





# The Puerto Rico Chamber of Commerce, Birling Capital Advisors, LLC and El Nuevo Día present

**SPREADESA CONTENDED Richard Shinto, M.D., M.B.A. CEO of Innovacare Health Solutions President and CEO of MMM Holdings, LLC** February 22, 2019



# InnovaCare/MMM Holdings

- InnovaCare Health Solutions
  - Overview
    - \$3.29B Revenue
    - 598, 000 Members
  - MMM Holdings
    - Health Plans- MMM, PMC, MMM Multihealth, First Plus
    - Medicare Advantage
      - 234,000 Members, 10<sup>th</sup> largest MA health plan in U.S.
    - Medicaid
      - 280,000 Members
  - Florida
    - MMM of Florida
      - First AEP 2019

- Orlando Family Practice
  - 100,000 Members
  - 16 clinics in Greater Orlando Area

# Did you know?

#### **National Facts**

- National Health Expenditure Grew 3.9% to \$3.5 Trillion, or \$10,739 per person or 18% of the GDP
  - Most Industrialized Countries Spend <\$5,000 on a per capita basis
- Health Care spend as a Percent of the Total NHE
  - Medicare is 20%, or \$705.9B
  - Medicaid is 17%, or \$581.9B
  - Private Health Insurance is 34%, or 1,183.9B
- Federal Health Care Spend has Grown 200% since 2000, while the Economy has only grown 90%
- Health Care spend is Unsustainable and Heading Toward Insolvency

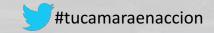
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#### **Puerto Rico**

- Puerto Rico's per capita spend is \$3,300.
- 62% of all Puerto Ricans receive some form of Federal Subsidized Health Care
- Medicare
  - 75% of Medicare Enrollees are in Medicare Advantage (30% on the Mainland)
  - Federal Funding is 43% below the National Average
  - Puerto Rico is 25% below the USVI's Federal Funding
- Medicaid
  - Ranks last in Medicaid Funding Levels as Compared to the Mainland
  - Medicaid Enrollment is 40% of the Population. The Highest Percentage in the Country
  - Puerto Rico receives the Lowest Federal per capita Medicaid Spending
  - Only State or Territory that receives Medicaid Block Grant Funding

# Yet, We Have These Results:

- 95% of all Puerto Ricans are Insured. Highest in the U.S.
- >95% of Medicare Advantage Beneficiaries in Puerto Rico are in a 4 Star or higher health plan. Highest in the U.S.
- Governor Rossello started "Vital", the new Medicaid Health Insurance to address the needs of the High Risk, High Needs Population
- Puerto Rico has Existed on a Block Grant since 1966
- Puerto Ricans have a higher life Expectancy than the Average Person on the Mainland



How?

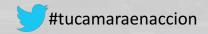
# "Doing More with Less"

#### PROs

- Historical Experience in Managed Care
- Aggressive Alignment between Health Plans, Providers, and Hospitals
- Benefit Design that drives real changes
- Providers that understand process to drive outcome
- Health Plans that create real discipline in Quality and Compliance
- Achieving a per capita spend that is inline with World Healthcare Spend

#### CONs

- Longer Life Expectancy, but higher Prevalence of Co-morbidities
  - Diabetes
  - Heart Disease
  - Mental Illness
- Federal Government has created a "live with less" attitude towards Puerto Rico.
- Territorial status presents a challenge to social fairness



#### Outlook for Puerto Rican Health Care is Good, But Challenging

#### Challenges

- Federally- Puerto Rico needs more Economic Funding:
  - Statutory Release of the \$500M in Appropriated but unspent funding for Medicaid that is Expiring in September 2019
  - Five year bridge funding to align with Oversight Board Budgetary Requirement
  - Finding a Permanent Solution to the Funding Disparity in Medicare Advantage
  - PRIMA ACT (HR 6809)
    - Make adjustments to the MA payment formula
    - Incentivize physicians to stay and/or return
  - Locally- the Government needs to work more Cooperatively with the Private Sector
    - Vital continues to Struggle Administratively, while the health plans continue to support it
    - More Programs to Incentivize Physicians to stay



#### **Opportunities**

- Puerto Rico is an Important Key to Solving the U.S. Government's Health Care Crisis
  - Puerto Rico per Capita Spend is 50% of the U.S.
  - Puerto Rico has the Highest Concentration of Medicare and Medicaid Beneficiaries as a Percentage of the Population
  - Puerto has been in risk-based Managed Care for > 25 years
    - Mandatory Medicaid since 1994
- Puerto Rico's Demographics make it Important in Developing and Designing New Models of Care

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- Innovation is part of Puerto Rican Health Care
  - Health Plans Continue to be Challenged with "Doing more with Less"
  - Stakeholders are more Aligned and Understand Managed Care
  - Great Investment Opportunities for Health Care Innovation

# **Operation Bootstrap:**

# "One Century of Economic Development.....Achieved in a Decade"

#### **The Economist**





# Thank you

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