



May 8, 2023

The Honorable Gregorio Kilili Camacho Sablan
2267 Rayburn House Office Building
Washington, DC 20515

Dear Delegate Sablan:

On behalf of First Focus Campaign for Children, a bipartisan children's advocacy organization dedicated to making children and families the priority in federal policy and budget decisions, we are writing to express our support for the Insular Area Medicaid Parity Act (H.R.949).

Children's health needs are unique. In the earliest years of their lives, they are rapidly developing. That development sets the foundation for the rest of their lives. If they are not consistently getting periodic, age-appropriate care, that foundation is weakened, potentially leading to costlier physical and behavioral health issues down the line. A prerequisite to ensuring children are receiving care that helps their early development is to ensure they have a consistent source of health coverage. Medicaid provides this crucial coverage to millions of children in the continental United States. Under current law, however, there are inequities in the Medicaid financing structure that are especially significant for children's access to health coverage and care in the territories.

In Medicaid, the territories are subject to a cap or allotment under Section 1108 of the Social Security Act. They may only spend federal dollars up to that ceiling, compared to the open-ended Medicaid financing model used for the states. On average, territories enroll a much larger percentage of their population in Medicaid and the Children's Health Insurance Program (CHIP) than the states, with an average of 35% enrolled.¹ In some territories, like American Samoa, nearly 70% of the population is enrolled in Medicaid.² Territories often face high rates of poverty, like Puerto Rico, which has a poverty rate of 40.5% - far higher than any state in the continental U.S.³ Despite this inequity, under the Section 1108 cap territories must bear the cost of covering their populations or disenroll Medicaid recipients should they meet the funding ceiling. The Insular Area Medicaid Parity Act would rectify this inequality by ensuring that all of America's children, regardless of their location, have equal access to Medicaid coverage by revoking the funding limit for territories.

¹ Hernández-Delgado, Héctor. "COVID-19 Highlights Unequal Treatment of People of Color in U.S. Territories." National Health Law Program. July 31, 2020.

<https://healthlaw.org/covid-19-highlights-unequal-treatment-of-people-of-color-in-u-s-territories/>

² "Medicaid and CHIP in the Territories." Medicaid and CHIP Payment and Access Commission. February 2021.

<https://www.macpac.gov/wp-content/uploads/2019/07/Medicaid-and-CHIP-in-the-Territories.pdf>

³ "QuickFacts Puerto Rico." United States Census Bureau. Last Accessed May 8, 2023. <https://www.census.gov/quickfacts/PR>

Additionally, this lack of parity presents a racial equity issue, as a majority of territory residents are people of color.⁴ Despite high levels of poverty, the territories are not adequately funded by the Section 1108 caps. This means children on Medicaid in the territories often experience difficulty accessing care and providers and diminishing service quality.⁵ Since their colonization, territories and their inhabitants have experienced deep discrimination that has manifested in unequal access to benefits. The Insular Area Medicaid Act takes a positive step in achieving equity for children in the territories.

We commend you for taking steps to ensure that children in the U.S. territories have access to equitable healthcare coverage. We look forward to working with you to pass the Insular Area Medicaid Parity Act.

Sincerely

A handwritten signature in blue ink that reads "Bruce Lesley". The signature is written in a cursive style with a prominent "L" and "y".

Bruce Lesley
President

⁴ June Lee, Jae, Brumfield, Cara, and Weare, Neal. "Advancing Data Equity for U.S. Territories." Georgetown Law Center on Poverty and Inequality. 2022.

<https://www.georgetownpoverty.org/wp-content/uploads/2022/11/AdvancingDataEquityUSTerritories-Nov2022.pdf>

⁵ Hernández-Delgado, Héctor. "COVID-19 Highlights Unequal Treatment of People of Color in U.S. Territories."