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1913-2023

CEOS Y PRINCIPALES INDUSTRIAS

Puerto Rico Healthcare Segment

MC-Rx
Powered by ProCare Rx

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President, MC- Rx



Agenda

- Who We Are
- Market Trends
- Puerto Rico Healthcare Key Factors
Impacting the System
- The Impact
- Potential Solutions

Who We Are

- MC-Rx, formerly MC-21, was established in 1998 in Caguas, Puerto Rico, as the island's very first local Pharmacy Benefits Manager (PBM).
 - In 2018, MC-Rx became a national PBM with a combined business presence of 50 years of managing 10 million members' prescription drug benefits in the United States and Puerto Rico.
 - We serve commercial health plans, Medicaid and Medicare/PACE programs, dynamic health systems, private label PBMs, 340B and workers compensation administrators, cash discount card sponsors, complex TPAs, employer groups, unions, hospices, and many others.
 - We create and manage PBM solutions tailored to the needs of our clients, while providing stability, transparency, and uncompromising service quality.



MARKET TRENDS

the global level, in major country groups and in
October each year.

to find data on national accounts, inflation, and
and country groups (aggregates), and com

from 1980 to the present, and projections
for selected indicators. For some c

of uncertainty in current global econ

se indicators: real GDP growth, con

d fiscal balance. Projections for the

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ember 2019, which was previously c

20 the United Kingdom is no lon

Vertical Business Relationships - 2023



1. Since 2021, Prime's Blue Cross and Blue Shield plans have had the option to use Express Scripts or AllianceRx Walgreens Pharmacy for mail/specialty pharmacy services. IN Dec. 2021, Walgreens purchased Prime Therapeutics' 45% ownership interest, so this business had no PBM ownership as of 2022. Effective June 2022, the company was rebranded as AllianceRx Walgreens Pharmacy.

2. Centene has announced that it would outsource its PBM operations to Express Scripts in 2024. In 2023, Centene rebranded its pharmacy benefit subsidiary as Centene Pharmacy Services.

3. In 2021, Centene sold a majority stake in its U.S. Medical Management to a group of private equity firms.

4. Since 2020, Prime has sourced formulary rebates via Ascent Health Services. In 2021, Humana began sourcing formulary rebates via Ascent Health Services for its commercial plans.

5. Previously known as Evernorth Care Group and Cigna Medical Group.

6. In 2021, Cigna's Evernorth business acquired MDLive.

7. In 2022, Cigna invested \$2.7 billion for an estimated 14% ownership stake in VillageMD. Walgreens owns a majority of VillageMD.

8. In September 2022, CVS Health announced its acquisition of Signify Health. In February 2023, CVS announced its acquisition of Oak Street Health. Both transactions closed in 2023.

9. Previously known as IngenioRx.

10. In 2021, Partners in Primary Care and Family Physicians Group businesses were rebranded as Centerwell Senior Primary Care.

11. In 2022, Kindred at Home was rebranded as CenterWell Home Health. In 2022, Humana announced an agreement to divest its majority interest in Kindred at Home's Hospice and Personal Care Divisions to Clayton, Dubilier & Rice. Humana also announced plans to close a majority of its SeniorBridge home care locations.

Source: *The 2023 Economic Report on U.S. Pharmacies and Pharmacy Benefit Managers*, Exhibit 234. Companies are listed alphabetically by corporate name.

