

Últimos Datos y Noticias sobre el Esfuerzo de Puerto Rico a Nivel Federal

Roberto Pando Cintrón, MS, JD
MCS Advantage Inc. & MCS Life Insurance Company
Presidente

What's the Problem?

Unfair Federal Funding - Puerto Rico is Different

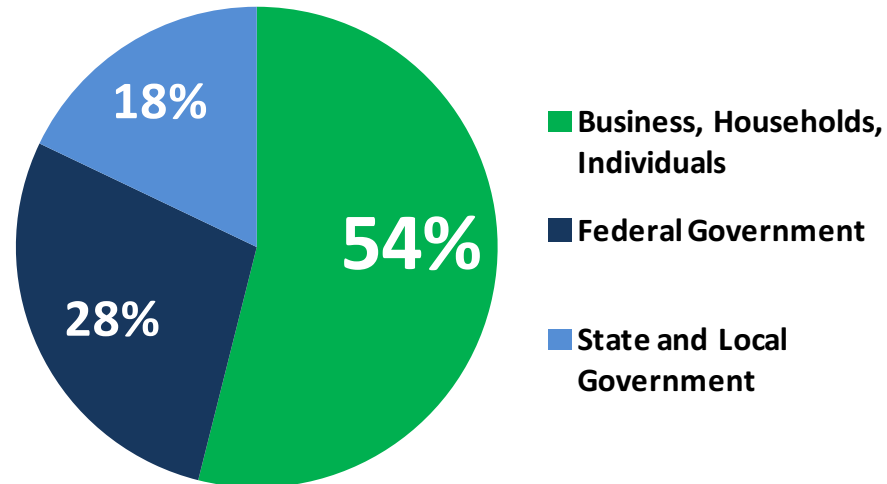
Lowest Health Spend per Capita	\$3,500 (PR) vs \$10,000 (US)
Lowest Income per Capita	\$28,703 (PR) vs \$55,836 (US)
Lowest Medicare Funding	43% below US average.
Lowest Medicaid Funding	60% below US average.
\$200M Health Insurance Tax	WITH ZERO BENEFITS.

Unfair Federal Funding: Who pays for Health Care?



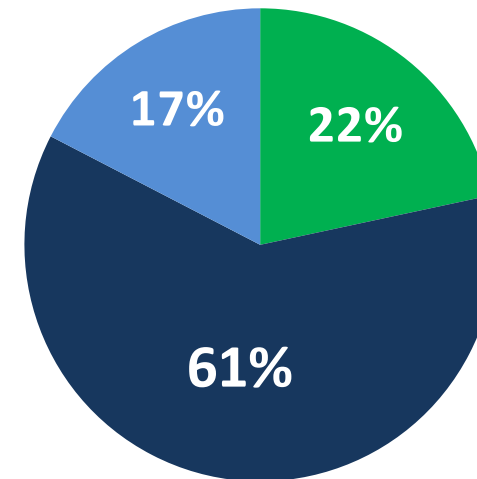
\$3.2 Trillion

United States Total
Resources by Type of Sponsor



\$10.3 Billion

Puerto Rico
Resources by Type of Sponsor

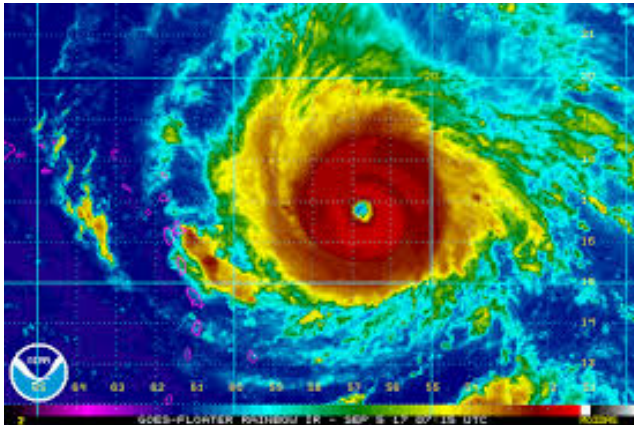


I. 2016 Financial Summary (OIC Statements)

Line of Business	Income (Net Investment Income)	Resulting MLR %	HIT Tax (Health Insurance Fee)	Operating Margin %
Medicare Advantage	\$4,977,671,123	86.5%	- \$80,397,847	- 0.2%
Medicaid	\$2,677,490,109	90.8%	- \$34,984,037	0.2%
Commercial	\$1,872,964,617	85.4%	- \$25,671,388	- 0.6%
Total	\$9,528,125,849	87.5%	- \$141,053,272	- 0.2%

Legislative Update

Federal Legislative



1. PR Medicaid Cliff
2. US House, SCHIP, \$1 B for Medicaid
3. Request by PR Government
 - \$3.2B, \$3.2B, \$1.6B, \$1.6B, \$1.6B
 - Total of \$11.2B (5yrs of current level of funding)
 - Pushing Katrina-Like Action...

Federal Legislative

Secure | <https://www.kff.org/other/issue-brief/public-health-in-puerto-rico-after-hurricane-maria/>

Filling the need for trusted information on national health issues... Tren

 MENU 

Home // Other // **Public Health in Puerto Rico after Hurricane Maria**

Public Health in Puerto Rico after Hurricane Maria

Nov 17, 2017 | [Josh Michaud](#)  and [Jennifer Kates](#) 

Issue Brief | Endnotes

On September 20, 2017, Hurricane Maria made landfall in Puerto Rico. A “Category 4” storm when it hit the island,¹ Maria was the strongest hurricane to hit Puerto Rico in almost a century, and it caused significant, widespread damage. The total number of people who died due to Hurricane Maria is unknown; as of November 4, officials have confirmed 55 deaths from the storm on the island, but the death toll is feared to be much higher.²



The map shows the North Atlantic Ocean with latitude and longitude markings. It highlights the location of Puerto Rico, with a red dot indicating the site of Hurricane Maria's landfall. The map also shows the surrounding landmasses of the USA, MEX, and SOUTH AMERICA, and the city of SAN JUAN.

Federal Legislative

What Republicans, Democrats Aren't Telling You About Repealing The Individual Mandate



Robert Pearl, M.D., CONTRIBUTOR

[FULL BIO](#) ▾

Opinions expressed by Forbes Contributors are their own.

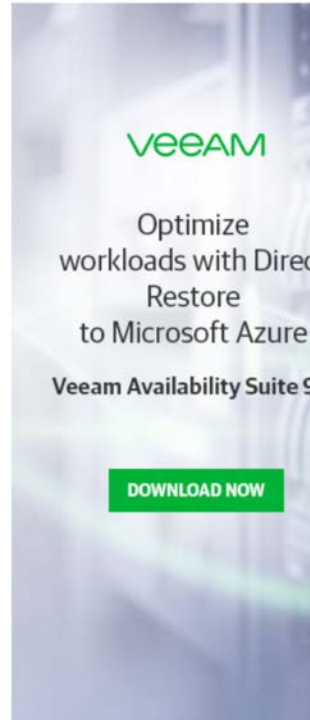


Andrew Harrer, Bloomberg via Getty Images

Senate Majority Leader Mitch McConnell at a news conference in Washington, D.C., tells reporters that

[+]

Eliminating the “individual mandate,” the law that requires nearly all Americans to have healthcare coverage or pay a penalty, would leave 13 million people without health insurance



4. Tax Reform – No Individual Mandate

5. Health Insurance Tax

“Although the House conference committee still needs to iron out the tax bill’s final details, the CBO estimates that repealing the mandate would cause (a) 5 million individuals to drop out of the insurance exchanges, (b) another 5 million covered by Medicaid to not re-enroll, and (c) about 3 million workers to lose their employer-sponsored insurance. As a result, the CBO projects \$338 billion in federal government savings over the next decade.”

