

# **The Territories Health Equity Act of 2019**

## **Section-by-Section Summary**

### **Title I: Medicaid**

*Section 101:* Eliminates the general Medicaid funding limit (“cap”) for U.S. territories. Specifically, it sunsets the statutory cap on total Medicaid funding to Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, and American Samoa, beginning in fiscal year 2020.

*Section 102:* Eliminates the statutory limit of 55 percent on federal matching (“federal medical assistance percentage” or “FMAP”) for Medicaid in the territories, beginning in fiscal year 2020; provides a temporary 100 percent FMAP for fiscal years 2020 and 2021.

*Section 103:* Extends the authority to waive or modify Medicaid requirements currently in place for American Samoa and the Northern Mariana Islands to Puerto Rico, the Virgin Islands, and Guam. Exceptions to the waiver authority include requirements related to covering adults formerly under foster care, individuals eligible for the Children’s Health Insurance Program, and services provided in federally-qualified health centers and rural health clinics.

*Section 104:* Makes the territories eligible for Medicaid disproportionate share hospital (“DSH”) payments to help cover the cost of uncompensated care, beginning in fiscal year 2020.

### **Title II: Medicare**

#### **Subtitle A: Medicare Part A (Inpatient Hospital Care)**

*Section 201:* Increases Medicare DSH payments to acute care hospitals in Puerto Rico operating under the inpatient prospective payment system, applicable to payments for covered inpatient services provided to eligible beneficiaries, beginning with fiscal year 2020.

*Section 202:* Increases overall Medicare reimbursement rates for acute care hospitals in the territories. Beginning in fiscal year 2020, such hospitals would be compensated based on fiscal year 2015 costs (or fiscal year 2017 costs at the option of a hospital).

*Section 203:* Extends Medicare DSH funding to hospitals in the small territories. Hospitals in Puerto Rico and the States are currently eligible to receive payments through this program but hospitals in the small territories are not.

#### **Subtitle B: Medicare Part B (Physician Care and Outpatient Hospital Care)**

*Section 211:* Provides automatic Medicare part B enrollment for eligible residents of Puerto Rico as well as a transition period during which automatic enrollment would be phased in and the penalty for late enrollment would be reduced.

#### **Subtitle C: Medicare Advantage (Part C)**

*Section 221:* Increases payments to Medicare Advantage plans in territories, beginning with 2020. Specifically, the blended benchmark component of payments to Medicare+Choice organizations for an area in a territory would

be at least 80 percent of the national average of specified base payment amounts for the year for any area within the 50 States and the District of Columbia.

**Subtitle D: Medicare Part D**

*Section 231:* Increases the amount of federal funding for territories to provide prescription drug coverage to low-income Medicare beneficiaries.

*Section 232:* Requires the Secretary of Health and Human Services to submit a report to Congress with recommendations for improving prescription drug coverage for low-income individuals in each territory, not later than February 1, 2021.

**Title III: Miscellaneous**

*Section 301:* Reduces health insurance provider fees in the territories and allows the territories to use fees collected to increase prescription drug coverage for low-income individuals and satisfy Medicaid matching requirements.

*Section 302:* Directs the Secretary of Health and Human Services to publish on the internet, and update continually, information on the programs under Medicaid and the Children's Health Insurance Program carried out in the territories.

*Section 303:* Requires the Secretary of Health and Human Services to submit a report to Congress regarding the impact of the exclusion of the territories from the Affordable Care Act health insurance marketplaces, not later than February 1, 2020.

*Section 304:* Allows individuals in the territories without access to employer-sponsored health insurance to enroll in coverage at least as broad as the coverage available to Members of Congress and congressional staff through the District of Columbia health insurance marketplaces. Provides for otherwise eligible individuals in the territories to receive premium assistance tax credits and cost-sharing assistance for such coverage.

*Section 305:* Permanently extends the Family-to-Family Health Information Centers program (originally established under the Affordable Care Act), which is currently authorized through fiscal year 2019.