



**ALERTA de Salud para Puerto Rico:
Retos Financieros en el Ecosistema de Salud**

ASES a Futuro

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ADMINISTRACIÓN DE
SEGUROS DE SALUD
DE PUERTO RICO

ASES



Medicaid Funding

PROVISIONS OF THE CONSOLIDATED APPROPRIATIONS ACT OF 2023 PUBLISHED ON 12/20/22



Annual Federal Allocations to PR Medicaid Program

Fiscal year	Allocation
2023	\$3.275 B
2024	\$3.325 B
2025	\$3.475 B
2026	\$3.645 B
2027	\$3.825 B

- 2028 onwards, the federal amount allocated will be the 2019 allocation (\$2.65 B) increased by the urban health care component of each subsequent CPI year.
- In determining future allocations, the HHS Section may not consider the 2022 allotment provided through the novel interpretation of CMS statute.

Additional Enhancements to Federal Appropriation

Fiscal year	Annual increase	Federal Status on PR Medicaid Program
2023-2027	\$300M	Establish a medical payment floor of 75% of the Medicare rate
2023-2025	\$75M	Establish Integrity Officer
2026-2027	\$75M	Establish an Integrity Officer and Procurement and Performance Oversight Lead

- These increases are not taken into account in the reference financing when determining allotments for subsequent years.
- The 75% Medicare payment floor is an increase over 70% applicable 2020-2021



Medicaid Funding 2023-2024

Public Policy Initiatives

New

- ▶ **Nutritional Services**
- ▶ **Dental fee schedule increase**
- ▶ **CDT 100% MFS increase**
- ▶ **Federal Poverty Level – 100%**
- ▶ **Platino Wraparound 2023-2024**

Current

- ▶ DME-glucose monitors
- ▶ Adult vaccination
- ▶ PCP PMP minimum floor \$18PMPM
- ▶ MFS minimum floor for professional services -75%; and 80% and 100% for certain specialties
- ▶ 5% increase in Hospital Operational expense component
- ▶ E☐☐Cleft lip/palate and cancer test for pediatric enrollees (leukemia) under special coverage

Healthcare Initiatives (in millions)

Initiative	Total Impact	Federal Impact	PR Impact
<i>New</i>			
• <i>Nutritional services</i>	\$4.96	\$4.06	\$0.90
• <i>Dental fee schedule increase</i>	\$8.70	\$7.12	\$1.58
• <i>CDT 100% MFS</i>	\$9.11	\$7.45	\$1.66
• <i>Federal Poverty Level - 100%</i>	\$117.60	\$96.20	\$21.40
• <i>Platino Wraparound 2023-2024</i>	\$110.49	\$85.08	\$25.41
<i>Current</i>			
• <i>DME - glucose monitors</i>	\$27.76	\$22.71	\$5.05
• <i>Adult vaccination</i>	\$32.17	\$26.32	\$5.85
• <i>\$18 PMPM PCP minimum floor</i>	\$281.48	\$230.25	\$51.23
• <i>MFS min floor for professional services -75%; and 80% and 100% for certain specialties</i>	\$33.69	\$27.56	\$6.13
• <i>5% increase in hospital operational expense component</i>	\$39.53	\$32.34	\$7.19
• <i>Ell/Cleft lip/palate and cancer test for pediatric enrollees under special coverage</i>	\$12.16	\$9.95	\$2.21

Notes

1. The federal impact was calculated based on an average State Fiscal Year (SFY) 2024 FMAP of 81.8%, except for the Platino Wraparound, which was calculated based on an average FMAP of 77%.
2. Mercer is quoting the SFY 2024 figures in this exhibit. Any program change that is effective after July 1, 2023 has been prorated when quoting the SFY 2024 impact

☐ Increase of CDT Payments

100% MFS for CPT codes

- ☐ Increases overall CDT Current compensation from **\$43M** to **\$53M**.
- Compensation is based on **Medicare Part B MFS-CPT** codes
- **Fiscal Impact:** \$10.8 Million or \$16.84 per visit
 - **\$8.2M** at 76% Federal Share
 - **\$2.6M** at 24% State Fund



- *Not applicable to capitated Services*
- *Revenue depends on accurate and correct billing of services.*

Increase to 100% Federal Poverty Level

Financial projections submitted to FOMB and approval to budget granted on 11/5/23

