grateful to Congressmen Soto and Bilrakis for having introduced H.R. 4406 and the bipartisan agreement which would give us 8 additional years with enhanced matches. But how, as one example, does one plan and get financing for a skilled nursing facility, which is sorely needed, with only a possible 8 years guaranteed funding. And let us not forget the 2012 attempt by Republicans on E&C to take away the funding we gained in the ACA. The political climate today makes that even more likely if their party were to control the Congress or White House. We need to legislatively give the territories full state-like treatment now. As someone said in a prior testimony we are not asking for special treatment, only fair and equitable treatment.

We are in strong support of the legislation introduced by Congresswomen Velasquez and Plaskett: H.R. 2713 and HR..3434.

Both would finally take us to the end of this tortuous journey and end the shameful discriminatory treatment of American citizens based on where we live. A situation that is not worthy of this great nation.

HR. 2713 would also include us in SSI, extend SNAP to the Territories that do not now have it and address certain minimum wage issues in Puerto Rico.

In addition to providing state like treatment in Medicaid, HR. 3434 would also examine the impact of the low funding having precluded our ability to participate in exchanges and it would help to resolve the lack of coverage for many residents that this exclusion and other factors have caused.

We have half-stepped on this issue for far too many years and it has caused too many to suffer. We have become part of the excess preventable deaths every year. And we are burdened by disproportionate - and I might add high cost - morbidities from complications of under-treated chronic diseases.

President Biden's assertion in his Fiscal Year 2022 budget provides us an unprecedented window of opportunity that may not ever come again. Our equity in these safety net programs must be achieved now. That means that Congress must act to ensure that the President's words become a reality at the end of the Appropriations process. The Tri-Caucus which now numbers well over 100 members, and to which several members of the Committee belong, will be our best advocates.

It may be now or never!

There are two other factors that have relevance. If they are addressed, what is happening in the Virgin Islands, and I would expect the other Territories, will be better monitored and therefore addressed.

OUR FEDERAL POVERY LEVEL:

Wherever we are continuing to use as our baseline the FPL of the states and DC it does not generally reflect the cost of living and our limited access to basic services. The states and the District of Columbia have established levels, but in Territories it appears that different programs can use different levels.
An informal look at our cost of living compared to Hawaii and Alaska suggested that our cost of living is higher that those two states. Without question, ours needs to be higher for all programs.
The Medicaid program has studied this and at the very least we should start where they are. But an official study needs to be done to determine what it should be. Years ago GAO had denied our request for one due to staffing and other demands.

AMERICAN COMMUNITY SURVEY

We get no survey of our population in between the Censuses. Everything in between is an estimate. After the 2010 Census our poverty level was determined to be 22%. That was at a time when there were 500 government layoffs and just at the time the HOVENSA refinery was shutting down sending our economy and many families and businesses into a tailspin.

We tried to have this addressed in several meetings with Commerce and DHHS to hear from local officials and community leaders. We also had a hearing, but to no avail. So our funding was cut based on that erroneously set poverty level. At the time we had several high income people who had moved here to take advantage of our EDA benefits, and it skewed the income measure that was used. We could not get a reassessment that would have shown the true poverty level, and ensure adequate funding for all programs.

We need to have Annual community Surveys like every state, DC and Puerto Rico - if not very year, every 2 years. It does a great disservice to the people of the Virgin Islands to create policy and determine funding levels without having the important and accurate, up to date information the ACS provides.

Yes, it has been a long road filled with anxieties, disappointments and frustration of our efforts, but we are “no ways tired”. We are ready and determined to stand with you in this fight for health and fairness for my fellow Virgin Islanders and all Americans living in the territories of the United States.

I thank you again for this hearing and for the opportunity to testify, but most importantly I thank you for your sensitivity to the inequity that exists for us in our country’s safety net programs and your determination to put it on the record and thereby undergird and jumpstart the Herculean effort that must be inter taken this year to end the long-standing discriminatory treatment of American citizens who happen to live in our Nation’s territories.