

Medicare Advantage in Puerto Rico: An Opportunity to Eliminate Historic Disparities



Medicare Advantage (MA) in Puerto Rico has been historically underfunded, while serving a disproportionate number of seniors in Puerto Rico compared to the other 50 states. Here are some ways MA can be reformed in 2021:

ACTION ITEM #1

Enact Legislation Designed to Address Disparity in Medicare Advantage Benchmark Rates for Regions with Low Medicare Fee-For-Service Penetration

Puerto Rico's Resident Commissioner in Congress, Jenniffer González-Colón, introduced the *Medicare Advantage Integrity Act* (H.R.1969), providing a Minimum Standard Benchmark in the Medicare Advantage program for Puerto Rico and other regions with similarly low MA rates due to low Medicare fee-for-service penetration.

ACTION ITEM #2

Work with the Biden Administration to Ensure Implementation of their Campaign Promise to Puerto

"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 Puerto Rico**)

Administrative reform proposals include establishing a proxy MA benchmarks for Puerto Rico. MA rates are based on the expenditures by the Medicare FFS population, who normally comprise at least 60% of the Medicare population in other areas. In Puerto Rico, MA rates are outliers because they are based on the small 10% of local Medicare beneficiaries who have chosen to enroll in traditional Medicare Parts A and B.

ACTION ITEM #3

Maintain Targeted Adjustments by CMS that Prevent Rates from Falling Further

Continue (1) the CMS "zero claims adjustment", (2) eligibility for Stars double bonus counties, (3) basing benchmarks on expenditures of beneficiaries enrolled in both Medicare Parts A and B. CMS should also add a "duals bias" adjustment and update MA End Stage Renal Disease (ESRD) rates to better reflect the cost of care.

BACKGROUND

MA in Puerto Rico is Critical to the Sustainability of the Island's Entire Health System

600,000+ seniors in Puerto Rico are enrolled in MA, more than 75% of PR's Medicare beneficiaries (the highest MA penetration in the nation). This includes more than 280,000 elderly Medicaid enrollees ("dual-eligible"), our most vulnerable population, who also receive their benefits through MA. Because MA plans offer higher provider reimbursement than Medicaid (Vital) or commercial plans, the MA program provides approximately half of all health care funding to Puerto Rico's healthcare providers.

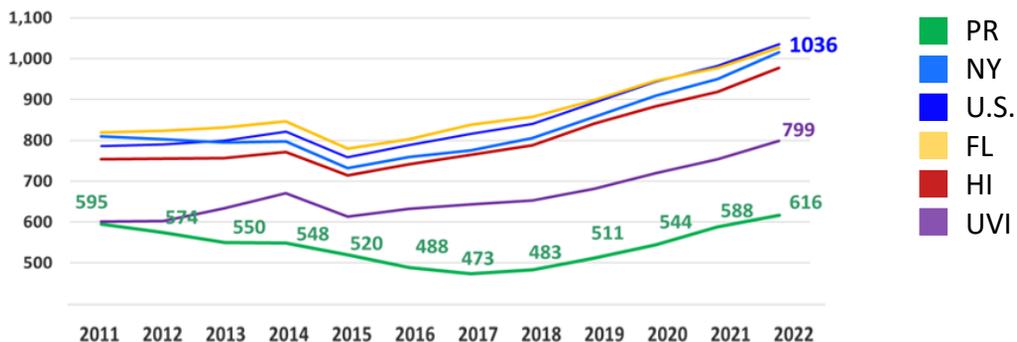
Current MA Payments in Puerto Rico are 40% Lower than the National Average

Historic inequities in the structure of Puerto Rico's health care system have led to Medicare Advantage benchmarks that are inconsistent with funding in other parts of the United States.

The new MA payment system created by the ACA in 2010 exacerbated this inequity by more directly tying MA rates to the small portion of fee-for-service beneficiaries on the island. While national rates have stabilized since then, Puerto Rico has continued a downward spiral. CMS projects that **the gap in rates will widen in 2022 to 41% lower than the national avg.**

Low rates to MA plans in Puerto Rico prevents high provider reimbursements, leading to provider migration, and other healthcare access and quality issues.

Average MA Benchmarks 2011 - 2022
Simple Average of County MA Benchmarks (\$)
@ 0% Star Bonus



About MMAPA

MMAPA, the Medicaid and Medicare Advantage Products Association, is a non-profit composed of the leading Medicaid and Medicare Advantage (MA) organizations in Puerto Rico. Founded in 2009, MMAPA advocates for increased federal investment in the Puerto Rican health care system.

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