

The Proposed Medicare Advantage & Part D Regulation Presents a Worrisome Scenario for Puerto Rico's Healthcare Delivery System

- The Medicare Advantage (MA) & Part D funding for Puerto Rico (PR) could suffer an estimated reduction of up to 14% for its payments in 2016 compared with 2011 rates, based on the revision of the proposed MA & Part D draft regulations presented by the Centers for Medicare and Medicaid services (CMS).
- The proposed funding cuts are widening disparity in an already weakened healthcare system for the US citizens residing in Puerto Rico. An urgent revision of PR funding calculation is needed to avoid serious consequences to approximately **560,000** MA beneficiaries, thousands of providers and the entire healthcare delivery system.
- On March 6, MMAPA presented their comments related to this analysis of MA cuts to CMS and proposed fixes to help PR's MA beneficiaries in order to obtain a fair and unbiased treatment for the island.
- Over 18,000 letters were sent to CMS requesting fair treatment for PR's MA program. **THANK YOU FOR YOUR SUPPORT!**

Key Technical Points of the Analysis

- ✓ For MA beneficiaries in 3.0 STARs plans, the reduction would be 3%-4% higher.
- ✓ Even when the MA national growth rate is +1.7%, the MA benchmark update for PR is estimated to reduce -4.1% due to the 5th year of the *Affordable Care Act* (ACA) formula.
- ✓ There is a **HUGE** swing in risk score normalization and according to CMS the impact for 2015 is +4.3% and for 2016 would be **-0.4%**.
- ✓ The full implementation of the new risk score model from 33% to 100% has a **HUGE** impact to PR (**-6.00% approx.**).
- ✓ The phase in of the hospice cost carve-out from MA payments has also being particular to PR and is in its 5th year of implementation for 2016.
- ✓ End Stage Renal Disease (ESRD) benchmarks do not seem to have particular positive adjustments, so PR payments would continue to decrease in 2016.
- ✓ Changes to Part D (Prescription Drugs) benefit parameters may increase risk for MA plans in PR, due to the fact that the plans have to cover Prescription Drugs gaps without the Low Income Subsidy (LIS) specifically in the Medicare Platino program.
- ✓ STAR rating adjustment impacts are not clear, and would affect 2016 STARs for 2017 revenue.

What can you do?

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- **Talk about this issue**, and about the need to turn back these disproportionate cuts for beneficiaries that reside in the island.
- **Make your voice to be heard to support our parents, grandparents and friends with Medicare residing in Puerto Rico.**