

Congress of the United States
Washington, DC 20515

October 2, 2009

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

The Honorable Steny Hoyer
House Democratic Majority Leader
H-107, The Capitol
Washington, DC 20515

The Honorable James E. Clyburn
House Majority Whip
H-329, The Capitol
Washington, DC 20515

The Honorable John B. Larson
Chairman
House Democratic Caucus
202A Cannon House Office Building
Washington, DC 20515

The Honorable Henry A. Waxman
Chairman
House Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Charles B. Rangel
Chairman
House Committee on Ways and Means
1102 Longworth House Office Building
Washington, DC 20515

The Honorable George Miller
Chairman
House Committee on Education and Labor
2181 Rayburn House Office Building
Washington, DC 20515

Honorable Xavier Becerra
Vice Chairman
House Democratic Caucus
1119 Longworth House Office Building
Washington, DC 20515

Dear Speaker Pelosi, Majority Leader Hoyer, Majority Whip Clyburn, and Chairmen Larson, Waxman, Rangel, Miller, and Becerra:

We write to express our concerns regarding the negative impact on the U.S. territories of the Eshoo-Engel amendment, passed by voice vote in the Energy & Commerce Committee's markup of H.R. 3200, America's Affordable Health Choices Act.

We certainly support the amendment's goal to have the federal government provide medical services for citizens of the Freely Associated States (FAS) who have migrated to the states and territories of the United States. Currently, these medical services are paid 100% by the government of the state or territory in which an FAS migrant lives, because FAS migrants are ineligible for Medicaid benefits. The Eshoo-Engel amendment classifies FAS migrants as "qualified aliens," making them eligible for federally-funded Medicaid benefits.

This approach will alleviate the burden on state governments that now pay the cost of FAS migrants' health care - but the amendment will need to be refined if it is to help the territorial governments provide enhanced care to FAS migrants, because federal funding for Medicaid for the territories is structured differently than for the states.

The territories, unlike the states, receive a fixed amount of federal Medicaid funding each year. Typically, these funds are exhausted before each year's end. At that point, Medicaid becomes a 100% locally-funded program.

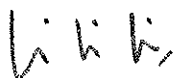
The Eshoo-Engel amendment adds no additional funding to the fixed amount territories now receive from the federal government. So, by adding more persons to be covered by Medicaid, the Eshoo-Engel amendment will force the territorial governments either to spend more local funds to cover these additional Medicaid recipients or to ration care among the enlarged group of Medicaid eligibles.

The territories also operate under different rules with respect to the Federal Medical Assistance Percentage (FMAP). The Federal Government matches only 50% of Medicaid costs in the territories without respect of the income levels of the population, as in the states. This limitation, in concert with the absolute cap on federal Medicaid contributions, also means that adding FAS migrants to the roles only increases the financial obligation of the territorial governments. By classifying FAS migrants as Medicaid eligible, the Eshoo-Engel amendment would reduce the ability of the territorial governments to provide health services to territorial residents now being served – a result which is at odds with the amendment's intent to increase the federally-funded medical services available to the nation's most vulnerable.

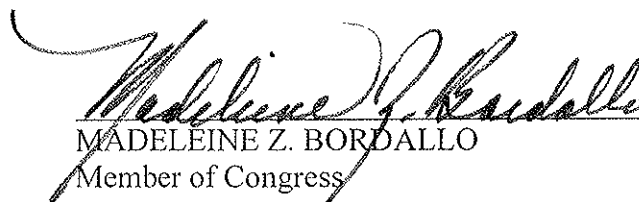
We ask, then, that the Eshoo-Engel amendment be refined so that new federal funds, outside the existing fixed amount territories now receive, be provided to cover Medicaid benefits for FAS migrants. Since this is a responsibility of the federal government, we ask that the federal government contribute the entire amount of their health care costs in the Medicaid program. Without this change the goal of the Eshoo-Engel amendment in the U.S territories will be thwarted.

Thank you for taking this issue under consideration. We welcome the opportunity to work with you to refine this amendment to ensure it fulfills its laudable purpose in the territories, as it does in the states. Finally, we thank you for your continued leadership on this issue.

Sincerely,



GREGORIO KILILI CAMACHO SABLÁN
Member of Congress



MADELEINE Z. BORDALLO
Member of Congress