



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

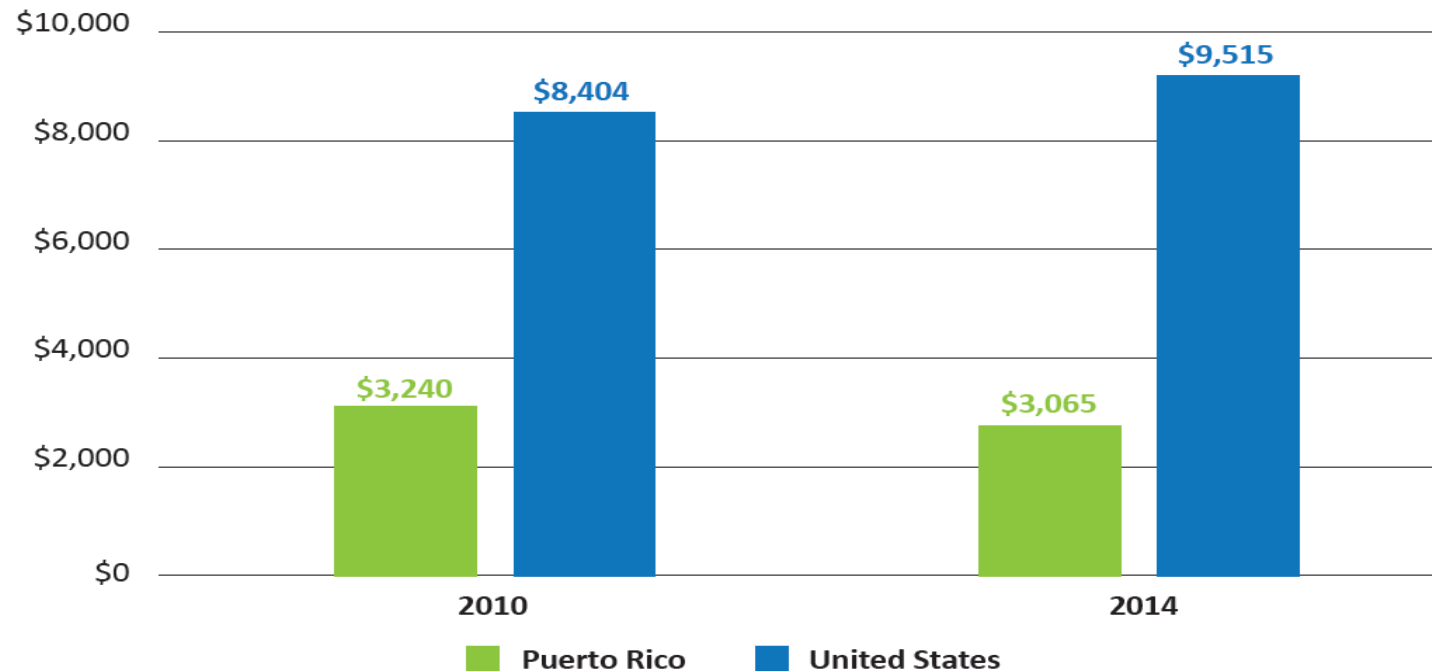
The logo for the Health & Insurance Conference 2017 is positioned on the left side of the banner. It features a stylized blue graphic of a person's arm and hand, with a red dot above it. The text "PUERTO RICO" is in a black, serif font, "Health & Insurance" is in a blue, serif font, and "CONFERENCE 2017" is in a black, serif font.

PUERTO RICO Health & Insurance CONFERENCE 2017

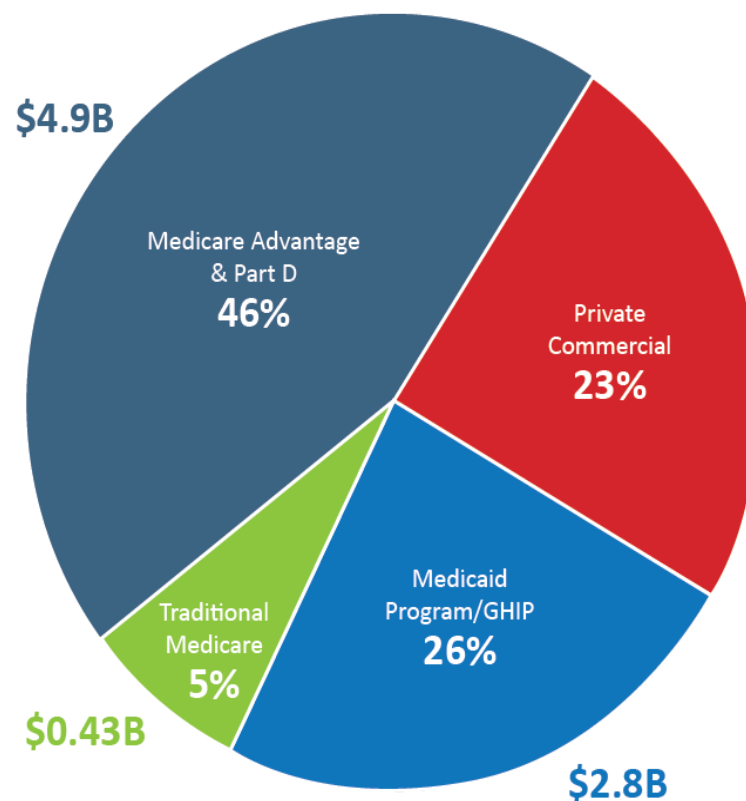
Beyond ObamaCare: Evolution and Changes for Healthcare in Puerto Rico

