

La Cámara de Comercio de Puerto Rico y  
su Comité de Salud presentan:

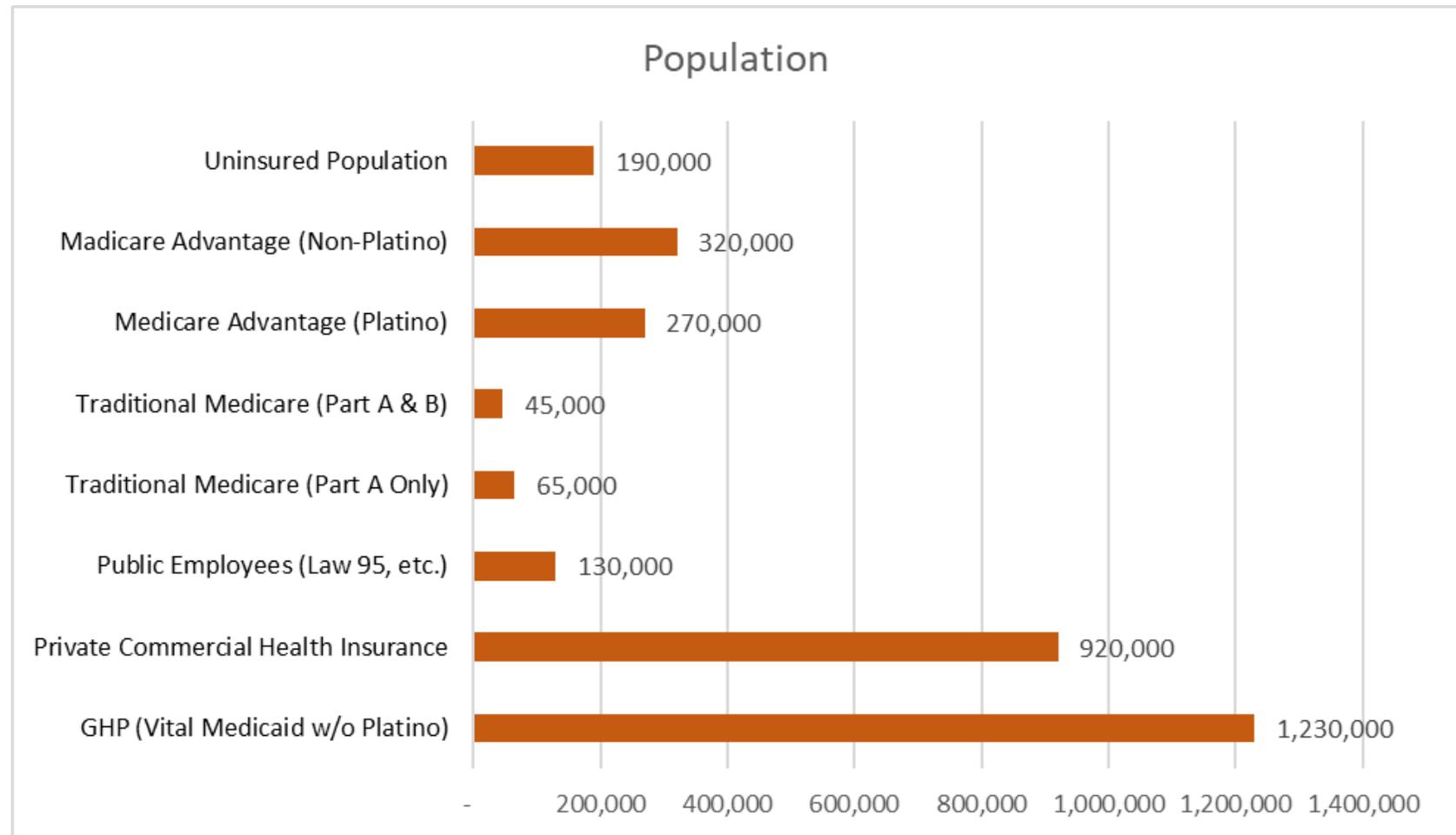


# ALERTA

PARA EL SECTOR DE SEGUROS  
PRIVADO DE SALUD DE PUERTO RICO:  
¿Qué Está Pasando y Qué Vamos a Hacer?

