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Private sector to spotlight challenges in Puerto Rico Health Insurance Conference

By *Caribbean Business* on April 3, 2019



Jim O'Drobinak, CEO of MCS (Courtesy)

MCS to propose solutions to 'underfunded industry'

SAN JUAN – Stressing that Puerto Rico's healthcare system is in crisis, and resolving its problems "is critical to addressing the island's overall economic recovery," MCS, the health and life insurance and Medicare Advantage plan provider, said Wednesday that it seeks to address the challenges stemming from federal underfunding, and that the insurer is part of an industry that is looking into "creative" managed-care models, "bending the cost curve" and pursuing "policy changes aimed at improving provider compensation, quality care and funding for Puerto Rico's healthcare programs."

MCS CEO Jim O'Drobinak, MCS Life Insurance Co. & MCS Advantage Inc. President Roberto Pando and Pharmacy Executive Vice President Dr. Carolyn Rodríguez will join other industry executives at the 2019 Puerto Rico Health and Insurance Conference hosted by the Puerto Rico Chamber of Commerce, to discuss the issues affecting the industry and the strategies to address them.

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underfunding, the importance of accurate metrics for the Puerto Rico healthcare cause; and the Federal government administration's Blueprint and its implications for pharmaceutical coverage in the U.S. Mainland versus Puerto Rico."

O'Drobinak said he will focus on the managed-care model's "potential to significantly improve access to healthcare" for the senior population. "It may also have the potential to reduce program costs. However, these goals can only be achieved if federal payment rates are set at appropriate levels. And that's where the huge problem resides."

The insurer said in a release that while the Centers for Medicare and Medicaid Services (CMS) Medicare Advantage (MA) 2020 Call Letter "appears" to maintain MA payments in Puerto Rico at their current levels, "fundamental changes are still needed to eliminate long-standing federal funding inequities for the island's health care system."

O'Drobinak explained that MA "serves over 585,000 beneficiaries on the island, including 280,000 dual-eligible (also with Medicaid). However, MA payment rates have gone from 24% below the national average in 2011 to 43% below the average in 2019," the release reads.

"Three in four senior citizens in Puerto Rico rely on Medicare Advantage for their health care. Therefore, it is a vital program to ensure seniors can access the care they need. While we appreciate CMS' previous efforts to improve the treatment of providers and plans in Puerto Rico under Medicare payment formulas, we urge CMS' leadership to provide a permanent solution for Puerto Rico's underfunding crisis. Doing so will better protect seniors' access to care, fortify Puerto Rico's health care infrastructure, and provide much-needed stability to the island's economy," O'Drobinak said.

Conference participants will also delve further into the federal government administration Blueprint's implications for pharmaceutical coverage on the island. Dr. Rodríguez will moderate a panel on how the Blueprint "seeks to lower drug prices and reduce out-of-pocket costs," MCS wrote, adding that, from the "private sector's point of view," Rodríguez said it represents a "major operational challenge for insurance companies to implement Blueprint requirements, as it would entail the restructuring of a huge portion of the industry, which could take years," she added.

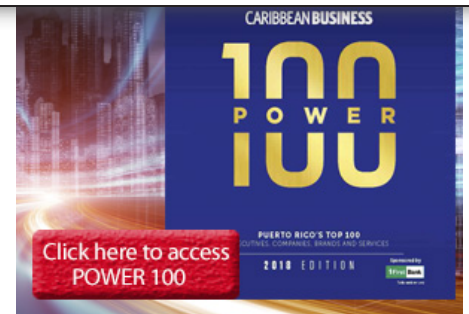
"Facing this scenario, we will discuss the Trump administration proposals regarding price transparency, the pharmaceutical industry position regarding this topic, how drug wholesalers will tackle the drug pricing issue and what will be the actual impact to patients in Puerto Rico," Rodríguez said.

The insurer explained that prescription drug coverage for millions of elderly people falls under Medicare Part D, which is delivered by private insurers and pharmacy benefit managers who have to negotiate prices with drug manufacturers.

Also at the Friday conference, Pando's panel will not limit the discussion to the healthcare landscape but will explore health data-related issues, and was quoted as saying that "although the Federal Health Reform has made it a huge challenge to deliver cost-effective healthcare products and services, better data and metrics could positively affect Puerto Rico's treatment under CMS programs."

O'Drobinak added that "if we could fix healthcare funding disparities and finally have access to the same amount of financing as the U.S. mainland, we could implement cutting-edge innovations in the Puerto Rico marketplace with a focus on, for example, illness prevention, which could lead to significant cost-effectiveness. With better funding, we could implement additional wellness and clinical management programs targeted at helping people prevent disease and improve their quality of life. This will trigger a domino effect that in the end will result in more retention, feasible cost-effective products and services and a possible bending of the cost curve, while creating a healthier society."

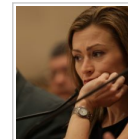
MCS stressed that conference attendees "must brace themselves for a deep industry transformation and new challenges for 2020."



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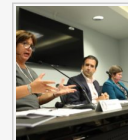
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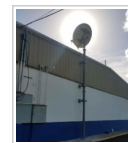
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