Roberto Pando, MS, JD
President
MCS Advantage, MCS Life

Healthcare Spending in Puerto Rico vs. U.S. (Annual Per Capita Expenses)



Estimated Distribution of Healthcare Resources in 2016



Revenue Per Member Per Year / Per Month

Medicare Advantage \$8,400 / \$700

Medicaid / Mi Salud \$2,000 / \$700

Commercial \$1,900 / \$158

Medicaid Breakdown

PR (47%) \$1.2B

ACA \$1.1B

Medicaid CAP \$0.3B

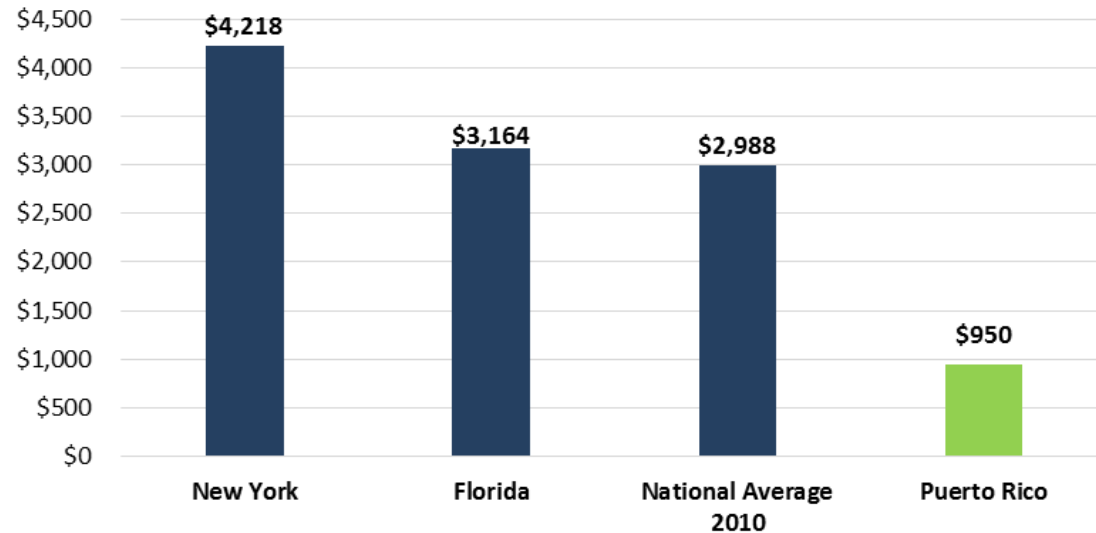
CHIP, Other \$0.2B

Total \$2.8B



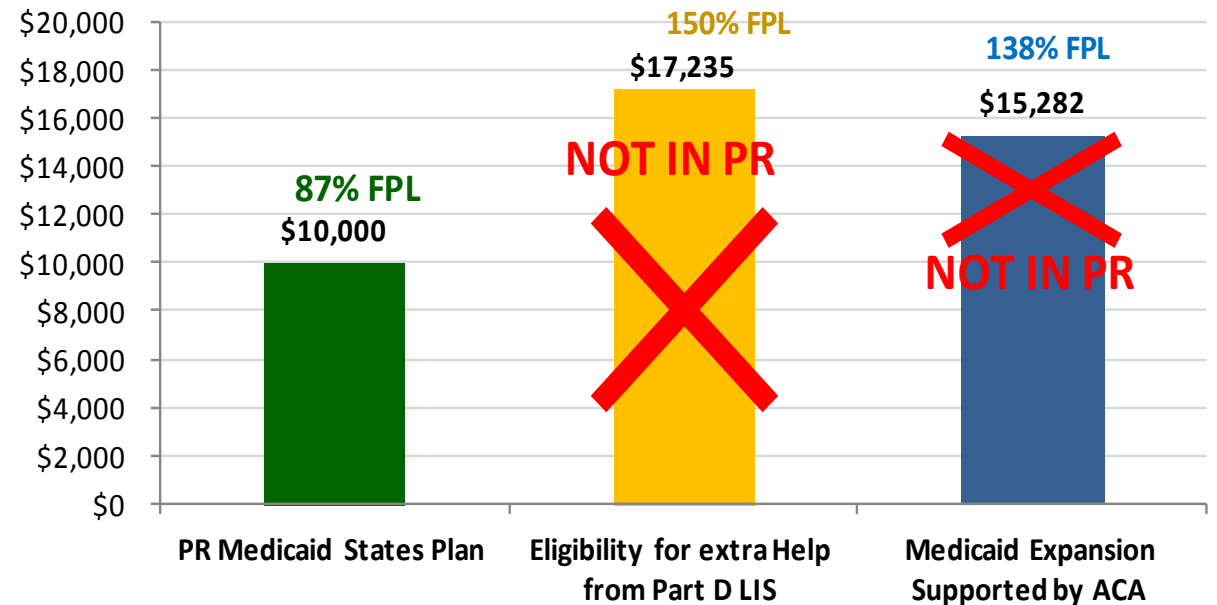
