May 30, 2023

NORMATIVE LETTER 23-0530

To: Managed Care Organization (MCO) contracted by the Puerto Rico Health Insurance Administration (PRHIA) under the Vital Program

RE: Specialty services paid at Minimum Fee Schedule

The contracts that currently govern the relationship between the Puerto Rico Health Insurance Administration (PRHIA) and the Managed Care Organizations (MCOs) under the Government Health Plan reflect various mechanisms aimed at advancing the sustainability and retention of medical providers who serve the Plan Vital population. One of these mechanisms was the establishment of a payment floor for certain specialty services.

The payment floors set into effect through the existing Plan Vital MCO contracts included a fixed minimum fee schedule equal to at least 75%-80%-100% of the Medicare Fee Schedule for certain specialties such as: cardiology, urology, endocrinology, and psychology among others. It is worth noting that this payment floor is consistent with the provisions of Public Law No: 117-328, known as the "Consolidated Appropriations Act, 2023," which temporarily provided for potential increased payments of $300,000,000 to Puerto Rico if it meets certain requirements, including the establishment of reimbursement floors for provider payments of not less than 75% of the rates in the Medicare Part B fee schedule. See Public Law No: 117-328, Sec. 5101.

It has come to the attention of PRHIA that some MCOs are not complying with these requirements and specifically be paying cardiology services at an amount below established minimum fee rates. This noncompliance places at risk the intended purpose of the established reimbursement floors for specialty providers.

We further accentuate that the capitation rates developed under the actuarial certification for CY2023, issued by Milliman on January 13, 2023 considers these increase percentages for network providers under the contract.

PRHIA hereby clarifies the following terms to all MCOs regarding the application of these minimum fee schedules to cardiology and other specialty services:

1. All MCOs must comply with this directive for services rendered during CY2023 (January 1, 2023-September 30, 2023).

2. The payment floors set into effect through the existing Plan Vital MCO contracts included a fixed minimum fee schedule equal to at least 75%-80%-100% of the Medicare Fee Schedule as detailed in the Attachment 33 to the MCO Agreement and included herein.
3. In the event that the MCO has contracted to pay specialty service providers at a greater rate than the 80% minimum fee schedule, the MCO cannot reduce the provider's contracted rates.

4. All MCOs must be fully compliant with the application of the minimum fee schedule to specialty services no later than July 31, 2023. This includes becoming compliant with payments owed to the mentioned specialty providers to compensate for retroactive months within the contracting year that were underpaid.

5. The MCO must submit to PRHIA a written certification signed by the Chief Financial Officer (CFO) and the Chief Compliance Officer (CCO) of the MCO within 5 calendar days from the date previously stated to attest compliance with the terms herein indicated. This certification must be submitted via email to: Cumplimiento@asespr.org and to the attention of: Mr. Giovanni Maysonet, Esq. – Acting Assistant Director of Compliance.

In accordance with Articles 19 and 20 of the Plan Vital MCO contracts, PRHIA will issue a penalty of up to $100,000 per violation to MCOs who fail to comply with the contractual requirements concerted with the Government of Puerto Rico or with any of PRHIA's directives described in this Normative Letter.

PRHIA is committed to the oversight of these requirements as part of the Governmental Public Policy and to the benefit of continued services to Plan Vital enrollees.

Edna Y. Marín Ramos, MA
Executive Director

c: Roxanna K. Rosario-Serrano, BHE, MS
Deputy Executive Director

Giovanni Maysonet, Esq.
Acting Assistant Director of Compliance

Raquel V. Vera, Esq.
Interim Legal Director
**ATTACHMENT 33**

Administración de Seguros de Salud de Puerto Rico
Vital Manage Care Capitation Rate Development
Specialties by Percentage of 2022 Medicare Fee