Administrative Update

Federal Administrative: Multi-Sector Medicare Advantage Efforts (Pre-

Submitted Elect
Comments and Pr
To the CMS Part C

March 3, 2017

The Honorable Te
Secretary of the L
200 Independenc

cc/ Patrick Conwa
Cynthia G. Tudor,
Jennifer Wuggaze

requests

Contents

- Section 1
- Section 2
- Section 3
- Section 4

Appendix 1 – The

Appendix 2 – Mill

Appendix 3 – Mill

Appendix 4 – Pre-

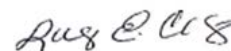
Sincerely,



Hon. Luis Gerardo Rivera Marín
Secretary of State
Government of Puerto Rico
Chairman, Governor's Task Force for Parity in Healthcare




Mr. Carlos Mercader
Executive Director
Puerto Rico Federal Affairs Administration
Government of Puerto Rico
Governor's Task Force for Parity in Healthcare




Mrs. Luz Cruz Romero
Executive Director
Medicaid Program
Government of Puerto Rico
Governor's Task Force for Parity in Healthcare



Hon. Juan O. Morales
Chairman of Health Committee
House of Representatives of Puerto Rico
Governor's Task Force for Parity in Healthcare



Lcdo. Jaime Plá-Cortés
Executive President
Puerto Rico Hospital Association
Governor's Task Force for Parity in Healthcare




Hon. Dr. Rafael Rodríguez Mercado
Secretary of Health
Government of Puerto Rico
Governor's Task Force for Parity in Healthcare




Mrs. Angelina
Executive Director
Puerto Rico Health Insurance Administration
Government of Puerto Rico
Governor's Task Force for Parity in Healthcare



Hon. Angel Martínez
Chairman of Health Committee
Senate of Puerto Rico
Governor's Task Force for Parity in Healthcare



Roberto García, Esq., President
Medicaid & Medicare Advantage Products
President, Association of Puerto Rico (MMAA)
CEO, Triple-S Management
Governor's Task Force for Parity in Healthcare



Lcda. Idalia Bonilla
President
Puerto Rico Community Pharmacies Association
Governor's Task Force for Parity in Healthcare

March 13, 2017

Submitted Electronically V


ma Verma, Administra
ters for Medicare & M
Department of Health
Attention: CMS-1677-P
Box 8011
Baltimore, MD 21244-185

Comme
Federal Re
edicare Program; Hospit
e Long-Term Care Hospit


r Administrator Verma:

Puerto Rico healthcare
ters for Medicare and M
ices (HHS) leadership ha
ast years. However, pa
gation to the increasing
) funding, which in turn
rdable Care Act (ACA).
added in the Medicare FF
d to finalize meaningfu
atories endorsing these
thcare Parity, and othe
istently voiced their con

FY 2018 Inpatient Prosp
important policy actions
icare Part A payments,
beneficiaries in Puerto Rico



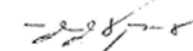
Víctor Ramos, MD
President
Puerto Rico College of Physicians and Surgeons
Governor's Task Force for Parity in Healthcare




Alicia Suárez
Executive Director
Primary Health Association of Puerto Rico



Wanda Vélez, MD
Former President
Puerto Rico Medical Association




José Joaquín Vargas, MD
President
Puerto Rico IPA Association



David Rodríguez
President & Chairman of the Board
Puerto Rico Chamber of Commerce




Ramón Pérez, Esq.
President, Puerto Rico Products Association
President, Fulcro Insurance, Inc.



Juan L. Domínguez
Senior VP Corporate Development, First Medical
Medicaid & Medicare Advantage Products Association of
Puerto Rico (MMAA) Board



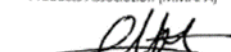
Israel Parnas, Esq.
Executive Director
Association of Insurance Companies of Puerto Rico



Ricardo Marrero Santiago, MD
President
Puerto Rico Medical Association




James P. O'Drobinak
CEO, MCS Advantage, Inc.
Former President, Medicaid & Medicare Advantage
Products Association (MMAA)



Ramón Alejandro Pabón, Esq.
President, Puerto Rico College of
Healthcare Services Administrators



Rick Shinto
CEO, Medicare y Mucho Mas
Medicaid & Medicare Advantage Products Association
of Puerto Rico (MMAA) Board



Earl Harper
President, Humana Puerto Rico
Medicaid & Medicare Advantage Products
Association of Puerto Rico (MMAA) Board



Marta Rivera Plaza
President
Hospital Association



Elliot Pacheco
Vice-president, Entrepreneurs for Puerto Rico
Former President, PR Community Pharmacies Assoc.

Healthcare Community Letter

Patient Protection and
Consumer Patients - RFI

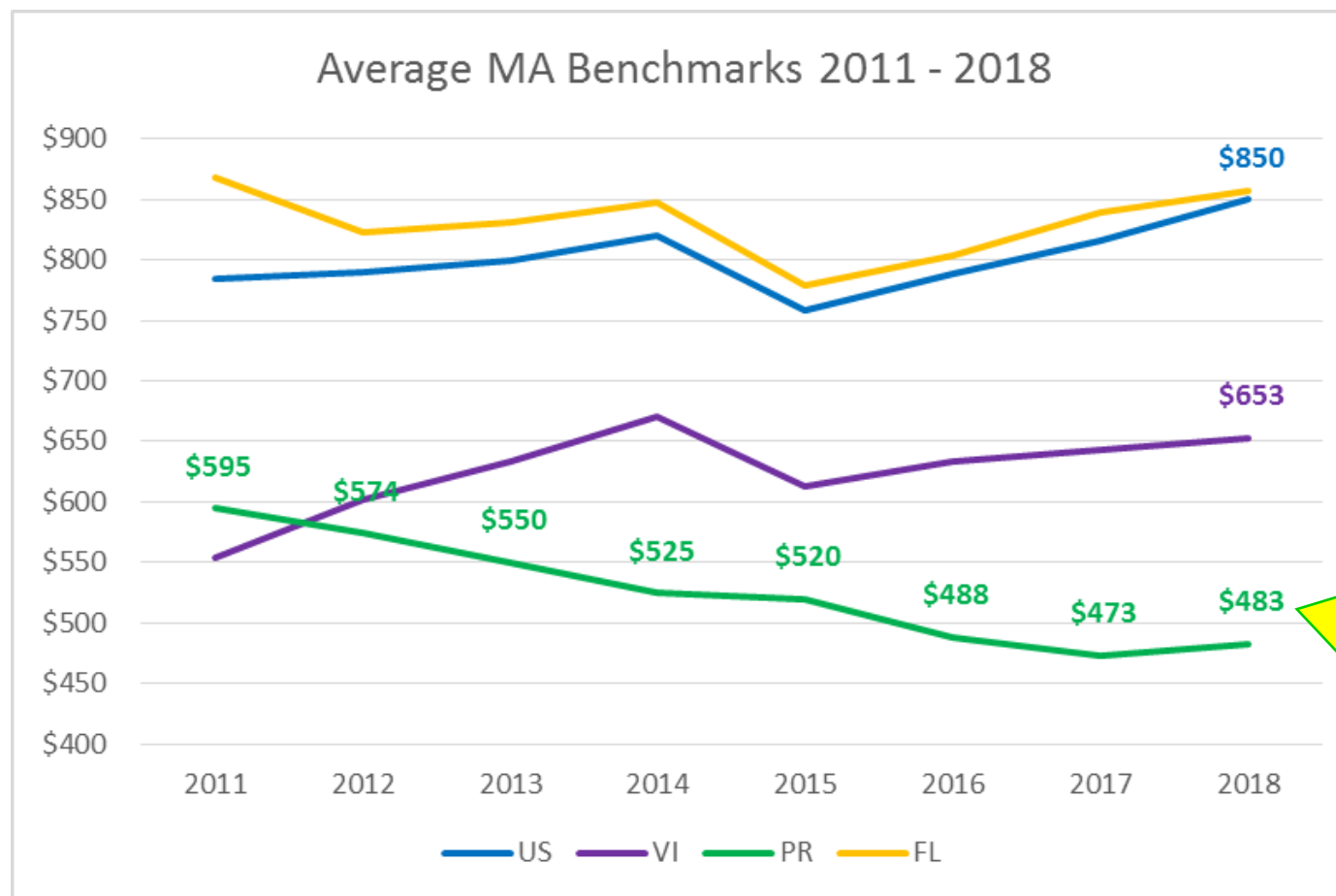
Healthcare Rules
Medicare Care Act & Improving

