

Congress of the United States
Washington, DC 20515

February 23, 2010

President Barack H. Obama
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
H-232, the Capitol
Washington, DC 20515

The Honorable Harry Reid
Majority Leader
U.S. Senate
H-221, the Capitol
Washington, DC 20510

Dear Mr. President, Madame Speaker and Mr. Leader:

We write to express great concern about the President's Proposal on Health Care Reform, released in summary form on February 22nd. The current Proposal is clearly unfair in its treatment of the 4.4 million Americans living in the U.S. territories. It also runs contrary to numerous written pledges and verbal assurances each of us has received from the Administration and congressional leaders regarding this matter. Finally, the Proposal undermines the stated goal of health care reform—to provide quality, affordable care to all Americans. We regret having to express these sentiments, but the stakes are too high—and the Proposal too lacking—to justify anything less than complete candor. We urge you to work with us to make certain that any health care reform bill signed into law is fair and equitable to Americans in the territories. Fair treatment can only be achieved if the final bill contains language that is substantially similar to the provisions regarding the territories that were approved by the House. This result can be accomplished at a reasonable cost through the reconciliation process.

The President's Proposal, as we understand it, would adopt the Senate language on the territories almost in its entirety. First, our constituents would be excluded from the centerpiece of the bill, the health care exchange, despite the fact that even non-citizen resident aliens living in the states would be eligible for federal subsidies under the exchange. In addition to being unjust, this exclusion is unsound public policy, since our constituents will be able to move to the states to access subsidized insurance through an exchange, if it is not available in the territories.

Second, our constituents would not benefit from the various consumer protections established in the bill, such as provisions limiting an insurance company's ability to deny coverage based on an a pre-existing condition, to place lifetime limits on coverage, or to drop coverage after an individual becomes sick.

Third, the Proposal, if implemented, would exacerbate the already-egregious disparity between federal Medicaid funding for the territories and for the states. While the House-passed bill took important steps to mitigate this inequality, the Senate-passed bill absolutely did not, as has been widely conceded by Senate leaders and others. The Senate bill would raise the cap on federal Medicaid funding to the territories by 30%, which translates into an extremely small dollar increase because baseline funding is so low. In addition, while the Senate bill would require the territories to cover certain newly eligible individuals under Medicaid, it would provide for the federal government to cover only 55% of the associated cost, whereas the federal government would pay over 90% of the cost of covering these individuals in the states.

We cannot understand how one can justify such treatment of one's fellow Americans. And yet, the Proposal would mirror the Senate bill, with the only exception being that it would raise the federal spending cap by 35% rather than 30%. This change is worth a mere \$15 million a year, or \$135 million over the life of the bill. This amounts to only .17% of the \$79 billion in new spending that the Proposal would add to the Senate bill.

What is so dispiriting is that the Proposal flies in the face of a nearly-constant stream of pledges and assurances from the Administration that the territories would be fairly treated in the final legislation. For example, Mr. President, in a letter to Puerto Rico's Governor-elect Luis Fortuño in January 2009, you wrote: "During my campaign, we pledged to seek equal coverage of Puerto Rico in federal health care assistance programs." Moreover, in a written campaign document, you stated that residents of Puerto Rico—and, by logical extension, of all the territories—would be included in the health care exchange proposal that you would put forward as President. In light of all this, you can understand that the Proposal left us reeling. Given your steadfast support for the territories, particularly your advocacy for our fair treatment under federal health care programs, we have to assume that the Proposal was drafted without taking your prior positions into consideration.

Our constituents deserve to be treated as first-class citizens in all aspects of our democracy, in war *and* in peace. This Proposal fails them and, therefore, we cannot support it in its present form. We are sure that many of our voting colleagues from the states—particularly those who represent the millions of Americans born in the territories—will have similar concerns.

We urge you—again with great respect, but in the strongest possible terms—to ensure that the final health care reform bill treats Americans in the territories fairly. We look forward to working with you over the coming weeks to make this shared hope a reality.

Sincerely,



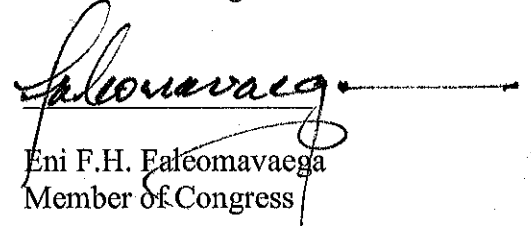
Pedro R. Pierluisi
Member of Congress



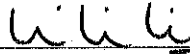
Madeleine Z. Bordallo
Member of Congress



Donna Christensen
Member of Congress



Eni F.H. Faleomavaega
Member of Congress



Gregorio Kilili Camacho Sablan
Member of Congress

cc: The Honorable Richard J. Durbin, U.S. Senate
The Honorable Max Baucus, U.S. Senate
The Honorable Jeff Bingaman, U.S. Senate
The Honorable John F. Kerry, U.S. Senate
The Honorable Robert Menendez, U.S. Senate
The Honorable Bill Nelson, U.S. Senate
The Honorable Charles E. Schumer, U.S. Senate
The Honorable Steny Hoyer, U.S. House of Representatives
The Honorable Xavier Becerra, U.S. House of Representatives
The Honorable George Miller, U.S. House of Representatives
The Honorable Charles B. Rangel, U.S. House of Representatives
The Honorable Henry A. Waxman, U.S. House of Representatives