

NORMATIVE LETTER 20-0211

February 11, 2020

To: Managed Care Organizations (MCO's) contracted to offer services under

the Government Health Plan Program (the "Vital" program)

Re: Risk Adjustment Methodology

The Puerto Rico Health Insurance Administration (ASES, for its Spanish acronym) evaluated the Risk Adjustment Factor methodology for the first six (6) month period that ended on April 2019, as described on section 22.1.3.3 of the Contract between ASES and the MCOs, for the provision of physical and behavioral Health services under the "Vital" program.

After careful evaluation of the mentioned process, ASES notify the Risk Adjustment Factor methodology that will be used by ASES's actuaries beginning for the second contract year: the Region factors will be dampened by taking the square root of the derived area factor, in order for the Risk Adjustment to reflect the population management of the MCO's.

Please be advised that other elements described in section 22.1.3.3 remain the same.

Cordially

Jorge E. Galva, JD. MHA Executive Director