y. The comments submitted
access to care for beneficiaries
healthcare system for our

Public comments about possible
authority, that could further
markets. There are many
and, and we appreciate the
of the Affordable Care Act
ly, the continued application
or "HIT") to entities located
in the business of providing
implementation, including the
ACA provisions apply to any
the Territories must pay taxes
co.

nically under the purview of
Puerto Rico, and any possibility

Even After Fixes for 2018, PR too Far



2018

Over \$1B Annual Loss

Aggregate Loss over \$5 Billion

Slight improvement for 2018

BUT PR is still:
43% below US Avg
26% below VI

Positive Changes in Benefits 2018

- Quality Driven – 4 STAR plans
- \$24 Million Dollars in Additional Benefits
 - Lower Rx Copays, More Eyewear, Lower medical copays, more OTC
- \$12 Million Dollars in Buydown Increases to Existing Members, and
- If 3/4 of Latinos choose plans with a higher Part B Buydown (Averaging an additional \$30/month)... \$75 Million Dollars!
- Disposable income of 580,000 beneficiaries potentially increasing over \$100M

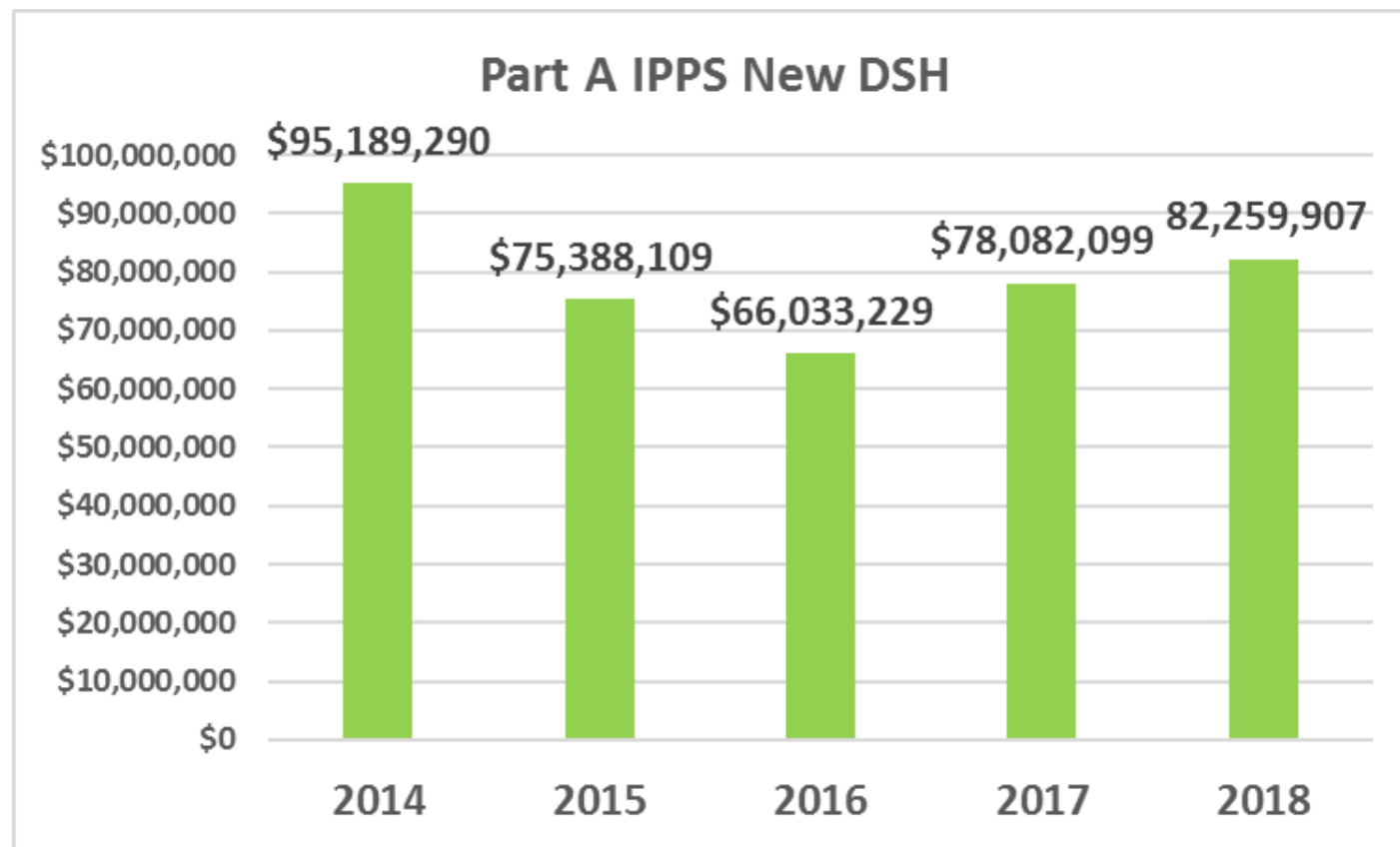
Part A IPPS for 2018

CMS Rule for 2018

IHS/Tribal hospitals uncompensated care payments due to their unique funding structure. With respect to Puerto Rico, other commenters asserted that the use of Worksheet S-10 data may not be appropriate, given the historical treatment of subsection (d) Puerto Rico hospitals under the statutory provisions governing payments under Medicaid and Medicare Part A and its impact on the reporting of uncompensated care payments by these hospitals. After consideration of the concerns, we indicated that we believe the uncompensated care data reported by Puerto Rico and IHS/Tribal hospitals needs to be further examined and should not be used for FY 2018. For the reasons

