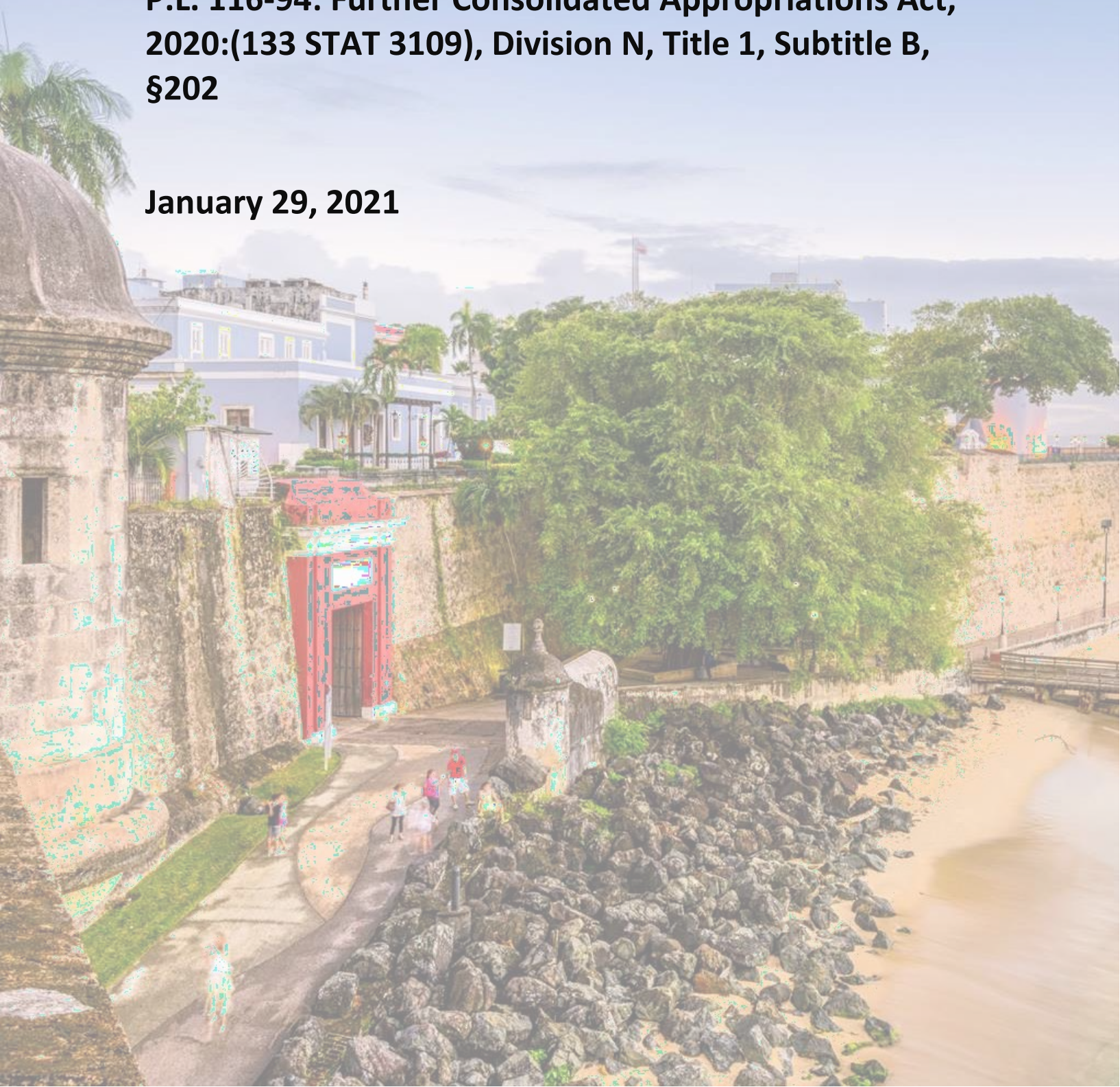


# Quarterly Report to CMS Region II

## Current Status on Activities to comply with:

**P.L. 116-94: Further Consolidated Appropriations Act, 2020:(133 STAT 3109), Division N, Title 1, Subtitle B, §202**

**January 29, 2021**



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# 1. INTRODUCTION

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The Puerto Rico Department of Health, Medicaid Department and ASES have been working since the enactment of Federal ACT: P.L 116-94, Further Consolidated Appropriations Act, 2020 (Dec 16, 2019); on activities to support the following Congressional Requirements established by the Act for Puerto Rico.

1. Review Program Integrity Office Policies/ Procedures/ Staffing
2. Develop Payment Error Rate Measurement (PERM) Plan
3. Develop Contracting Reform Plan
4. Review Medicaid Eligibility Quality Control (MEQC) Policy/Procedures/ Staffing
5. Evaluate Dual Eligible Special Needs Plan
6. Develop Annual Report
7. Develop Report on Contracting Oversight and Approval
8. Evaluate Current Process of Managed Care Payments
9. Develop Scorecard Reporting Measures
10. Develop Financial Executive Summary for CMS 37/64 Reporting
11. Evaluate Current Contract Requirements and CMS Reporting
12. Implement Scorecard Reporting System
13. Develop Policies and Procedures for Penalties

This document provides information and activities to comply with each of the thirteen (13) requirements mandated by PL 116-94 highlighted above. For each requirement we present:

- A review of the requirement as established in P.L 116-94
- A current status description of what has been done by the Puerto Rico Medicaid Enterprise
- A review of the activities that have been performed to date by the agencies of the Puerto Rico Medicaid Enterprise,
- A summary of planned activities that will continue to be further addressed by Puerto Rico in compliance with the requirements.

As demonstrated herein, the Puerto Rico Department of Health, Medicaid and ASES are all working collaboratively with the goal of meeting each of the mandated requirements of Congress. Our teams are engaged and progressing along the schedules as presented below.

This document is divided into two sections. The first five requirements listed are those on which reports were submitted to Congress on December 20, 2020. The remaining eight are those for which PRDOH and ASES are due to provide reports and updates within the next six months.

## 2. STATUS OF REPORTS DELIVERED TO CONGRESS AS OF DECEMBER 20, 2020

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### Requirement 3: Develop Contracting Reform Plan

#### Congressional Requirement

“Not later than 12 months after the date of enactment of this paragraph, Puerto Rico shall publish a contracting reform plan to combat fraudulent, wasteful, or abusive contracts under Puerto Rico’s Medicaid program under title XIX that includes:

- i. Metrics for evaluating the success of the plan
- ii. A schedule for publicly releasing status reports on the plan”

#### Requirement Status

- Puerto Rico submitted to Congress on **Dec 20, 2020** a report in Response to PL116-94: Further Consolidated Appropriations Act, 2020 (133 STAT 3105), Division N, Title 1 §202(a)(7)(A)(iii) – Contracting Reform Plan

#### Activities Completed

To meet the Congressional mandate Puerto Rico took the following actions:

- From September 2020 through December 20, 2020; Puerto Rico held multiple meetings, interviews and workshops with the Department of Health, Puerto Rico Health Insurance Administration and Medicaid to define the vision, guidelines and principles around Contracting Reform
- A thorough review of Government of Puerto Rico Laws, Regulations and Executive Orders was conducted to understand the procurement and contracting legal framework in place for the Government.
- Multiple review meetings were held with the agencies of the Medicaid Enterprise to draft, review, finalize and publish the Contracting Reform Plan as requested by Congress.
- Puerto Rico responded on November 13, 2020 to initial inquiries from the U.S. Government Accountability Office (GAO) on our contracting processes received on October 29, 2020. This report provides the PRDOH’s response to GAO’s request for an update on the status of Puerto Rico’s development of a contracting reform plan.
- Within the content of the Contracting Reform Report, Puerto Rico provided a response to the Contracting Risk area highlighted in document titled **‘A-02-20-01011 Risk Assessment Puerto Rico Medicaid Program’** conducted by the U.S. Department of Health and Human Services (HHS), Office of Inspector General (OIG), received on December 10, 2020.
- Puerto Rico examined the contracting processes in our Government and Medicaid Enterprise developed for Congress a plan for Contracting Reform to combat fraudulent, wasteful, or abusive contracts.

