



THE UNITED STATES VIRGIN ISLANDS

OFFICE OF THE GOVERNOR
GOVERNMENT HOUSE

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November 17, 2008

Via Facsimile: (202) 224-7362

The Honorable Harry Reid
Majority Leader
S-221 Capitol Building
United States Senate
Washington, D.C. 20510-7020

Dear Leader Reid:

We are writing to urge your support for fair and equitable treatment of the residents of the insular areas of the United States in the economic stimulus legislation now under consideration by the Congress, particularly in the area of additional federal assistance under the nation's Medicaid program.

As you know, States and Territories are faced with soaring health care burdens and costs as a result of the rapidly deteriorating economic situation. The Territories are particularly vulnerable because of their discriminatory treatment under the Medicaid program. While Medicaid is essentially administered as an entitlement program for individuals on the mainland, it is an arbitrarily capped program in the U.S. Territories. In addition, the Medicaid programs in the Territories are subject to an arbitrary cost share requirement which serves to deprive the least fortunate of our citizens of the basic health care they would otherwise be entitled to on the mainland.

H.R. 7110, the Job Creation and Unemployment Relief Act of 2008 passed by the U.S. House of Representatives on September 26th and pending in the Senate, would provide a temporary one percentage point increase in the Federal Medical Assistance Percentage ("FMAP") for all States and Territories. The bill would also allow the 50 States and the District of Columbia to qualify for up to an additional three percentage point increase in their respective FMAP formulas based on certain statutory criteria reflecting current economic conditions. The U.S. Territories, however, would inexplicably not be eligible for this additional FMAP increase.

The Territories are currently subject to the lowest base FMAP matching rate — 50 percent. Under state-like treatment, the Territories would be entitled to an FMAP matching rate

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of up to 83 percent based on existing statutory criteria. As Governors of the insular areas of the United States, we urge you to support modification of the FMAP provisions in any stimulus bill enacted by the Congress to reflect the actual health care needs of our residents and our respective Medicaid programs. The FMAP rate for the District of Columbia is statutorily set at 70 percent. We respectfully suggest that the Territories be afforded, at least for the temporary period provided under the stimulus bill, an FMAP rate no less favorable than that afforded to the District of Columbia. At a minimum, the Territories should be eligible for the additional FMAP increases authorized under H.R. 7110 on the same basis as the States.

On behalf of the U.S. citizens and residents of our insular areas, we thank you for your past support and your consideration of this urgent request.

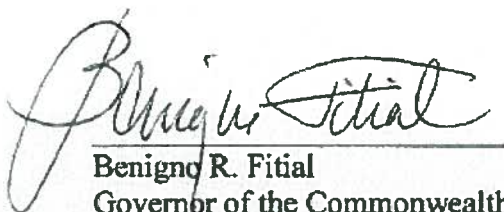
Very truly yours,



John P. de Jongh, Jr.
Governor of the U.S. Virgin Islands



Felix Camacho
Governor of Guam



Benigno R. Fitial
Governor of the Commonwealth
of the Northern Mariana Islands