



Circular Letter 20-1022

October 22, 2020

To: Managed Care Organizations (MCOs) contracted to offer services under the Government Health Plan Program (Plan Vital); Dentists; Primary Medical Groups (PMG) and Participants Providers

Re: Increase Payment Part-B providers & PMGs

The Amendments to the Contract between ASES and Managed Care Organization included the Financial impact in order to put in effect or provide continuity of 70% of Medicare Fee Schedule as a floor applicable to Puerto Rico 2020 and for the increase of capitation payment of the Primary Medical Groups, respectively. Both are sustainability measures that Government or Puerto Rico presented to the US Congress and complies with the requirement set forth in section 1108(g)(6) of the Social Security Act, which was added by section 202 of the “Further Consolidated Appropriations Act 2020”.

According with the above the mentioned amendments expressly mentions:

10.3.2.1.7 Require PMGs reimbursed by Contractor under a Subcapitated Arrangement to certify that the PMG has passed through any increase of Subcapitated amounts to its affiliated physicians. ASES and Contractor shall track any complaints filed by PMG-affiliated physicians and conduct the appropriate investigation and diligence to ensure compliance with this section. The Contractor shall provide to ASES an attestation to certify compliance with this section. If PMGs refuse to certify the pass-through of the increase of Subcapitated amounts to its affiliated physicians, or otherwise fail to comply with this section’s requirements, Contractor may escalate the issue to ASES and shall not be obligated to remit to impacted PMGs the increased amounts set forth under Section 10.5.1.5.3 until ASES has resolved the issue.

10.5.1.5.1 Claims submitted for professional services that are listed in the current Medicare Part B fee schedule, as established under Section 1848(b) of the Social Security Act, and as applicable to Puerto Rico for 2020 (70% MFS), shall be reimbursed by the Contractor at not less than seventy percent (70%) of the payment that would apply to covered services



and benefits, if they were furnished under Medicare Part B, disregarding services that are paid through Subcapitation Arrangements. Any claims subject to reimbursement in accordance with this Section 10.5.1.5.1 that have been reimbursed at less than seventy percent (70%) of the corresponding rates on the Medicare Part B fee schedule shall be re-adjudicated for payment in compliance with this Section. In the event the MCO and the provider have a contracted rate greater than the 70% at the time of this Amendment, the MCO may (i) maintain the current rate contracted with the provider for the effectiveness of that agreement, or (ii) contract a different rate as long as such rate is 70% MFS or higher. The Contractor shall comply with all data collection and reporting requests from ASES, in the manner and frequency set forth by ASES, to validate the Contractor's compliance with this Section.

10.5.1.5.3 Contractor must increase payments to PMGs under a Subcapitated Arrangement from July 1, 2020. Contractor must remit the full increased amount to impacted PMGs. Subcapitation Arrangements shall not be subject to the requirements set forth in Section 10.5.1.5.1 and 10.5.1.5.2.

22.1.1.2 PMPM Payment rates included in Attachments 11 and 11-A to this Contract, as amended, shall be effective to account for any new requirements set forth in Sections 10.5.1.5.1 and 10.5.1.5.2. ASES will increase the PMPM Payments to account for the additional costs incurred by Contractor with respect to the minimum fee schedule and increase in Subcapitated amounts, as of the effective date of the Amendment.

Consequently, on September 30, 2020 ASES issued to all Plan Vital Contractors (MCOs) the payment resulting from the change of premiums for the months of July, August and September 2020. This payment is intended to fully cover the 70% MFS increase to Part B providers and the increase to PMGs starting on July 1, 2020, in the amount of \$50 million, covering the 3 months as mentioned above; equivalent to a \$3.59 approximately PMPM increase.

All MCOs must make the necessary operational adjustments to allow payment in due course of the revised reimbursement to these providers and provide adequate evidence of performance of payment to ASES, as set forth in the amended contract. ASES expects full compliance with this upwards adjustment, as previously discussed with the MCOs.

Cordially,

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