

National HHS/CMS Priorities from the Perspective of Puerto Rico

Medicaid and Medicare Advantage Products Association

March 2022 Update



MMAPA
Medicaid and Medicare Advantage
Products Association of Puerto Rico

Roberto Pando
**President of MMAPA and MCS Advantage &
MCS Life Insurance Company**



Salud Completa

HHS & CMS's Focus

1. Health Equity
2. Whole Person Health
3. Measurement & Data
4. Common Platform
5. Leverage Learning and Share Best Practices



Meena Seshamani, MD, PhD  Like (0)

Deputy Administrator and Director, Center for Medicare,
Centers for Medicare & Medicaid Services (CMS)

Dr. Meena Seshamani is Deputy Administrator and Director of the Center for Medicare at Centers for Medicare & Medicaid Services (CMS). She is an accomplished, strategic leader with a deep understanding of health economics and a heart-felt commitment to outstanding patient care. Her diverse background as a health care executive, health economist, physician and health policy expert has given her a unique perspective on how health policy impacts the real lives of patients.

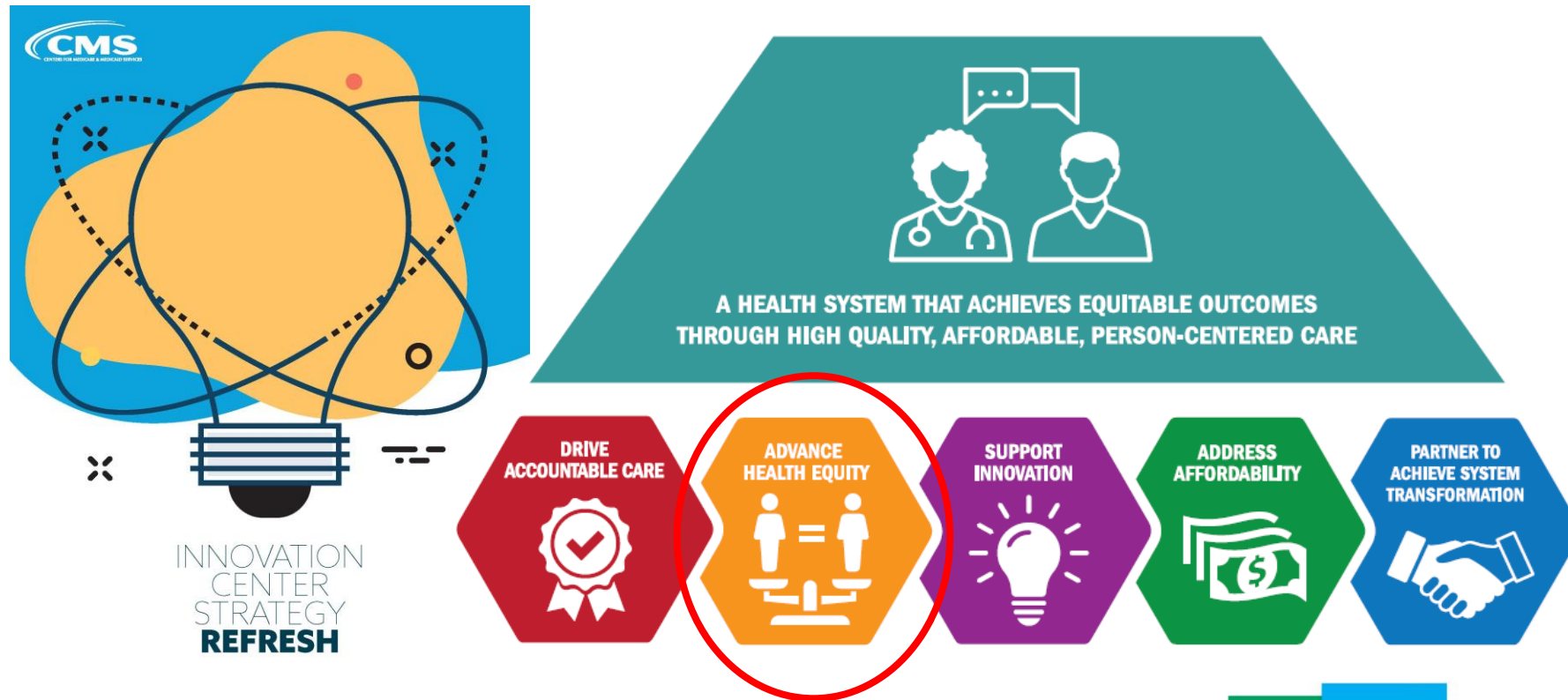


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- “Attainment of the **Highest Level of Health** for all people.”
- Value everyone equally.
- Address:
 - *Avoidable inequalities,*
 - *Historical and contemporary injustices, and*
 - *Elimination of health and health care disparities.*