CMS approval letter expected

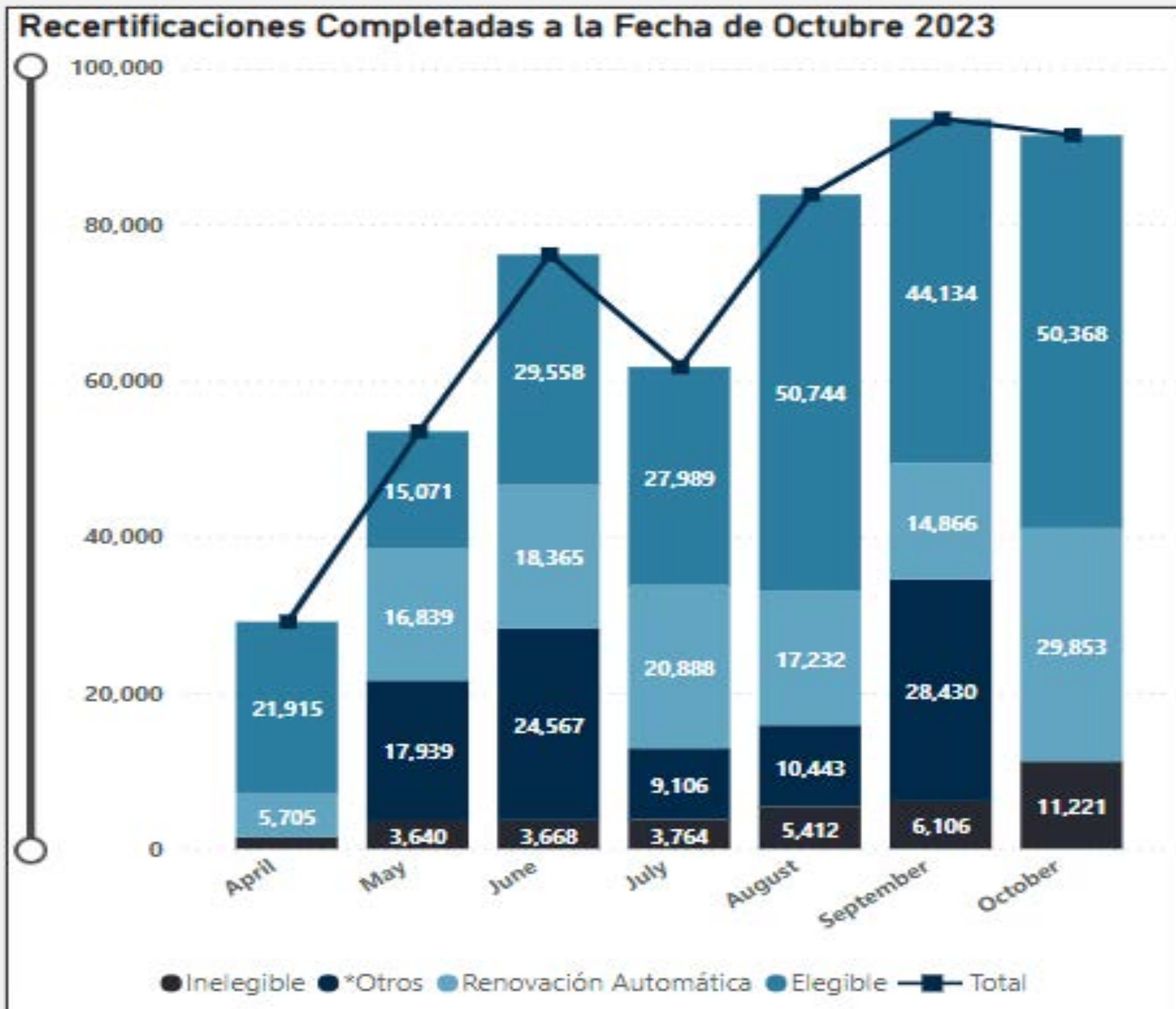
Retroactive effect to July 1, 2023.

Key Notes

- FPL will retain 60,000-70,000 enrollees.
- \square accounts for current program expenses, with no increases in current costs.
- No show beneficiaries must recertify with Medicaid before 12/1/23.