Exercise B: Medicare Cost Savings

Average Monthly Spending for Full Dual Eligible Beneficiaries
(Based on Medicare-Medicaid Coordination Office profiles 2011 Excel Data for Full Duals and Medicare Platino estimates for PR)

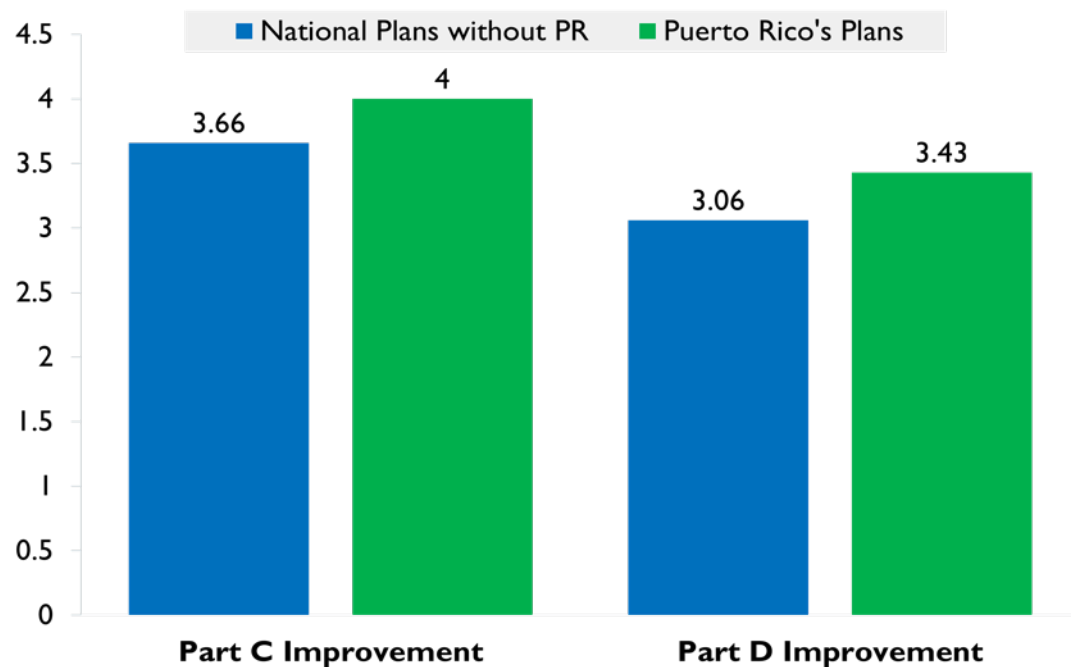


Funding for dual eligible beneficiaries averages \$1,800 more per month in the states.

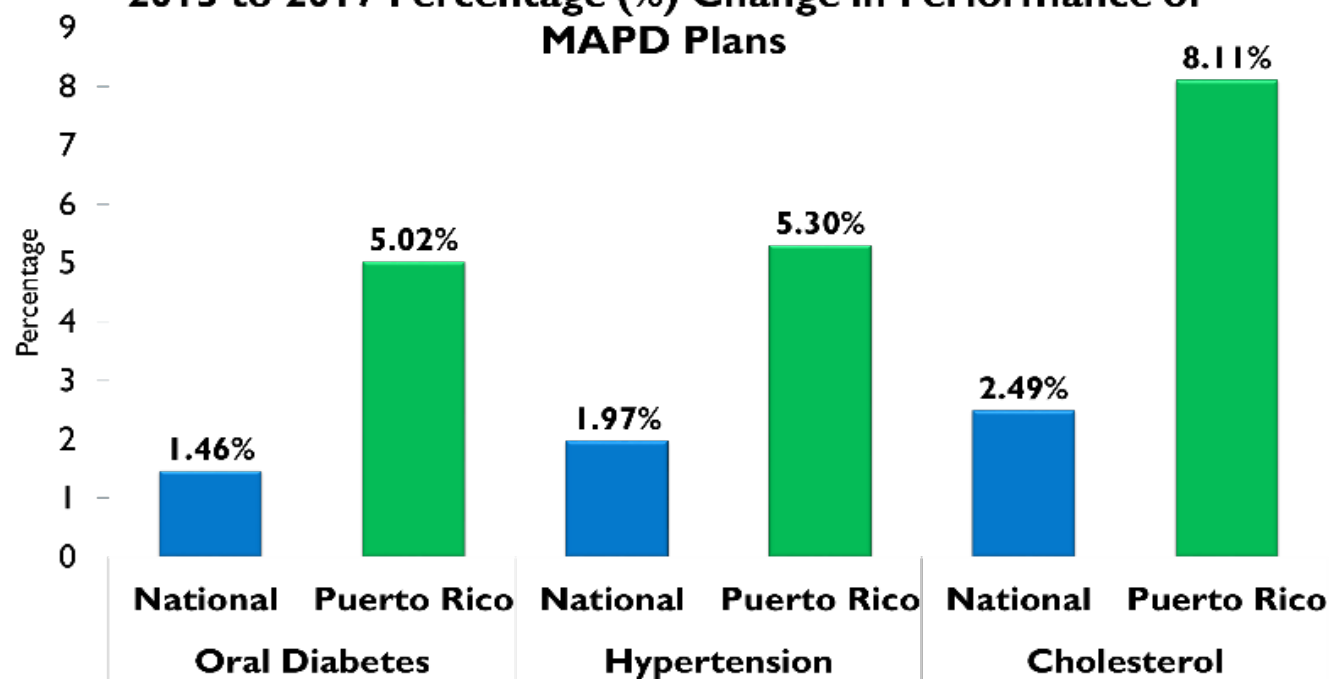
Medicaid Eligibility Level for Medicare Beneficiaries in Puerto Rico
Many Exclusions - NO Part D LIS, NO Medicaid Expansion to 138% FPL