<table>
<thead>
<tr>
<th>75% of PR Medicare</th>
<th>80% of PR Medicare</th>
<th>100% of PR Medicare</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alcohol/Drug Abuse Treatment Facility</td>
<td>Addiction medicine</td>
<td>Hand surgery</td>
</tr>
<tr>
<td>All other suppliers</td>
<td>Allergy / immunology</td>
<td>Interventional Radiology</td>
</tr>
<tr>
<td>Alternative Medicine</td>
<td>Anesthesiologist Assistant</td>
<td>Neonatology</td>
</tr>
<tr>
<td>Ambulance service supplier</td>
<td>Anesthesiology</td>
<td>Neuropsychiatry</td>
</tr>
<tr>
<td>Ambulatory surgical center</td>
<td>Audiolist (billing independently)</td>
<td>Orthopedic surgery</td>
</tr>
<tr>
<td>CRNA, anesthesia assistant</td>
<td>Cardiology</td>
<td>Otolaryngology</td>
</tr>
<tr>
<td>Certified clinical nurse specialist</td>
<td>Clinical psychologist</td>
<td>Plastic and reconstructive surgery</td>
</tr>
<tr>
<td>Chiropractic</td>
<td>Colorectal surgery</td>
<td>Rheumatology</td>
</tr>
<tr>
<td>Clinical laboratory (billing independently)</td>
<td>Critical care (intensivists)</td>
<td>Thoracic surgery</td>
</tr>
<tr>
<td>Diagnostic Radiology Center</td>
<td>Dermatology</td>
<td>Vascular surgery</td>
</tr>
<tr>
<td>Dialysis Center</td>
<td>Diagnostic radiology</td>
<td></td>
</tr>
<tr>
<td>Family practice</td>
<td>Emergency medicine</td>
<td></td>
</tr>
<tr>
<td>General practice</td>
<td>Endocrinology</td>
<td></td>
</tr>
<tr>
<td>Geriatric medicine</td>
<td>Gastroenterology</td>
<td></td>
</tr>
<tr>
<td>Home Health Agency</td>
<td>General surgery</td>
<td></td>
</tr>
<tr>
<td>Homeopath</td>
<td>Genetics</td>
<td></td>
</tr>
<tr>
<td>Hospice</td>
<td>Gynecologist/obstetrician</td>
<td></td>
</tr>
<tr>
<td>Hospice and Palliative Care</td>
<td>Hematology</td>
<td></td>
</tr>
<tr>
<td>Hospital</td>
<td>Hematology/oncology</td>
<td></td>
</tr>
<tr>
<td>Independent Diagnostic Testing Facility (IDTF)</td>
<td>Infectious disease</td>
<td></td>
</tr>
<tr>
<td>Infusion Therapy Company</td>
<td>Interventional Pain Management</td>
<td></td>
</tr>
<tr>
<td>Internal medicine</td>
<td>Maxillofacial surgery</td>
<td></td>
</tr>
<tr>
<td>Licensed clinical social worker</td>
<td>Medical oncology</td>
<td></td>
</tr>
<tr>
<td>Mammography screening center</td>
<td>Multispecialty clinic or group practice</td>
<td></td>
</tr>
<tr>
<td>Medical supply company for DMERC</td>
<td>Nephrology</td>
<td></td>
</tr>
<tr>
<td>Medical supply company with certified prosthethic-</td>
<td>Neurology</td>
<td></td>
</tr>
<tr>
<td>Medical supply company with respiratory therapist</td>
<td>Neurosurgery</td>
<td></td>
</tr>
<tr>
<td>Naturopath</td>
<td>Nuclear medicine</td>
<td></td>
</tr>
<tr>
<td>Nurse practitioner</td>
<td>Obstetrics/gynecology</td>
<td></td>
</tr>
<tr>
<td>Nurse, Non Practitioner</td>
<td>Occupational therapist (independently practicing)</td>
<td></td>
</tr>
<tr>
<td>Nursing facility, other</td>
<td>Optician</td>
<td></td>
</tr>
<tr>
<td>Optician</td>
<td>Ophthalmology</td>
<td></td>
</tr>
<tr>
<td>Pharmacy</td>
<td>Optometrist</td>
<td></td>
</tr>
<tr>
<td>Physician assistant</td>
<td>Oral Surgery (dentists only)</td>
<td></td>
</tr>
<tr>
<td>Portable X-ray supplier</td>
<td>Osteopathic manipulative therapy</td>
<td></td>
</tr>
<tr>
<td>Preventive medicine</td>
<td>Pain Management</td>
<td></td>
</tr>
<tr>
<td>Public health or welfare agencies</td>
<td>Pathology</td>
<td></td>
</tr>
<tr>
<td>Radiation Therapy Center</td>
<td>Pediatric medicine</td>
<td></td>
</tr>
<tr>
<td>Registered Dietician / Nutrition Professional</td>
<td>Physical medicine and rehabilitation</td>
<td></td>
</tr>
<tr>
<td>Rehabilitation Agency</td>
<td>Physical therapist (Independently practicing)</td>
<td></td>
</tr>
<tr>
<td>Rehabilitation Center</td>
<td>Podiatry</td>
<td></td>
</tr>
<tr>
<td>Skilled Nursing Facility</td>
<td>Psych/Mental Health Facility</td>
<td></td>
</tr>
<tr>
<td>Slide Preparation Facility</td>
<td>Psychiatry</td>
<td></td>
</tr>
<tr>
<td>Supplier of oxygen and/or oxygen related equipment</td>
<td>Psychologist (billing independently)</td>
<td></td>
</tr>
<tr>
<td>Supply company with registered pharmacist</td>
<td>Pulmonary disease</td>
<td></td>
</tr>
<tr>
<td>Unknown provider specialty</td>
<td>Radiation oncology</td>
<td></td>
</tr>
<tr>
<td>Unknown supplier/provider specialty</td>
<td>Speech Language Pathologists</td>
<td></td>
</tr>
<tr>
<td>Urgent Care</td>
<td>Surgical oncology</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Urology</td>
<td></td>
</tr>
</tbody>
</table>

**This attachment does not amend the coverage of benefits, however, if any service approved by exceptions deems to be medically necessary and is provided by any of the specialists or subspecialist listed herein, then the rate established in this attachment shall apply.**