Unwinding Process: Medicaid Recertification



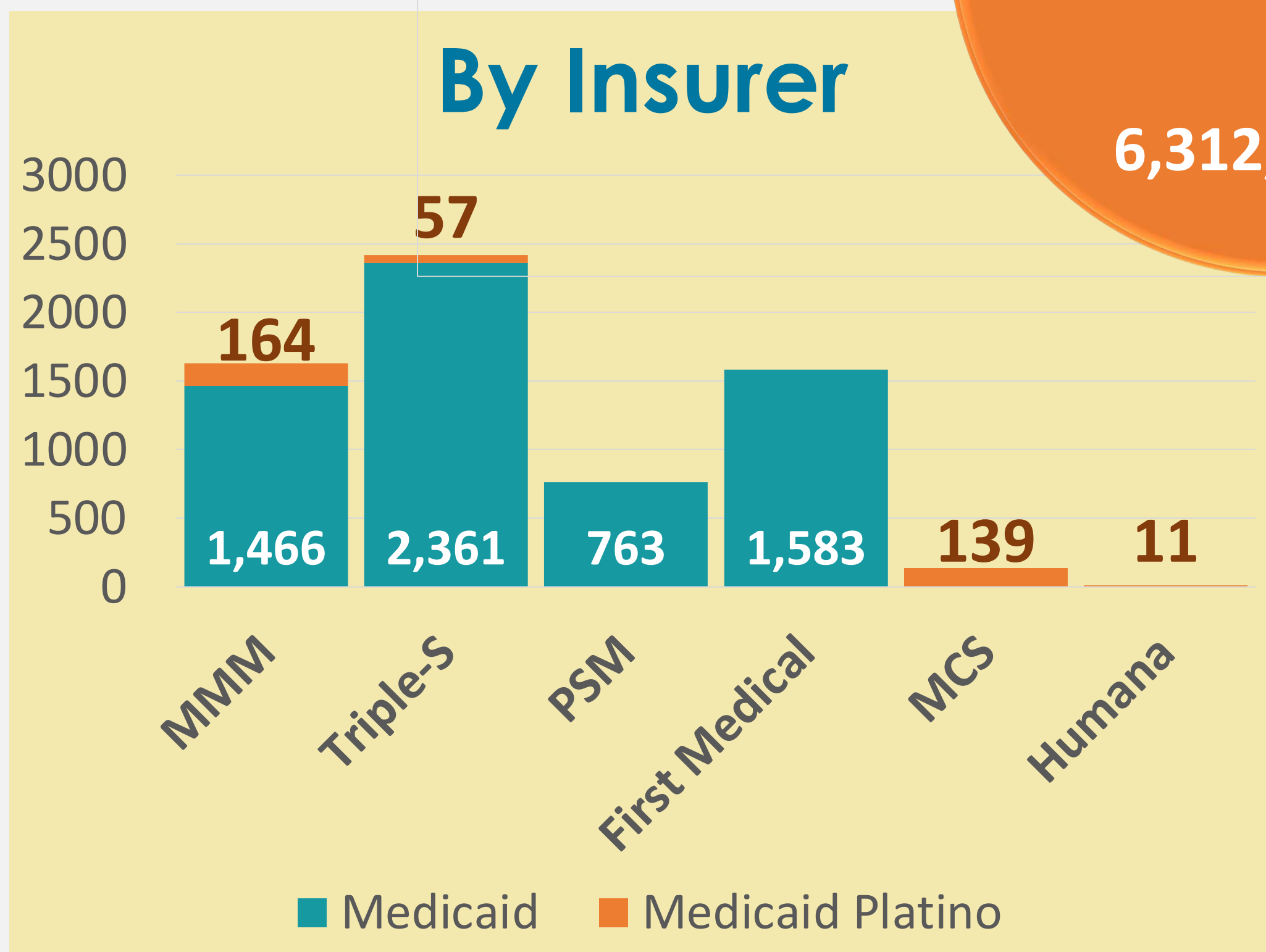
1,604,578 Beneficiaries
1,509,843 Medicaid
67,735 CHIP
27,000 State