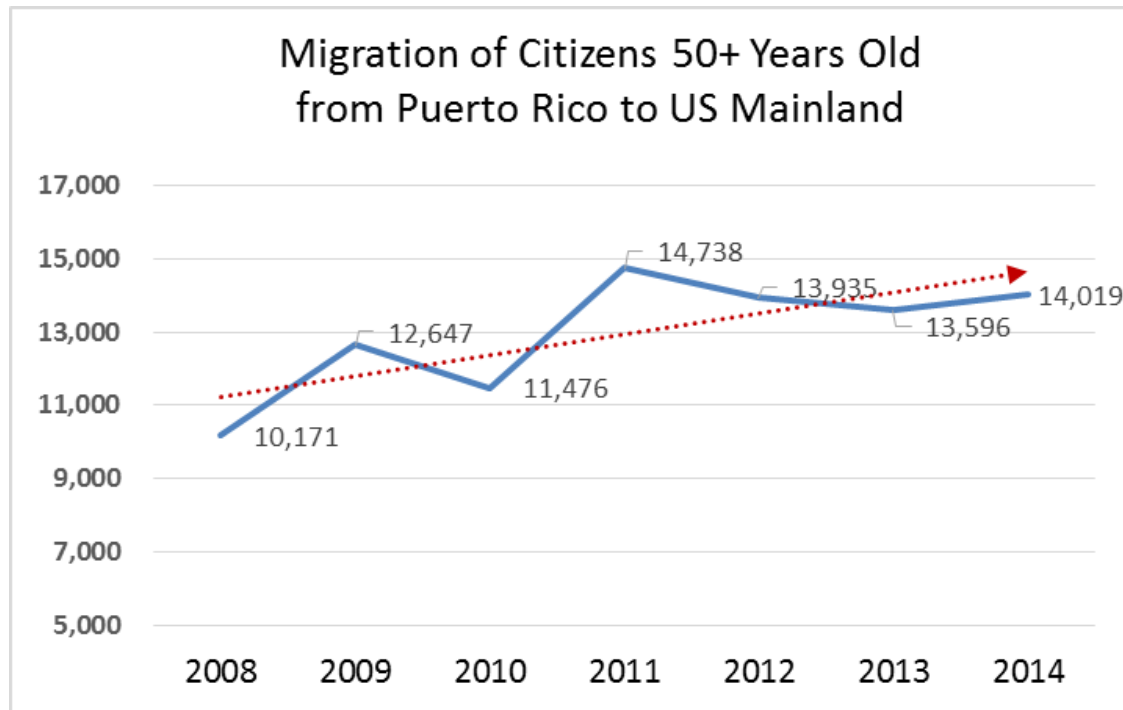
Average Rating for Part C and D Stars Improvement Measures in 2017: PR & National