## Planned Next Steps

The Contracting Reform Plan established a Vision to be recognized as a leader in ethics and transparency in procurement and contracting, supported by established processes that identify desired results and active contract management to achieve those results with the best possible impact on our Medicaid beneficiaries, all at a lower cost to taxpayers.

The following guiding principles were defined for the Contracting Reform efforts of our Medicaid Enterprise:

1. Enhance the strategy and planning efforts in our procurements
2. Further drive competition across procurements
3. Unified standardization in our processes.
4. Increase transparency
5. Use data to inform our operations.
6. Promote efficient and cost-effective procurement and contracting processes,
7. Seek value for money and good stewardship of federal funds
8. Create a culture of ownership, accountability, and continuous learning

Puerto Rico identified four areas of opportunity to reform the Medicaid Enterprise's contracting processes:

- 1. Increase Competition and establish alternative competitive contracting processes**
  - a. Establish formal parameters to decide when non-competitive bids are necessary by setting criteria and thresholds
    - i. Based on dollar values
    - ii. Based on contract duration
  - b. Define additional actions required to justify non-competitive procurements
  - c. Assess barriers to entry and bidder's limitations
  - d. Competitively establish pre-qualified list of vendors
- 2. Engage stakeholders and expand the strategic development and planning processes for procuring services**
  - a. Identify and involve business owners of each contract requirement to increase oversight and accountability.
  - b. Allow more time for upfront strategy development in major procurements
  - c. Reconsider the duration of base contracts to reduce risk when necessary
  - d. Engage agency and other stakeholders in strategic planning
  - e. Strategically tie contract performance goals to contract oversight responsibilities
  - f. Engage potential vendors in planning
- 3. Drive increased standardization and consistency in the scoring and selection process**
  - a. Define and rigorous scoring process to establish criteria for competitive bids and test scoring criteria to ensure best bids win
  - b. Increase training efforts
- 4. Increase transparency, make more contracting information publicly available**
  - a. Identify which portions of contracting documents can or cannot be made public
  - b. Publish initial contracting documents
  - c. Establish ongoing processes and tools to publish contracting documents

Below is Puerto Rico’s proposed timeline for the execution of the Contract Reform Plan:

Initiatives	FFY 2021			FFY 2022				FFY 2023
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<b>Contracting Reform Plan</b>								
<i>Planning</i>								
a.	Analyze staffing levels and determine capacity							
b.	Establish governance approach for implementing opportunities							
c.	Identify metrics for measuring success of the Contracting Reform Plan							
d.	Prioritize contract oversight opportunities							
<i>Priority Initiatives</i>								
1.	Establish formal parameters to decide when non-competitive bids are necessary by setting criteria and thresholds							
2.	Define additional actions required to justify non-competitive procurements							
3.	Identify and involve business owners of each contract requirement to increase oversight and accountability							
4.	Allow more time for upfront strategy development in major procurements							
5.	Reconsider the duration of base contracts							
6.	Define a rigorous scoring process to establish criteria for competitive bids and test scoring criteria to ensure best bids wins							
7.	Identify contracting documents that can be made public							
8.	Publish initial contracting documents							
9.	Establish ongoing process, tools and internal review process to ensure all appropriate documents are published							
<b>Additional Opportunities to Optimize Contracting</b>								
10.	Assess barriers to entry and bidders' limitations							
11.	Competitively establish pre-qualified lists of vendors							
12.	Engage agency and other stakeholders in strategic planning							
13.	Strategically tie contract performance goals to contract oversight responsibilities							
14.	Engage potential vendors in planning							
15.	Increase training efforts on process, criteria and law							
16.	Implement prioritized contract oversight opportunities							
<b>Reporting and Measuring our Progress Against Contracting Reform Plan</b>								
	Quarterly status report to CMS							◆
	Annual progress report to U.S. Congress							

◆ = Milestone

Figure 1. Proposed Timeline for Execution of the Contract Reform Plan.

## Requirement 7: Report on Contract Oversight and Approval

### Congressional Requirement

"Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall issue, and submit to the Chair and Ranking Member of the Committee on Energy and Commerce of the House of Representatives and the Chair and Ranking Member of the Committee on Finance of the Senate, a report on contracting oversight and approval with respect to Puerto Rico's State plan under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) (or a waiver such plan). Such report shall-

- a. examine-
  - i. the process used by Puerto Rico to evaluate bids and award contracts under such plan (or waiver);
  - ii. which contracts are not subject to competitive bidding or requests for proposals under such plan (or waiver);
  - iii. oversight by the Centers for Medicare & Medicaid Services of contracts awarded under such plan (or waiver);
- b. include any recommendations for Congress, the Secretary of Health and Human Services, or Puerto Rico relating to changes that the Comptroller General determines necessary to improve the program integrity of such plan (or waiver)."

### Requirement Status

- Puerto Rico submitted to Congress on **Dec 20, 2020** a report in Response to PL116-94: Further Consolidated Appropriations Act, 2020:(133 STAT 3109), Division N, Title 1, Subtitle B, §202(f)(2) – Report on Contract Oversight and Approval

### Activities Completed

- The GAO, led by the Comptroller General, provided some questions related to Puerto Rico's contracting processes which were responded to on November 13, 2020.
- The U.S. Department of Health and Human Services (HHS), Office of Inspector General (OIG) conducted a risk assessment for the Puerto Rico Medicaid program controls and processes. The OIG determined audits of Puerto Rico's Medicaid program are warranted and the results will set their priorities for performing future audits of the Medicaid program in Puerto Rico. We reviewed the draft brief in October 2020 and the final report in December 2020. Puerto Rico is responding to OIG's assessment throughout this report for the following risk areas: Program Integrity, Provider Enrollment, Overpayment Reporting, Contracting, Other High-Risk Factors, and Program Management.
- Puerto Rico conducted its own assessment of its contracting and oversight processes to respond to the Contracting Oversight and Approval requirements. From September 2020 through December 20, 2020, we conducted 26 interviews across the Department of Health, Puerto Rico Health Insurance Administration and Medicaid, reviewed over 250 documents, researched leading practices and spoke with other Medicaid programs to identify 15 opportunities to help enhance our contract oversight processes.
- To meet the Congressional mandate, we examined the:

- **Current State for Contracts and Bids Funded by Medicaid in Puerto Rico:** Puerto Rico provided a description of the types of contracted services procured by the Medicaid Enterprise, which are funded by Medicaid. Our Medicaid Enterprise agencies described our territorial laws for contracting and procurement applicable to the Medicaid Enterprise. Using a contract management framework, we then provided an overview of our processes to evaluate bids and award contracts on competitive and non-competitive basis. After examining the contracting processes in our Medicaid Enterprise, we developed a Contracting Reform Plan (Response to Requirement 3 from Congress) that identifies contracting reform improvement opportunities. To operationalize our plan, we identified specific initiatives to address the opportunity areas and aligned them with an implementation plan that establishes early successes, while carefully planning details such as governance and staffing of the initiatives for Requirement 3, and optimizing initiatives continuing beyond the plan that will demand more time and effort. Four areas of opportunity to enhance our procurement and contracting practices are to:
  - Increase competition and establish alternative competitive contracting processes.
  - Engage stakeholders and expand the strategic development and planning processes for procuring services.
  - Drive increased standardization and consistency in the scoring and selection process.
  - Increase transparency, make more contracting information publicly available.
  
