



The Puerto Rico Chamber of Commerce
and El Nuevo Día invite present the...

A background image of a doctor in a white coat with a stethoscope, holding their hands out to cradle a glowing red heart. A green ECG line is visible across the heart.

PUERTO RICO Health & Insurance CONFERENCE 2017

Beyond ObamaCare: Evolution and Changes for Healthcare in Puerto Rico

Medical Devices and Health Care in PR
Jose A Alvarez



**BIO-TECH MED
CORP.**
DESIGNS BY REASON



FS Medical





One Spine Corporation
Prosthetic/Orthotic Supplier



STRATEGIC DIRECTION -PRMDA

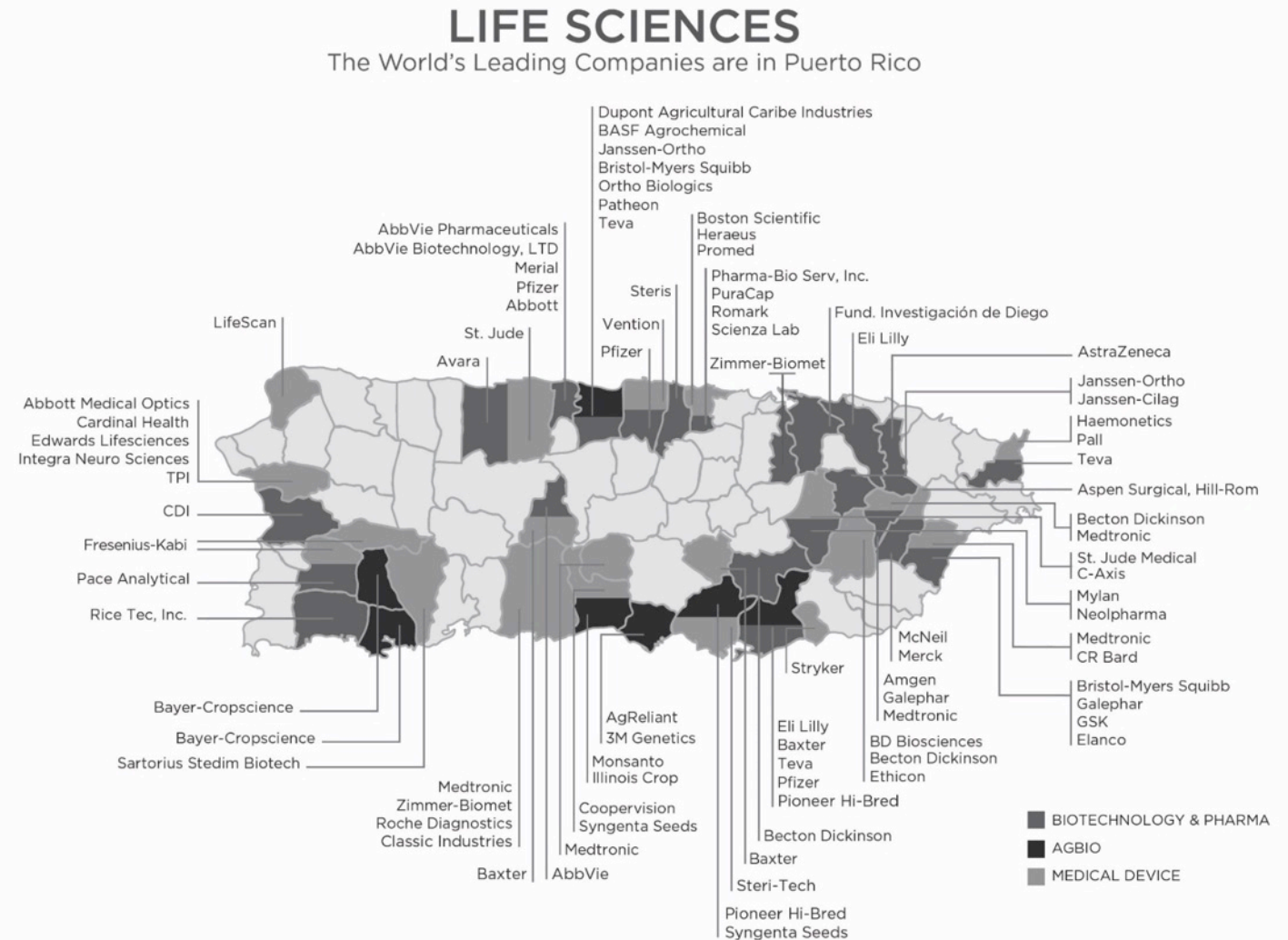
- Promote Transparency and Ethical Business Practice,
- Create Strategic Alliances to protect de Medical Device Industry in PR.
- Protect the Patients rights to receive adequate treatment.
- Defend our Surgeons right to choose.