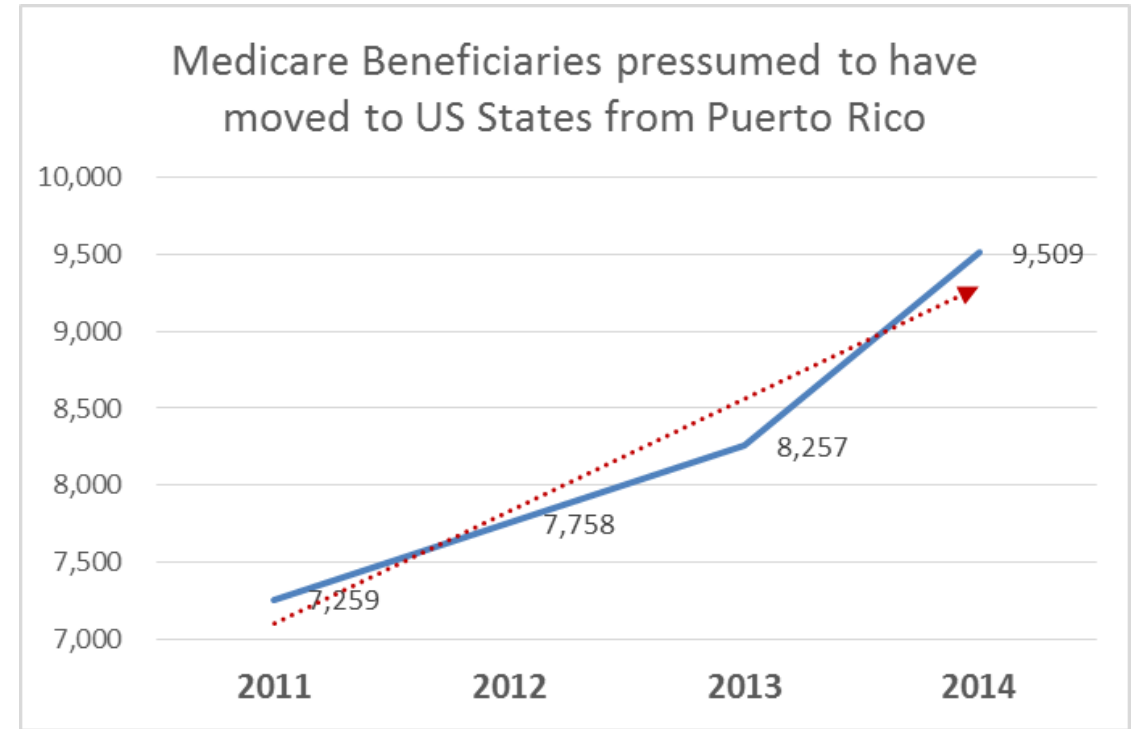
National and Puerto Rico Only Medication Adherence 2015 to 2017 Percentage (%) Change in Performance of MAPD Plans



Medicare Cost Savings



Source: American Community Survey, US Census Bureau



Source: Puerto Rico 100% data file provided by CMS to The Moran Group on August 2016.

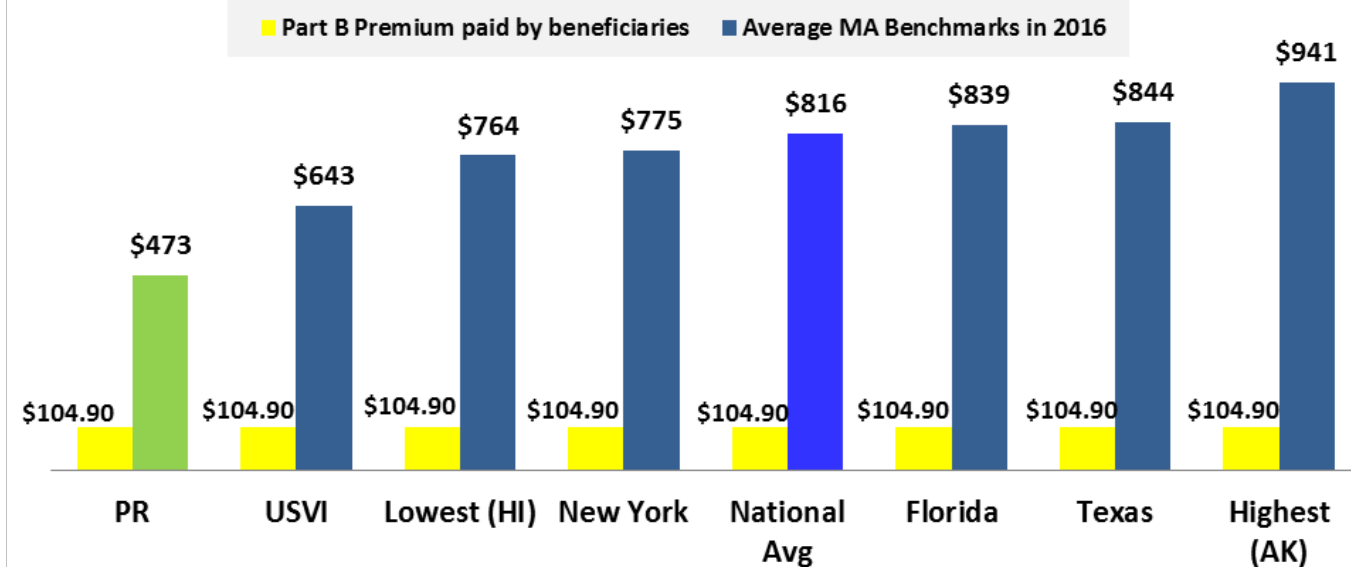
- Based on the revised ACS and Medicare data from CMS, we estimated Federal program costs based on the migration of 10,000 Medicare beneficiaries per year from Puerto Rico to the US Mainland.