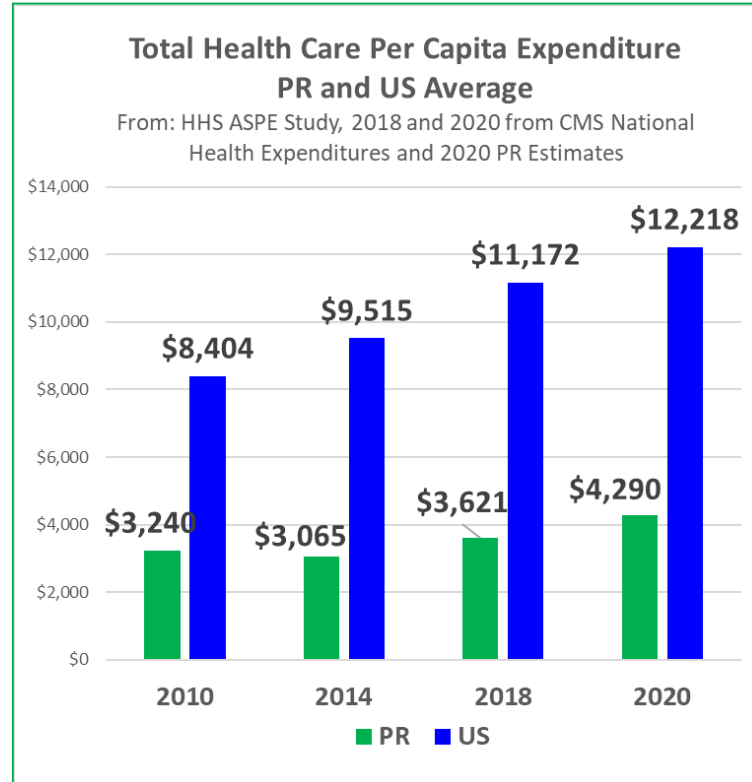


CMS's “Refresh”



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Less Funds for Health Care but Cost of Living is Higher Compared to US Average



Índice de Costo de Vida de Puerto Rico
Tercer trimestre (julio a septiembre) de 2020

Transmisión del material en este documento está bajo embargo
Hasta las 10:00am (AST) miércoles, 2 de diciembre de 2020
(787) 819-0730 • <https://preguntas.estadisticas.pr/>
<https://estadisticas.pr/en/encuestas/costo-de-vida>

**COSTO DE VIVIENDA EN SAN JUAN 18.8% POR DEBAJO DEL PROMEDIO
DE LOS ESTADOS UNIDOS**

San Juan-Carolina-Caguas, Puerto Rico Metropolitan Statistical Area (MSA)
(Promedio de los índices de los Estados Unidos = 100.0)

Categoría	Índice	Rank	Category
Artículos de supermercado	118.5	19/289	Grocery Items
Vivienda	81.2	173/289	Housing
Servicios públicos	159.3	4/289	Utilities
Transportación	98.4	142/289	Transportation
Cuidado de salud	65.6	289/289	Health Care
Bienes y servicios misceláneos	96.6	174/289	Miscellaneous Goods and Services
Índice de Costo de Vida	100.2	85/289	Cost of Living Index

- **Puerto Rico is NOT cheaper.**
- **Undervalued health care is and will cost too much.**