Manufacturing Facts: PRMA

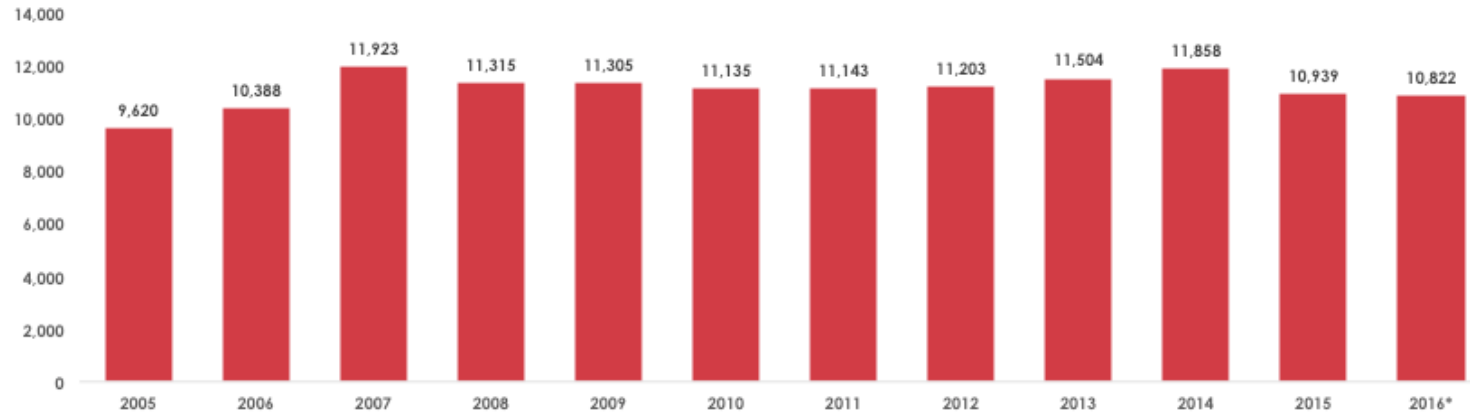
- Have spread throughout 21 cities around the island.
- > 30 Companies/Institutions
 - Includes Top Medical Devices companies in Ortho, Cardio, Neuro, Diabetes, others.
- Diversity - From bandages to insulin pumps, hernia patches implants to Combo devices
- Rich – Technology and knowledge

Commercial Facts: PRMDA

- Servicing all Cities and Municipalities
- More than 40 companies
- \$200M in Sales
- >400 FTE's



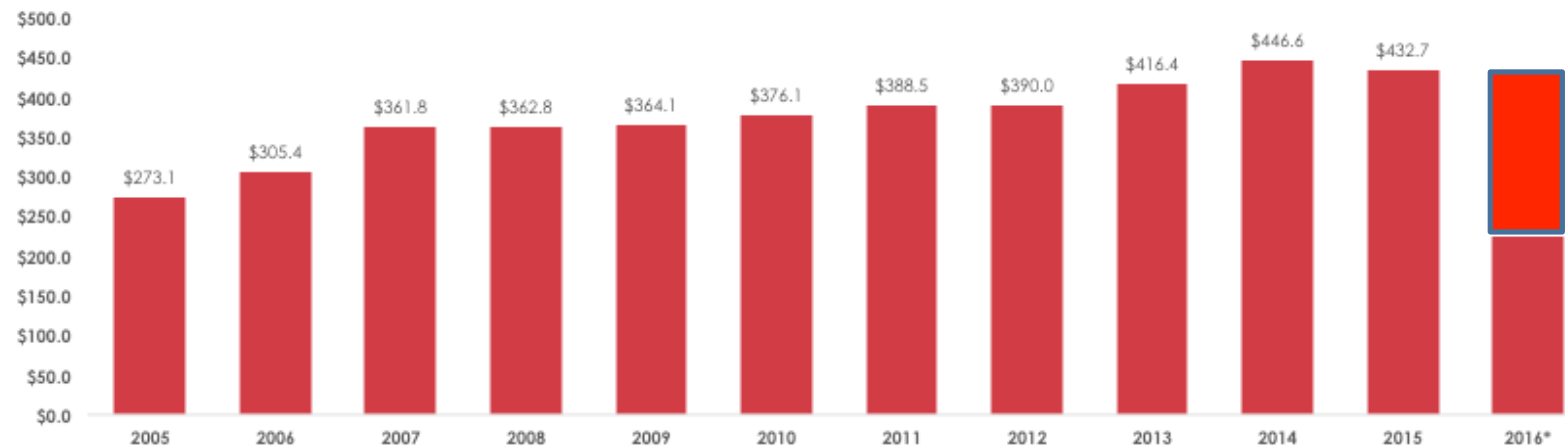
Employment in Medical Equipment and Supplies Manufacturing (NAICS 3391) 2005 - 2016*



Source: US Bureau of Labor Statistics (2016). Quarterly Census of Employment and Wages. *Until second quarter of 2016.