Medicare Cost Savings

PR 2017 Medicare Advantage Benchmarks

Data from MA Ratebook 2017

(*ALL Beneficiaries - incl those residing in PR - pay Medicare TAX "FICA")



Funding for MA Benefits for every \$1.00 dollar of Part B Member Premium Paid by Beneficiary

	PR	USVI	Lowest (HI)	New York	National Avg	Florida	Texas	Highest (AK)
Paid by Beneficiary	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Medicare Funding	\$4.51	\$6.13	\$7.29	\$7.39	\$7.78	\$8.00	\$8.05	\$8.97

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		Florida		New York		National	
100,000	Beneficiaries	PMPM	Aggregate	PMPM	Aggregate	PMPM	Aggregate	PMPM	Aggregate
FFS (10%)	10,000	\$412	\$49,440,000	\$851	\$102,081,152	\$710	\$85,143,968	\$793	\$95,199,468
MA (44%)	44,000	\$473	\$249,885,748	\$839	\$442,899,167	\$775	\$409,228,359	\$816	\$430,989,802
Cost of Part D LIS, Non-Duals (23%)	23,000	\$0	\$0	\$150	\$41,400,000	\$150	\$41,400,000	\$150	\$41,400,000
Duals (46%)	46,000	\$950	\$524,400,000	\$3,164	\$1,746,528,000	\$4,218	\$2,328,336,000	\$2,988	\$1,649,376,000
Supplemental Security Income (SSI) (46%)	46,000	\$0	\$0	\$737	\$406,686,000	\$737	\$406,686,000	\$737	\$406,686,000
Total Costs		\$823,725,748		\$2,739,594,319		\$3,270,794,326		\$2,623,651,271	