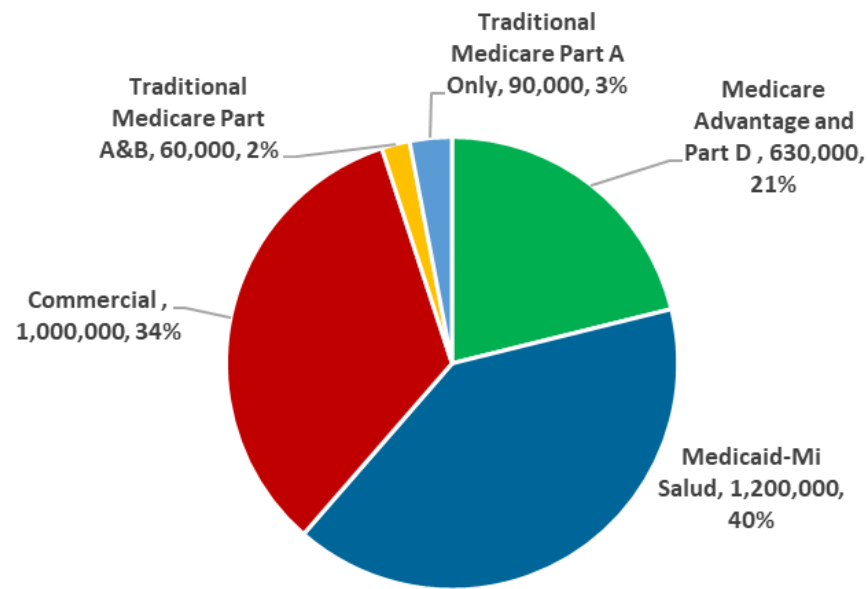


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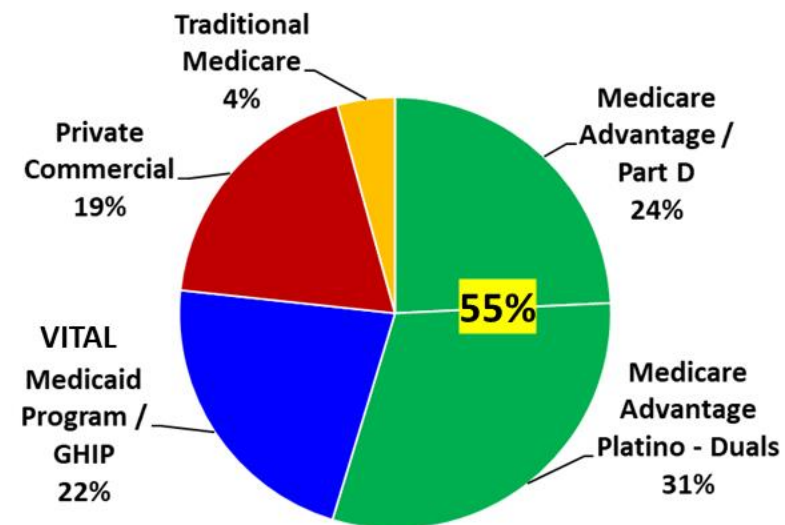
Medicare Advantage Pays the Bills

PR Healthcare Platform Scenario

Distribution of Beneficiaries by Healthcare Program
2022 Estimates



Estimated Distribution of Healthcare Resources
in Puerto Rico (\$12B)

