



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

3rd PR MESA Conference

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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, 10th 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
- 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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