Annual Cost Difference

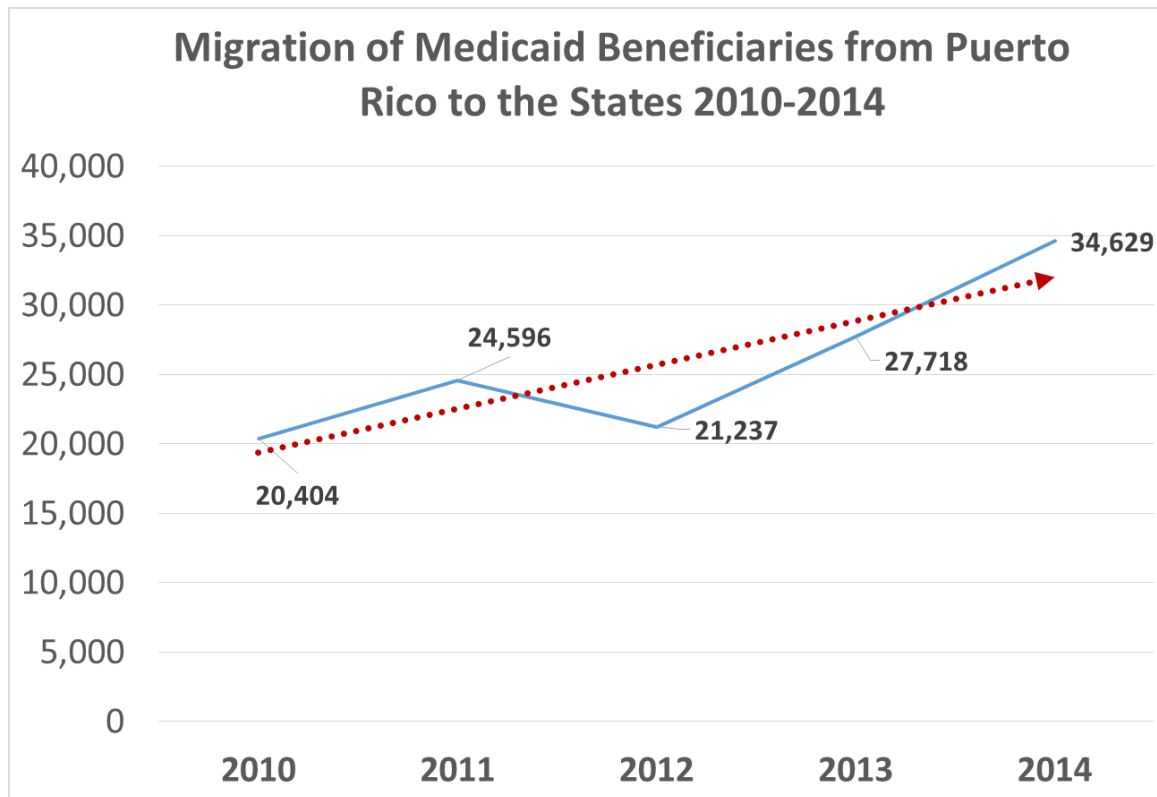
\$1,915,868,571

\$2,447,068,579

\$1,799,925,523

*Per Member Per Months (PMPM) costs based on CMS Ratebook 2017 data for beneficiaries at 1.0 risk, and no bonus. Final MA payment would vary given retention of MA rebate CMS and risk score adjustments. Still, we assume the standardized MA benchmarks are the best estimates to be used for comparison between jurisdictions. Dual eligible costs include Medicare+Medicaid data in the Medicare Medicaid Coordination Office state profiles (excel files) for full benefit duals and MA+PD+ASES Platino data, As additional reference total average costs of all duals from June 2016 Data Book, Chapter 4, MedPac (\$30,600). SSI impact based on average SSI income per eligible person in US (\$8,841) from the American Fact Finder data, US Census Bureau, American Community Survey 2011-2013. Part D LIS additional costs added for beneficiaries between 85% FPL and 150% who are not eligible to the dual (Medicaid) Medicare Platino program in PR.

Medicaid Cost Savings



Source: American Community Survey, US Census

- As of 2014, it is estimated that 1,886,200 beneficiaries participate in the Medicaid program in the states.
- Total migrants from PR with Medicaid in the states are 128,584 from 2010 to 2014.

Medicaid Cost Savings

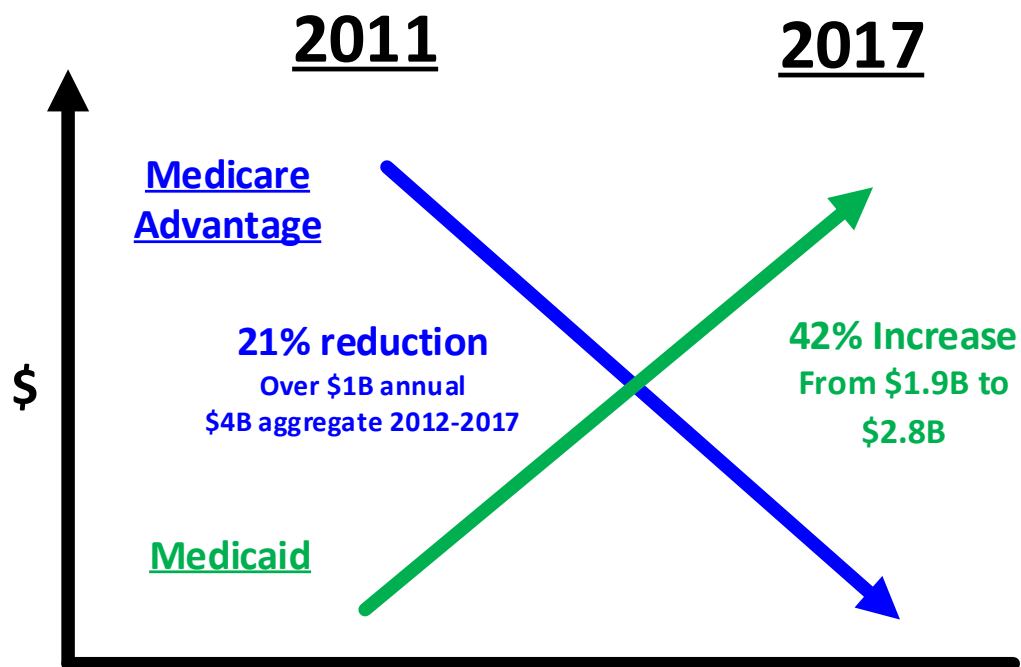
States	Medicaid expenditures 2010-2025 (million)	Federal expenditures 2010-2025 (million)	State expenditures 2010-2025 (million)
Florida	\$7,736	\$4,548	\$3,188
Texas	\$304	\$178	\$125
Massachusetts	\$4,173	\$2,087	\$2,087
New York	\$3,413	\$1,707	\$1,707
New Jersey	\$1,526	\$763	\$763
Pennsylvania	\$3,804	\$2,036	\$1,768
Connecticut	\$2,342	\$1,171	\$1,171
California	\$402	\$201	\$201
Georgia	\$227	\$149	\$77
Other states	\$6,463	\$3,855	\$2,608
Total	\$30,390	\$16,695	\$13,695

- The Federal Government would spend over \$12B more in Medicaid between 2010-2025 for the Puerto Ricans that are migrating to states.

rants in Medicaid during 2010-2014 remain in the program
 n United States until 2025.
 based on PMPM FY2014. <<http://kff.org/medicaid/state-indicator/federal-matching-rate-and-multiplier/>>