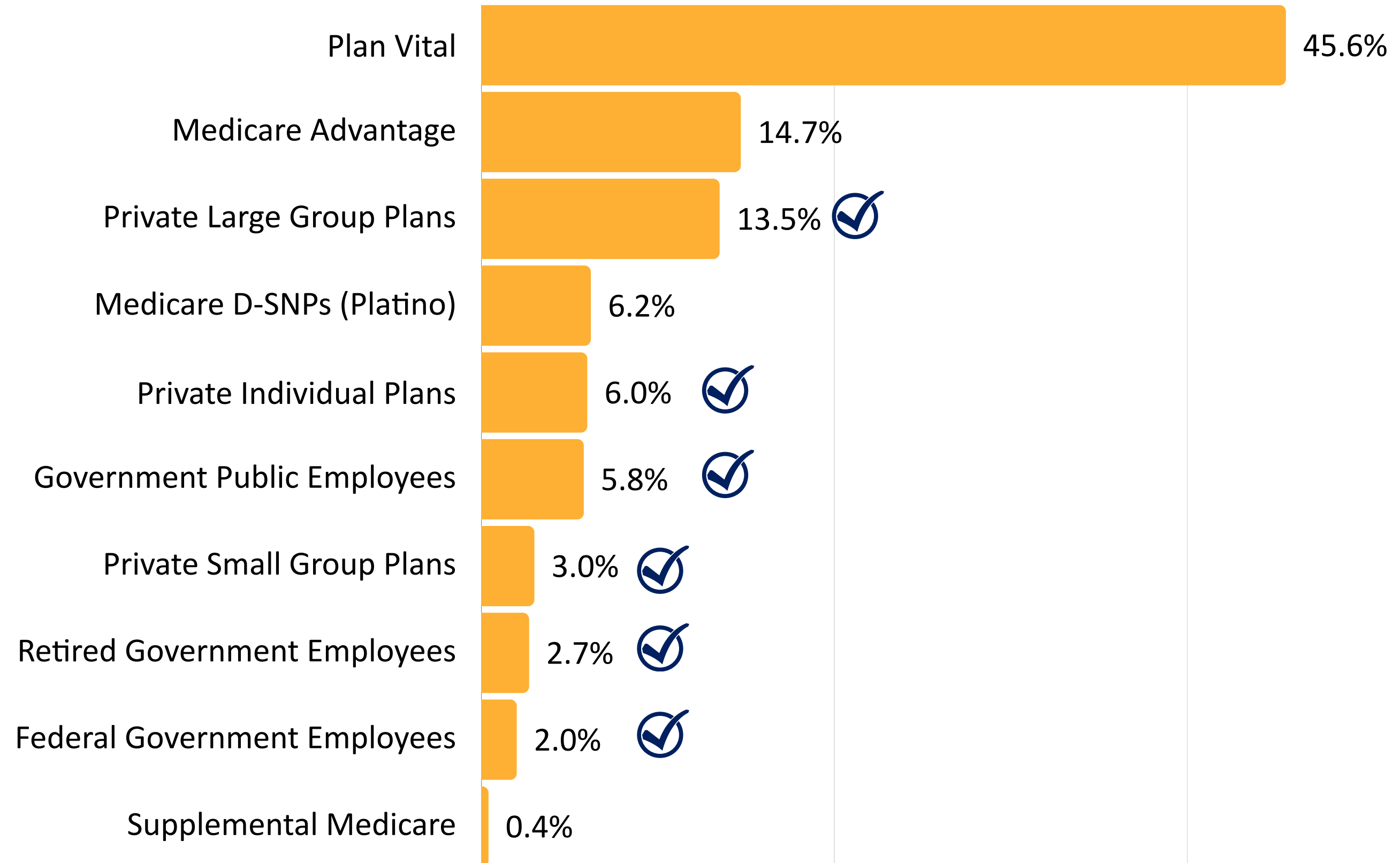
Market by Segment

Distribution of Ensured Lives by Coverage Type - 2022

33%

Private Plans

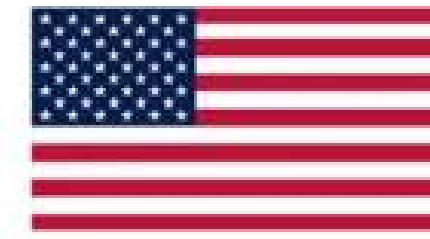
- You and your Employees
- The Workforce of P.R.
- Maintain the Economy
- The Future of P.R. with or without health?