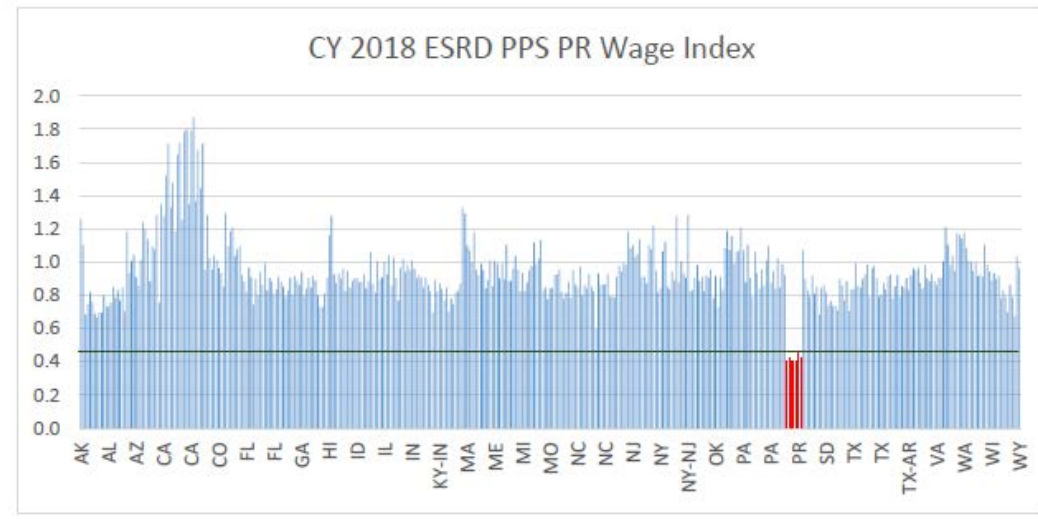
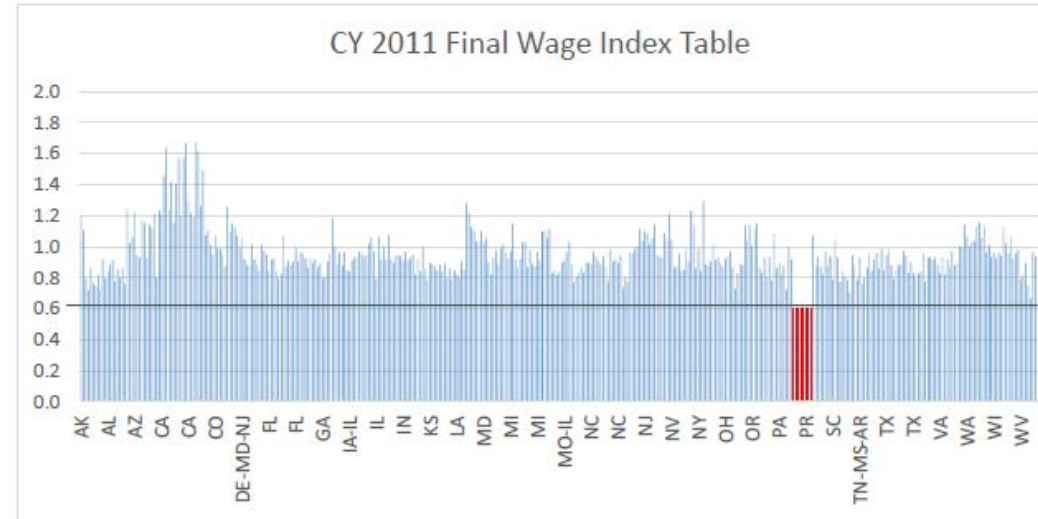
Potential Impact / Importance	Results in Part A IPPS CY2018 Final Rule
<p>The use of S-10 instead of low income days could reduce payments to PR hospitals by approximately:</p> <ul style="list-style-type: none">• Saved for 2018: \$27M in 2018 in FFS payments for hospitals just for the 1st year of the 3 yr phase-in period of the implementation of the new formula.• Saved for 2019: \$250M+ \$52M in 2019 in FFS and \$200M in MA.• Saved for 2020: \$375M+ \$77M in 2019 in FFS and \$300M in MA.	<p>Avoiding More Cuts YES – approx. \$650M saved for Puerto Rico for the next 3 years 2018-2020</p> <p>CMS implemented special Waiver for PR and Tribal Area hospitals.</p> <p>PR Uncompensated Care payments went up 5% for 2018 but we could have lost \$27M in Part A 2018 and over \$100M in MA 2019.</p>

Part A IPPS for 2018

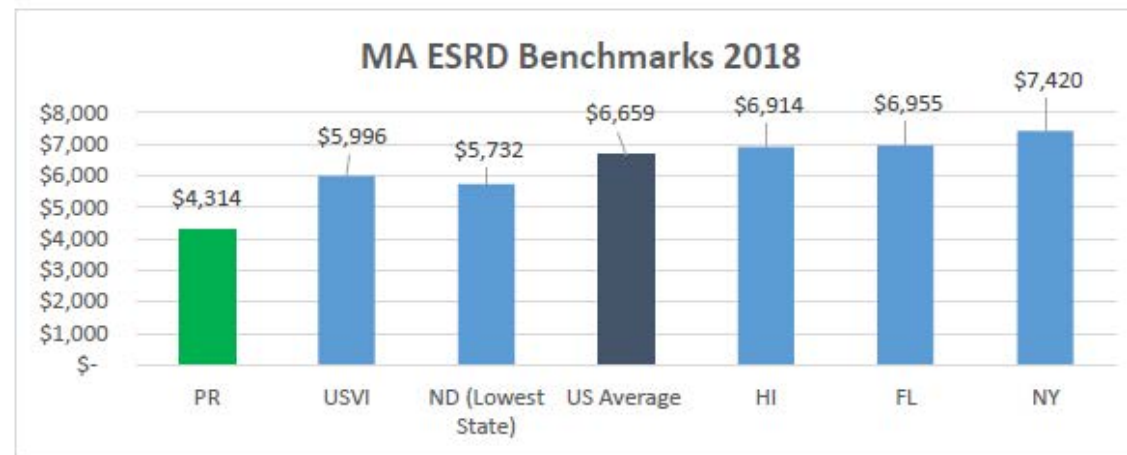
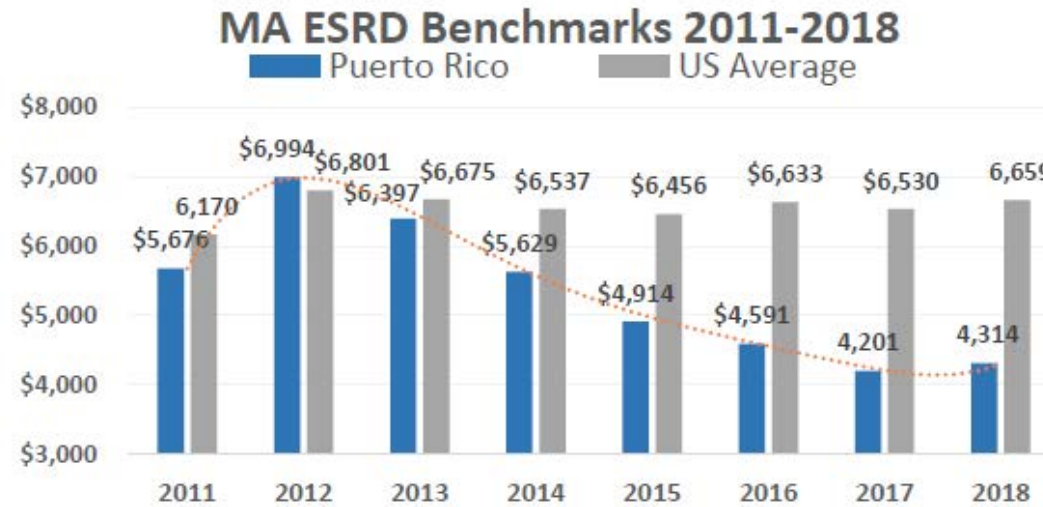


