



Circular Letter 20-0807

August 7, 2020

To: Managed Care Organizations (MCOs) and Medicare Advantage Organizations (MAOs) contracted to offer services under the Government Health Plan Program (Vital)

Re: Outcomes Longitudinal Assessment

During the meeting held yesterday at the SoH's office, I broached the subject of value-based purchasing as one of the core drivers of modern healthcare delivery. The inequality and inefficiency of our healthcare delivery system has been debated for a long time; this debate has forced all members of the system to answer a simple but powerful question: what are we buying with the incredibly high amount of money paid into our healthcare delivery system?

Unfortunately, in too many cases, the answer is not positive. Our healthcare system costs, in average, more than twice the OECD average and yet, the USA lags in several key indicators when compared with other advanced countries that spend much less in healthcare delivery but receive much better results for far less cost.

ASES has the fiduciary obligation to oversee Puerto Rico's public health insurance program covering 1.3 million beneficiaries to insure that the money spent in healthcare delivery, both federal and state, results in the most positive outcomes, improving the health and quality of life for all these beneficiaries. ASES must proactively answer the question of what kind of healthcare outcomes are being purchased with the continued expenditure of billions of dollars annually.

In this spirit, ASES wishes to engage its participating MCOs and MAOs in a longitudinal assessment of the health outcomes of its insured population. The design proposed for this assessment is as follows:



1. The selection of a group of conditions representing the main health issues affecting our Vital population in a range of 5-10 main diagnoses, e.g., diabetes, congestive heart failure, COPD, metabolic syndrome, renal failure, etc.
2. The evaluation of the state of outcomes for each condition over a five-year period starting in 2015 through 2019, normalizing for changes in population, severity and change of the regional model to a single region.
3. Presentation of the changes in outcomes for the selected conditions in terms of improvement/worsening over this time span.
4. Expenditures associated with the treatment of each condition over the five-year time span (in total dollars).

The intended end-result of this study will be the critical assessment of the value obtained from the purchasing of healthcare services over this time span, and the analysis of whether the continued or increased expenditures have resulted in measurable improvement for the conditions under analysis.

As stated during our meeting, ASES intends to use the findings to redirect efforts, as warranted by the findings, to ensure that Puerto Rico is obtaining the best intended health outcomes commensurate with the money spent across the healthcare system continuum.

Your input and reaction to the proposed study is expected as this effort can only be fruitful through a close collaborative partnering between ASES and its associated healthcare insurers. Please feel free to provide recommendations to improve the design of the study, as well as your ideas to improve the value and actionability of the findings produced by the study.

ASES remains committed to the principle of value-based purchasing of healthcare services insuring the best outcomes for its beneficiaries through the most cost-efficient delivery of services.

Cordially,



Jorge E. Galva, JD, MHA
Executive Director

c: Dr. Lorenzo González, Secretary of Health
Yolanda García, ASES Deputy Director
Milagros Soto, ASES Planning Interim Director