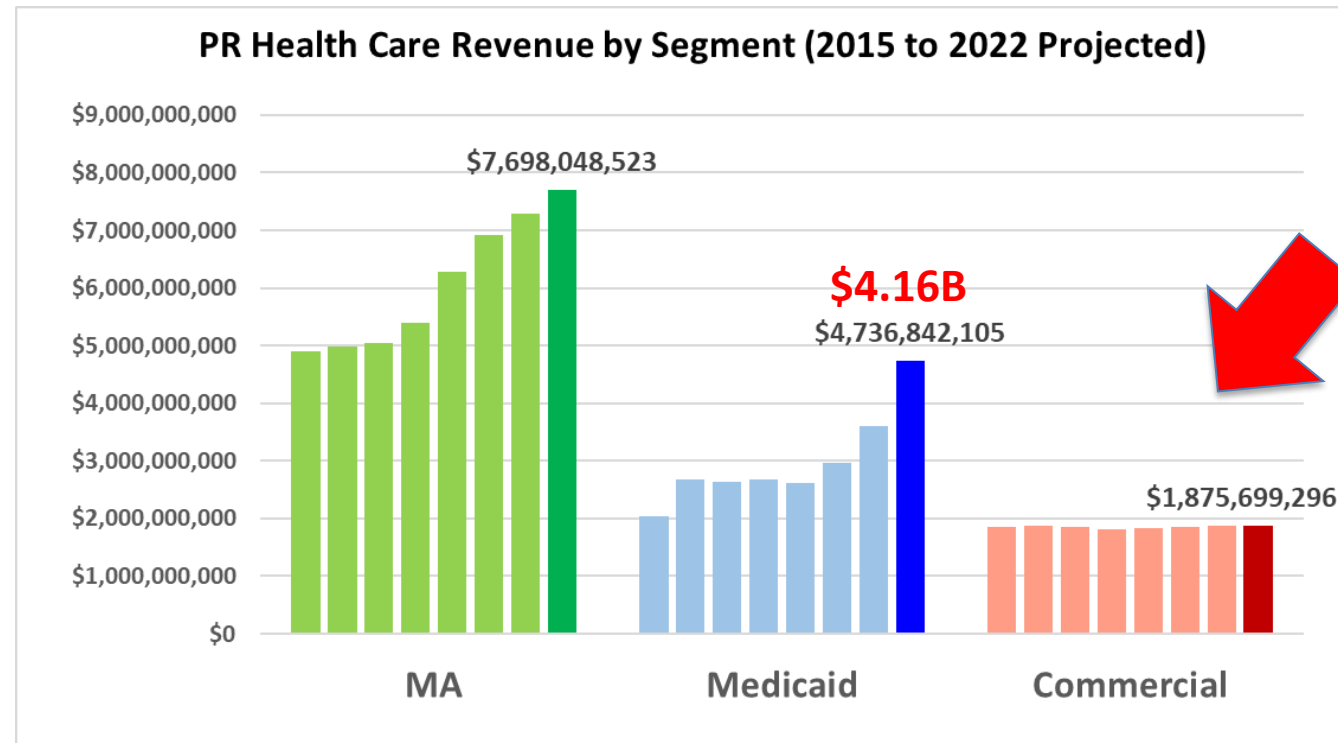


- MA is the backbone of the system, Vital is getting additional funds, and commercial is falling behind severely.
- **BUT – all segments are 40%-60% below the US resources.**



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From 2015 to the Projection for 2022 (with BBBA \$)



- Figures are based on the information in the Financial Statements reported to the NAIC.
- The 2022 Projection includes the Medicaid funds as per the proposed Reconciliation Bill in Congress (\$3.6B at 76% matching rate / FMAP).

PR Medicaid Spending per Full-Benefit Enrollee is Significantly Lower than Any other US Jurisdiction

Table 1. Medicaid Per capita Expenditure Estimates for States and Data Quality Assessment (2019)

State	Total	Children	Adult: non-expansion, non-disabled, under age 65	Aged	People with disabilities	Adult: ACA Medicaid expansion
Puerto Rico	\$2,142	\$1,446	\$2,299	\$1,516	\$2,001	\$2,956
Median	\$8,436	\$3,556	\$6,451	\$18,610	\$21,372	\$6,709
Annual Difference	\$6,294	\$2,110	\$4,152	\$17,094	\$19,371	\$3,753
% Difference	-75%	-59%	-64%	-92%	-91%	-56%

<https://www.medicaid.gov/state-overviews/scorecard/how-much-states-spend-per-medicaid-enrollee/index.html>



Dual Eligible over 90% less!