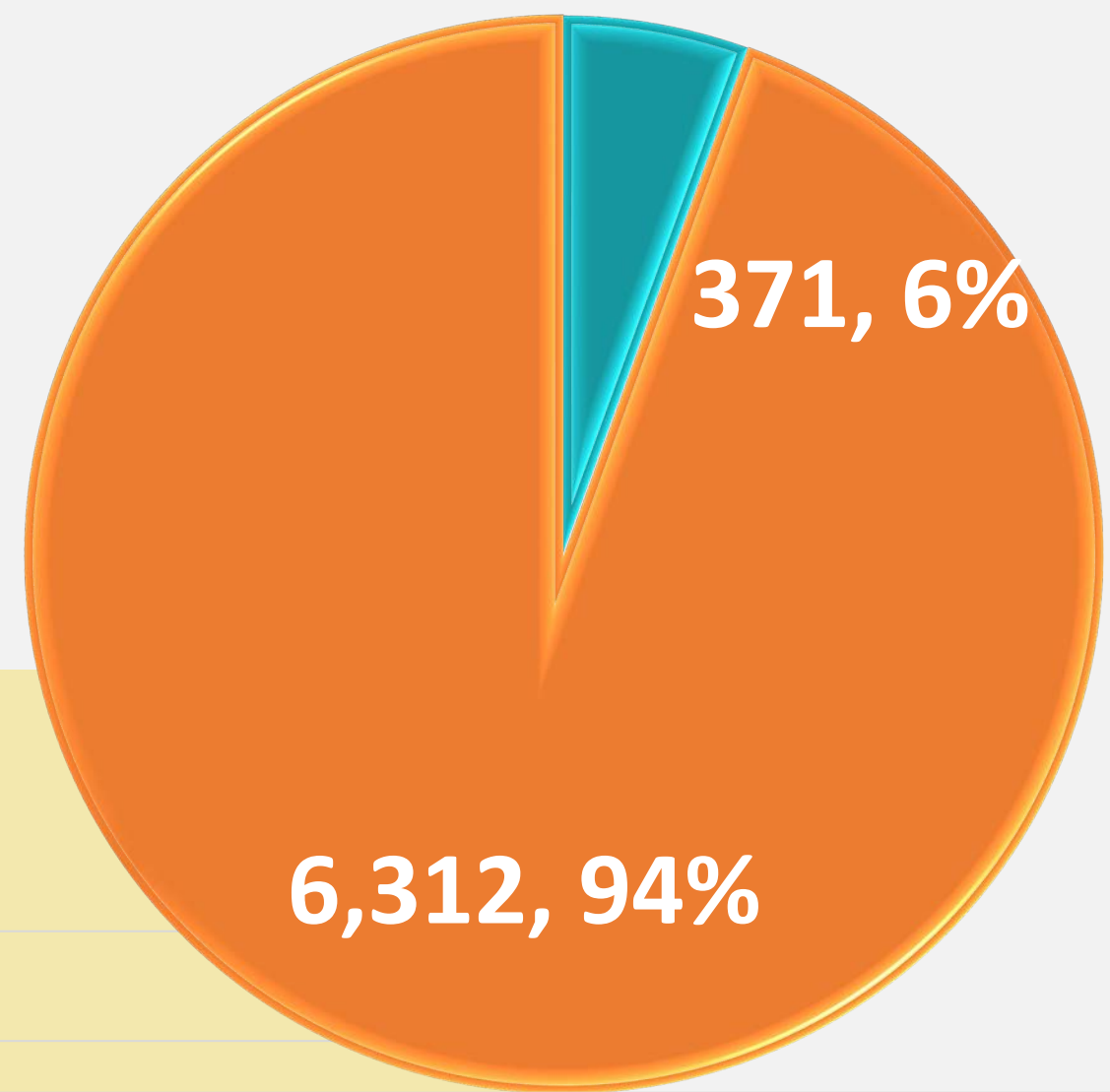
- Eligible 363,527
- Non eligible 35,294
- Next for review: 236,581

Vital App Recertification Process

By Insurer



Case Manager
Enrollees



Total requests
6,684 cases
13,000 beneficiaries
Average daily requests
32.6 Request
64.7 Beneficiaries per request

ASES Support Efforts

- Processing of recertification documents via Case Managers
- Via Vital App recertification flow to Medicaid
- Notification message in PBM
- Lists of beneficiaries to PMGs via MCOs
- Participation in Mass Medicaid Activities
- Technical support in handling calls

Can Puerto Rico implement a marketplace solution for the uninsured?

Use of PR ACA Compliant Benefit Packages

- Essential Benefits
- No waiting periods
- No underwriting or preexisting condition analysis for enrollment
- No yearly/lifetime limits
- No cost-sharing for preventive services

Eligibility

- **100% - 400% FPL** Income
- **Non-insured** participants only (*no employer plan*)

Projected enrollees:
36,900
(subject to change)

Subsidy

- Contribution by enrollee **from 0% to 8.5%**, income-based by household.

—	Enrollee contribution
—	Actual plan cost
==	Subsidy

Can Puerto Rico implement a marketplace solution for healthcare?

Fiscal impact: 100% State Funds

Premium Subsidy Ranged Estimates

PRPL at 100% FPL		
	Lower Bound	Upper Bound
Approximate number of members to disenroll from Plan Vital	35,000	36,900
Total Annual Benchmark Plan Fees	\$107.6 million	\$113.5 million
Total Expected Annual Puerto Rico Premium Subsidy	\$107.0 million	\$112.9 million

*The lowest ACA Plan cost has been used for the estimations



Thank you!

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