In a recent survey across the MD companies in PR, the actual number of jobs is > 15,000.

Total Salaries in Medical Equipment and Supplies Manufacturing (NAICS 3391) (\$ millions) 2005 - 2016*



Source: US Bureau of Labor Statistics (2016). Quarterly Census of Employment and Wages. *Until second quarter of 2016.

In addition, for every direct job, there are 3 additional indirect jobs created. Total impact in the island is approx. 45K jobs!

Projected \$448M for the year. In reality, > \$600M



MD and our Economy

- Other key metrics of the MD contribution to our Puerto Rican economy:
- \$7B dollars in exports
- > \$600M in Salaries and benefits
- > \$370M in Total Tax Contributions
- > \$270M in Local Purchases
- > \$65M in Utilities Costs
- > \$600K in Donations/Sponsorships
- > 60,000 jobs (Dir+Indir)

Chronic Therapist Elderly Cost
Dressing Disabilities Assisted Living
Nursing Home
LONG Caregiver Managed
TERM On Site Healthcare
CARE Older LTC
Residential Expense Custodial Hospice
Personal Needs Doctor
Supervised Seniors
Age Hygiene Nurse
Physicians Insurance Work Premiums
Supervisors Facilities Activities Taxes



- There is a shift in focus to wellness rather than illness...but we still need to manage other important issues that are currently affecting our health...
- Our Health Care Services instead of being based on evidence, are based on COST.
- What seems to be important is not the TECHNOLOGY or the outcome, but its conformance to the established financial parameters.

Where are we today?



Managed Care

- Integrates FINANCING and delivery of Healthcare Services.
- The rationale: US Health Care Spending is expected to be 20% of GDP
- This is done through...

Controlling Health Care Cost

- Financial Incentives
- Contracting

Managing Quality of Care

- Quality Improvement Program
- Utilization Review

Health Care Providers

Improve Population Health

- Creating Standards of Care
- Selecting Providers

Increase Preventive Services

- Wellness vs. Illness
- Proactiveness

A healthcare professional, likely a nurse, is shown in a hospital setting. She is wearing white scrubs and is smiling while attending to a patient lying in a hospital bed. The patient's arm is visible, and the nurse appears to be adjusting a band or tube. In the background, there is medical equipment, including a monitor and various tubes. The overall scene is brightly lit, suggesting a clean and professional environment.

Cost Control

- Key components:
 - **Utilization Review**
 - Case Management
 - Disease Management
 - Behavioral Health
 - Pharmacy
 - **Contracting**

