



The Puerto Rico Chamber of Commerce and the  
University of Miami School of Business Administration  
present the...



# PUERTO RICO Health & Insurance CONFERENCE 2012

***Economic Transformation in Health***

**February 2, 2012**

Conrad San Juan Condado Plaza

## Medicare Part B in PR

Socorro Rivas  
President & CEO  
Triple-S Salud



# Background



- **1965 - Medicare/Medicaid Program is approved by Congress under the Administration of President Lyndon Johnson**
- **Puerto Rico Government asked to be excluded from the automatic enrollment in Medicare Part B**

## **Based on:**

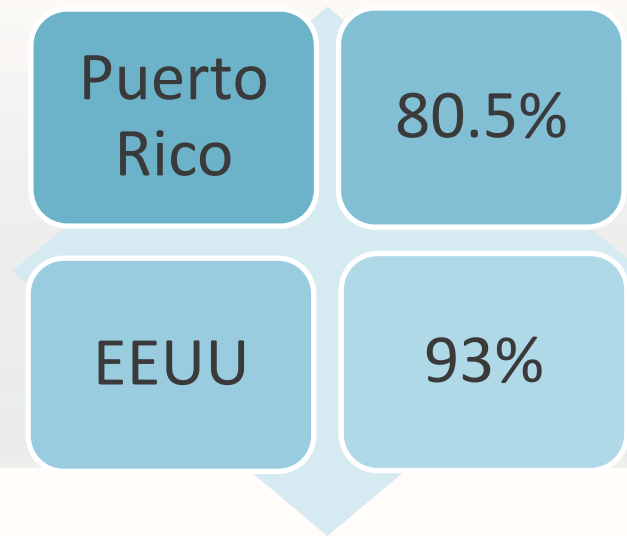
- ✓ **Poverty level in Puerto Rico**
- ✓ **Relatively good Public Health Care system**

# Background



- **The Social Security Act (1972) - excludes Puerto Rico from the automatic enrollment and establishes:**
  - ✓ **Beneficiaries need to proactively “Opt in”**
  - ✓ **Imposition of an annual penalty of 10% if enrolled after the seven months open period after becoming eligible**
- **The exclusion was included as an amendment to the Law . Future changes need Congress approval**

# Part B enrollment: Puerto Rico vs. the states.



# Part B enrollment: Puerto Rico vs. the states



## EEUU / PR (Based on age)

	Total	A	A y B	B %
EEUU	38,082,093	2,395,591	35,686,502	94%
PR	504,704	94,066	410,638	81%

## EEUU/ PR (Handicapped)

	Total	A	A y B	B %
EEUU	7,734,724	726,743	7,007,981	91%
PR	161,618	35,584	126,034	78%

# Part B enrollment: Puerto Rico vs. the states



## EEUU / PR (Age qualified and Handicapped)

	Total	A	A y B	B %
EEUU	45,816,817	3,122,334	42,694,483	93%
PR	666,322	129,650	536,672	80.5%

## Comparable states(Age qualified and Handicapped)

	Total	A	A y B	B %
Mississippi	558,352	36,145	522,207	94%
New Mexico	306,871	23,846	283,025	92%
PR	666,322	129,650	536,672	80.5%

# Puerto Rico Recent lobbying at USA Congress



- **Bill H.R. 1357 the Puerto Rico Medicare Part B Equity Act of 2011, submitted by the PR Resident Commissioner Pedro Pierluisi, and senators Bob Menéndez and Charles Schumer to amend the Social Security Act**
  - **Proposes:**
    - ✓ **Facilitate the enrollment process of those desiring to enroll**
    - ✓ **To better inform individuals residing in PR about their eligibility to enroll in Part B and the consequences of late enrollment**
    - ✓ **Limitation on Part B late enrollment penalty**

# Medicare Parte B challenges/opportunities in Puerto Rico



- **Challenge**: Approval of the amendment, as it has an economic impact – a real challenge in Congress with the Budget constraints
  - **Opportunity**: Make the amendment applicable to prospective enrollees and within the same parameters as in the States
- 
- Economic conditions more favorable than when the Law was enacted