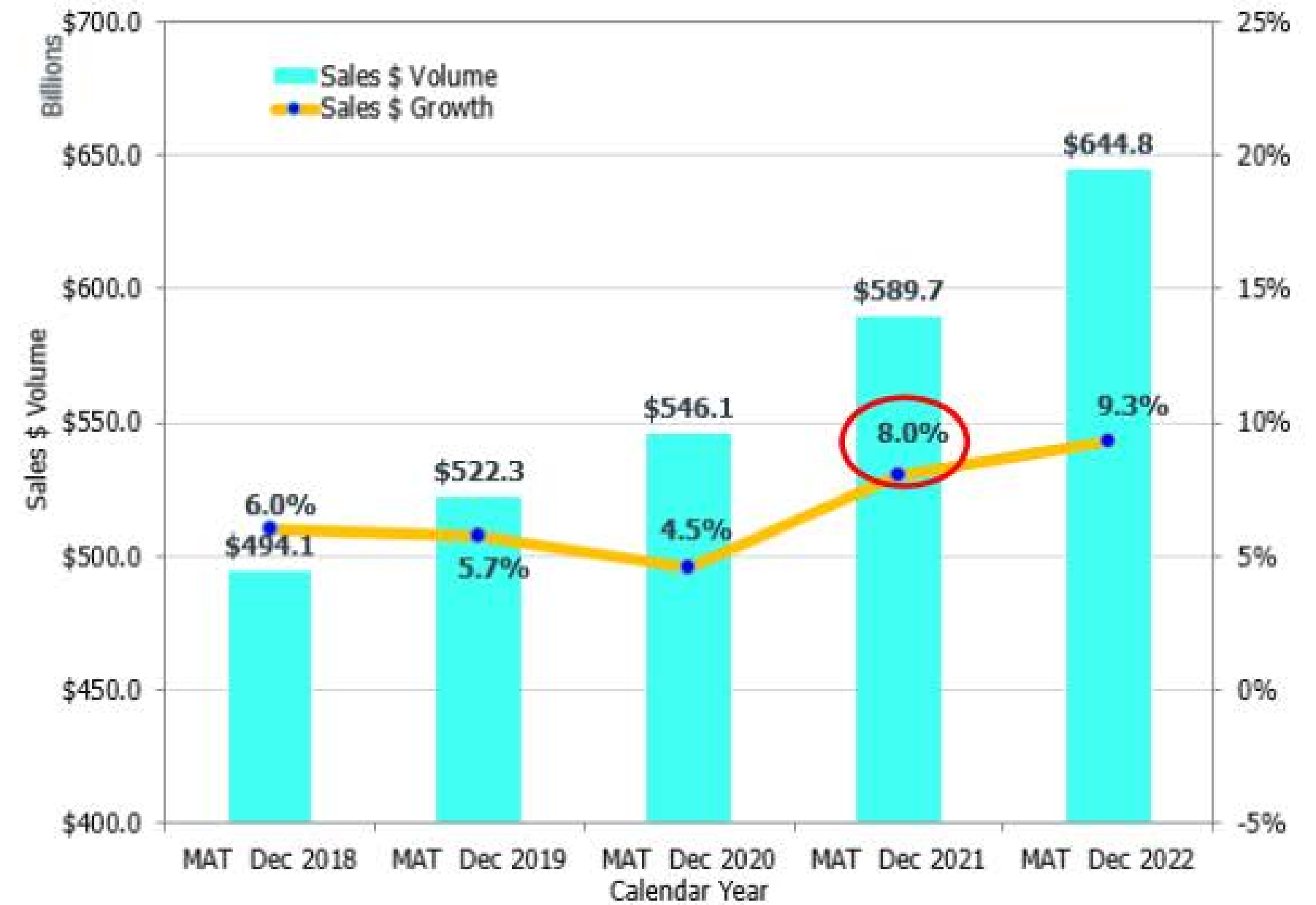
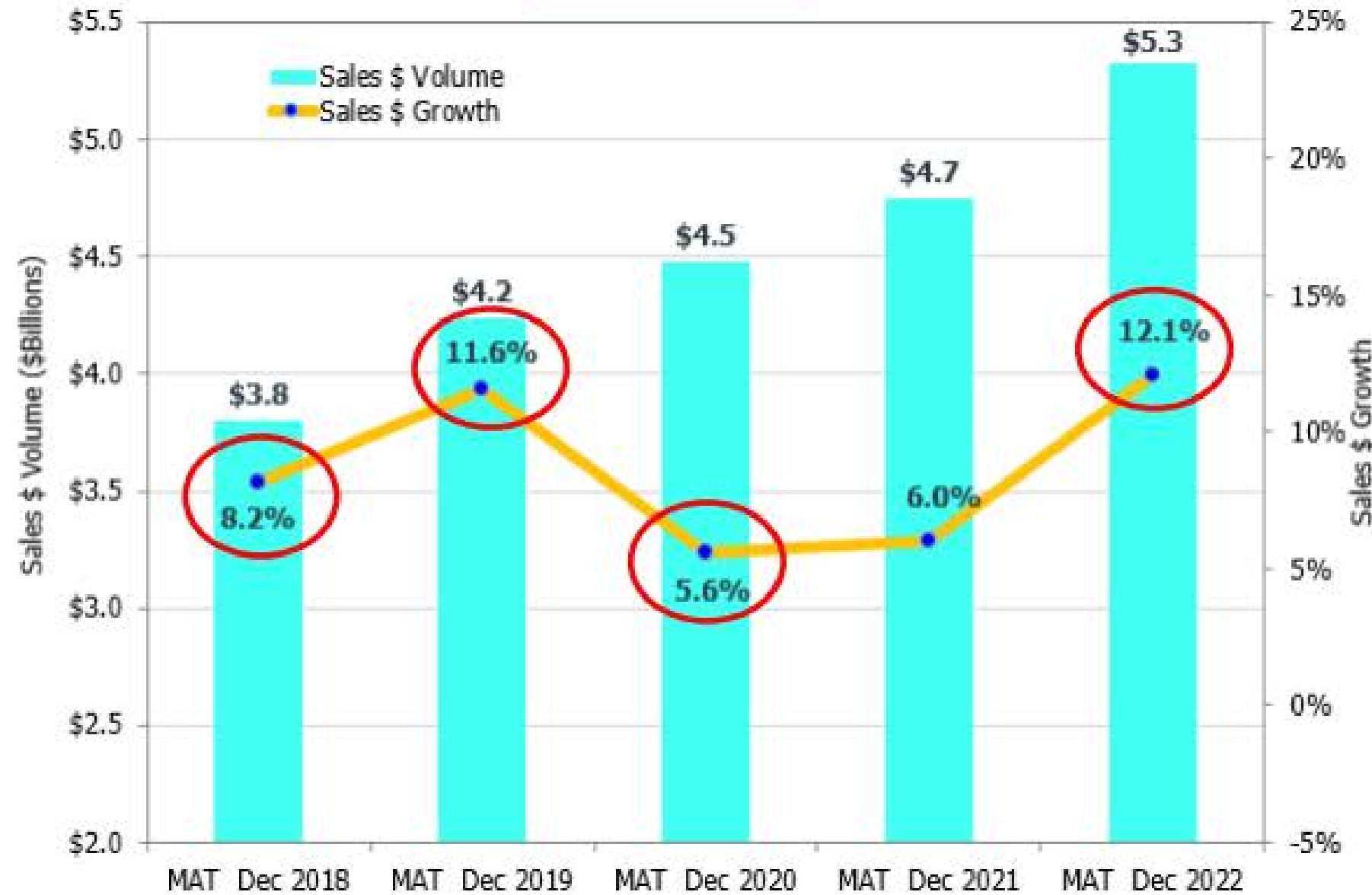
Puerto Rico v. USA Growth 2018 - 2022