Utilization Review

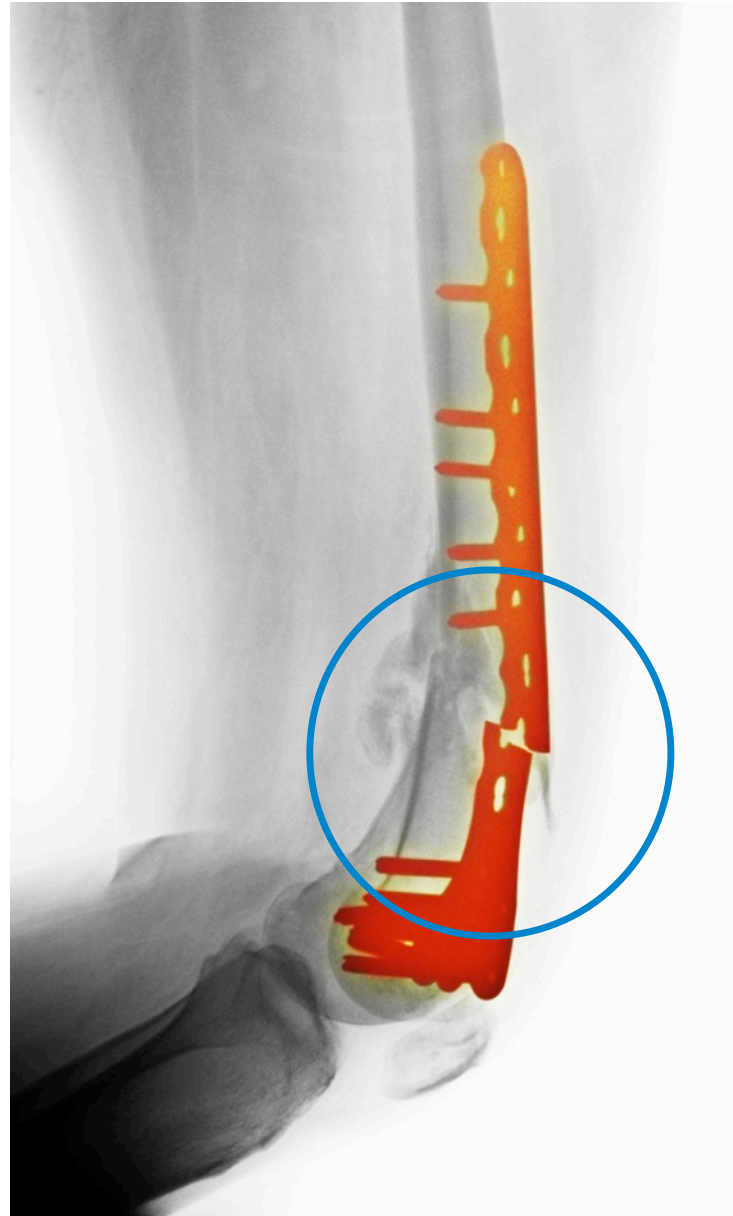
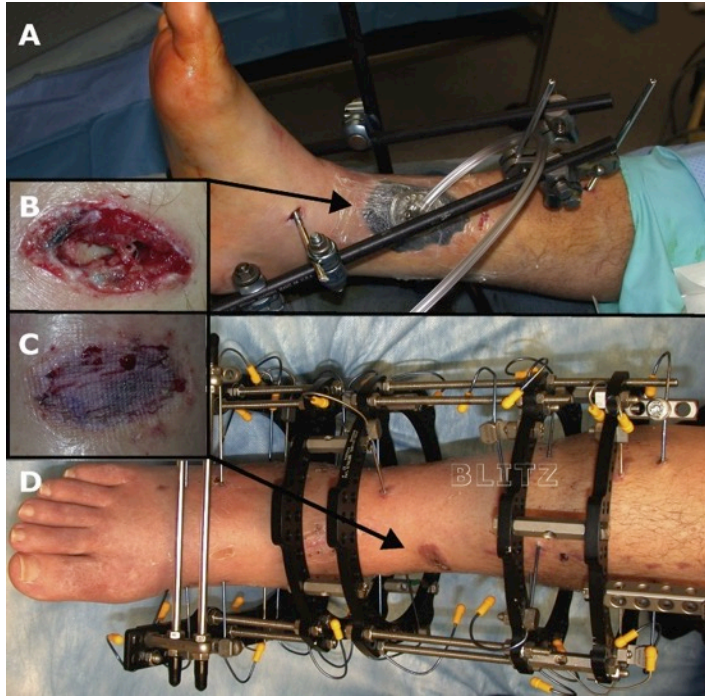
MANAGED CARE COMPANIES COST CONTROL

- **Prospective Review:**
 - Pre Procedure
 - Precertification
 - Pre Authorization
 - Pre Admission
 - Pre Approval
- **Concurrent Review:**
 - Evaluate Services vs. Needs
 - Manage In-patient stays
 - **Strategy to Manage Cost and Quality**
 - **Provides right care, right time in right setting**
- **Retrospective Review:**
 - After patient is discharged
 - Care rendered
 - **It provides an opportunity for Quality Improvement...**
 - **Peer Review**
 - **Trend Analysis**
 - **Reimbursement**