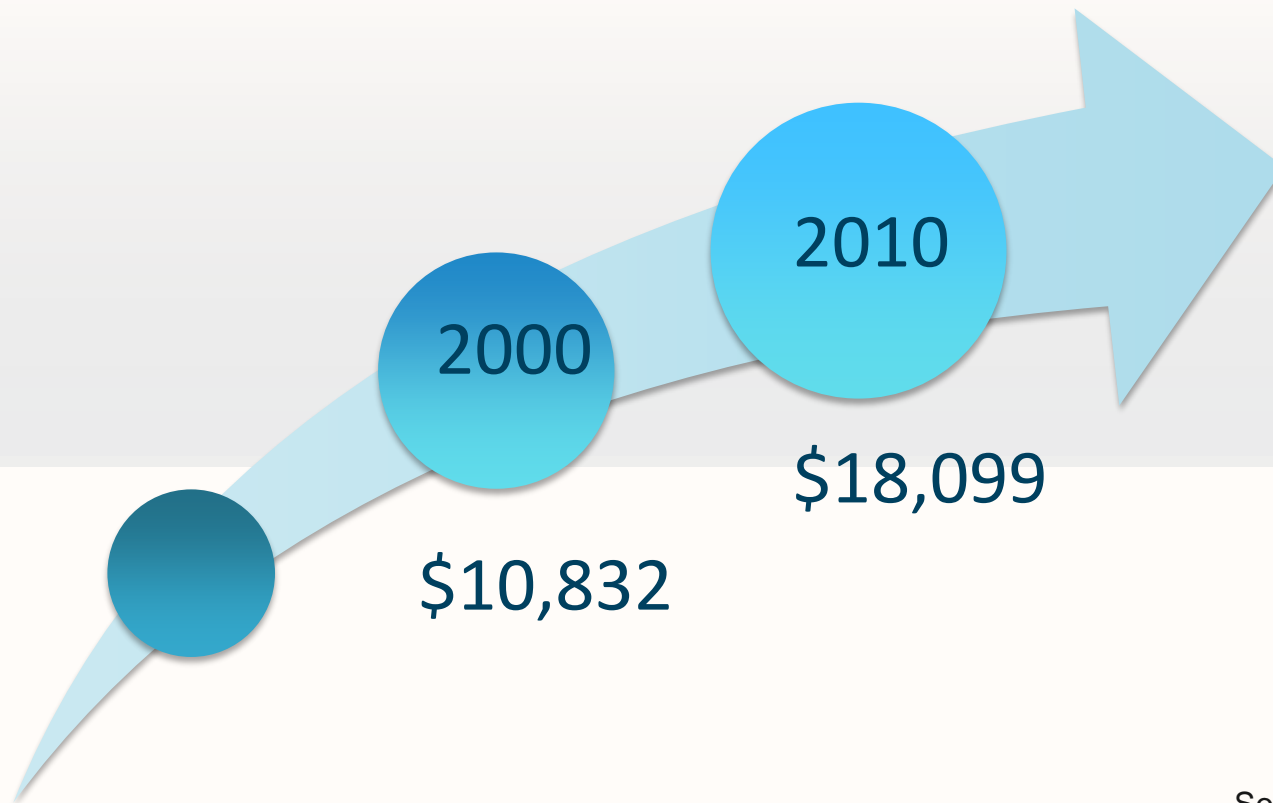


## Cont. Medicare Parte B challenges/opportunities in Puerto Rico



- Acquisition power of the aging significantly better than in 1972 – Baby Boomers
- More educated population with access to other sources of income beside the social security monthly pension

# 65+ Household average Income



Source: Economist  
Heidie Calero

# Economic Impact of amendment approval



- Government – reduction of the population enrolled in the Government Healthcare Program – Reduces Government expenditures/makes funds available for other Government initiatives
- Beneficiary – better access to other healthcare options/less disposable income
- Healthcare industry – higher premiums/better reimbursement to providers/expansion of the industry/better paid jobs



THANK YOU!

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