1 YR: +12.1%
5 YR: +52%



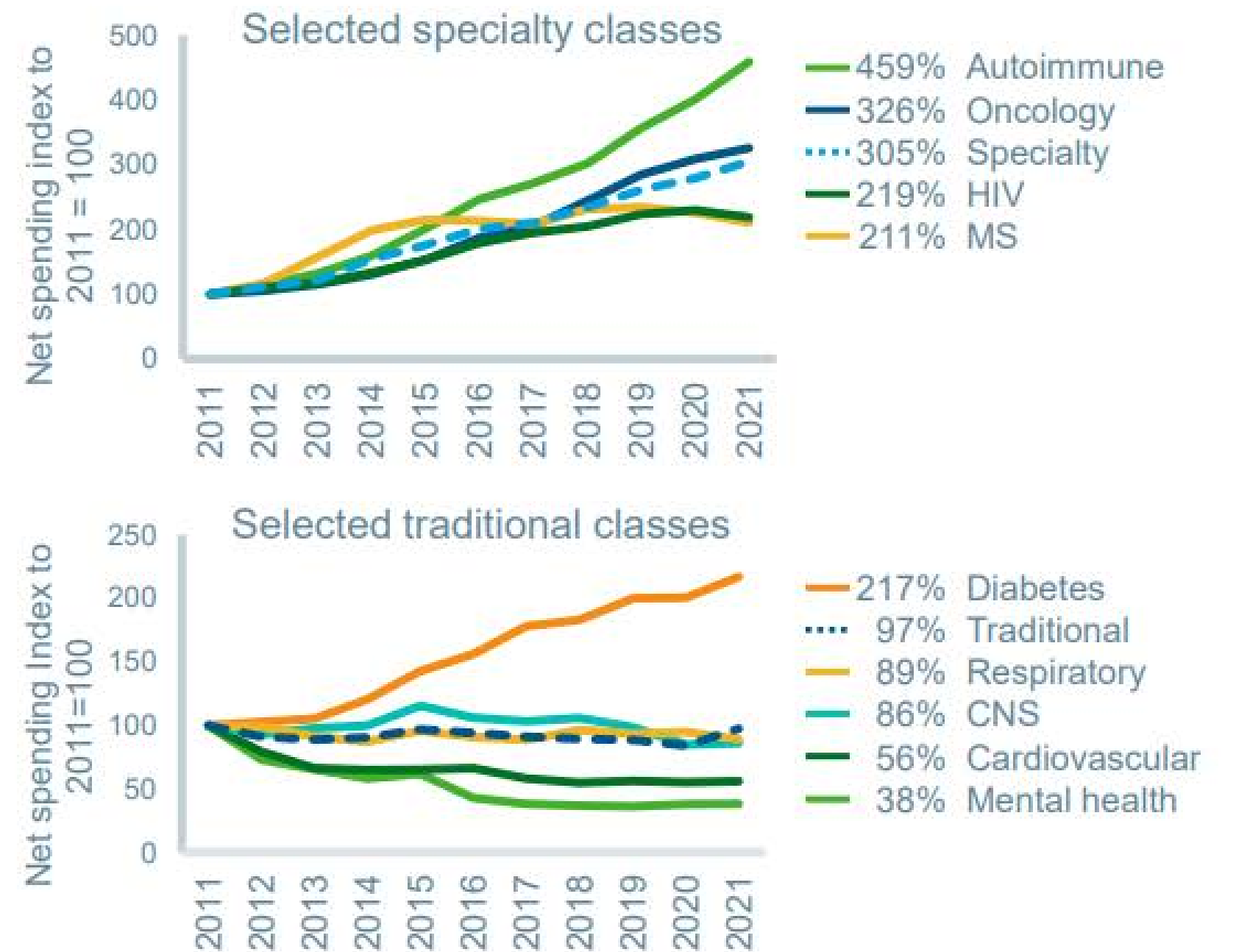
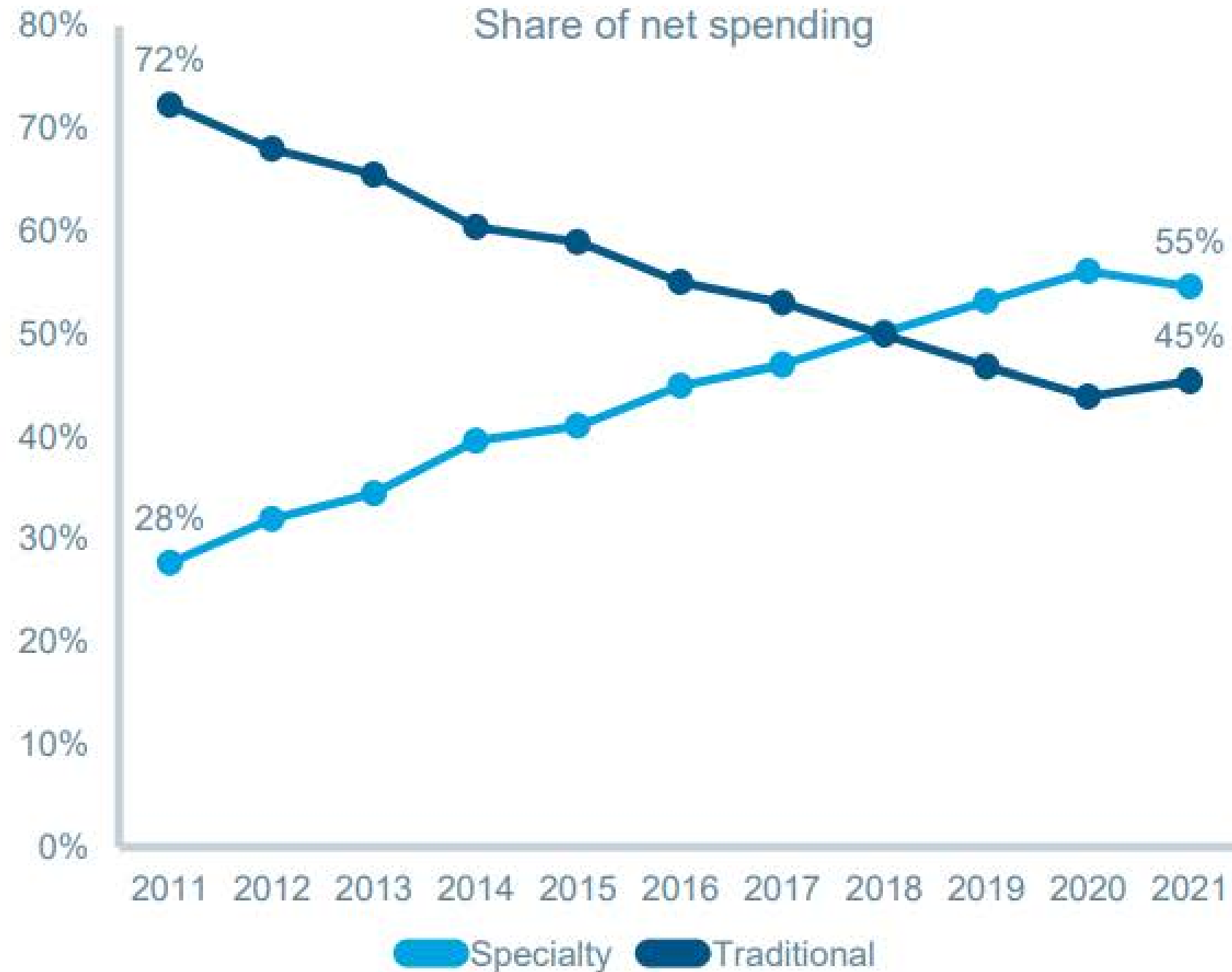
1 YR: +9.3%
5 YR: +38%



Puerto Rico growth outpacing USA 4 out of last 5 years

Specialty medicines now account for over 55% of net spending, up from 28% in 2011, driven by growth in specialty drugs and high-cost drugs

Share of spending at estimated net manufacturer prices



Source: IQVIA Institute, Mar 2022.