- **Managed Care Contracts subject to Oversight by the Centers for Medicare & Medicaid Services:** Puerto Rico evaluated compliance and oversight activities required by the Centers for Medicare & Medicaid Services (CMS) of the managed care contracts awarded under Puerto Rico’s State plan. Managed care contract oversight focuses on eight functional areas, which align to the scope of the Medicaid and Children’s Health Insurance Program (CHIP) Managed Care Final Rule established by CMS in 2016 and updated in 2020 to achieve a better balance between appropriate federal oversight and state flexibility. For each of the areas, we described the functional area, current processes and stakeholders involved, and opportunities we are considering to improve our business processes and tools. We also reviewed leading practices from states, to help us identify 15 opportunities to enhance our contract oversight processes.

## Planned Next Steps

Below are 15 opportunities we are considering to enhance oversight of our managed care contracts. Each of these areas is described and analyzed in detail in Section 5 of this report. These opportunities will be further reviewed and prioritized during Contracting Reform when we select initiatives related to contract oversight and develop an implementation approach.

Opportunity	Description of Opportunity	Section Reference to Functional Area
Integrate Oversight Teams	Develop an integrated team that works together across MCOs/MAOs that would allow for more cross training and cross coverage. This approach would allow us to build stronger teams who are more knowledgeable and familiar with issues and can identify trends across MCOs/MAOs and functional areas, and to enhance our capabilities to work through complex oversight issues.	5.3 State Monitoring Standards



Opportunity	Description of Opportunity	Section Reference to Functional Area
Improve the Governance of Contract Oversight Processes	Create governance processes to enable departments across Puerto Rico's Medicaid Enterprise to collaborate more readily by sharing relevant, actionable information at the right time, engaging MCOs in meaningful ways, and enabling effective operations and goal setting.	5.3 State Monitoring Standards
Increase Transparency with Puerto Rican Beneficiaries	Publish information and report about the MCOs' quality of care and update records regularly in the online portals, thereby making information easily accessible to the beneficiaries and the public. Increased transparency allows our beneficiaries to view the performance of individual MCOs prior to selecting an MCO and holds MCOs accountable to improve their performance.	5.4 Quality of Care
Enhance the EQRO's Role	Use the External Quality Review Organization (EQRO) and/or Quality Improvement Organization (QIO) for additional oversight activities, such as validating encounter data, conducting consumer and provider surveys, calculating performance measures, and performing appointment availability studies on clinical or non-clinical services.	5.4 Quality of Care
Integrate Quality Oversight	Implement an integrated quality report that combines disparate sources of information and allows the Puerto Rico Medicaid Enterprise to review data inclusively and draw insights.	5.4 Quality of Care
Leverage Telehealth to Expand the Existing Provider Network	Promote telehealth opportunities to expand health care access to areas of the Island that are lacking providers, especially increasing access to specialists and serving more beneficiaries in rural areas.	5.5 Network Adequacy and Access to Care
Reduce Reliance on MCO-Reported Data	Validate MCO reports with external sources and confirm the accuracy of the information reported. This enhanced validation will improve the reliability of network information, provide opportunities to hold MCOs responsible for information provided, and in turn incentivize accurate reporting from MCOs.	5.5 Network Adequacy and Access to Care
Improve Frequency of Data Reporting by Leveraging Automation	Use automation to enable our teams to more frequently and more effectively collect and validate data, calculate and verify network adequacy, and strengthen MCO reporting efforts.	5.5 Network Adequacy and Access to Care
Standardize Processes of Grievances and Appeals and Share Data across Medicaid Enterprise	Implement an integrated system to track and trend grievances and appeals, allowing the Medicaid Enterprise to standardize the logging of grievances, appeals and hearings, and examine the data for trends, patterns, root causes, and other insights. Having a unified system would allow the information and, more importantly, the insights, to be shared across the Medicaid Enterprise.	5.7 Grievances and Appeals
Track Trends in Grievances and Appeals to Identify and Resolve Systemic Issues	Track trends and patterns in grievances, appeals, and hearings to allow us to enhance issue resolution and better identify where improvements can be made, such as service and quality improvements, revising or clarifying policies and procedures, and/or improving communication.	5.7 Grievances and Appeals

Opportunity	Description of Opportunity	Section Reference to Functional Area
Improve Collaboration for Marketing Materials Development	Increase alignment with CMS to help improve the MAOs' marketing materials and activities by incorporating and adhering to CMS marketing and communication guidelines, with input from the advisory committee to the Medicaid director.	5.8 Marketing and Communication Activities
Introduce Additional Factors into the Default Enrollment Methodology	Strengthen the default enrollment methodology to incorporate additional factors in order to improve the experience of our beneficiaries and incent high-performing MCOs.	5.9 Enrollment and Disenrollment
Increase Provider Enrollment	Encourage more providers to enroll through the new Provider Enrollment Portal (PEP), which enables us to improve the integrity of our provider data and assess our MCOs' provider networks.	5.9 Enrollment and Disenrollment
Improve Data Integrity and Automation	Increase system integration, collaboration, and automation across the Medicaid Enterprise to improve sharing financial information with MCOs and our federal partners. These improvements allow for better consistency with reporting and processing, which in turn, allows for better data reconciliation across sources and data-driven insights.	5.10 Financial Oversight, including Rate Development Standards and Payment Management
Temporarily Modify Payment Methodologies and Profit-Sharing Arrangement	Explore potential levers for further recoupment of excess profits to complement the existing mechanisms in place	5.10 Financial Oversight, including Rate Development Standards and Payment Management

Upon receipt of the final assessment report from the GAO, we will add an addendum to this report with our response to any changes that Comptroller General deems necessary to improve the program integrity of our contracting processes.

## Requirement 8: Audits of Managed Care Payments

### Congressional Requirement

“...the Inspector General shall develop and submit ...a report identifying payments made under Puerto Rico’s Medicaid Program to managed care organizations that the Inspector General determines to be at high risk for waste, fraud, or abuse and a plan for auditing and investigating such payments. Such report shall:

- Examine: i. The process used by Puerto Rico to make payments to the Managed Care organizations,
- ii. Which, if any, current processes represent risks of fraud, waste, or abuse

b. Include any recommendations or findings for Congress, relating to changes that the Office of Inspector General determines necessary to improve the program integrity of such plan.”

## Requirement Status

- Puerto Rico submitted to Congress on **Dec 20, 2020** a report in Response to PL116-94: Further Consolidated Appropriations Act, 2020:(133 STAT 3110), Division N, Title 1, Subtitle B, §202(f)(3) – Audits of Managed Care Payments
- Puerto Rico has made significant strides towards developing and expanding the Program Integrity Unit’s (PIU) oversight of managed care payments. Improvements in coordination between PRDOH and ASES have led to a collaborative approach and more defined roles in oversight responsibilities. The PIU and ASES Compliance teams are both working to coordinate responses and corresponding activities given the Congressional and OIG directives. This commitment to a collaborative approach will strengthen the capacity and efficiency of both groups going forward.
- The U.S. Department of Health and Human Services (HHS), Office of Inspector General (OIG) conducted a high-level risk assessment for the Puerto Rico Medicaid program controls and processes, titled ‘A-02-20-01011 Risk Assessment Puerto Rico Medicaid Program’, to comply with P.L. 116-94.2 This assessment outlines risk areas and other high-risk factors that could contribute to improper Medicaid program payments. The OIG determined audits of Puerto Rico’s Medicaid program are warranted and the results will set their priorities for performing future audits of the Medicaid program in Puerto Rico.

