

# Congress of the United States

Washington, DC 20515

February 25, 2026

The Honorable Robert F. Kennedy, Jr.  
Secretary  
U.S. Department of Health and Human Services  
200 Independence Avenue  
S.W. Washington, D.C. 20201

The Honorable Mehmet Oz  
Administrator  
Centers for Medicare & Medicaid Services  
U.S. Department of Health and Human Services  
200 Independence Avenue SW  
Washington, DC 20201

Dear Secretary Kennedy and Administrator Oz:

As the Centers for Medicare & Medicaid Services (CMS) finalizes the Calendar Year (CY) 2027 Advance Notice for the Medicare Advantage (MA) and the Medicare Part D Prescription Drug Program, we urge the agency to address critical funding disparities that threaten access to quality healthcare for Medicare beneficiaries in Puerto Rico.

The agency's proposed CY 2027 rate increase of 0.09% is insufficient to support the complex needs of Puerto Rico's Medicare beneficiaries. Given rising healthcare costs, declining Medicare funding, and limited resources in Puerto Rico, we strongly urge that the agency address the widening gap in Puerto Rico's MA benchmark rates. Medicare Advantage is the lifeline for seniors on the island, with 94% of seniors in Medicare A&B, enrolled in a managed care value-based plan. There are 674,000 seniors, of whom more than 305,000 are dual eligible. Despite funding limitations, Puerto Rico's MA program empowers beneficiaries by providing value-based, preventative care, effective management of chronic conditions, and by addressing upstream drivers of health. However, Puerto Rico faces severe limitations in MA payment rates that undermine the sustainability of its healthcare system and prevent maximum benefits for beneficiaries.

Due to a rate setting system that never contemplated this level of MA enrollment and other program disparities, Puerto Rico's MA benchmark rates are approximately 41% lower than the national average. Beneficiaries pay the same Medicare taxes and premiums, yet Puerto Rico's Medicare Advantage program receives inadequate federal support to maintain a healthy population.

Additionally, with over 45% of Puerto Rico's MA beneficiaries being dual eligible, the exclusion of the island from critical programs like the Medicare Savings Program (MSP), Part D Low-Income Subsidy (LIS), and Long-Term Services and Supports (LTSS) exacerbates financial and healthcare disparities. For example, Puerto Rico is the only U.S. jurisdiction where low-income seniors pay the full Medicare Part B premium.

To address these gaps, we recommend the following actions:

- **Maintain Targeted Policy Adjustments to Ensure Stability:** CMS should maintain policies adjusting for anomalies in zero claimants in Puerto Rico, and base Medicare Advantage rates on beneficiaries enrolled in both Medicare Parts A & B.
- **Establish a National Minimum MA Payment Level:** Using CMS's authority under Section 1876(a) (4) of the Social Security Act, CMS should set a minimum benchmark rate for Puerto Rico. This could be achieved by setting a minimum Average Geographic Adjustment factor of 0.70, which would stabilize provider compensation, improve infrastructure, and enable supplemental services critical to low-income seniors.

- **Work with Congress to Extend Key Federal Programs to Puerto Rico:** Provide support to lawmakers seeking to extend the MSP, LIS, and LTSS programs to Puerto Rico. Closing these gaps aligns with the administration's commitment to ending the epidemic of chronic conditions and keeping Americans healthy.

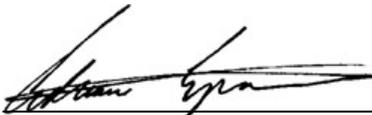
Puerto Rico's healthcare providers and MA plans deliver high-quality, cost-effective care despite limited resources. CMS has a critical opportunity to support and further improve upon this success by addressing these disparities in the final CY 2027 Medicare Advantage rate announcement.

We look forward to working with you on advancing common sense healthcare policies for all Americans, including those in Puerto Rico.

Sincerely,



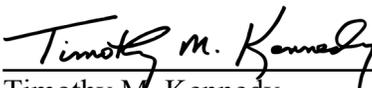
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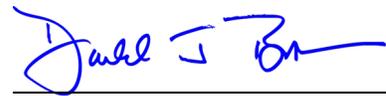
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Raul Ruiz, M.D.  
Member of Congress



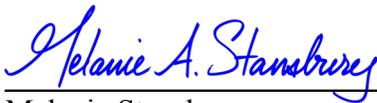
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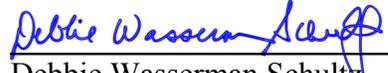
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