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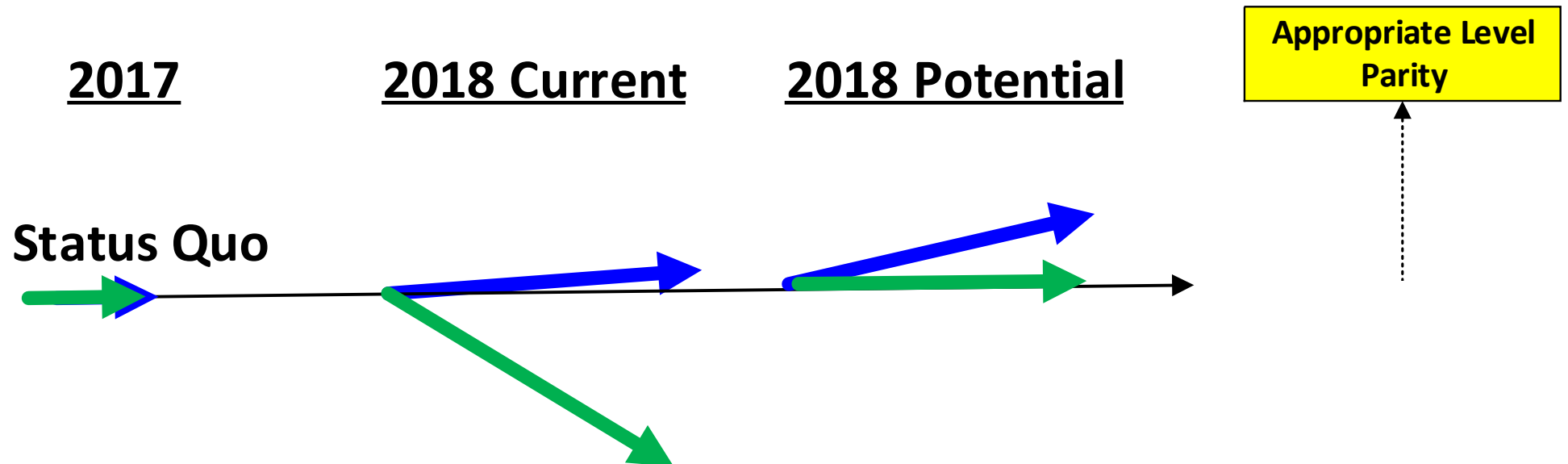
Appropriate Level
Parity

High Point of Both Programs

“Sin la sogá ni la cabra”

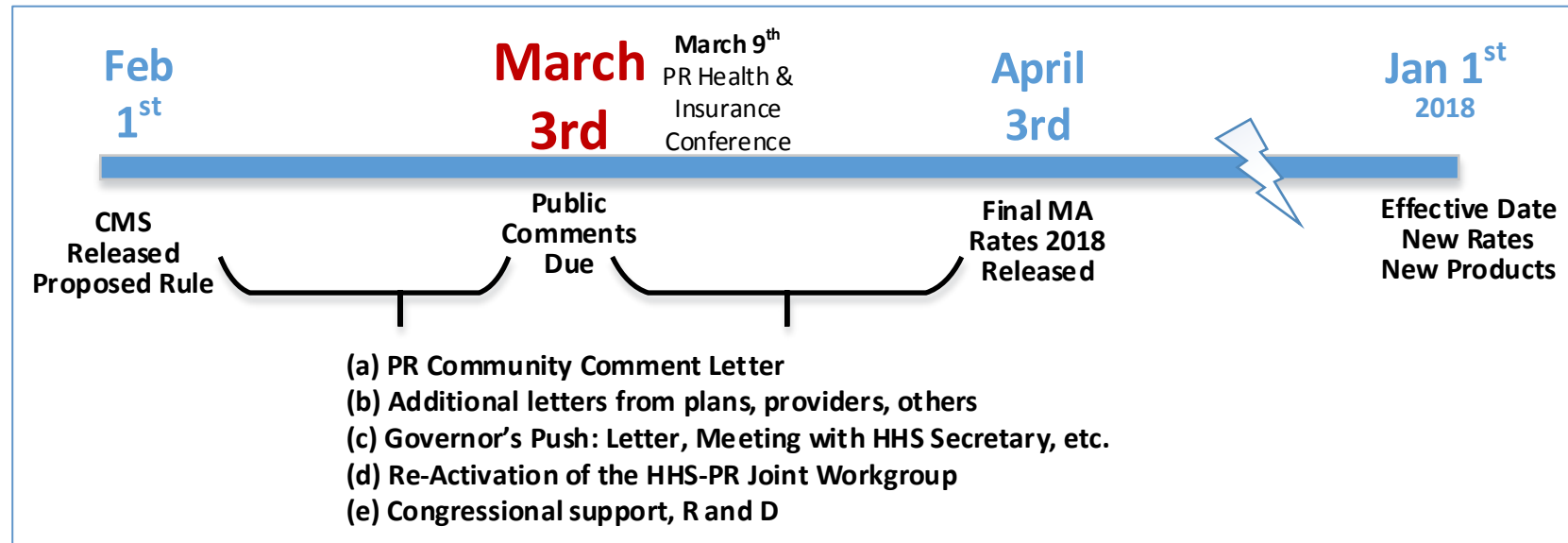
In the Short Term
The Only Way to Get Incremental Funding for
Healthcare in Puerto Rico

Medicaid Medicare Advantage



IT IS ABOUT TIMING & VEHICLES

Administrative



LEGISLATIVE

(A) Repeal and Replace, (B) Budget Bill – April 28, (C) Extenders (SCHIP, SNP)



Thank You

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