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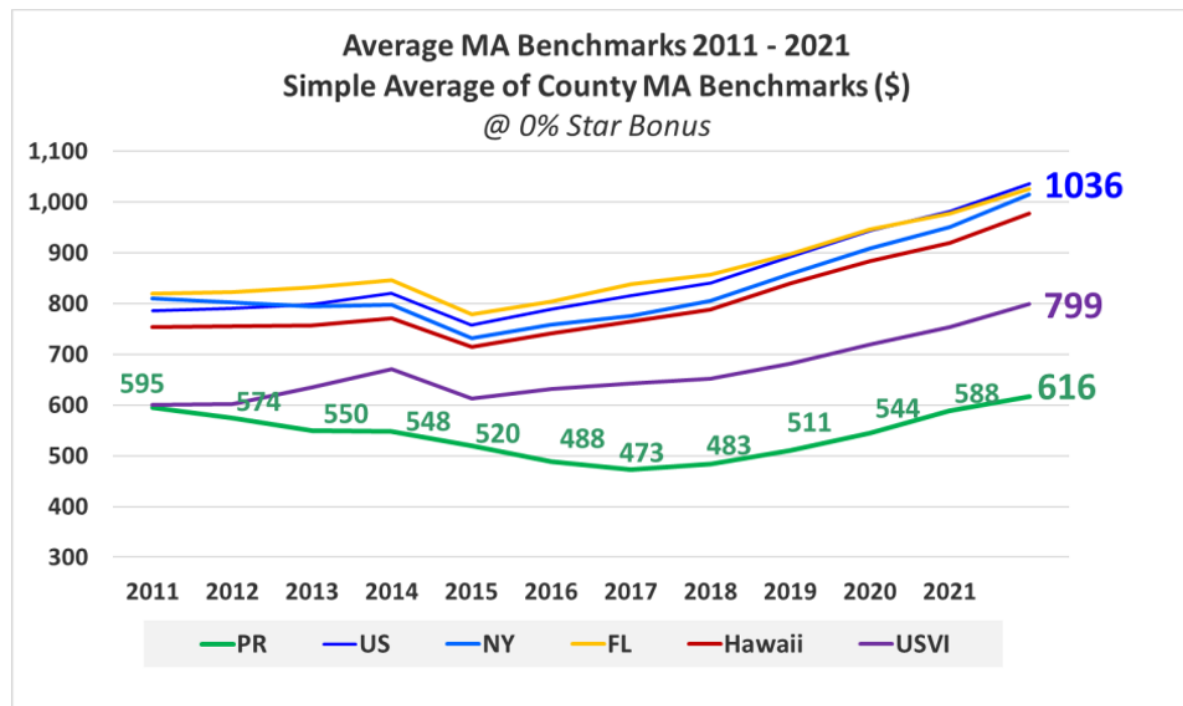
Critical Inequities due to Exclusion of Benefits for Dual Beneficiaries residing in PR

1. **No Medicare Savings Program (MSP) for duals:** elderly and poor are the only Medicaid beneficiaries that pay for health care
 - **No Part B buy-in benefit**
2. **No Long-Term Services and Supports (LTSS)**
3. **Partial coverage of Medicaid pharmacy benefits** occupies MA funds otherwise for providers and benefits – Platino Wrap Around fix



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Medicare Advantage Disparity Worsens Yearly



US Average

US Virgin Islands

Puerto Rico

\$192 less in 2011
\$420 less in 2022



- 2022 MA Rates are too low, and depend on temporary fixes
 - **MA payment are 41% below vs US Avg**
 - **37% below the lowest state**
 - **23% below the USVI**

Medicare Advantage Priority for PR

We need to continue pushing for both, Medicaid and Medicare beneficiaries.

Ensure Biden Administration Keeps their Campaign Promise to PR MA

“Biden will address historically low [MA] payment rates and their consequences to Puerto Rico’s health system by directing the HHS Secretary to develop and recommend payment reforms and enhancements to the program”

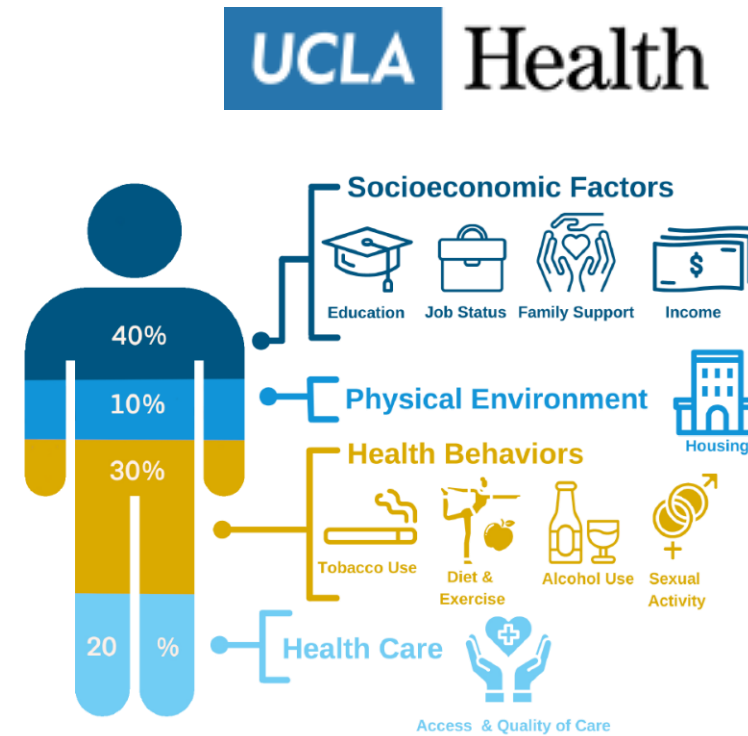
Biden-Harris Plan for Recovery, Renewal and Respect for PR