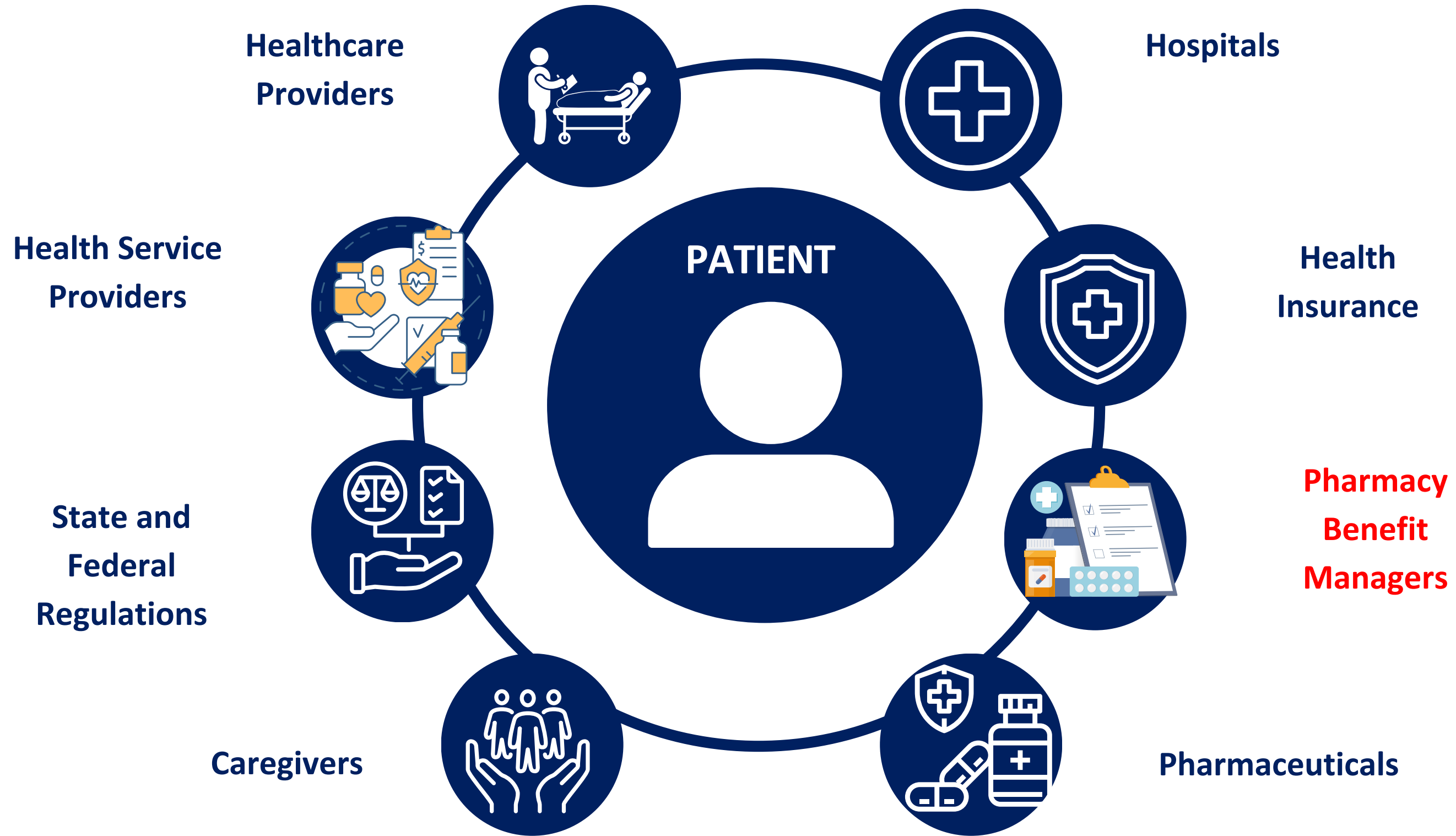
The Use of Medicines in the U.S.: Usage and Spending Trends and Outlook to 2026. Report by the IQVIA Institute for Human Data Science.

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PR HEALTHCARE KEY FACTORS IMPACTING THE SYSTEM



A Complex Environment




The **Downhill** Factors: Commercial

- Population
 - Healthcare Insurance companies
 - Healthcare Providers (MD, Specialists, Nurses, etc)
 - Premium payment to providers
 - Limited access to services, appointment availability
 - Employer contribution (plan sponsor)
 - Transparency to Payers
 - Coverage
 - The Same and The Same Every year

Sources:

- US Census 2020
- Medical License and Studies Board

The Uphill Factors: Commercial

- 
- Senior Population
 - Life expectancy of 79 years
 - Poverty Level
 - Federal and State Legislation
 - Annual healthcare costs per person
 - Medicare and Medicaid: higher premium payments to providers
 - Percentage of Uninsured
 - Chronic Health Conditions
 - Health Plan Premiums: higher employee contributions, out-of-pocket expenses, co-pays, and deductibles.
 - Drug Costs

THE PERFECT STORM

THE IMPACT



The Impact

Private Sector

- REDUCE ACCESS TO HEALTHCARE TO THE WORKFORCE
- PRODUCTIVITY
- IMPACT TO THE ECONOMY
- IMPACT TO YOU, THE PAYER

- PATIENT PAY INCREASE
- QUALITY OF CARE
- INCREASE IN CHRONIC CONDITIONS
- SICKER POPULATION

Employees or Patients

Puerto Rico needs a united
and **interdisciplinary effort**
to overcome the healthcare
crisis...



