



**BABSON**  
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# PUERTO RICO CONFERENCE

Entrepreneurship for Growth

# 2010

March 24, 2010 | Conrad San Juan Condado Plaza | 7:30 a.m. - 5:00 p.m.

P u e r t o R i c o C h a m b e r o f C o m m e r c e

# *Puerto Rico* *Leading Entrepreneurs:* Local Success Stories

Richard A. Shinto, MD  
CEO  
MMM Healthcare, Inc.

MMM-PRD-018-012710-S

Lo que te hace feliz, te hace saludable.



# How Many People in Puerto Rico Eat Japanese Food?



*Sushi Café*



Lo que te hace feliz, te hace saludable.

# How Many People in Japan Eat Puerto Rican Food?



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# What's the Difference?

## Japan



## Puerto Rico



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# What's the Difference?

- Understanding the Culture
- Creating a Perception
- Knowing the Local Market



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# Who is Medicare y Mucho Más (MMM)?

- 2001** MMM Healthcare, Inc. begins operations
- 2004** Aveta Inc. becomes parent company of MMM
- 2006** PMC Medicare Choice, Inc. becomes part of Aveta Inc.
- 2007** The MSO is created to manage physician groups from MMM/PMC
- 2009** MSO of Puerto Rico, Inc. is incorporated



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# What is MMM Today?

- Largest Medicare Advantage Health Plan in Puerto Rico with a 45% market share
- 10th largest For Profit Medicare Advantage Health Plan in the United States
- Revenues - \$1.86 Billion
- Enrollment - 184,000 Members (Medicare Advantage)
- One of the largest IPA Provider Networks in Puerto Rico



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# MMM's Strategy for Success

- **Phase I**

- Rapid Enrollment Growth
- Creating a Brand
- The Customer is the Member

- **Phase II**

- Building an Operational Infrastructure
- Creating a Culture
- The Customer is the Physician



# Successful Healthcare Ventures Include:

- Creating a Reproducible Financial Model
- Identifying the Right Market and Culture
- Understanding Local Healthcare Economics
- Flexible, yet Disciplined



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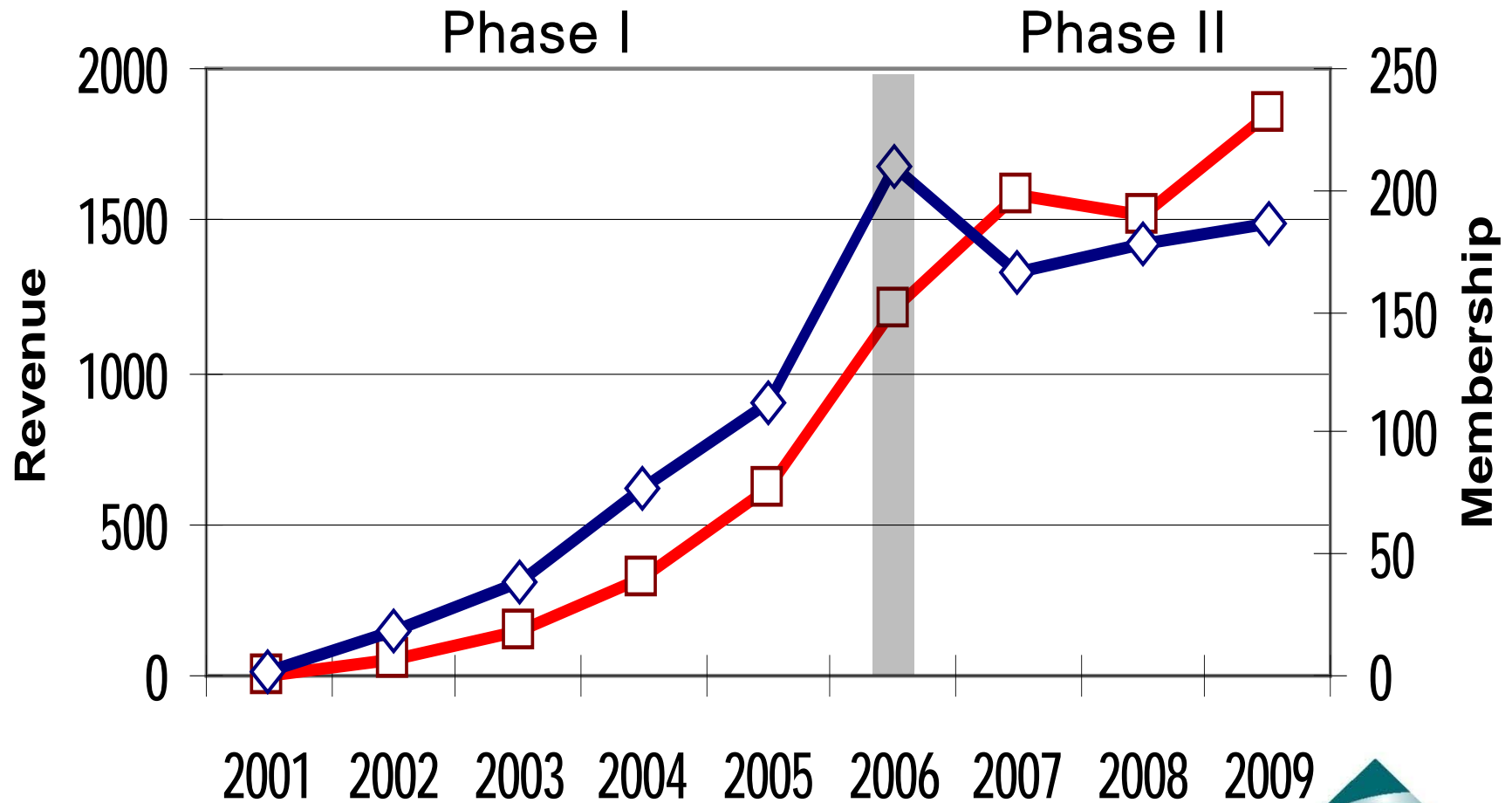
# Phase II – Management Service Organization (MSO) Model