***Reactivate the HHS-PR Technical Workgroup**



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From SDOH to Person Centered Care



CMS: Value Based Insurance Design (VBID)



Pilot Program with Clear GOALS

1. Enhance the quality of care for Medicare beneficiaries.
2. Reduce costs for enrollees and the overall Medicare program.
3. Encourage MA plans to offer additional supplemental benefits that are anticipated to improve health and health equity by meeting social needs – such as food and transportation.
4. Improve care by providing high-value services and incenting them to participate in health-related activities.
5. Reduce financial barriers to access.

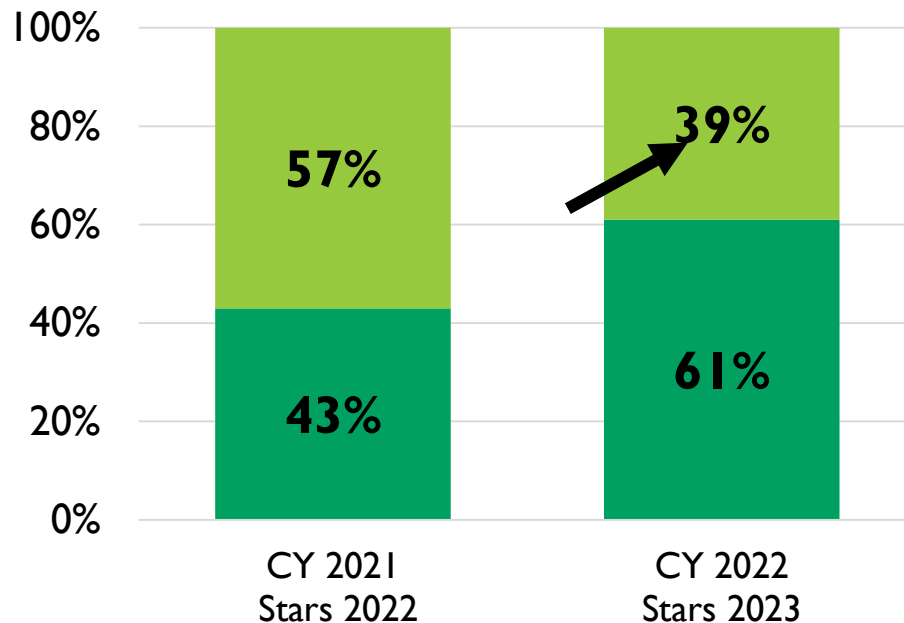
Addressing Social Determinants in US



- **CMS VBID Program: 34 Participants around the US in 2022**

The Beneficiary is First

CMS – Quality Measures with more weight for Client Experience



Words from the Industry

- “Game-changing revision to Quality Ratings puts greater emphasis on experience”.
- “If you improve the member experience to empower patients, they will make better healthcare decisions”.
- “MA plans need to adjust their mindsets to a holistic view of the member experience.”
- “Trust is key. Earn and keep members’ trust.”
- “Treat providers like partners.”

“Trust them to help you meet the challenge.”

What can we do? MMAPA, All

1. **EDUCATE** – about the (a) disparities in all segments, (b) the need for a person-centered managed care system.
2. **Medicaid** – Support BBBA Federal funding proposal to cover gaps in compensation and benefits. Address inequities for DUALS.
3. **Medicare Advantage** – Support MA rate Federal fixes to get base rates to USVI levels at minimum. * **April 4th MA Rate Announcement 2023.**
4. **Commercial** – promote managed care protocols and policies that are the standard in MA, Medicaid and the US commercial markets.
5. **ACT to Do it Right** – to assure stability and access in all segments and demonstrate that we can be sound administrators of health care dollars by promoting best managed care practices and consistently administering them.



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TAKE ACTION! Persevere, Focus, DO!

