



BARACK OBAMA: IMPROVING HEALTH CARE IN PUERTO RICO

The U.S. spends over \$2 trillion on health care every year, and offers the best medical technology and scientific research in the world. Yet, the benefits of the U.S. health care system come at a price that an increasing number of individuals and families, employers and employees, and public and private providers cannot afford. Additionally, Puerto Rico's health care system has been strained because of significant federal health care funding limitations. Most pressing is that federal funding for Puerto Rico's Medicaid program is capped at approximately \$250 million per year, while the program spends approximately \$1.7 billion on health care coverage. Puerto Rico is also subject to separate funding formulas in both the Medicare and children's health care, or SCHIP, programs. In recent years, health care costs in Puerto Rico have skyrocketed and half a million Puerto Ricans are uninsured or underinsured due to rising medical costs.

The limitations in federal health care investment in Puerto Rico has undermined the entire health care system and compromised quality of care for everyone, not just those on Medicare or Medicaid. The imbalance affects the quality of care and places a financial strain on the government, individuals and families, employers and employees, and public and private providers. Barack Obama's vision for the Island includes ensuring that the people of Puerto Rico can count on a health care system that can provide affordable, high quality care. Obama believes that our first priority for the Island must be to forge a pathway toward righting these imbalances through practical reforms. As president, Barack Obama will make this commitment to the people of Puerto Rico a concrete reality.

Obama's plan will provide affordable, comprehensive and portable health coverage for Puerto Ricans and lower costs by up to \$2,500 for a typical family by:

- Making available a new public health program that will allow individuals and small businesses to buy affordable health care similar to that available to federal employees. No one will be turned away or charged more due to illness, and everyone who needs it will receive a subsidy for their premiums.
- Making available a National Health Insurance Exchange to reform the private insurance market. Anyone could enroll in participating private plans, which would have to provide comprehensive benefits, issue every applicant a policy, and charge fair and stable premiums.
- Ensuring all of the currently uninsured children have affordable, high-quality health coverage.
- Expanding Medicaid and SCHIP and ensuring they continue to serve their critical safety net function.
- Requiring employers to make a meaningful contribution to the health coverage of their employees.
- Driving adoption of state-of-the-art health information technology systems
- Improving access to preventive care and chronic disease management programs
- Requiring hospitals to collect and report health care cost and quality data
- Reforming our market structure to increase competition in the insurance and drug markets
- Reducing the costs of catastrophic illnesses for employers and their employees
- Lowering drug costs by allowing importation of safe medicines from other developed countries and increasing use of generics in public programs

In addition to Obama’s comprehensive health care reform plan, which will benefit everyone in the United States, including Puerto Rico, Obama will also address problems of particular concern on the Island:

Improve and Modernize Federal Health Funding: Medicaid, S-CHIP, and Medicare still provide insufficient levels of funding in Puerto Rico. As president, Barack Obama will work closely with the government of Puerto Rico and Congress to strengthen the federal government’s investment in the health of the people of Puerto Rico.

