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# Biden Includes Medicaid Parity for U.S. Virgin Islands and Other Territories in Budget Bill, Resulting in Millions of Dollars in Savings for Local Government if Approved

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Ernice Gilbert **May 31, 2021**

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Virgin Islands leaders — from senators to governors and delegates to Congress — have long complained about the territory's unequal treatment as it relates to Medicaid, the joint federal-state program that finances the delivery of medical services for low-income individuals. Change may be on the way, though, as President Joe Biden in his \$6 trillion budget proposal has introduced parity for U.S. territories, and Delegate to Congress Stacey Plaskett has praised the decision in a statement issued Friday.

Under federal law, Medicaid for U.S. territories operate under rules that are different from those for the 50 states and the District of Columbia (DC). While the U.S. Virgin Islands, Puerto Rico and Guam are currently eligible for most of the benefit requirements as the states, the U.S. Government Accountability Office (G.A.O.), which provides fact-based, non-partisan information to Congress, has documented that these three territories do not cover all of the federally mandated coverage groups or benefits.

While the federal Medicaid reimbursement program is open-ended in the states and D.C., varying by state from 50 percent to 83 percent, rates for the program — called the Federal Medical Assistance Percentages (FMAP) — for U.S. territories have been set at 55 percent since July 1, 2011. According to the G.A.O., "this means each territory gets 55 cents back from the federal government for almost every dollar the territory spends on its Medicaid program up to the federal funding limits (i.e., annual capped funding and additional Medicaid funding)."

The FMAP has been temporarily increased for the territories for fiscal years 2020 and 2021, with the latest change increasing the percentage that is reimbursed by the federal government to 83 percent from 55 percent for the Virgin Islands for the remainder of FY2020 (i.e., December 21, 2019, through September 30, 2020) and FY2021, and from 55 percent to 76 percent for Puerto Rico.

Ms. Plaskett hailed the president's decision to equalize the territories on Medicaid, while praising his budget as one that creates "a more prosperous future for all Americans."

"This is the time for generational change. The COVID19 pandemic has exposed and exacerbated the stark inequalities that have persisted in our country for generations - including the Virgin Islands," she said. "But with the proposals in the FY22 Budget from President Biden, we can create a more prosperous future for all Americans. I am pleased to see the President include the eliminating caps on Medicaid funding and cost-sharing for U.S. Territories."

Speaking to Mr. Biden's overall budget relative to the USVI, the congresswoman stated, "Every Virgin Islander deserves a chance to thrive. That's why the FY22 Budget from President Biden proposes historic investments that will create a stronger, more equitable future for Virgin Island families. For all of the progress we have already made, we cannot simply return to the way things were before the pandemic and economic downturn. With the proposed investments in the FY22 Budget from President Biden, we can build a new economy that invests in the promise and potential of all Americans."

Former Governor Kenneth Mapp and Governor Albert Bryan after him have called for change in the way the territory is treated concerning Medicaid. In Sept. 2019, Mr. Bryan left the territory to meet with members of the U.S. Senate and the then-Trump administration to discuss long-term Medicaid solutions for the U.S. Virgin Islands. Mr. Bryan had been advocating for a permanent solution in the run-up to a Congress decision that year to consider extending the extension of the temporary 83 percent cost-sharing to the USVI. Even so, Congress decided to kick the can down the road by [extending the deadline](#) of the so-called Medicaid "fiscal cliff".

On Monday, Mr. Bryan, like Ms. Plaskett, lauded the president's action in a comment provided to the Consortium. "The continuation of medical coverage for 29,000 Virgin Islanders is crucial for our underserved population. President [Biden] is assuring that people come first and that the lessons of the pandemic, putting health before everything, has not been lost," he said.

If approved as part of Mr. Biden's budget, the measure would result in millions of dollars in savings for the USVI.

In May 2017, [an additional 19,000 Virgin Islands residents became eligible](#) for healthcare and prescription drug coverage under the Medicaid program, following the then-Mapp/Potter administration's success in getting the federal government to approve an increase to the federal poverty level in the territory.

During his talk at a press event announcing the change, Mr. Mapp explained that the adjustment amounted to an additional \$18 million in federal reimbursements for healthcare, provided to those among the uninsured population at or below the poverty level — which was increased from \$6,500 to \$11,770.