Medicare FFS End Stage Renal

Chart 1

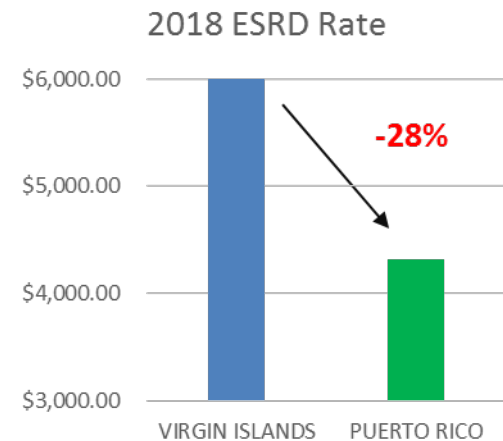
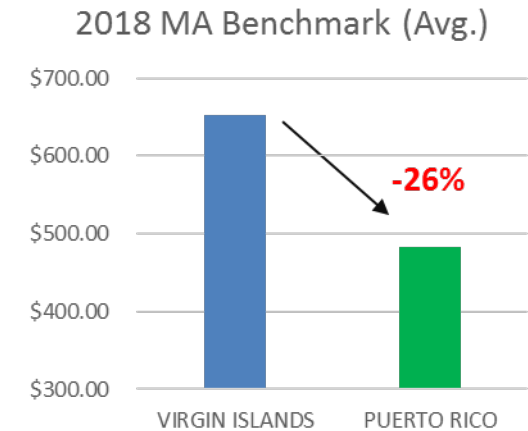
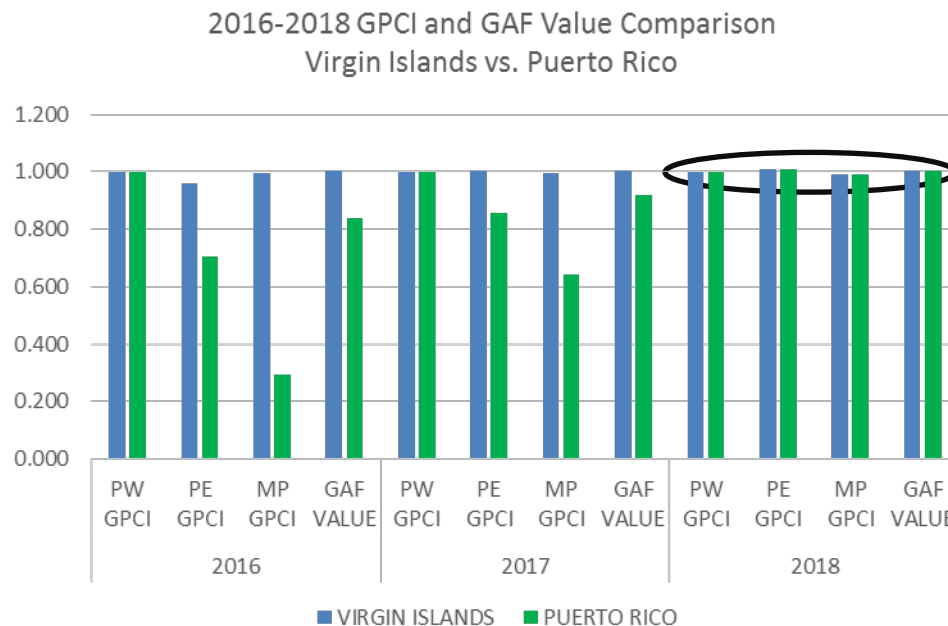


MA End Stage Renal Disease



Comparison of Relative Costs and Revenues for Neighboring USVI and PR

PR and VI 2018 GPCIs (geographic cost index) on par but PR Benchmarks and ESRD Rates remain 26% and 28% BELOW VI Rates



