

PUERTO RICO
Health & Insurance
CONFERENCE 2011
"A New Economy in Health Care"

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UNIVERSITY OF MIAMI
SCHOOL of BUSINESS
ADMINISTRATION





Significance of MA and Part D for PR
A Decade of Growth

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PR in 2000: Remember when...

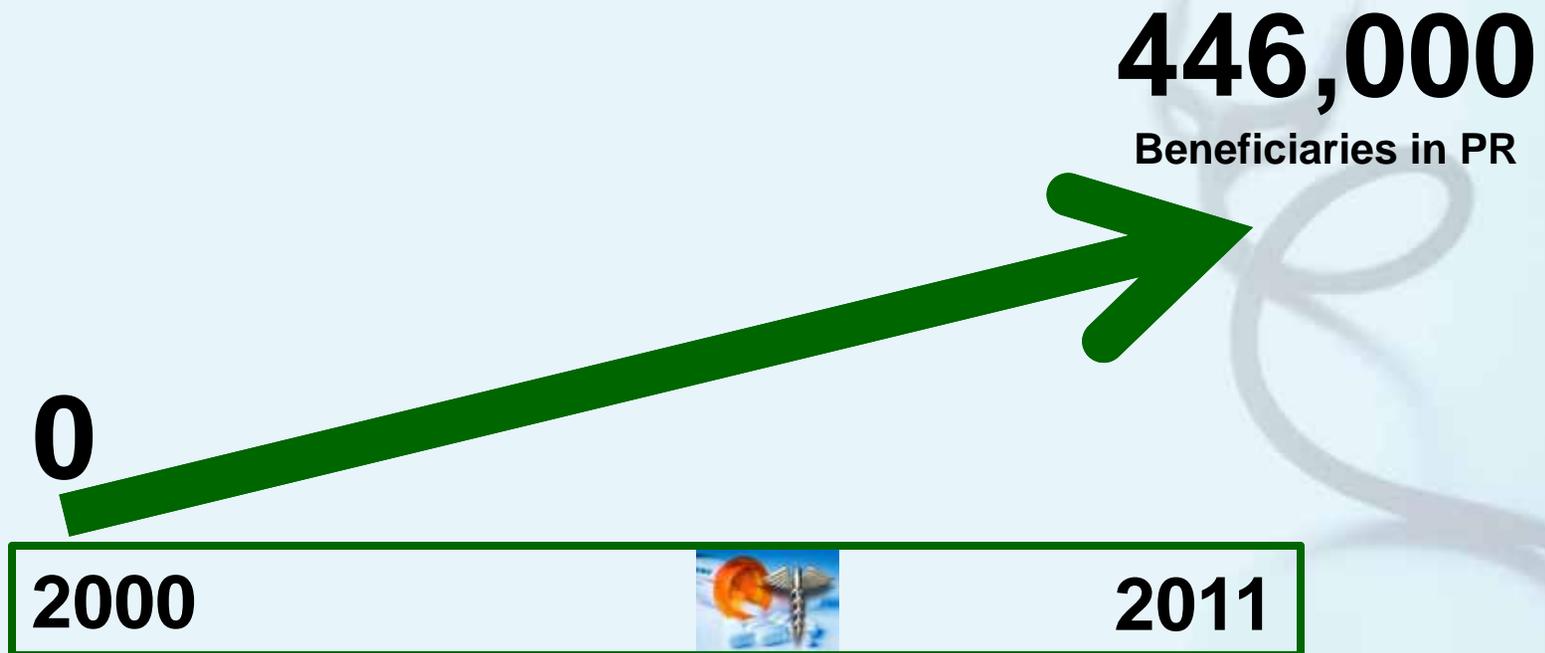
- Seniors had no support to buy their medicine
- No support for dental care
- No help to buy eyewear
- Beneficiaries could not pay the Part A deductible for hospital stays
- There were no regional service centers to provide services and orientations about Medicare
- Almost 100,000 people paid close to \$1,000 a year for Medigap coverage – without medicines
- Seniors were seldom seen in Print Ads or TV
 - Much less seen having fun
- Seniors were alone...





What happened?

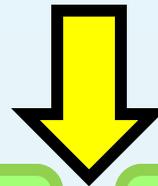
Number of Medicare Advantage Members



- ❑ 86% of all Medicare AB in PR
- ❑ 68% of all Medicare beneficiaries in PR



What is the significance of MA and Part D for PR?