## Activities Completed

In our report to Congress, we summarized the current state of the program, including our current fraud, waste, and abuse approach, and highlighted upcoming planned enhancements. The report also provides information on leading practices used by other state Medicaid programs and potential opportunities to enhance Puerto Rico’s Medicaid Program. The following topics were included as part of the report submitted to Congress:

- **Description of Puerto Rico’s oversight over Managed Care payments and approach to address Fraud, Waste, and Abuse:** We highlighted the significant advances that our Puerto Rico has made in data mining, leveraging analytics, and identifying high risk transactions from our MMIS. The use of these tools has already begun and have helped Puerto Rico establish baseline metrics to manage the oversight of Managed Care payments going forward. The Comprehensive Oversight and Monitoring Plan (COMP) performance measurement tool that has been developed by ASES, can increase transparency and visibility into an expanding list of Key Performance Indicators (KPIs). These accelerator tools will enable Puerto Rico to further monitor MCOs and have greater insight into fraud, waste, and abuse activities.
- **Eight-step approach to handling FWA:** Puerto Rico has implemented an eight-step approach to handling fraud, waste, and abuse in managed care payments. These steps include prevention, detection, investigation, evaluation, referral to law enforcement, registration of cases, internal referral, and payment suspension process. This process is designed to directly address the components of suspicious fraud, waste, and abuse activities.
- **Enhanced MMIS:** Puerto Rico has also planned analytic and reporting capabilities that will advance program integrity once fully implemented. Since May 2020, Puerto Rico has been working to

upgrade its Medicaid Management Information System (MMIS) and create the capability to generate – on a daily to annual basis – over 100 reports focused on various utilization metrics. Twelve metrics will be summarized in a dashboard and presented for executive-level monitoring. Puerto Rico will utilize these dashboards to initiate the detection and potential prevention of fraud cases that have historically been found by on-site visits. Both MMIS and the ASES reporting tools, including the COMP tool, will be fully implemented in the first quarter of 2021.

- **Strengthening oversight and fraud, waste, or abuse (FWA) approach via Prevention, Detection, and Response:** We have identified areas of potential enhancements leveraging a flexible framework based on a three-pillar strategy:
  - i. **Prevent:** aimed to be a proactive approach in identifying potential fraud, waste, and abuse transactions before payment
  - ii. **Detect:** designed to find those behaviors that are not prevented in the first pillar. Includes implementing an evolutionary approach that builds on traditional methods of pattern detection with sophisticated strategies
  - iii. **Response:** designed to address fraud, waste, and abuse that bypasses the first two pillars – it facilitates collaboration and information sharing across organizations and establishes a risk assessment framework that enables better positioning to combat fraud, waste, and abuse

## Planned Next Steps

To strengthen Puerto Rico’s approach to Fraud, Waste and Abuse related to the Oversight of Managed Care Payments the following opportunities have been identified:

**Prevention:** The primary focus of this area currently is on provider fraud on a post payment basis. There is limited capacity and analytic capability to understand trends of suspicious behaviors that focus on prevention and cost avoidance. Furthermore, reporting data is limited to the provider level and there is limited capability to track fraudulent activity at the beneficiary level. Based on leading practices, Puerto Rico can take a proactive approach to identify potential fraudulent or wasteful transactions – before payment. This includes pre-pay edits for common errors to identify and prevent payments or know violations. The following opportunities were identified to strengthen Puerto Rico’s prevention efforts:

1. Enhance MMIS Reporting Analytics review paid encounters and analyze denied claims to identify additional patterns of risk to further enhance our overall response to fraud waste and abuse. Analytics rules and models should be expanded to include review of denied claims.
2. Increase MCO Monitoring Processes by pursuing quarterly meetings with MCO representatives to discuss and address fraud, waste and abuse issues that have been flagged by our analytic tools.
3. Report on Member Level Encounter Data. Improved monitoring of encounter data at the beneficiary level could help expand the scope of fraud, waste and abuse prevention and detection efforts. This reporting will allow our Medicaid Enterprise to have greater insight and understanding of both utilization trends and billing trends. This granular data may allow for the discovery of potential abusers of the program as well as providers who may be fraudulently charging across multiple MCO’s.

**Detection:** Detection is a key phase in the oversight of Fraud, Waste and Abuse. It is important that the Program Integrity Unit have established processes, along with analytics, that enable the detection of fraud, waste and abuse within the data. This can be achieved through prepayment edits, outlier detection through trend analysis and advanced machine learning. The Medicaid Enterprise is working to advance all three approaches and the following opportunities can enhance these detection efforts:

1. **Enhance MCO Encounter Data Analysis.** Puerto Rico has implemented data analytics through the MMIS and the COMP tool. An opportunity exists to enhance data synchronizations efforts between the MMIS and ASES. Data Governance needs to mature so that the data sources between ASES and MMIS be fully integrated. With this integration PR will be able to review a uniform dataset of encounter information and thus further validate the integrity and quality of the data for review purposes. Once this data is consistent and uniform, review can be enhanced to allow for:
  - a. Evaluation of missing diagnoses/Procedures
  - b. Evaluation of missing prescribers
  - c. Evaluation of encounters with the same primary and secondary diagnosis
  - d. Further insight into population to evaluate taxonomies, procedures, diagnosis and claim types to look for areas with inconsistencies with the costs of specific services, potential coverage gaps in a plan's provider network, high cost diagnoses or procedures that may provide insight into overpayment indicators or areas for preventive review
2. **Implement Further Predictive Analytics.** With the integration of the data and tools, Puerto Rico will be able to proactively monitor MCO's based on their predictive behaviors. Activities such as cross referencing multiple disparate data sets like encounter data, provider lists, member lists and any external reference data may enable Puerto Rico to see the full picture in analyzing leads and cases. Running the data against a set of models including risk scores, provider based risk factors, behavioral models, and record based rules could highlight a list of high, moderate and low risks to evaluate. This will enable Puerto Rico to eliminate the reliance on MCO's and better equip the enterprise to discover fraud, waste and abuse leads or areas of exposure before the MCO;s can detect it.

**Response:** The response activities for Puerto Rico's Program Integrity Unit include many avenues to address cases of identified fraud, waste and abuse. Response is dependent on the type and source identified. Puerto Rico is currently running multiple initiatives to address and respond to identified overpayments and procedural updates to increase transparency and measurability of responses. Notwithstanding current efforts, there are additional areas of opportunity that Puerto Rico should explore for Response:

1. **Further Defined Compliance Plan.** Puerto Rico will outline targeted metrics that measure progress against compliance actions. By having an approach to compliance based on metrics, Puerto Rico would be able to monitor thresholds that could determine when action needs to be taken. This will provide greater consistency in monitoring FWA. Using metrics will allow for our compliance plan to be measurable, actionable and repeatable. The targeted metrics could become Key Performance Indicators that can be added to the compliance plan for further clarity and consistency of measuring and reporting from the MCO's
2. **Enhance Program Integrity Unit technology capabilities.** An important component of response is a PIU's ability to track cases, monitor patterns and perform referrals to track their outcomes. The introduction of advanced analytics as a form of additional oversight would enable the PIU to track an end to end picture of the FWA risks in Puerto Rico.

## Requirement 9: Reporting on Medicaid And CHIP Scorecard Measures

### Congressional Requirement

“Beginning 12 months after the date of enactment of this subsection, Puerto Rico shall begin to report to the Administrator of the Centers for Medicare & Medicaid Services on selected measures included in the Medicaid and CHIP (MAC) Scorecard developed by the Centers for Medicare & Medicaid Services.” The language in the law was added as an amendment to Section 1902 of the Social Security Act.

### Requirement Status

- Puerto Rico submitted to Congress on **Dec 20, 2020**: (133 STAT 3111), Division N, Title 1, Subtitle B, §202(f)(4) – Reporting on Medicaid And CHIP Scorecard Measures
- Our report highlights that Puerto Rico is on track to achieve compliance with this requirement through submission of the MAC Scorecard measures and elaborates on previous obstacles that prevented submission and Puerto Rico’s process for submitting the measures within the required timeframe moving forward. The report explores potential additional improvement opportunities that Puerto Rico may consider to further enhance its MAC Scorecard reporting practices.