Socio-Economic Importance of MA Program in Puerto Rico

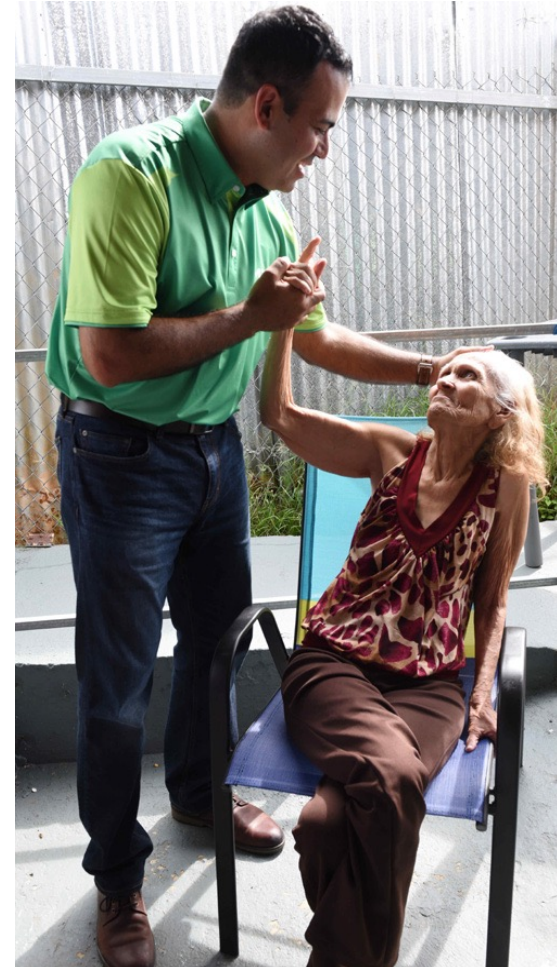
Historic Social Interaction

Last Ten Years

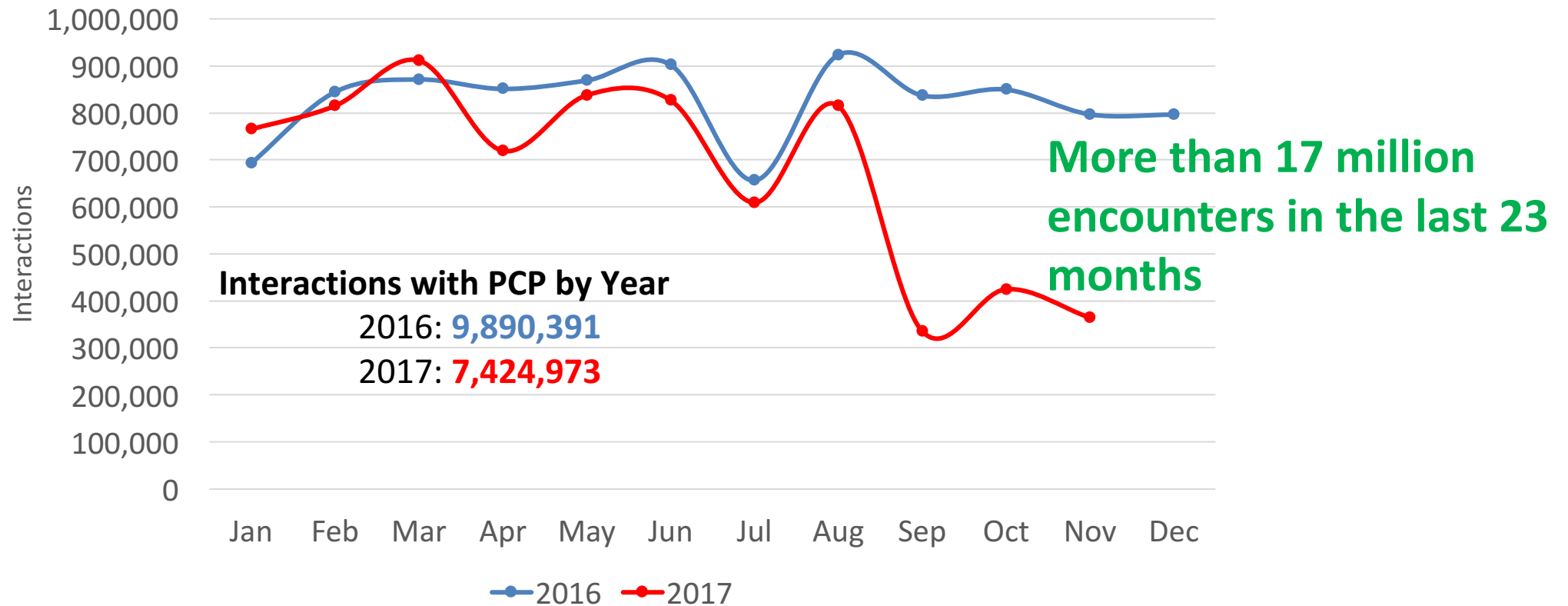
Approximately **8 million** visits, orientations, coffees, hugs, kisses, hand shakes, smiles.... Created by the social interaction that is part of the MA program just in the sales / orientation process.

Health Risk Assessments

More than **1.15 million** interactions between 2012-2017

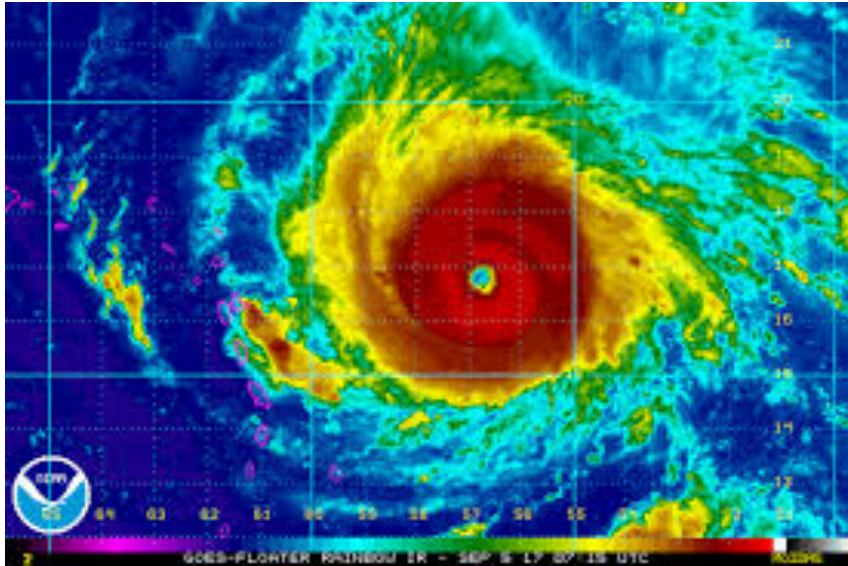


MA Primary Care Physicians Visits

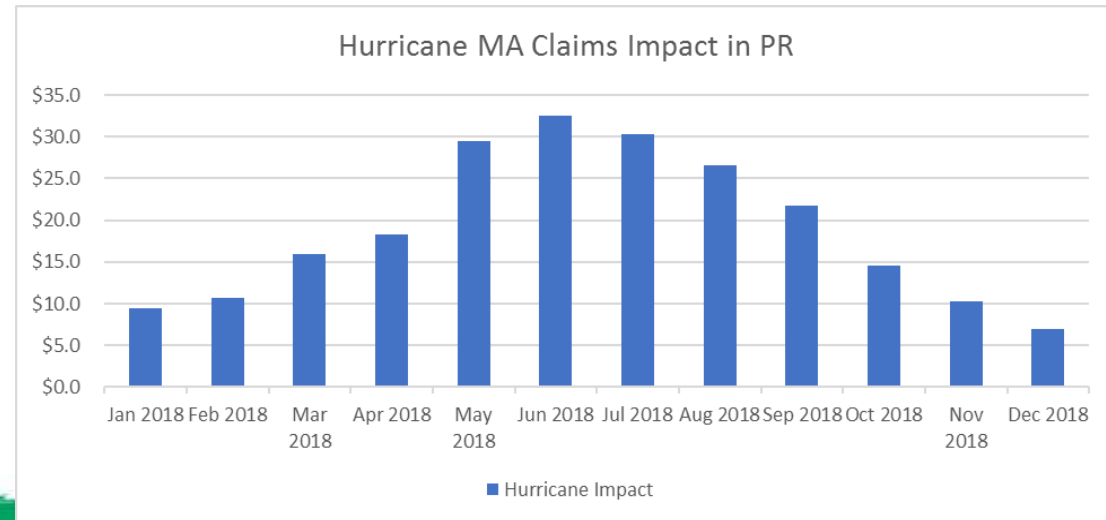


Administrative, Cont.

MA Migration, and Cost Impacts



- Beneficiaries enrolling in plans in US
- Beneficiaries using US services
- Morbidity increases
- Downstream economic impact without relief



MMAPA
PPT

Federal Administrative: Multi-Sector Medicare Advantage Efforts (Post-Maria)



GOVERNMENT OF PUERTO RICO

October 24, 2017

Hon. Mitchell McConnell, Jr.
Majority Leader
United States Senate
Washington, DC 20515

Hon. Charles Schumer
Democratic Leader
United States Senate
Washington, DC 20515

Hon. Paul Ryan
Speaker
United States House of Representatives
Washington, D.C. 20515

Hon. Nancy Pelosi
Democratic Leader
United States House of Representatives
Washington, D.C. 20515

I would like to thank you for your leadership and action on the end that was approved in the U.S. House of Representatives on October 20. This is a big first step in Congress' response to the historic impact of Hurricanes Irma and Maria.

Beyond this direct emergency relief legislation, Congress must also address the growing crisis in Puerto Rico's healthcare system. The island in federal healthcare programs, the instability of federal funding for doctors and other medical providers that has been ongoing for years, a vulnerable system. The total devastation brought on by these natural disasters exacerbated the situation and effectively brought the island's healthcare system to a collapse.



GOVERNMENT OF PUERTO RICO

legislative vehicle for Congress to reconsider the issue at the end would also remove this matter from consideration in the year-end Congress will need to focus its energies on addressing Puerto Rico's reconstruction needs.

To address another pillar of Puerto Rico's healthcare system, Medicare Advantage will also request that the Centers for Medicare & Medicaid Services exercise discretionary authority to set the Medicare payment rates for service patients and for the Medicare Advantage program to be closer to least at the level of the U.S. Virgin Islands.

Therefore, I ask for your support for these legislative and administrative efforts that the healthcare needs of the most vulnerable in Puerto Rico at a very sensitive period for Puerto Rico.

