

# Equity In Health Care: Eliminating Historic Medicare Disparities for Puerto Rico



## Puerto Rico Depends On The Medicare Advantage (MA) Program

- 630,000+ seniors in Puerto Rico are covered by MA, more than 80% of the island's Medicare beneficiaries (the highest MA penetration in the nation). This includes more than 280,000 senior Medicaid enrollees ("dual-eligible"), our most vulnerable population, who receive their benefits through MA.
- Because provider reimbursements from MA plans are higher than Vital or commercial plans, and because MA takes care of elderly and disabled beneficiaries that use health care the most, the MA program provides approximately half of all health care funding to Puerto Rico providers.

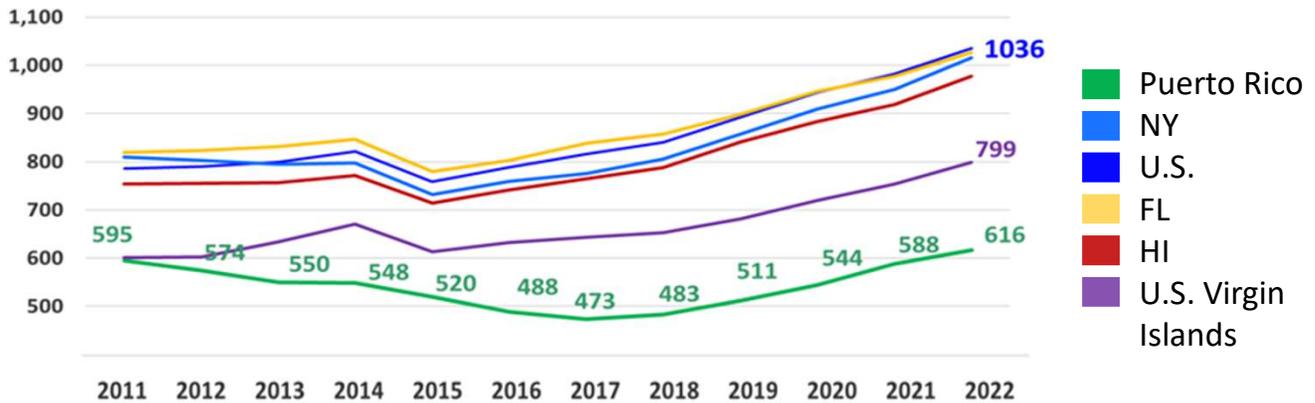
## Current MA Rates In Puerto Rico Are 41% Lower Than The National Average And Falling Further Behind

- Historic statutory and economic anomalies lead to federal policies that disadvantage Puerto Rico through extremely low benchmarks for Puerto Rico MA plans.
- The ACA significantly reduced rates in Puerto Rico; CMS has made adjustments to soften the impact but national rates continue to grow at a faster pace and better reflect the actual cost of health care, while Puerto Rico continues to fall further behind.
  - *The gap in rates widened in 2022 to 41% lower than the national average, vs 24% in 2011.*
  - The national focus on equity in health care must address this persisting disparity.
- Low rates to MA plans prevent adequate provider reimbursements, leading to provider migration and overall erosion in Puerto Rico's healthcare infrastructure.

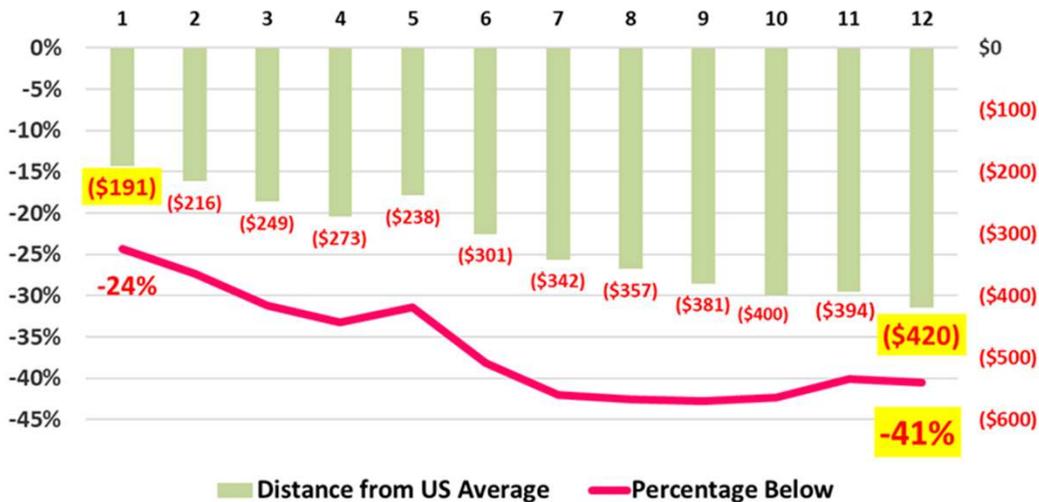
## Legislative Fix

- Ensure rates in Puerto Rico more accurately reflect the cost of delivering care by establishing a national minimum MA average geographic adjustment (AGA) of 0.7.
- Require that plans use no less than 50% of the increase in funds for enhanced provider compensation under Medicare A & B benefits, while the remaining proportion is used for supplemental benefit enhancements and cost-sharing reductions.

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



Puerto Rico MA Benchmarks vs US Average  
2011 to 2022



## 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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