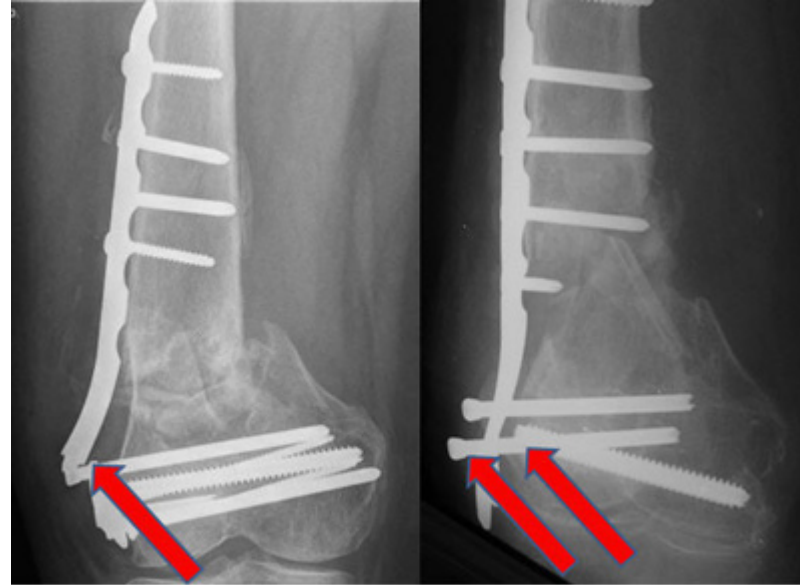
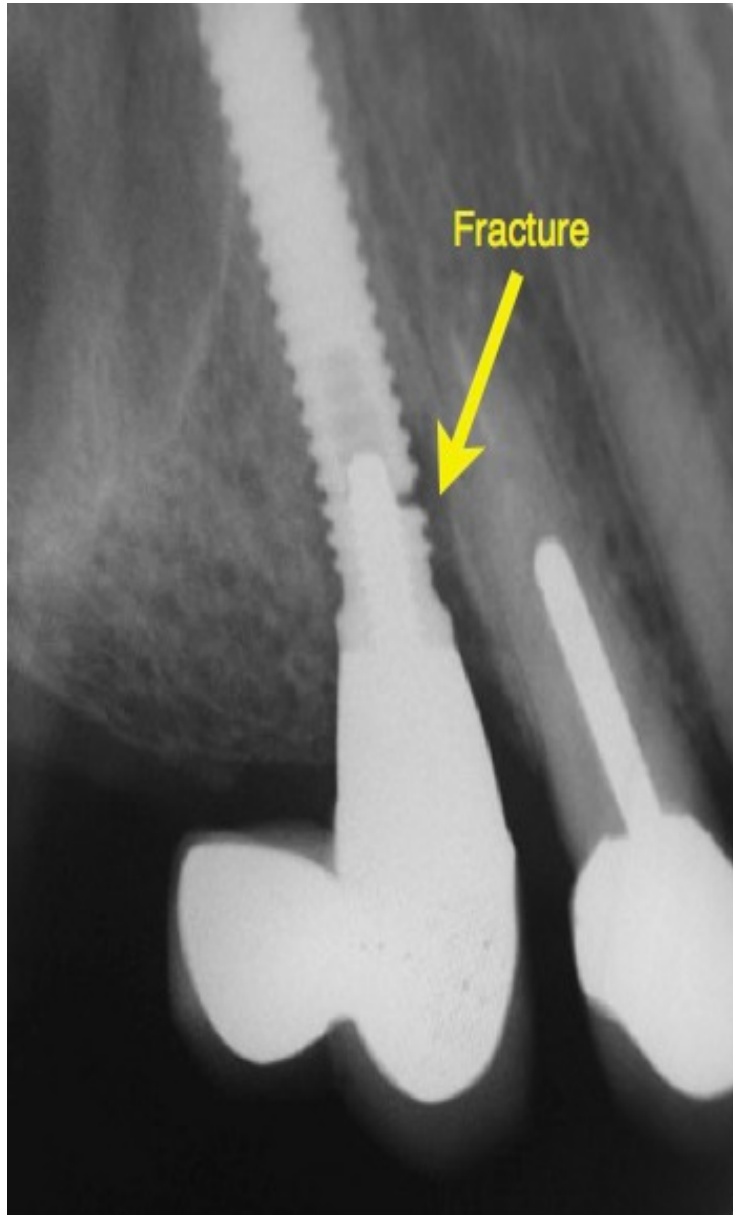
*Intended to insure necessity,
Quality, complexity and eligibility.*

ARE WE USING THE RIGHT TOOLS FOR THE JOB?









Broken plate

Loose and broken screws



Contracting

MCO's Organizations finance and deliver Health Care through a Network of Providers under Contract.

- Delineates Coverage.
- Establish Qualification requirements.
- Defines Compliance with MCO Utilization.
- Establish a Quality Management Program.
- Billing & Payment Terms.

Contracting

1

It can not be generic.."any size, any length, any diameter, any material..."

2

It must allow for New Products Introduction... but quickly.

3

It must be "negotiated".

4

The should be a QIP agreement commitment by both ends.

5

It must be fair... after all we are in this together.