**Potential
Solutions**

...no magical solutions!

In the Short Run

As Employers, Leaders, and Payer

Related to the PHARMACY BENEFIT

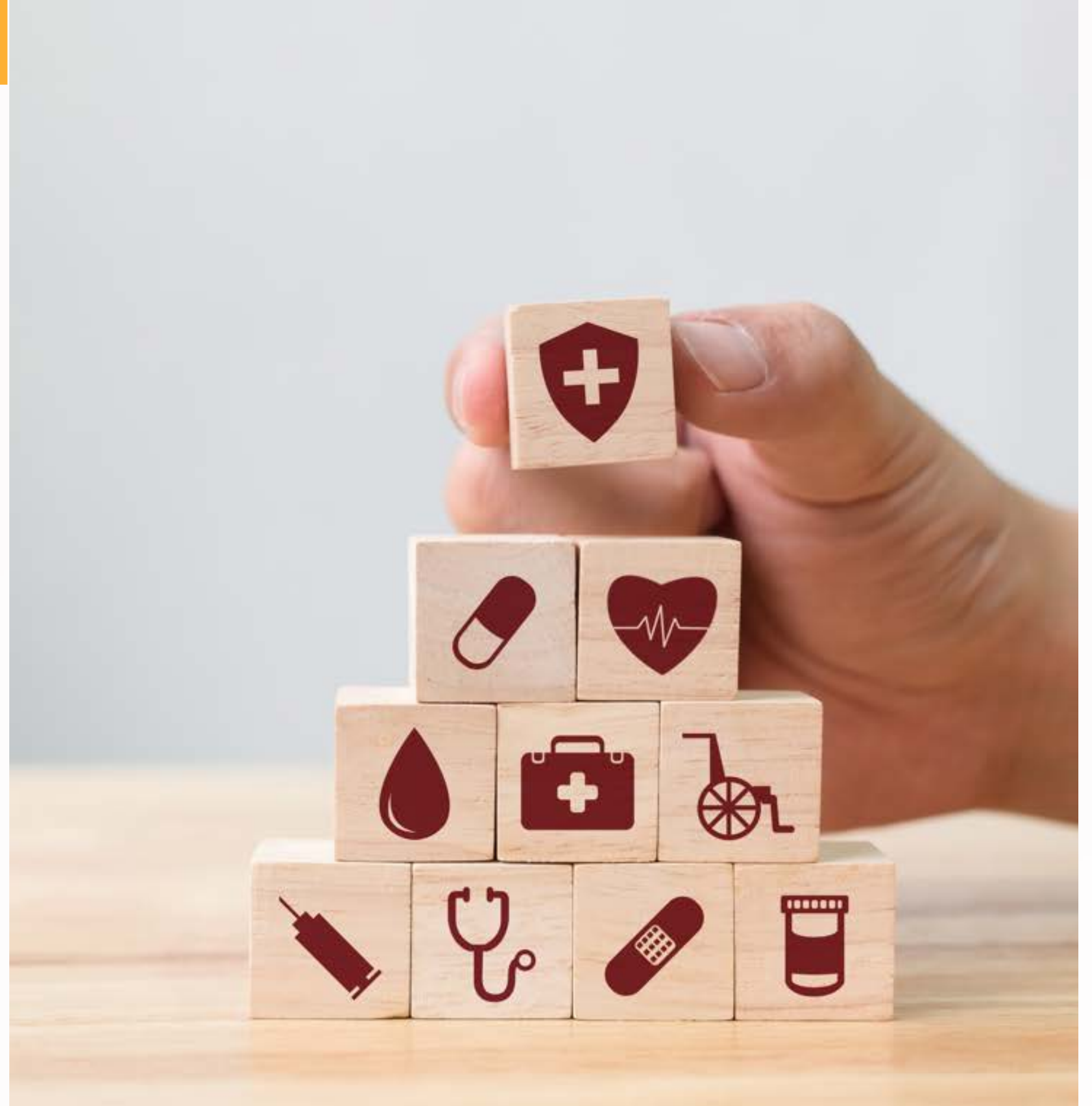
- Work with your consultant/broker ahead of the renewal period
- Demand Cost Reduction Programs from your Health Care provider
- Demand transparency in your economic model
- Evaluate the Real Cost of each Benefit in your Plan
- Align Your Benefits to Compliance with Treatment
- Demand preventive and wellness programs
- Educate our employees about the proper use of a health plan
- Constant innovation and creativity in the way of doing business and problem-solving
- Evaluate the new tendency of the Self-insured Model