### Activities Completed

To meet the Congressional mandate the following activities were conducted in the development of our response:

- **Immediate Changes Implemented to meet the December 20, 2020 Deadline:** To report on MAC Scorecard measures, we had to correct the process used for prior submissions. Previously, our MACPro submission process was not fully completed because one of the system-defined roles (State Director) was not assigned to a staff member, as required under CMS rules. This year, the role was properly assigned, along with the State Editor and State Point of Contact. By the submission date of the report, the measures were entered into the MACPro portal and are being reviewed and certified per CMS requirements. Once certified, we will be prepared to address “Seek More Information” (SMI) requests, once provided by CMS. If needed, we will respond to SMI requests and revise measures accordingly. Beyond the newly assigning the Director role, no other notable changes to the reporting process are expected to occur in advance of the Congressional deadline.
- **Submitted MAC Scorecard Measures from Previous Years.** As part of the activities for this requirement we validated that Puerto Rico demonstrated compliance with requirements established by the federal government in 2020 by submitting Core Set/MAC Scorecard measures through the MACPro portal. Additionally, in each of the last three years, we began the process of updating measures to the MACPro portal but did not officially submit them to CMS. We will work with CMS to see if these prior year measures entered into the MACPro portal can also be officially submitted to benefit CMS’ data collection.

## Planned Next Steps

Puerto Rico submitted several scorecard measures, as depicted on the table below, through the MACPro portal, and we await CMS' review and inclusion of our measures in the 2021 MAC Scorecard:

2020 MAC Scorecard Measure	Measure Steward	Anticipated for Inclusion in 2021 MAC Scorecard	Status Detail
Adolescent Well-Care Visits: Ages 12 to 21	NCQA	Y	Submitted in MACPro
Well-Child Visits in the First 15 Months of Life	NCQA	Y	Submitted in MACPro
Ambulatory Care: Emergency Department Visits: Ages 0 to 19	NCQA	Y	Submitted in MACPro
Follow-Up After Hospitalization for Mental Illness: Ages 6 to 17	NCQA	Y	Submitted in MACPro
Breast Cancer Screening: Ages 50 to 74	NCQA	Y	Submitted in MACPro
Follow-Up After Hospitalization for Mental Illness: Ages 18+	NCQA	Y	Submitted in MACPro
Asthma Medication Ratio: Ages 5 to 18	NCQA	Y	Submitted in MACPro
Prenatal & Postpartum Care: Postpartum Care	NCQA	Y	Submitted in MACPro
Asthma Medication Ratio: Ages 19 to 64	NCQA	Y	Submitted in MACPro
Initiation & Engagement of Alcohol & Other Drug Dependence Treatment: Age 18 and Older	NCQA	Y	Submitted in MACPro
Follow-up After Emergency Department Visit for Mental Illness: Age 18 and Older	NCQA	Y	Submitted in MACPro
Controlling High Blood Pressure: Ages 18 to 85	NCQA	Y	Submitted in MACPro
Comprehensive Diabetes Care: Hemoglobin A1c (HbA1c) Poor Control (>9.0%): Ages 18 to 75	NCQA	Y	Submitted in MACPro
Well-Child Visits in the Third, Fourth, Fifth, and Sixth Years of Life	NCQA	Y	Submitted in MACPro
Immunizations for Adolescents: Age 13	NCQA	Y	Submitted in MACPro
PQI 01: Diabetes Short-Term Complications Admission Rate: Age 18 and Older	AHRQ	Y	Submitted in MACPro
Use of Opioids at High Dosage in Persons Without Cancer: Age 18 and Older	PQA	N	To be collected in future years
Percentage of Long-stay Nursing Home Residents who got an Antipsychotic Medication	CMS (Nursing Home Compare)	N	Not relevant to Puerto Rico <sup>1</sup>
Number of Hospitalizations per 1,000 Long-Stay Nursing Home Resident Days	CMS (Nursing Home Compare)	N	Not relevant to Puerto Rico
Live Births Weighing Less Than 2,500 Grams	CDC	N	Not currently available, may be collected in future years
Percentage of Eligibles Who Received Preventive Dental Services: Ages 1 to 20	CMS (EPSDT)	Possibly	To be compiled by CMS after potential data validity issue is addressed
State Use of Experience of Care Surveys for Beneficiaries Using Long-Term Services and Supports	PPI/NASUAD	N	Not relevant to Puerto Rico

The following items have been identified as opportunities to enhance our MAC Scorecard reporting going forward:

<sup>1</sup> Puerto Rico does not have an LTSS program.  
P.L 116-94 Requirement Summary

- **Opportunity #1:** Integrate data sets from information systems to bolster data quality and better enable reporting. Moving forward, we foresee the need to establish and work toward a vision for broader data integration across DOH and PRHIA. Ultimately, achieving this vision will require executing several steps.

Assessing the possibility for broader data integration is the first step toward achieving complete reporting in the future. If such an assessment suggests that greater data integration is both possible and useful, we would move forward with integration where appropriate, taking another step toward creating a central source of federal reporting for the Medicaid enterprise. This would have the added benefit of helping us understand the available data across the Medicaid Enterprise in time to prepare for the additional mandatory reporting of the Core Set in 2024. In addition, the exercise of data integration would also require a wide-ranging inspection of the various data sets available throughout the Medicaid enterprise, which could serve as a chance to evaluate and improve data quality.

- **Opportunity #2:** Develop “Managed Care Organization (MCO) Report Cards” to provide increased transparency and expand on MCO-specific measurements. Puerto Rico could expand Medicaid program transparency by developing an “MCO Report Card”. These report cards could include any number of the quality measures already captured by Puerto Rico (e.g., HEDIS, Core Set, etc.). They could then be made publicly available for the benefit of our Medicaid beneficiaries. The MCO Report Card could incentivize performance improvements among the MCOs, whose performance records would be subject to additional public scrutiny.
- **Opportunity #3:** Improve overall reporting and data governance. Puerto Rico can establish a regular cross-agency forum to promote expanded reporting and data governance across DOH and PRHIA. The forum would allow the agencies to share updates and insights gained from analyzing quality measures, troubleshoot reporting and data problems, and strategize future improvements to reporting on quality – related to the MAC Scorecard and other quality reporting. The forum would also help both agencies create a comprehensive inventory of the data available across both agencies and promote additional data sharing.
- **Opportunity #4:** Develop a “Federal reporting playbook” on quality metrics. Puerto Rico is considering defining and documenting a set process for MAC Scorecard/Core Set reporting, including a repeatable project plan for annual reporting and defined roles and responsibilities. Such a playbook would help formalize and record organizational knowledge, enabling our ability to successfully report using MACPro in the face of potential staff turnover in the future.
- **Opportunity #5:** Continue to enhance coordination with CMS. Puerto Rico has already started coordinating more closely with CMS on technical assistance matters and will continue doing so moving forward, especially as it relates to collecting and reporting Core Set measures. Regular meetings may help prevent future issues that could be resolved by more frequent communication. In addition, communication with CMS could also promote a general understanding of the reporting process in Puerto Rico, which will remain important as CMS is likely to continually refine both the MAC Scorecard and the Core set on an annual basis in coming years. Notably, these modifications could change which Core Set measures are mandatory in 2024, adding to the importance of sustained communication.
- **Opportunity #6:** Leverage an External Quality Research Organization to assist with MAC Scorecard reporting. Puerto Rico is considering leveraging an EQRO to assist with MAC Scorecard reporting, which could reduce some reporting burden on our staff and provide improved alignment between HEDIS measures reported by the plans and our systems. The EQRO could also help us flag outliers in our measures. We are expecting to fully evaluate this approach in the near future, as it would require contracting with the vendor on a timely basis



such that annual reports are received in the year following the year that the data is collected (e.g., publishing a report in 2021 on 2020 data).