Sector de Seguros Privado (Commercial de  
Puerto Rico) Perspectiva del Mercado y el  
Consumidor  
Carlos García Flores

# Puerto Rico's Health Insurance Projected Population 2021



# Puerto Rico's Health Insurance Snapshot

<b>MARKET SECTOR</b>	<b>Projected Population</b>	<b>%</b>	<b>Health Spending</b>	<b>%</b>	<b>Annual Cost Per Capita</b>
GHP (Vital Medicaid w/o Platino)	1,230,000	39%	\$ 3,250,000,000	23%	\$ 2,642
Private Commercial Health Insurance	920,000	29%	\$ 2,300,000,000	17%	\$ 2,500
Public Employees (Law 95, etc.)	130,000	4%	\$ 430,000,000	3%	\$ 3,308
Traditional Medicare (Part A Only)	65,000	2%	\$ 220,000,000	2%	\$ 3,385
Traditional Medicare (Part A & B)	45,000	1%	\$ 370,000,000	3%	\$ 8,222
Medicare Advantage (Platino)	270,000	9%	\$ 3,550,000,000	26%	\$ 13,148
Madicare Advantage (Non-Platino)	320,000	10%	\$ 3,450,000,000	25%	\$ 10,781
<b>Insured Population</b>	<b>2,980,000</b>	<b>94%</b>	<b>\$ 13,570,000,000</b>	<b>98%</b>	<b>\$ 4,554</b>
<b>Uninsured Population</b>	<b>190,000</b>	<b>6%</b>	<b>\$ 280,000,000</b>	<b>2%</b>	<b>\$ 1,474</b>
	<b>3,170,000</b>		<b>\$ 13,850,000,000</b>		<b>\$ 4,369</b>

# Puerto Rico's Health Insurance Snapshot

- It is important to point out that the uninsured population has gradually diminished during the past 6 years from 285,000 in 2015 to the 2021 projected number of 190,000. Roughly 6% of the island population.
- Evidently this outcome is driven by ACA provisions and PR's Medicaid eligibility criteria within its state plan policy, among others.

# Funding Sources (%)

## Individual Contribution of Total Plan Cost

- Private Commercial 38%
- State Employee (Law 95) 65%
- MA Non Platino 2%

## Funding Distribution/Payment to Providers

- 86%
- 87%
- 88.7%

# Puerto Rico's Health Insurance Commercial Market - Carriers

## Individual

- First Medical Health Plan
- Triple-S Salud
- Medical Card System (MCS)
- Plan de Salud Menonita
- Servicios de Salud Bella Vista
- Ryder Health Plan

## Group

- Triple-S Salud
- Medical Card System (MCS) – UnitedHealthcare
- Humana
- First Medical Health Plan
- MAPFRE
- Plan de Salud Menonita
- Auxilio Salud Plus
- Servicios de Salud Bella Vista

# Puerto Rico's Health Insurance Commercial Market - Carriers

## Changes in Carriers Ownership in 2021

- MMM acquired by Anthem (NYSE: ANTM) – largest BCBS franchises owner
- Triple-S merged with Florida non-profit GuideWell Mutual Holding Corp. that also owns Blue Cross/Shield of Florida
- Medical Card System (MCS) acquired by MHH Healthcare, L.L.C. a platform company formed by Kinderhook Industries, L.L.C.

# Puerto Rico's Health Insurance Commercial Market



## Individual Market

Premium Ranges from \$65 to  
\$500

Based on age



## Small Group Market

Groups from 2 to 50  
employees

Rates based on age, on a per  
member per month basis



## Large Group Market

Groups 51+ employees

Experience based rating

# Puerto Rico's Health Insurance Commercial Market

## General Characteristics

- No Individual or Employer Mandate
- Mostly PPO
- Provider Driven Market
- No Annual Deductible
- Emergency Only coverage outside PR
- Average Premium (group) \$375 PEPM
- Average Premium (individual) \$208 PMPM

# Puerto Rico's Health Insurance Commercial Market Outlook at a Glance

- Stagnant entry of new competitors. No new players.
- Shrinking demographics triggered aggressive institutional campaigns aimed at various markets and populations.
- Changes last year in Medicaid reimbursement rates for professional services stipulate that local Medicaid (Vital) fee schedules must pay at least 70% of Medicare Fee Schedule. This is putting significant pressure on local commercial carriers to adjust physician fees upward.
- COVID expenses are also putting pressure on premium rates to cover this new category of medical expense.

# Puerto Rico's Health Insurance

## Commercial Market

### Main Concerns

- Specialty Drugs – high drug cost effect under actual risk pooling
- *Código de Seguros de Salud*
- Law 142 of 2020 effect on premiums
- Unregulated competitors (pharmacy & other discount cards)
- Challenges faced by the Insurance Commissioner's Office (NAIC)
- Law 26 of 2018 effect on Public Corporation plans – law requires agencies to discriminate between healthy and chronically-ill employees and dependents by lowering employer contributions for the healthy.

# Puerto Rico's Health Insurance Future Milestones

- On going fiscal constraints will foster innovative risk pools to counteract adverse selection, particularly within the governmental segment. Optimize Health Insurance Marketplace concept aimed at private sector.
- Non-discriminatory practices from carriers for escalating high cost medications.



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