- **Medicaid:** Currently, because of the cap on Medicaid in Puerto Rico, the federal government contributes only about \$20 per month for each low-income beneficiary. As a result, eligibility criteria is more restrictive than in many states, not all mandatory services are covered, and quality is compromised. Many services for children, seniors, the disabled, and those with HIV/AIDS do not receive adequate funding. Obama will forge a path to parity by steadily and strategically raising the cap on Medicaid until it is phased out.
- **SCHIP:** Puerto Rico is not included in the overall SCHIP funding formula; rather it is funded through a set-aside that is not related to actual need. Obama will eliminate the SCHIP funding set aside so that eligible Puerto Rican children are treated the same as children in the states with regard to their health care.
- **Medicare:** There are a number of funding disparities in the Puerto Rico Medicare program despite the fact that The Island’s employees and employers pay the same payroll taxes that finance Social Security and Medicare. Obama will work to strengthen the Medicare program for the people of Puerto Rico.
 - **Hospital Reimbursements:** Hospitals in Puerto Rico do not receive the same Medicare reimbursements for inpatient services as U.S. hospitals. U.S. hospitals receive a payment based on the nationwide average cost including for each particular procedure. In Puerto Rico, hospitals receive 75 percent of the national rate and 25 percent of the much lower “local rate” compared to the full 100 percent national rate that states receive. Obama will work to increase parity in inpatient hospital payments under the Medicare program to Puerto Rico hospitals and, at the same, time, address the needs of low-income people.
 - **Prescription Drug Subsidy or Low-Income Seniors:** Puerto Rico was excluded from the low-income Part D subsidy of the Medicare prescription drug program. Instead, Puerto Rico receives an additional block grant in Medicaid to serve the poorest Medicare enrollees, leaving tens of thousands of low-income seniors without any assistance. Obama will work to phase-in an extension of the low income subsidy to enrollees on the Island on the same basis as in the states.

Obama will also implement commonsense reforms of the Medicaid, S-CHIP and Medicare programs to ensure a new focus on preventive care, chronic disease management and other proven measures, such as implementation of electronic medical records that improve patient health and reduce waste in the health care system. These reforms will help reduce health disparities and provide better health care for many Puerto Rico families.

Improve Quality of Life for Those Living with HIV/AIDS in Puerto Rico: There are an estimated 11,000 people living with AIDS in Puerto Rico, and Puerto Rico has the fifth-highest AIDS case rate in the U.S. Puerto Rico receives about \$58 million annually under the Ryan White Care Act. However, many people living with HIV in Puerto Rico have not had access to safe, affordable generic drugs to treat HIV/AIDS and are not receiving needed medical care. Barack Obama believes that Congress and the U.S. Department of Health and Human Services must work closely with the Puerto Rican government to ensure proper management of federal funds and ensure that Puerto Rico has the capacity and technical assistance to administer and deliver lifesaving treatment to those living with HIV/AIDS. Obama is a strong supporter of the Ryan White Care Act (RWCA), which provides critical access to life-saving treatment and care for over half a million low-income Americans

with HIV/AIDS. The RWCA is one of the largest sources of federal funds for primary health care and support services for patients with HIV/AIDS. Obama will continue to protect the multifaceted care upon which RWCA beneficiaries depend. His health plan will ensure that people living with HIV have access to lifesaving treatment and care.

Train and Keep Health Care Professionals in Puerto Rico: Puerto Rico faces a shortage of health care professionals due to a lack of residency programs and low salaries compared to the mainland. Barack Obama will expand funding—including loan repayment, adequate reimbursement, grants for training curricula, and infrastructure support to improve working conditions—to ensure a strong workforce that will champion prevention and public health activities.

Fight Health Disparities: Barack Obama is committed to tackling health disparities head on like diabetes and breast and cervical cancer which hit Puerto Ricans disproportionately hard. The Obama plan promotes research into combating health care disparities, conducts educational and health outreach, increases the diversity of healthcare professionals, and improves the delivery of health care to those most in need. Finally, the Obama plan also requires health providers to inform the public about disparities and take steps to reduce those disparities. In the U.S. Senate, Obama helped write the Kennedy-Cochran-Obama *Minority Health Improvement and Health Disparity Elimination Act*. This bill puts new emphasis on disparity research by directing the Department of Health and Human Services to collect and report health care data by race and ethnicity, as well as geographic and socioeconomic status and level of health literacy. Obama will also work to address health disparities in rural communities, where there are more limited health care options.

Improve Mental Health Care: Mental illness affects approximately one in five American families. The National Alliance on Mental Illness estimates that untreated mental illnesses cost the U.S. more than \$100 billion per year. As president, Obama will support mental health parity so that coverage for serious mental illnesses is provided on the same terms and conditions as other illnesses and diseases.