## Requirement 12: Reporting on Implementation of Medicaid And CHIP Scorecard Measures

### Congressional Requirement

“Beginning 12 months after the date of enactment of this subsection, Puerto Rico shall begin to report to the Administrator of the Centers for Medicare & Medicaid Services on selected measures included in the Medicaid and CHIP Scorecard developed by the Centers for Medicare & Medicaid Services.” The language in the law was added as an amendment to Section 1902 of the Social Security Act.”

### Requirement Status

- Puerto Rico submitted to Congress on **Dec 20, 2020** a report in Response to PL116-94: Further Consolidated Appropriations Act, 2020:(133 STAT 3111), Division N, Title 1, Subtitle B, §202(f)(4) Reporting on Implementation of Medicaid And CHIP Scorecard Measures.
- On December 2020, Puerto Rico submitted to the Centers for Medicare & Medicaid Services (CMS) on Medicaid and CHIP (MAC) Scorecard measures, using the CMS’ MACPro portal.
- Puerto Rico’s Medicaid Enterprise is currently working with CMS to certify the measures and proceed to an official review of our data for inclusion. We expect that our reported measures will be published by CMS next year as part of the 2021 MAC Scorecard. In addition to meeting this Congressional requirement, we are exploring ways to enhance our data management and reporting operations in preparation for the 2022 MAC Scorecard and subsequent federal requirements.

### Activities Completed

- Implementation Plan for 2022 Scorecard Measures and Beyond: For each of the opportunities that were documented in our Report to Congress for Scorecard Measure reporting, we developed an implementation plan for the consideration of CMS and Congress. We identified which initiatives were of high priority and those which entail optimization, these are described below:

**Priority Initiatives** - potentially enacted between January 2021 and September 2021

1. Establish a Data Governance Committee (DGC) to guide the implementation of priority initiatives and subsequent enhancements to data management and reporting operations
2. Conduct a data quality analysis to identify and address potential issues related to data validity, completeness, consistency, accuracy, and verifiability
3. Report 2022 MAC Scorecard/Adult and Child Core Set measures to CMS
4. Create an “MCO Report Card” to enhance public transparency of MCO performance
5. Develop a central location to access high quality data for federal and internal reporting

**Optimization Initiatives** - to be enacted after September 2021,

6. Develop a “Federal Reporting Playbook” for reporting on quality measures
7. Continue to enhance coordination with CMS to receive technical assistance on federal reporting of quality measures
8. Leverage an External Quality Review Organization (EQRO) to assist with federal reporting on quality measures

**Planned Next Steps**

The following table provides a high-level view of the schedule and timing proposed to Congress or the Scorecard Measure reporting initiatives. These seek to align our resources to scale their impact and bolster our ability to identify and execute program improvements and meet federal requirements as they evolve. As described previously, the eight initiatives are divided into two groups: 1) priority initiatives, and 2) optimization initiatives and are summarized in the following implementation plan guide:

Initiatives	FFY 2021			FFY 2022				FFY 2023
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<b>Implementing Federal Reporting on Quality Measures</b>								
<i>Planning</i>								
a. Analyze staffing levels and determine capacity	◆◆							
<i>Priority Initiatives</i>								
1. Establish a Data Governance Committee (DGC)	◆◆◆							
2. Conduct a data quality analysis	◆◆◆							
3. Report 2022 MAC Scorecard / Adult and Child Core Set measures		◆	◆	◆	◆	◆	◆	
4. Create an “MCO Report Card”	◆	◆	◆					
5. Develop a central location to access high quality data for federal and internal reporting		◆	◆	◆				
<b>Implementing Optimization of Data Management and Reporting Operations</b>								
<i>Optimization Initiatives</i>								
6. Develop a “Federal Reporting Playbook” for reporting on quality measures				◆	◆	◆	◆	
7. Continue to enhance coordination with CMS	◆	◆	◆	◆	◆	◆	◆	◆
8. Leverage an EQRO to assist with federal reporting on quality measures				◆	◆	◆	◆	

Figure 2. Requirement 12 Implementation Plan Guide.

# 3. STATUS OF REQUIREMENTS DUE WITHIN THE NEXT SIX MONTHS

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## Requirement 1: Program Integrity Office

### Congressional Requirement

“Not later than 6 months after the date of the enactment of this paragraph, the agency responsible for the Administration of Puerto Rico’s Medicaid Program under Title XIX shall designate an officer (other than the Director of Such Agency) to serve as the Program Integrity Lead for such Program”

### Requirement Status

- The primary congressional requirement of designating a Program Integrity lead has been fulfilled. To further comply with this requirement, Puerto Rico Medicaid Program (PRMP) will review its policies, procedures, and scope of work for its Program Integrity Unit. The report will include:
  1. A review of the PR Program Integrity Unit’s (PRPIU) organizational structure, approach to developing policies and procedures, and progress made to date
  2. A gap analysis of instituted PRPIU policies and procedures
  3. Recommended PRPIU policy, procedural, and staffing improvements as informed by the gap analysis and leading practices
- Puerto Rico also must develop and prepare a quarterly report draft to ensure compliance with congressional requirements and avoid penalties as stated in the law

### Activities Completed

- A Congressional Report Outline was developed and presented to PR Medicaid for review. This outline specifies the report’s content and how it will be presented to Congress
- The outline table of content includes:
  - a. PRPIU New Management Structure, Approach to Developing Policies and Procedures and Progress to date
    - i. Designation of PRPIU Lead and Institution of Organizational Structure
    - ii. PRPIU approach to developing CMS-Compliant policies and procedures to meet the Congressional Requirement
    - iii. PRPIU Policies and Procedures developed to date
  - b. Evaluation of Leading Practices supported by other jurisdictions
  - c. Identification of opportunities
    - i. To improve program integrity policies and procedures
    - ii. To strengthen program integrity Human Resource
- We have started to collect and determine possible enhancements and opportunities to include in the report

- Documented and modified report content related to Program Integrity Procedures based on the current state of the PR Program Integrity Unit

## Planned Next Steps

- Schedule touchpoint with PRPIU to clarify outstanding questions and work towards a finalized opportunities assessment to include in the report
- Draft critical sections of the Congressional Report related to enhancements, opportunities and leading practices
- Receive and review requested policy and procedure documentation
- Schedule discussions with PRMP to review existing procedures including the case tracking system
- Continue review of leading practices from other states to leverage for PRPIU

## Requirement 2: Develop Payment Error Rate Measurement Plan

### Congressional Requirement

“Not later than 18 months after the date of the enactment of this paragraph, Puerto Rico shall publish a plan developed by Puerto Rico in coordination with the Administrator of CMS, and approved by the Administrator, for how Puerto Rico will develop measures to satisfy the payment error rate measurement (PERM) requirements under subpart of part 431 of Title 42 CFR or any successor regulation)”

In addition to the Congressional Requirement, Puerto Rico has asked the vendor to complete the following:

- Advise how the Plan to comply with the PERM should be developed
- The selected vendor should design a plan to implement the PERM in Puerto Rico
- This is a new requirement and currently Puerto Rico does not have the scorecard measures

### Requirement Status

To evaluate Puerto Rico’s current ability to meet PERM reporting requirements, multiple actions will be taken such as the following:

- Meet with ASES and DoH stakeholders to discuss their current capabilities
- Meet with CMS monthly to enhance understanding of how a pilot program will operate
- Meet with PERM contractors to discuss guidance and process
- Review the published PERM guidance from CMS; Align PERM planning activities with those to be undertaken by CMS as they prepare for a Puerto Rico PERM review

In addition to evaluating Puerto Rico’s current abilities to meet PERM reporting requirements, we will take the following actions to create a plan to address any areas where Puerto Rico needs to enhance its reporting capabilities:

- Examine capabilities that will need to be implemented
- Discuss necessary improvements with Puerto Rico staff

- Confirm with CMS that all necessary capabilities and processes are covered

## Activities Completed

A Congressional Report Outline was developed and presented to PR Medicaid for review. This outline specifies the report's content and how it will be presented to Congress.