- **Create Small Medical Communities**
  - Hospitals
  - Providers
  - Members
- **Create Databases that Accurately Measure:**
  - Quality
  - Performance
  - Customer Service
  - Physician Report Cards
- **Create a Culture of Confidence, Integrity & Consistency**



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# MMM Revenue & Membership (in Thousands)

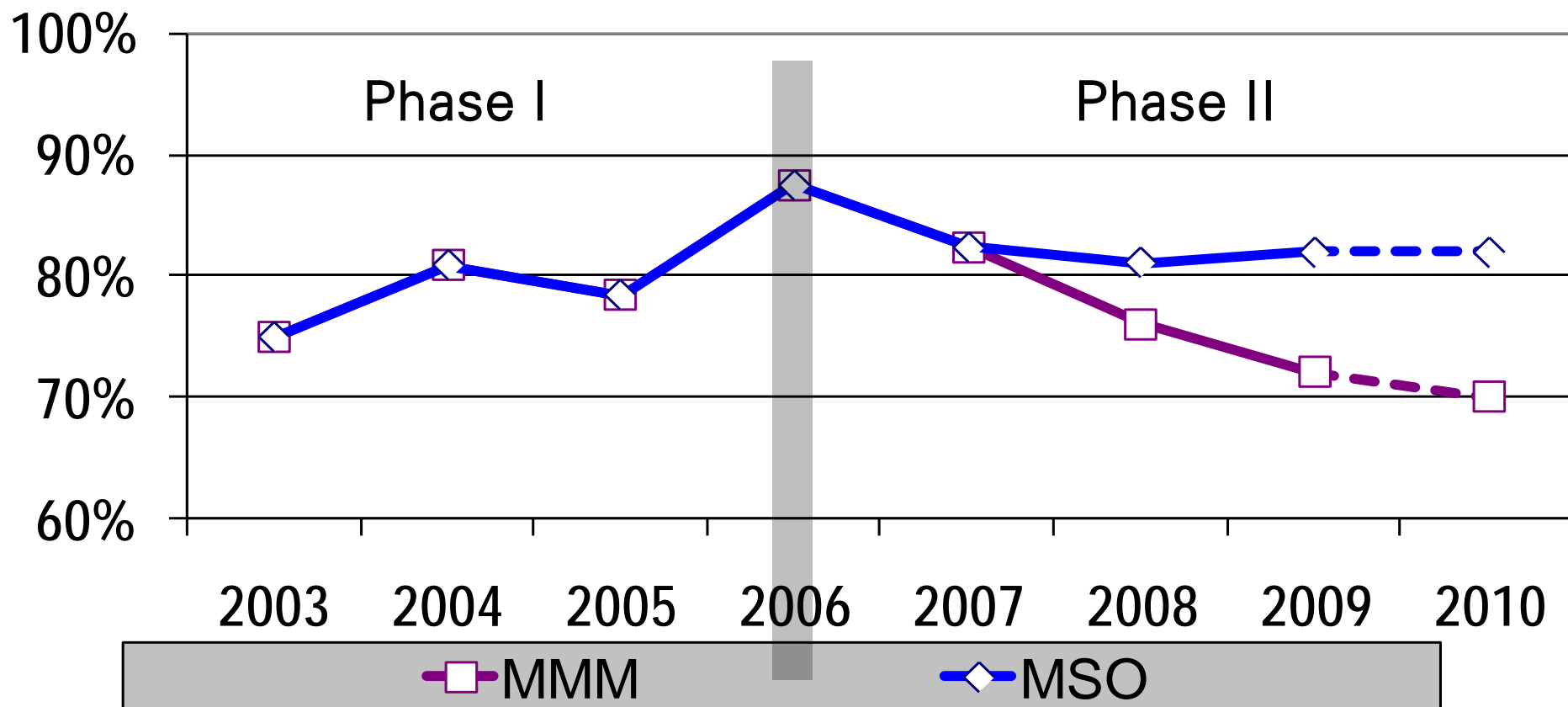


—□— Premium Revenue

—◇— Membership

# MMM Financial Savings

**MLR = Medical Costs / Revenue**



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# Where is the Next Frontier?

- Healthcare Reform Opportunities
- Investigate Other Payor Revenue
- Create Similar Models in the United States
- Build New Economic Models
- Phase III - ??



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