6

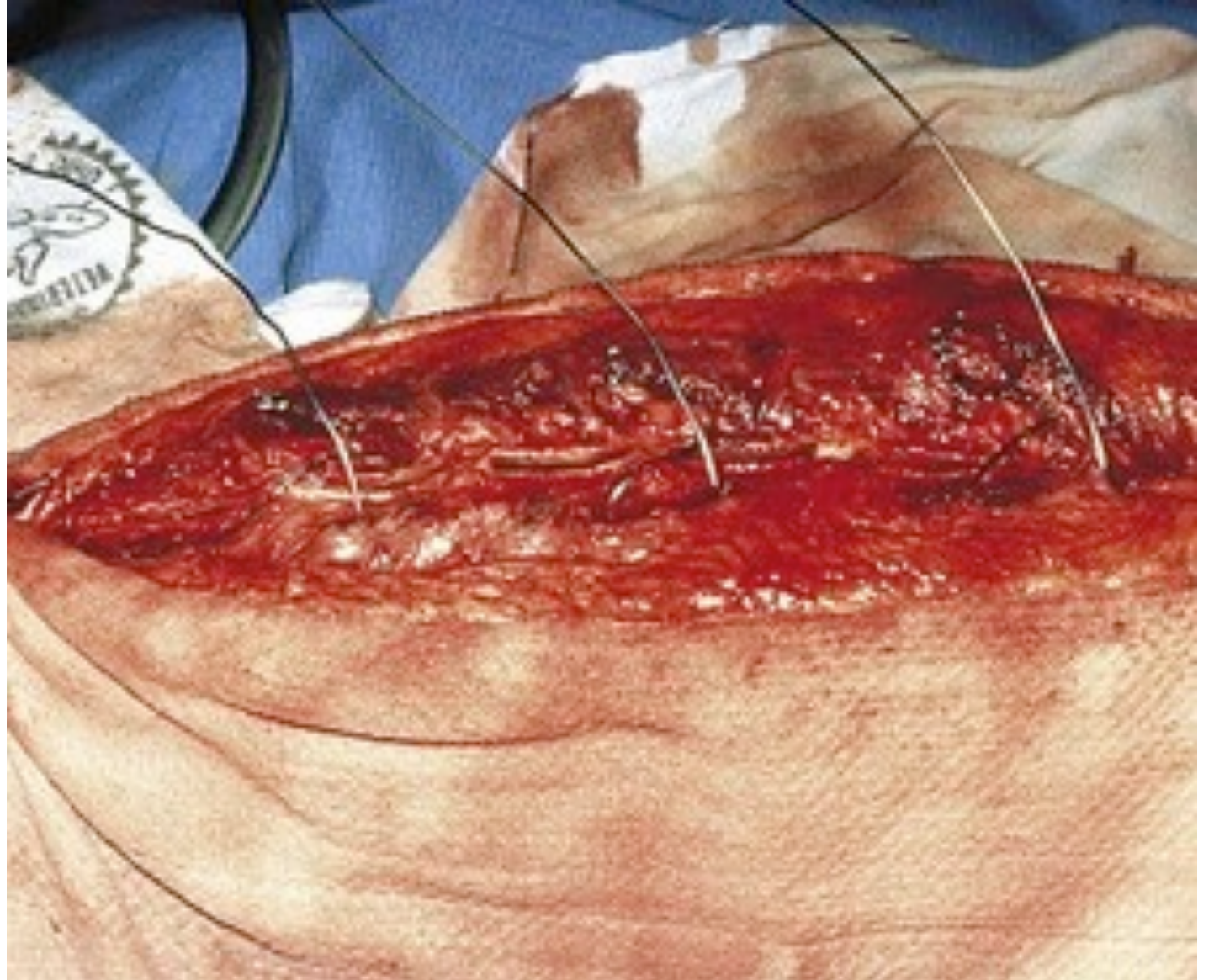
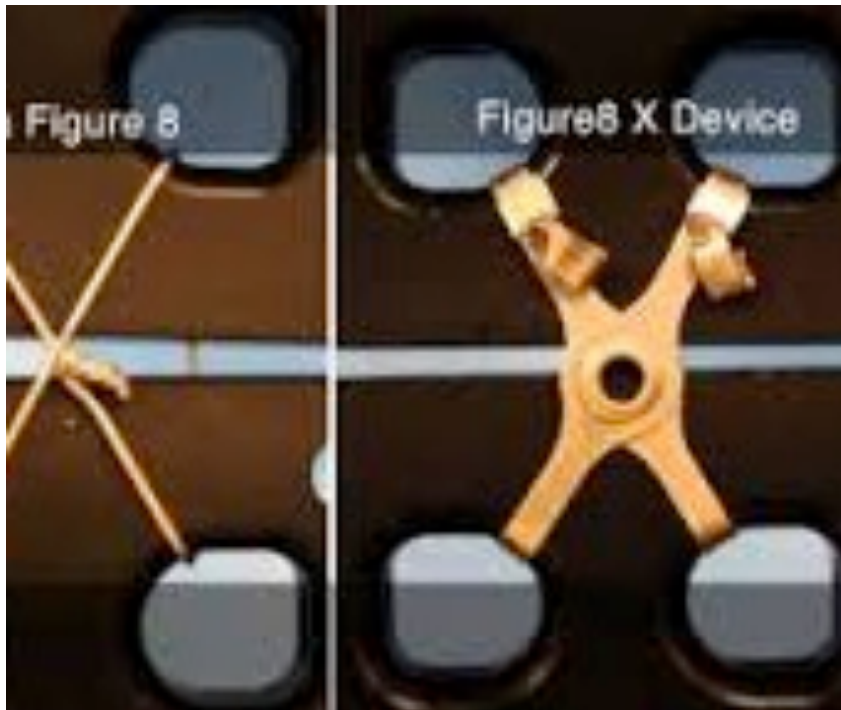
It must foster Innovation.

How does Medical Technology & Innovation benefit patients?

We help people live a better and healthier life. We can change chronically ill to normal or close to normal life.

