



Víctor M. Ramos Otero, MD
President

Puerto Rico College of Physicians and Surgeons

PO Box 70169 • San Juan, PR 00936 / e-mail: info@colegiomedicopr.org
Phone (787) 751-5979 / 751-6670 / 751-7120 / Fax (787) 751-6592 / 281-7669

COVER SHEET

Not for publication

Puerto Rico College of Physicians and Surgeons

Colegio de Médicos Cirujanos de Puerto Rico

Physical address: Assertus Building Suite #302, Guaynabo, Puerto Rico 00966

Postal address: PO Box 70169, San Juan, Puerto Rico 00936

Telephone: 787-751-5979

Website: www.colegiomedicopr.org

Contact person: Víctor M. Ramos, MD, President

Contact phone: 787-528-5544

Contact email: vramosmd@colegiomedicopr.org



Víctor M. Ramos Otero, MD
President

Puerto Rico College of Physicians and Surgeons

PO Box 70169 • San Juan, PR 00936 / e-mail: info@colegiomedicopr.org
Phone (787) 751-5979 / 751-6670 / 751-7120 / Fax (787) 751-6592 / 281-7669

PUERTO RICO COLLEGE OF PHYSICIANS AND SURGEONS PRESENTATION TO THE CONGRESSIONAL TASK FORCE ON ECONOMIC GROWTH IN PUERTO RICO

September 2, 2016

More than short-term fixes, Puerto Rico's fiscal crisis requires sustained economic growth. There will be no sustained economic growth with a repetition of the failed short-term policies, special to Puerto Rico, of decades past. Due to the fiscal crisis and the flexibility of Puerto Rico's relationship with the United States, which includes U.S. citizenship and freedom of travel to the states, Puerto Rico has entered "a perfect storm" where it is suffering a demographic haemorrhage that is depriving Puerto Rico of its population. For over 15 years, Puerto Rico has been losing population, now at a rate of nearly 100,000 a year, from nearly 3.9 million a decade ago to probably less than 3.4 million today.

That demographic haemorrhage is also depriving the islands of its best and brightest physicians and ancillary health professionals, dangerously depriving the remaining patients of adequate levels of specialists to tend to Puerto Rico's normal healthcare needs, much less those required to confront Puerto Rico's frequently dengue, influenza and chikungunya epidemics, as well as the incipient Zika virus pandemic, critically overloading geneticist, prenatal, neonatal, paediatric, neurological and other resources.

Anecdotal data suggests that physicians leave the island during the summer months. First, residency/internship systems operate nationwide on a July 1st - June 30 annual cycle. Second, transitioning and moving during the summer minimizes the disruption of a physician's children's academic lives. Many physicians practicing in Puerto Rico are constantly tempted by several much more lucrative job offers year-round. Many look one or two years ahead in reviewing the conditions of their practice to determine if and when it is time to follow in the footsteps of over 4,000 colleagues who have fallen into temptation in accepting one those lucrative job offers and left over the past decade, shrinking our association's mandatory membership from 14,000 to only 10,000 now.

Every physician in Puerto Rico knows that the 2010 Medicaid block grant will run out within the first six months of FY 2017-18. The block grant intended to fund Puerto Rico through FY 2019, but did not take into account the high cost of every epidemic that affects the Commonwealth. They know that, left unattended, Puerto Rico's healthcare system will totally collapse if 900,000 currently-insured medically-indigent patients are left without coverage and no resources to pay on their own for their care. Those physicians will be deciding by next spring if next summer is the time to go. If the Task Force does not



Puerto Rico College of Physicians and Surgeons

PO Box 70169 • San Juan, PR 00936 / e-mail: info@colegiomedicopr.org
Phone (787) 751-5979 / 751-6670 / 751-7120 / Fax (787) 751-6592 / 281-7669

Víctor M. Ramos Otero, MD
President

persuade Congress to fix by December 2016 the medical fiscal cliff created by the faulty appropriation mechanism used to fund the Medicaid expansion requested by Puerto Rico's sole non-voting representative in 2010, many more physicians than usual will be stepping literally beyond the point of no return during the first quarter of next year. It will take years to repopulate Puerto Rico with experienced physicians.