Sincerely,

Ricardo A. Rosselló Nevares
Governor of Puerto Rico

Puerto Rico Health Care Community Letter

Sincerely,

Roberto Garcia, Esq.
President, Medicaid & Medicare Advantage Products
Association of Puerto Rico (MMAPA)
CEO, Triple-S Management

Rick Shinto
MMAPA Former President & Board Member
CEO, Medicare y Mucho Mas

Carlos A. Carrero
MMAPA Board Member
Plan President
Molina Healthcare of Puerto Rico, Inc.

Lcdo. Jaime Pla
Executive President
Puerto Rico Hospital Association

Alicia Suarez
Executive Director
Puerto Rico Primary Health Association

Rodrigo Mases
President
Puerto Rico Manufacturers Association

Sally Montes
President of Puerto Rico Chapter
Health Management and Financing Association
(HMFAS)

James P. O'Drobniak
MMAPA Former President & Board Member
CEO, MCS Advantage, Inc.

Earl Harper
MMAPA Board Member
President, Humana Puerto Rico

Juan Dominguez
MMAPA Board Member
Vice-President
First Medical Health Plan, Inc.

Dr. José J. Vargas
President
Puerto Rico IPA (Physician Groups) Association

Dr. Victor Ramos
President
Puerto Rico College of Physicians

Alicia Lamboy
President
Puerto Rico Chamber of Commerce

Eliot Pacheco
Vice-president, Entrepreneurs for Puerto Rico
Former President, PR Community

Puerto Rico Health Care Community Letter

October 20, 2017

VIA ELECTRONIC MAIL

The Honorable Seema Verma
Administrator
Centers for Medicare & Medicaid Services
200 Independence Ave, SW
Washington, DC 20201

Dear Administrator Verma:

Thank you and your staff for your response to the current crisis in Puerto Rico resulting from hurricanes Maria and Irma. We are grateful for your leadership and extensive efforts to support the United States citizens of Puerto Rico in this extremely difficult time. In particular, we appreciate the time the HHS and CMS teams have spent working on crisis response efforts and we look forward to continued engagement as we navigate this difficult situation. In light of Hurricane Maria's devastation of the island, we write to request that you take immediate action on critical Medicare payment policies, retroactive to October 1st, to ensure that those affected Americans have access to care in Puerto Rico, in response to the crisis.

Despite continuing to struggle with electrical grid challenges, managed care organizations (MCOs) are operational and continue to put all efforts in addressing the care of the most fragile. MCOs have implemented immediate administrative flexibility measures that have facilitated open access to care and accelerated payments to hospitals, while supporting the steadfast reactivation of provider operations and coordinated care. Even when progress is being made, the deterioration and underdevelopment of healthcare operations on the island is now more evident in the post-Hurricane Maria scenario. Addressing core funding anomalies now becomes crucial to support emergency response measures that give a real chance for meaningful change in our healthcare system.

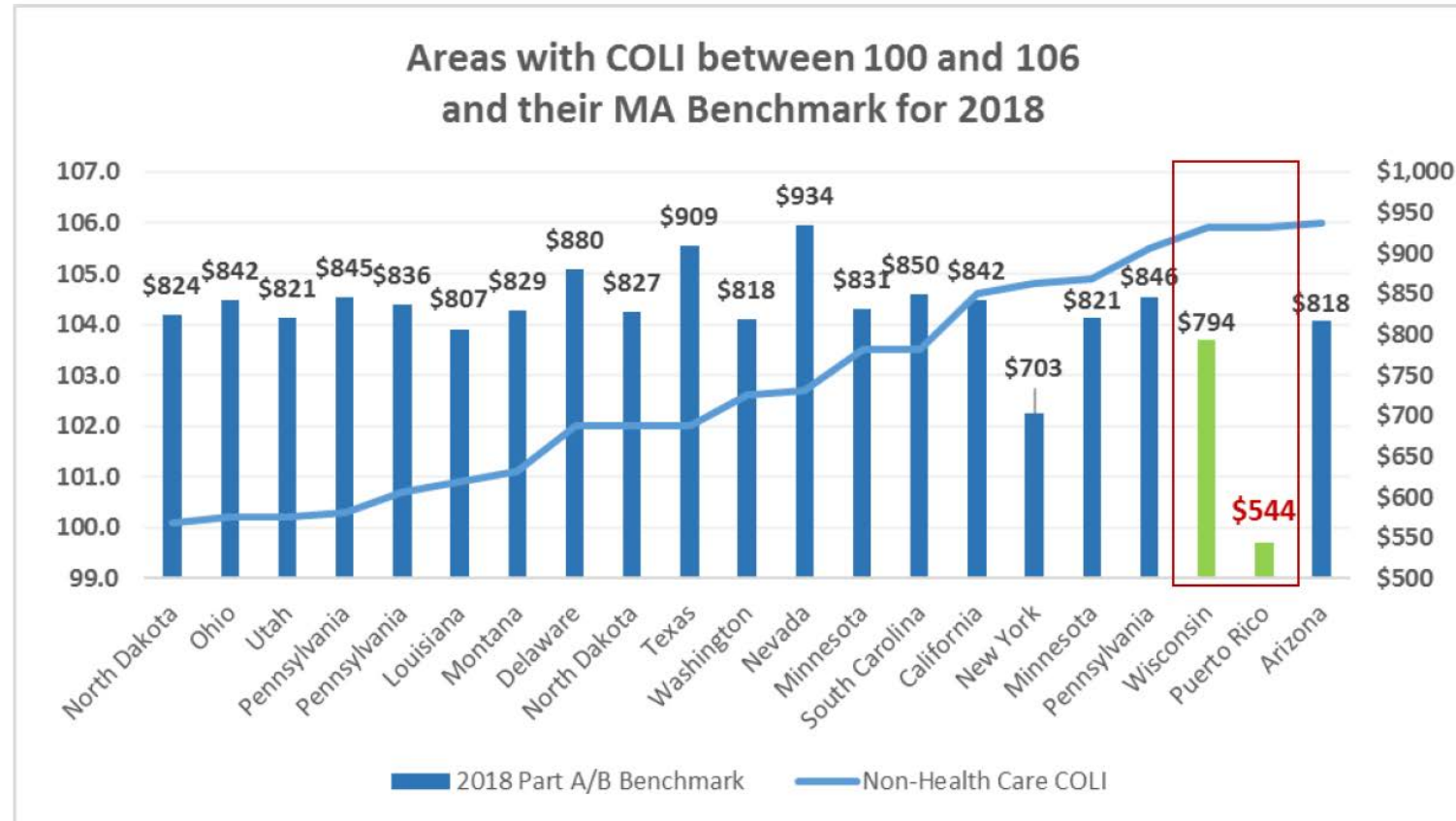
We are encouraged by the fact that Congress is considering action to stabilize our Medicaid program through the CHIP Bill. However, the current proposal would only delay the funding cliff to the end of 2018. While this would be a positive and needed step, it is naturally insufficient in terms of the annual funding allocation. Therefore, we look forward to working closely with you and Congress in the coming weeks and months to provide a much-needed longer-term Medicaid solution.