The outline table of content includes:

- Pilot Program Proposal
  - Notional timeline
  - QA/QC procedures
  - Process outlines for reviews
  - Communication plan for CMS and vendor touchpoints
  - Program coverage: Medicaid and CHIP FFS, MC, eligibility
  - Estimated volume control totals by quarter
- Full Program Participation
  - Notional timeline
  - Data extract population
  - Submission deadlines
  - Sample review and coordination
  - QA/QC procedures
  - Process outlines for reviews
  - Communication plan for CMS and vendor touchpoints
  - Program coverage: Medicaid and CHIP FFS, MC, eligibility
  - Estimated volume control totals by quarter
  - Findings review and CAP coordination
- Puerto Rico has continued to enhance the first draft of the congressional report outline presented above
- Continued conducting analysis of additional documentation requested from PR which includes coordination to establish a detailed PERM requirement timeline for the coming months

## Planned Next Steps

- Puerto Rico will schedule follow up meetings with CMS to understand evolving CMS PERM requirements and recommendations specific for Territories.
- Review current PERM plan as outlined in the requested documents

## Requirement 4: Review Medicaid Eligibility Quality Control (MEQC)

### Congressional Requirement

“Not later than 18 months after the date of the enactment of this paragraph, Puerto Rico shall publish a plan, developed by Puerto Rico in coordination with the Administrator of CMS, and approved by the Administrator, for how Puerto Rico will comply with the Medicaid Eligibility Quality Control (MEQC) requirements of Subpart P of Part 431 of Title 42 CFR or any Successor regulation”

In addition to the Congressional Requirement, Puerto Rico has asked the vendor to complete the following:

- PRMP currently has a MEQC Office. The selected vendor should advise and recommend changes to policies and procedures and scope of work to ensure compliance of the Congress Requirements.
- Make recommendations on how to fully comply with CMS MEQC requirements.
- Recommend additional staff if needed to perform MEQC duties.

## Requirement Status

To evaluate Puerto Rico's current ability to meet MEQC reporting requirements, multiple actions will be taken such as the following:

- Meetings will be held to discuss progress made to enhance capabilities
- Puerto Rico will meet with CMS on a monthly basis to enhance understanding of how we need to enhance MEQC reporting
- Review the published MEQC guidance from CMS

Puerto Rico will evaluate current abilities to meet PERM reporting requirements and the following actions will be taken to create a plan to address any areas where we need to enhance our reporting capabilities:

- Examine capabilities that will need to be implemented
- Internal discussion on necessary improvements.
- Confirm with CMS that all necessary capabilities and processes are covered

## Activities Completed

A Congressional Report was developed by PR Medicaid. This outline specifies the report's content and how it will be presented to Congress.

The outline table of content includes:

- Description of the Congressional Requirement
- Provide an overview of Puerto Rico's current efforts in MEQC
- Provide a response on how Puerto Rico will comply to implement the Medicaid Eligibility Quality Control Requirements of Subpart P of 42CFR431
- Provide an overview of how Puerto Rico compares to other jurisdictions in terms of leading practices related to MEQC. We will include gaps in our current state along with the leading practices and recommendations of an MEQC plan going forward

## Planned Next Steps

- Continue reviewing first Draft of the MEQC report, we are continually incorporating new information based on touchpoints with PR Staff.
- Continue meeting touchpoints with CMS where they are offering PR monthly support on MEQC planning

## Requirement 5: Evaluate Dual Eligible Special Needs Plans

### Congressional Requirement

“Develop a report where PRDOH provides information on how to proceed with the treatment of Funding Under Enhanced Allotment Program – Section 1935 (e) of the Social Security Act (42 USC1396 u -5e as amended).

From §1396u-5: Special provisions relating to Medicare prescription drug benefit (e) Treatment Of Territories. – The Secretary shall determine that a plan is described in this paragraph if the plan –

Provides medical assistance with respect to the provision of covered part D drugs (as defined in section 1395w–102(e) of this title) to low-income part D eligible individuals

Provides assurances that additional amounts received by the State that are attributable to the operation of this subsection shall be used only for such assistance and related administrative expenses and that no more than 10 percent of the amount specified in paragraph (3)(A) for the State for any fiscal period shall be used for such administrative expenses meet such other criteria as the Secretary may establish.”

### Requirement Status

The approach to structure and generate the report submission to Congress is outlined below.

- Evaluate current Enhanced Allotment Program (EAP) usage
- Verify that the current use of EAP funds comply with the Social Security Act
- Evaluate potential opportunities to maximize the use of EAP funds
- Discuss expanded uses with CMS, as needed
- Review developments with Congress based on the approach to Medicaid Funding that may be changed by the Biden-Harris administration

### Activities Completed

- Meetings were held to discuss understanding of the current state usage of the Enhanced Allotment Plan
- Puerto Rico has discussed potential expanded uses of EAP funds and began preparing to conduct the analyses required to assess the financial impacts of each alternative
- A Congressional Report Outline was developed. This outline specifies the report’s content and how it will be presented to Congress. The outline table of content includes:
  - Evaluation of Current uses of EAP funds
  - Catalog of Current Dual Eligible Special Needs Plans
  - Historical Application of EAP Funds
  - Considerations for Alternative and Expanded Uses of EAP funds and Overall Enhancements to the Dual Eligible Special Needs Plans
  - Recommendations

## Planned Next Steps

- Conduct EAP impact Analysis for potential expanded uses of EAP alternatives
- Develop, review, and publish EAP report to Congress

## Requirement 6: Develop Annual Reports

### Congressional Requirement

“In general not later than the date that is 30 days after the end of each fiscal year (beginning with fiscal year 2020 and ending with fiscal year 2021), in the case that a specified territory receives a Medicaid cap increase, or an increase in the federal medical assistance percentage for such territory under section 1905 (ff), for such fiscal year, such territory shall submit to the Chair and Ranking Member of the Committee on Energy and Commerce of the House of Representatives and the Chair and Ranking Member of the Committee of Finance of the Senate a report, employing the most up-to-date information available, that describes how such territory has used such Medicaid cap increase, or such applicable, to increase access to health care under the State Medicaid plan of such territory under title XIX (or a waiver of such plan). Such report may include-“(i) the extent to which such territory has, with respect to such plan (or waiver)-“(I) increased payments to health care providers; “(II) increased covered benefits; “(III) expanded health care provider networks; or “(IV) improved in any other manner the carrying out of such plan (or waiver); and “(ii) any other information as determined necessary by such territory”

### Requirement Status

As the planning stage for the FY2021 Annual Report nears, Puerto Rico will define a plan to continue to satisfy congressional requirements while identifying additional buildouts to supplement the report and provide a holistic view of the improvements Puerto Rico is making to the Medicaid program. Such supplements to the annual report will include updates on the progress made for each congressional requirement as well as a combination of visuals, analyses, and narratives to describe the changes to the Medicaid program. The following may be incorporated into future reports:

- Breakdown of initiative funding that reconciles to the total amount of funding received.
- Evaluation of the improvements to access to care and network adequacy through sources such as CAHPS results and provider retention reports
- Comparison of changes to provider reimbursements by reviewing historical trends as well as known future changes
- Review of changes in covered benefits and their impact on the covered population
- Report on any other innovation or initiatives that Puerto Rico is pursuing as a part of the Medicaid go-forward strategy

