



United States  
Virgin Islands



Guam

September 18, 2009

The Honorable Max Baucus  
Chairman  
Committee on Finance  
SD-219 Dirksen Senate Office Building  
United States Senate  
Washington, D.C. 20510-6200

The Honorable Charles Grassley  
Ranking Member  
Committee on Finance  
SD-219 Dirksen Senate Office Building  
United States Senate  
Washington, D.C. 20510-6200

Dear Mr. Chairman and Mr. Ranking Member Grassley:

We are writing to urge your support for ensuring that the U.S. offshore areas will be eligible for the enhanced FMAP for "new eligibles" as defined in the Chairman's mark for health care reform legislation now pending before the Senate Finance Committee.

As you know, the Chairman's mark expressly provides that coverage of "newly eligibles" in the U.S. Territories would not be subject to the new Medicaid spending caps. The mark is silent, however, on the question of whether such expanded coverage would be subject to the enhanced FMAP on the same basis as the States.

As explained in our June 2, 2009 letter, the Finance Committee's legislative initiative on health care offers an historic opportunity to address and remedy current discriminatory treatment of U.S. citizens residing in the insular areas of the United States in the critical area of federal health care policy. While the Chairman's mark would extend the ARRA increase in the Medicaid cap and increase the Territorial FMAP from 50 percent to 55 percent for current eligibles, the proposal would still leave American citizens in the U.S. territories severely disadvantaged in comparison with their fellow Americans on the mainland. These disparities can be significantly reduced if the legislation makes clear that the extended FMAP for new eligibles also applies to the U.S. Territories.

This approach is consistent with the policy options for the offshore areas included in the Senate Finance Committee's Policy Options Paper. It balances the need for additional federal resources with a significant commitment of responsibility on the part of the Territorial governments. Most importantly, it would represent a significant step forward in fulfilling the President's commitment to provide equal treatment for the Territories and to ensure that federal health care benefits are available to all Americans, regardless of where they reside.

Very truly yours,



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



Felix P. Camacho  
Governor of Guam

cc: Members, Committee on Finance