Thus, priority number one of the Task Force, and which should be mentioned in your preliminary September report, is to focus on resolving in December the impending healthcare fiscal crisis, before another wave of physicians makes the heart-wrenching decision soon to move next summer to the mainland.

Regardless of the healthcare funding issue, Puerto Rico in the medium- to long-term has to reform its healthcare system top-to-bottom so that services can improve at a lower cost to society. In order to do so, Puerto Rico's Legislative Assembly and Governor enacted Law 235 to create a multisectorial committee in which all major healthcare stakeholders are represented to study and make recommendations. As a first step, we believe that Congress should provide Puerto Rico with a Hawaii-type exemption to ERISA, see [29 U.S.C. § 1144\(b\)\(5\)\(A\)](#), so that Puerto Rico can legislate new health systems similar to those that have been legislated or considered by states such as Hawaii, Vermont and Oregon, that may significantly cut expenses while guaranteeing access to high-quality healthcare.

There are a number of other steps that should be taken to promote sustained economic growth and permanently end the fiscal and economic crisis that has triggered Puerto Rico's depopulation problem.

Congress should identify federal programs that do not currently apply fully in Puerto Rico and that have been successful in improving the quality of life in the states of the nation. For example, most of the literature available on the Earned Income Tax Credit (EITC) and the Child Tax Credit (CTC) indicates that these have been successful in promoting the work ethic, reduce poverty and assist middle-class families. The EITC does not apply on-island while the CTC inexplicably only applies to families with three or more dependent children. The EITC should be extended to the island, at least gradually. If necessary, in the first stage it could be capped at a maximum equivalent to FICA taxes paid and grow from there. This would alleviate pressures on employers, promote the work ethic and drive many underground workers to the formal economy. The CTC should be extended to all otherwise qualified families, not only to the minority with three or more children.

The Task Force should ask the Commonwealth government to identify steps that the Puerto Rico government can take to minimize the cost of doing business on-island. In that vein, Congress should urge HHS, the Census Bureau and other federal entities to end the practice of excluding Puerto Rico from the collection of statistical data that is valuable to medical



Puerto Rico College of Physicians and Surgeons

PO Box 70169 • San Juan, PR 00936 / e-mail: info@colegiomedicopr.org
Phone (787) 751-5979 / 751-6670 / 751-7120 / Fax (787) 751-6592 / 281-7669

Víctor M. Ramos Otero, MD
President

researchers as well as potential businesspeople in Puerto Rico. It should also order the Commerce Department to cease requiring overnight carriers to treat Puerto Rico as if it were a non-domestic destination, which leads many retail firms, including medical suppliers, to evade doing business with consumers in Puerto Rico, or to ship to the Commonwealth. Shipments to Puerto Rico should not be required to include electronic export information that is not required to transport medical and other supplies from Nebraska to North Carolina.

Puerto Rico has excellent medical researchers and a history of successful clinical studies. Steps should be taken to increase the availability of NIH and other federal funding for medical R & D in Puerto Rico's academic institutions, especially the University of Puerto Rico's Medical Sciences Campus located in the Caribbean's largest supra tertiary medical centre.

Finally, regarding the Zika Virus pandemic affecting Puerto Rico more than any other jurisdiction under the American flag, the Task Force should urge its colleagues to act now, immediately after Congress reconvenes, to provide appropriate funding and that the Commonwealth as well as municipal governments be provided the necessary funding to effectively combat the spread of Zika in the short-term and care for those affected in the long-term. Needless deaths have already occurred and a number of babies have needlessly been conceived and will be born with microcephaly that will require life-long care estimated between \$4.7 and \$10 million per case.

We appreciate your attention to this presentation and our leadership and board are available to assist you and provide more information.

The Puerto Rico College of Physicians and Surgeons is a mandatory membership organization statutorily-created by Law 77-1994 that represents all of Puerto Rico's 10,000 licensed physicians. It has been presided since 2014 by Víctor M. Ramos, MD.