### Activities Completed

- Held discussions to understand data analytics capabilities for report enhancements
- Developed initial set of enhancements/analyses to consider for future annual reports
- Began looking through network adequacy files sent by ASES and determining next data request steps



## Planned Next Steps

- Puerto Rico will have visioning sessions to align goals going forward in June 2021
- Review outline for FY2021 Annual Report in June 2021
- Finalize FY2021 Annual Report and send to CMS in October 2021

## Requirement 10: Develop Financial Executive Summary CMS 37/64

### Congressional Requirement

“(A) In general- Puerto Rico shall establish and maintain a system, which may include the use of a quarterly Form CMS-64, for tracking any amounts paid by the Federal Government to Puerto Rico with respect to the State plan of Puerto Rico (or a waiver of such plan). Under such system, Puerto Rico shall ensure that information is available, with respect to each quarter in a fiscal year (beginning with the first quarter beginning on or after the date that is 1 year after the date of the enactment of this bisection), on the following: “(I) In the case of a quarter other than the first quarter of such fiscal year-“ (I) the total amount expended by Puerto Rico during any previous quarter of such fiscal year under the State plan of Puerto Rico (or a waiver of such plan); and “(II) a description of how such amount was so expended. “(ii) The total amount that Puerto Rico expects to expend during the quarter under the Sate plan of Puerto Rico (or a waiver of such plan) and a description of how Puerto Rico expects to expend such amount. “(B) Report To CMS.- For each quarter with respect to which Puerto Rico under subparagraph (A) to ensure that information described in such subparagraph is available, Puerto Rico shall submit to the Administrator of the Centers for Medicare & Medicaid Services a report on such information for such quarter, which may include the submission of a quarterly Form CMS-37.”

### Requirement Status

- Puerto Rico maintains a system for tracking any amounts paid by the Federal Government to Puerto Rico with respect to the State plan of Puerto Rico, including the use of the quarterly CMS-37 and CMS-64 reporting forms. During the summer of 2020, Medicaid finalized procedures to reflect the changes required by the congressional requirement, including a narrative report that will be submitted with the CMS-37 and CMS-64 reporting forms. On July 27, 2020, CMS verbally confirmed that Puerto Rico was in compliance with CMS-37 and CMS-64 congressional reporting requirements.

### Activities Completed

While CMS has already confirmed that Puerto Rico is in compliance with this requirement, Puerto Rico will continue to evaluate and enhance the CMS-37 and CMS-64 reports and include additional information as it becomes available. For example, future versions of the CMS-37 report may include a listing of funding estimates for initiatives that PR is undertaking which may include improvements such as access to care, eligibility expansion to serve more clients, and/or provider network expansions for each region. Similarly, future versions of the CMS-64 report may include actual expenditures for the initiatives that Puerto Rico is undertaking. Puerto Rico will also seek to identify opportunities to automate these reporting forms, as well as the narrative reports to supplement the forms. Held

discussions with DOH/ASES stakeholders to understand data analytics capabilities for report enhancements

## Planned Next Steps

- CMS-64 reporting form for October 2021 – December 2021 due to CMS on 1/30/2021
- CMS-37 reporting form for April 2021 – June 2021 due to CMS on 2/15/2021
- CMS-64 reporting form for January 2021 – March 2021 due to CMS on 4/30/2021
- CMS-37 reporting form for July 2021 – September 2021 due to CMS on 5/15/2021
- CMS-64 reporting form for April 2021 – June 2021 due to CMS on 7/30/2021

## Requirement 11: Evaluate Current Contract Requirements and CMS Reporting

### Congressional Requirement

“Puerto Rico shall, upon request, submit to the Administrator of the Center for Medicare & Medicaid Services all documentation requested with respect to contracts awarded under the State plan of Puerto Rico (or waiver of such plan)”

### Requirement Status

- Puerto Rico understands that CMS and other federal entities may occasionally require information on an ad-hoc basis in addition to regular reporting. Accordingly, and as a continuation of work accomplished and lessons learned under Requirements 3 and 7, Puerto Rico will undertake an effort to optimize existing information and improve provision of it in a more efficient and orderly fashion, adjusting methodologies throughout a multi-step process to increase data integrity and responsiveness

### Activities Completed

- For the types of contracts awarded under the Medicaid State Plan and reported to CMS, Puerto Rico is holding sessions with staff and leadership to review the contract documentation, gather insights on current techniques and reporting practices, and understand lessons learned from responding to recent data requests from CMS and federal agencies
- We will identify and catalogue the documents required for our various contract types, including procurement related documents like the Statement of Work and other required reports as stated in the contracts
- We may meet with CMS, as needed, to discuss resources available to Puerto Rico to improve the reporting processes and governance
- We will assess a sample of documents and reports required for the different contract types to:
  - confirm their alignment with the language specified in the given contracts
  - analyze the current contract reporting process
  - identify potential issues in responding to documentation requests from CMS
- Next, Puerto Rico will work to enhance and document the new reporting process. We will identify opportunities and actions required to meet reporting and monitoring guidelines and improve

responsiveness and data integrity, so that PRDOH is able to respond readily to future requests anticipated of CMS, with respect to the type of contracts awarded under the Medicaid State Plan

## Planned Next Steps

- Develop and review the new reporting process
- Submit the report to CMS/Congress by April 12, 2021

## Requirement 13: Develop Policies and Procedures for Penalties

### Congressional Requirement

“In general- for each fiscal quarter during the period beginning on January 1, 2020 and ending on September 30, 2021: (I) for every clause under sub paragraph (A) with respect on which Puerto Rico does not fully satisfy the requirements described in the clause (including requirement imposed under the terms of a plan described in the clause) in the fiscal quarter, the Federal medical assistance percentage applicable to Puerto Rico under section 1905 (ff) shall be reduced by the number of percentage points determined for the clause and fiscal quarter under subclause (II).

(II) The number of percentage points determined under for this subclause with respect to a clause under subparagraph (A) and a fiscal quarter shall be the number of percentage points (not to exceed 2.5 percentage points equal to: (aa) 0.25 percentage points; multiplied by (bb) the total number of consecutive fiscal quarters for which Puerto Rico has not fully satisfied the requirements described in such clause.”

### Requirement Status

- As part of the Congressional Requirements, Puerto Rico will receive financial penalties if we do not satisfy the reporting requirements for each fiscal quarter between January 2020 and September 30, 2021. As of October, 2020, all reporting requirements are currently on track to be completed by the required due dates. Currently, Puerto Rico meets monthly with CMS to give them an update on status to-date and discuss progress on various requirements. Puerto Rico also provides quarterly reports summarizing the status toward each requirement 30 days after the end of each quarter.
- Puerto Rico will continue to meet with CMS monthly and provide status reporting quarterly to track progress toward each of the Congressional Requirements. To supplement the monthly meetings with CMS, moving forward, Puerto Rico will provide a written status report for each monthly meeting. This will allow CMS to have written documentation of the status and better track progress toward compliance

### Activities Completed

Puerto Rico has established a team to support report analysis, development, review and approval across each of the Congressional Requirements. Our team will have weekly status meetings to discuss the progress toward each requirement. As part of the weekly status meeting cadence, a written status report will be provided with updates to continuously document the status of each requirement. The written status report will also include documentation of any known risks or issues. If any slippage in the timeline should occur, it will be addressed immediately, and Puerto Rico will provide the support

necessary to get back on track. By setting up a tracking system and maintaining communication between Puerto Rico, its team, and CMS, Puerto Rico will be able to maintain compliance and avoid any financial penalties.

### **Planned Next Steps**

- Monthly meetings and status reports with CMS, ongoing
- Weekly meetings and status reports with ASES, ongoing
- Quarterly reports to CMS, ongoing