Puerto Rico Healthcare Community

March 29, 2022

Hon. Xavier Becerra
Secretary
Department of Health and Human Services
200 Independence Avenue SW
Washington, D.C. 20201

Mrs. Chiquita Brooks-LaSure
Administrator
Centers for Medicare & Medicaid Services
200 Independence Avenue SW
Washington, D.C. 20201

RE: **Puerto Rico Healthcare Community Request for Equity in the Medicare Advantage program (CMS-4192-P)**

Dear Honorable Secretary Becerra and Madam Administrator Brooks-LaSure:

As critical stakeholders representing the Puerto Rico healthcare community, we applaud the Biden administration, HHS, and CMS for your mission to achieve social justice through mitigating health disparities in underserved communities.

As the Biden administration and Congress continue their urgent actions to salvage and provide much-needed stability to Puerto Rico's Medicaid program, we are writing to request that HHS-CMS adopt crucial administrative policies to alleviate the current inequities in the operation of Puerto Rico's Medicare Advantage (MA) program. Doing so will positively improve health care services for **630,000 U.S. senior citizens living in Puerto Rico, including more than 280,000 dually eligible beneficiaries**. Such action would also reduce the rate of provider migration to the states, strengthen the island's healthcare infrastructure while fulfilling the administration's overall commitment to equity for underserved areas.

Unfortunately, the current MA rate-setting formula has caused MA rates to be severely underestimated for Puerto Rico: MA rates in Puerto Rico that were 24% below the national average in 2011 are now 42% below the national average. That is 37% below the lowest state (Hawaii) and 23% below the next-lowest jurisdiction (U.S. Virgin Islands). Despite previous efforts by CMS, the gap in MA rates between Puerto Rico and the rest of the country has continued to widen. This lack of adequate funding has been particularly challenging as the island has been forced to navigate hurricanes, earthquakes, and a global pandemic. Moreover, due to historical underfunding and socio-economic factors, seniors in Puerto Rico are poorer and have more chronic conditions than the MA population in the states, and yet federal payments for these seniors continue to fall significantly relative to the states. The absolute dollar distance to the bottom of the MA benchmarks for Puerto Rico gets larger every year, and additional administrative fixes are necessary to break this spiral to the farthest bottom.

In Puerto Rico, 90% of Medicare beneficiaries with Medicare Part A and Part B and 98% of the eligible dual-eligible beneficiaries overwhelmingly choose to receive their Medicare and

or the backbone of the health care system for the 3.2 million American citizens on the island. It is too important to keep falling behind.

Failing to close the MA funding gap between Puerto Rico and the states effectively relegates the Puerto Rico health care system to second-tier status. We, therefore, request that CMS exercise its legal authority and longstanding existing precedence to address the historically low MA payment rates and their consequences on Puerto Rico's health system. The time has come to fix these long-standing inequities. The MA program in PR has been doing more with less, has the highest acceptance rate of Medicare beneficiaries in the nation, and has improved significantly in quality measures. It is the most developed and federally monitored platform, and it needs the fair amount of resources to address clear inequities in a system focused on person-centered care.

Addressing inequities now will (1) immediately enhance the quality of care for the most vulnerable Medicare beneficiaries, (2) motivate residents and key healthcare providers on the island to forgo additional migration to the mainland, and (3) encourage future investment in Puerto Rico's healthcare system infrastructure; all of which are urgently needed.

"Biden will address historically low Medicare Advantage payment rates and their consequences to Puerto Rico's health system by directing the HHS Secretary to develop and recommend payment reforms and enhancements to the program."

- The Biden-Harris Plan for Recovery, Renewal & Respect for Puerto Rico

We look forward to the plan becoming a reality.

Sincerely,

Advocates of the Puerto Rico Healthcare Community



The Puerto Rico Chamber of Commerce



Medicaid & Medicare Advantage Products Association of Puerto Rico



Puerto Rico Hospitals Association



Puerto Rico Community Pharmacies Association



IPAs Association of Puerto Rico



Primary Care Association of Puerto Rico



Clinical Laboratories Association of Puerto Rico



Puerto Rico United Retailers Association



Puerto Rico College of Healthcare Administrators



Pharmaceuticals College of Puerto Rico



Puerto Rico College of Physicians & Surgeons



Puerto Rico Medical Association



Entrepreneurs for Puerto Rico



Puerto Rico Manufacturers Association



El mejor plan de salud de Puerto Rico