Moreover, it is our strong request that CMS correspondingly act within its discretionary administrative power to help the Medicare Advantage (MA) beneficiaries in Puerto Rico. As you know, Puerto Rico is unique in that MA is the foundation and quality backbone of the island's health care system. Puerto Rico has overwhelmingly embraced MA, with the nation's highest MA penetration rate (90% of eligible beneficiaries) and eighth largest enrolled MA population, despite ranking 30th in overall population for all US jurisdictions. The Puerto Rico MA program includes the nation's highest enrollment in MA Dual Eligible Special Needs Plans (D-SNPs) at more than 283,000, as well as over half of all Medicare End Stage

VÍVELO
VERDE

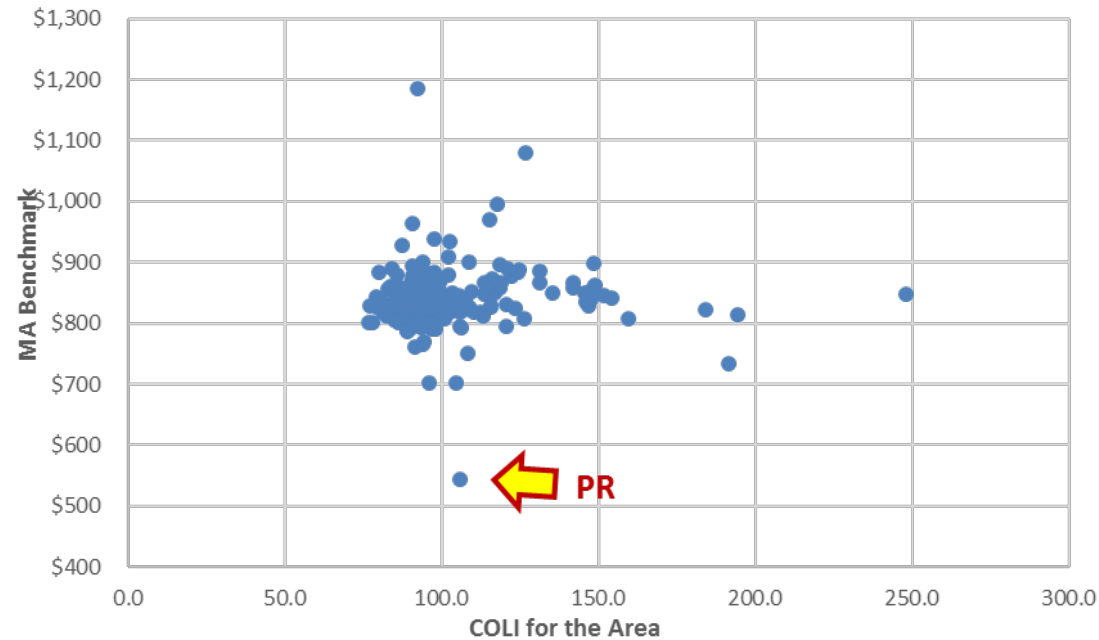
Puerto Rico Disparities

“Tie PR with similar areas in Cost of Living (COLI)”

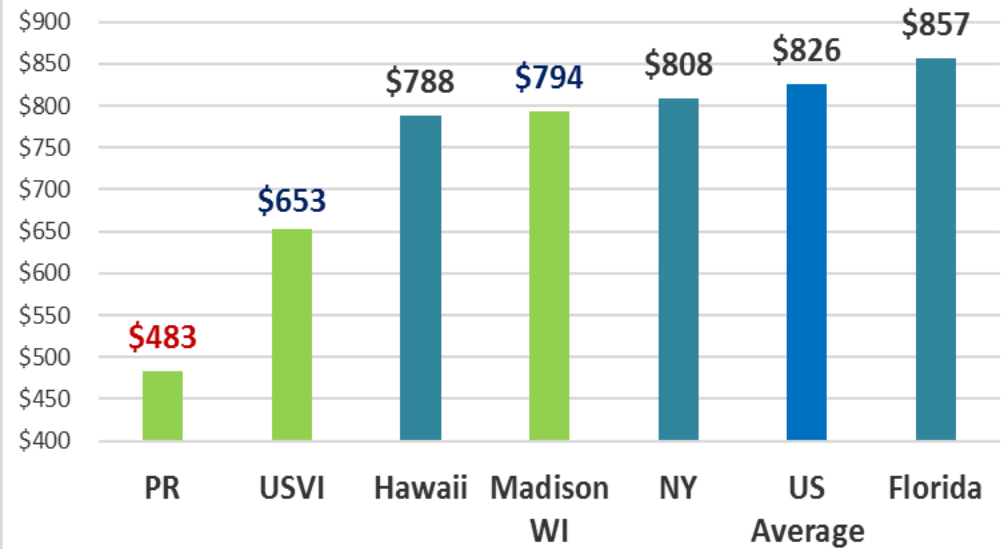


Puerto Rico Disparities

Relation between Cost of Living Index (COLI) and the MA Benchmarks 2018



Average MA Benchmarks 2018



**Only opportunity for meaningful progress for PR.
Over \$1 Billion annual – Possible with MA.**

Medicare FFS Does not Work in PR

The Moran Company Study Findings

- **Puerto Rico FFS Medicare Beneficiary Cost and Utilization Patterns Are Not Representative of Much Larger MA Population**
 - 90% of Medicare beneficiaries with Parts A&B enrolled in MA
 - MA is approx. 50% dual, FFS is approx. 10% dual
 - 30%+ FFS to MA switch rate in PR vs. 3%-5% in States
 - FFS has many more beneficiaries with zero claims
 - Selection bias
 - Risk adjustment only explains small portion of cost variation

Medicare Cost Savings

Scenario: 100,000 Medicare beneficiaries in US as result of PR migration

If, as a result of migration, the number residents of PR that move to the mainland reach 100,000 Medicare eligible, the table below illustrates cost differentials.

Medicare A&B (Distribution based on scenario in PR)			PR		Stateside	Florida		New York		National	
100,000	Portion	Beneficiaries*	PMPM**	Aggregate	Distribution	PMPM	Aggregate	PMPM	Aggregate	PMPM	Aggregate
FFS	10%	10,000	\$433	\$52,010,847	10,000	\$907	\$108,787,541	\$801	\$96,124,838	\$815	\$97,814,242
MA (non-dual)	44%	44,100	\$598	\$316,527,586	29,400	\$1,054	\$371,686,815	\$988	\$348,590,006	\$1,005	\$354,415,129
Cost of Part D LIS, Non-Duals			\$0	\$0	7,350	\$150	\$13,230,000	\$150	\$13,230,000	\$150	\$13,230,000
Duals	46%	45,900	\$950	\$523,260,000	60,600	\$3,164	\$2,300,860,800	\$4,218	\$3,067,329,600	\$2,988	\$2,172,873,600
Supplemental Security Income (SSI)			\$0	\$0	60,600	\$737	\$535,764,600	\$737	\$535,764,600	\$737	\$535,764,600
Total Costs				\$891,798,432			\$3,330,329,756		\$4,061,039,045		\$3,174,097,572
Annual Cost Difference							\$2,438,531,323		\$3,169,240,612		\$2,282,299,139
USVI Proxy for Puerto Rico MA											
Non-Duals			\$787	\$416,677,968							
Duals			\$1,251	\$688,821,207							
Total Cost with Proxy				\$1,157,510,022			\$3,330,329,756		\$4,061,039,045		\$3,174,097,572
Annual Net Cost Difference							\$2,172,819,734		\$2,903,529,023		\$2,016,587,550

What's Next?

URGENT ACTION

December 2017

- ASK HHS and CMS to take action and propose a proxy for MA rates in PR that are at least USVI levels.
 - \$1B incremental to PR, ONLY means to push system FWD
 - Community, PR Government, Congress, Everyone
- PUSH for Congressional action to avoid Medicaid cliff
 - Approx \$100M per month, double+ if FMAP at 100%