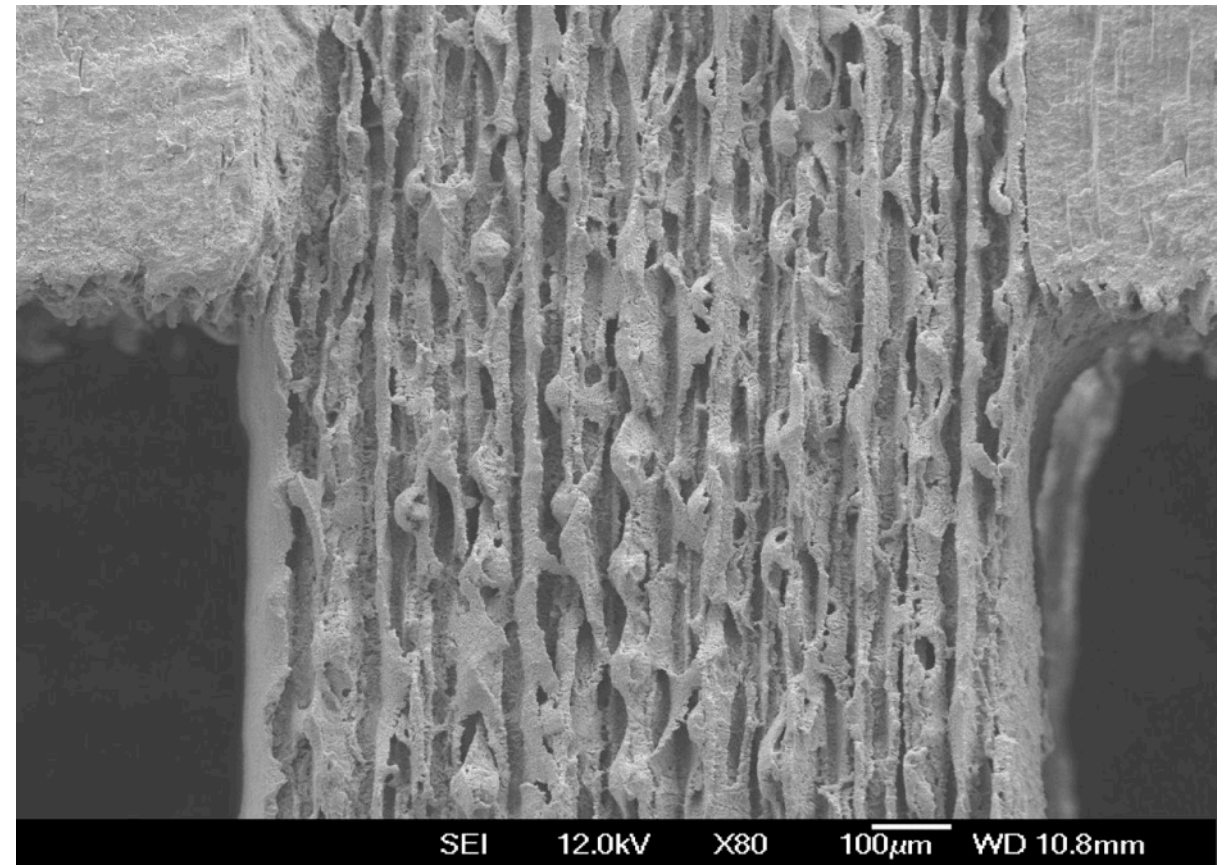
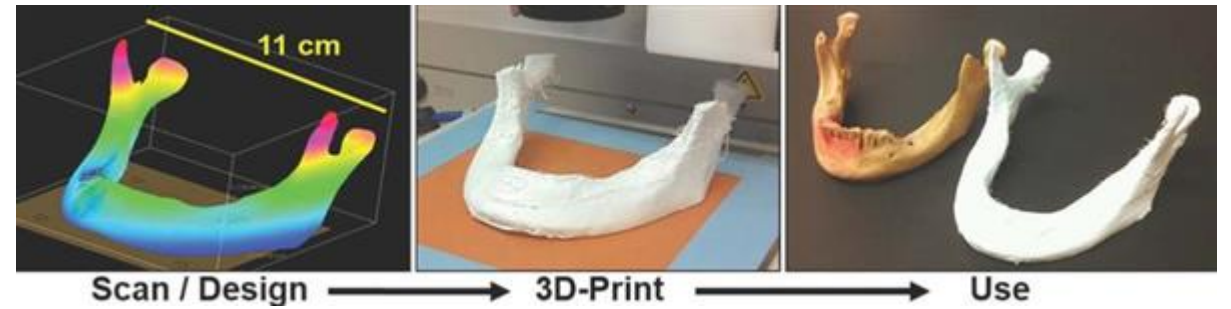
- Cardiovascular disease: use of Coronary Stents. Patients with an Implantable Cardioverter Defibrillator (ICD) now has 98% chance of surviving a cardiac arrest (before was 5%)
- Diabetes: access to Blood Glucose Monitoring Devices. Now they can monitor and control the condition more effectively.
- Minimally Invasive Surgery: in the case of aneurism recovery time has been reduced dramatically (a year to 4 weeks)