In the Medium Run

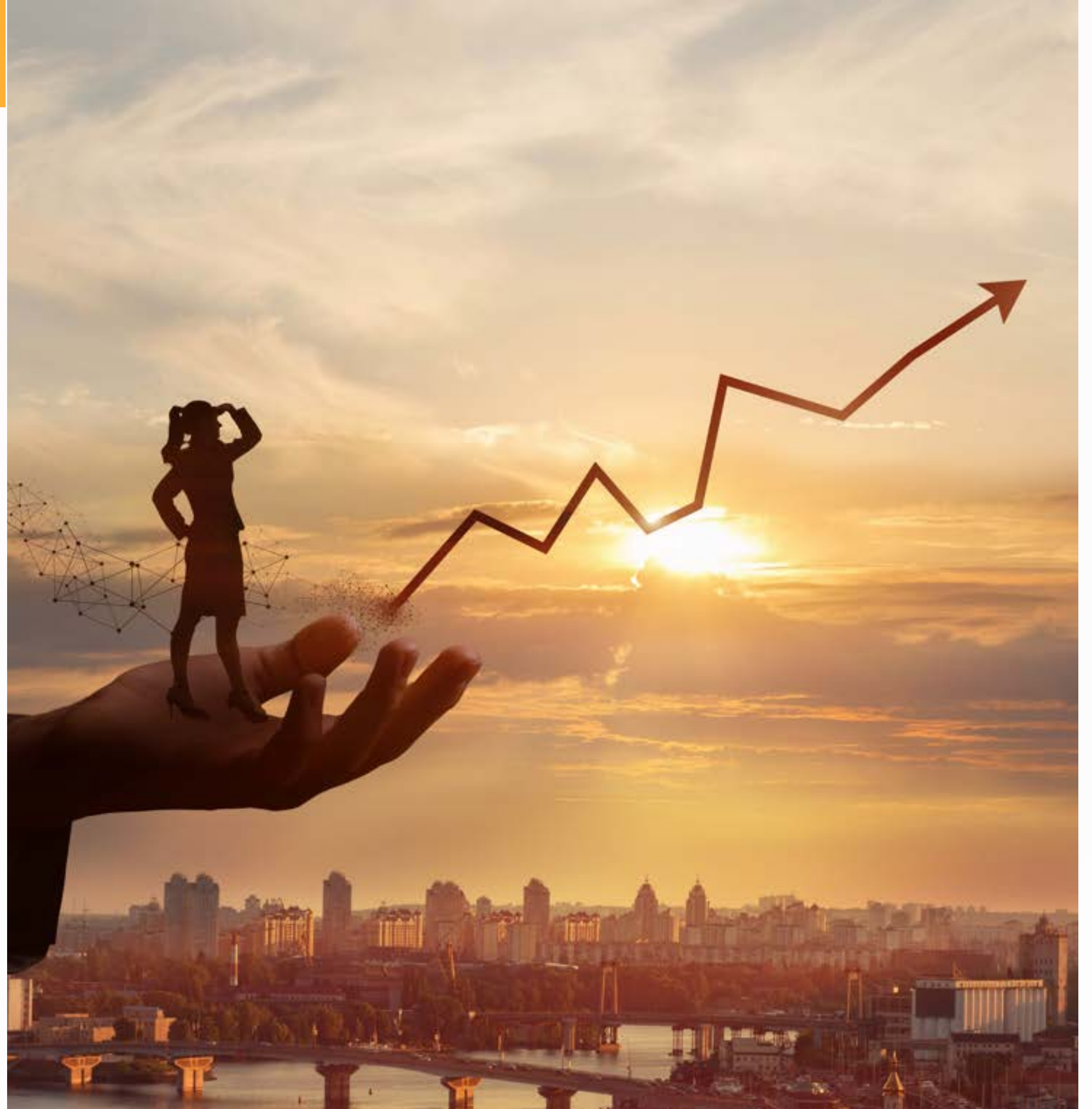
Let's promote new and more attractive incentives to **retain our healthcare professionals** and the return of those who left due to the crisis.

Let's support legislation and institutional efforts to promote the study through **scholarships and work programs** for professions related to the healthcare scenario.



In the Long Run

As a united business community, let's foster public policy for a more comprehensive, understanding of our healthcare system in order to identify **viable, stronger, flexible and permanent solutions**, capable of adapting to the always dynamic reality of our market and country.



THANK YOU!

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¡Gracias!

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