Social

Direct Benefits



System

Economic



Social

- ❑ More contacts with seniors
 - ❑ 3,000+ visits per day
 - ❑ 1,500+ wellness and fitness events

- ❑ Seniors and disabled now are the center of attention

- ❑ Over one (1) million outbound service calls per year

- ❑ Satisfaction surveys





Direct Benefits

Millions of clinical encounters, visits, and new benefits

- For the first time prescription drugs are covered
- Dental care
- Vision & Eyewear
- Hearing
- Annual Physical Exam
 - already about 225,000 per year
- Enhance primary care services
- Transportation
- Home health
- Physical fitness and wellness programs





The Economy

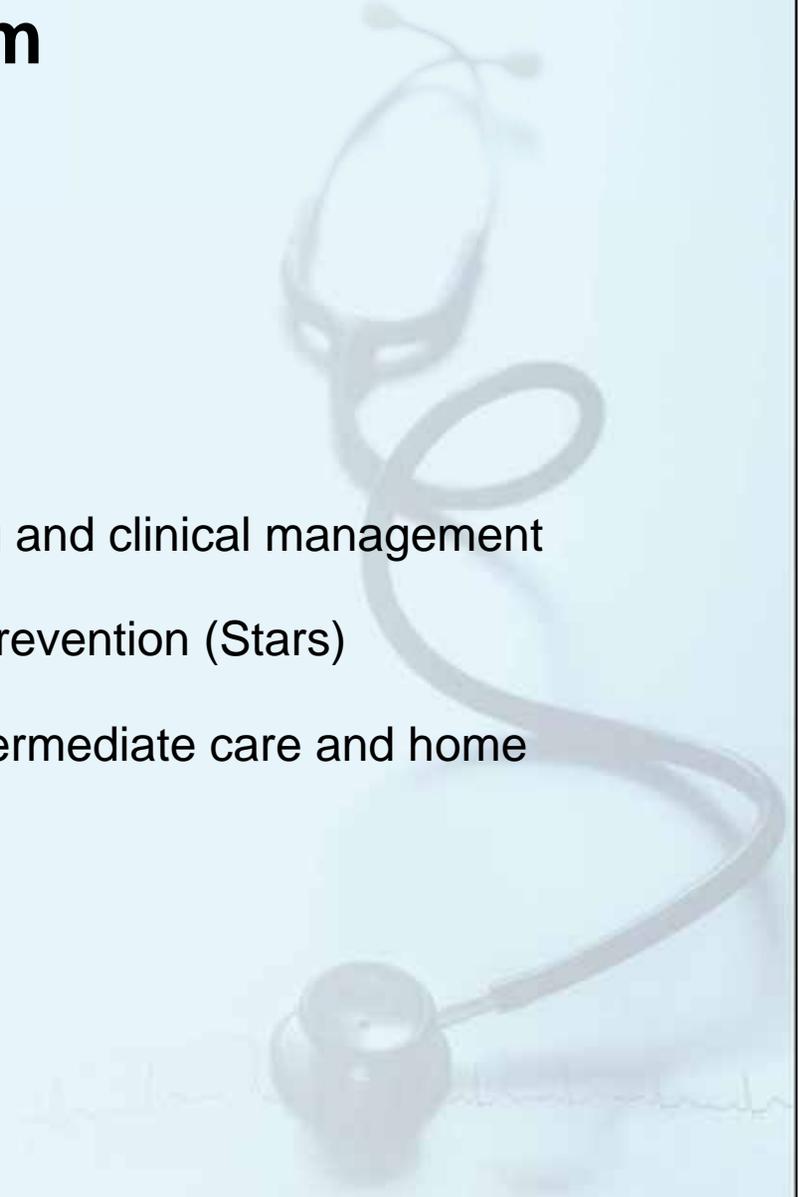
- ❑ Today MA & Part D bring over **\$1.5 BILLION** more yearly to PR, and approximately **\$4 Billion** in total funds to the health insurance market
- ❑ Medicare beneficiaries represent over 50% of the total healthcare consumption in PR
- ❑ On average, MA additional resources and Part D represent over **\$3,000 in extra benefits per person every year**
- ❑ Direct jobs in healthcare have increased more than 10,000 net





Health System

- Focus on primary care
- Increased access to pharmacy
- Development of population reporting and clinical management
- Increased emphasis in quality and prevention (Stars)
- Increased attention and need for intermediate care and home care services





Are we ready for the next decade?

2011 to 2019?

Transformation is inevitable...

Evolving is essential for success in the new healthcare economy.