INNOVATION AND NEW TECHNOLOGIES



Neurosurgery

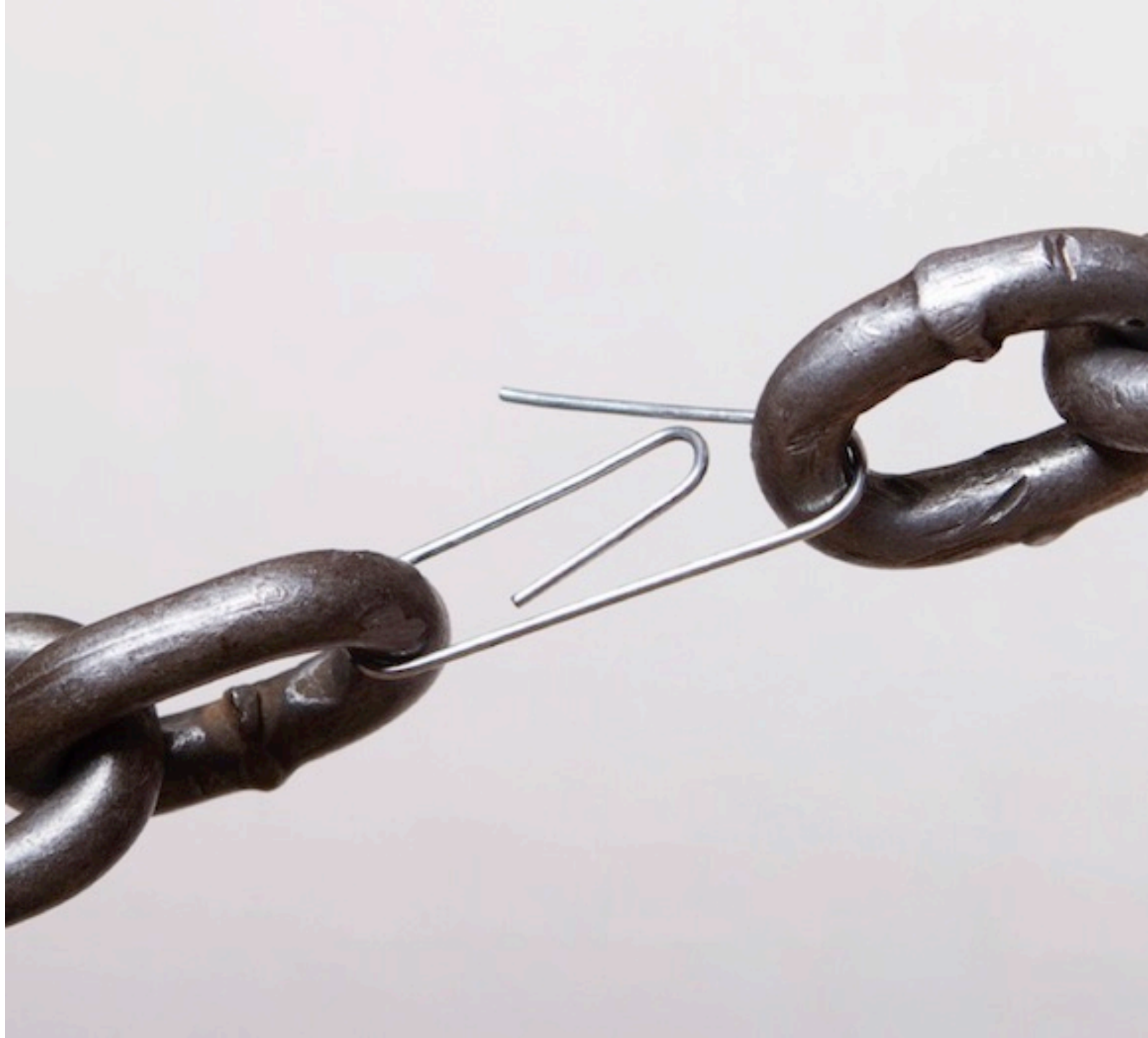
Plating Solutions



Value Chain

It is imperative we get to participate of the Value Chain if we are serious about pursuing better Health care services for our patients. **It's all together...**

- Managed Care Organizations
- Physicians
- Hospitals
- Medical Devices
- ...and our Government



There is no better time to make positive changes than NOW!

- Equal opportunity for all.
- Adequate Processes based on scientific data.
- Having Financial challenges is not permission to shortcut the process. Our patients need our commitment to better Quality of Life.





Thank You

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