**Alexander Adams**
Insurance Commissioner of Puerto Rico
Office of the Commissioner of Insurance
World Plaza Building
268 Muñoz Rivera Avenue
San Juan, PR 00918

August 30, 2024

Dear Mr. Adams,

I am pleased to submit the comprehensive report on the "**Puerto Rico Actuarial Review on ACA Market**." This study was conducted at the request of your esteemed office to assess the current state and perform an actuarial review of the health insurance marketplace for all plans under the ACA rules as included in the Puerto Rico Health Insurance Code. Our focus is to compare market offerings in relation to health benefits, premium rates, and the actuarial reasonableness of the ACA compliant plans for the period between 2019 and 2023.

The enclosed report provides an in-depth analysis of the ACA health plans, identify strengths and address opportunities to promote competitive and affordable products for Puerto Rico consumers. The findings and recommendations outlined in this report are aimed at pursuing these goals.

We trust that this report will serve as a valuable resource in your ongoing efforts to improve healthcare standards and regulatory frameworks in Puerto Rico. We look forward to any further discussions or actions that may arise from this study.

Sincerely,

Dolmarie Méndez Vidot
President
KonnektingDots, LLC
dolma@konnektingdots.com

KONNEKTINGDOTS LLC PUERTO RICO 2022 #490719



COR- 2025-00022

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Dolmarie Méndez Vidot
President
KonnektingDots, LLC
dolma@konnektingdots.com

# Table of Contents

# 1. Scope of the Study

This study, commissioned by the Office of the Commissioner of Insurance, comprehends an actuarial review of the health insurance marketplace for all plans under the ACA rules as included in the Puerto Rico Health Insurance Code. Our focus is to compare market offerings in relation to health benefits, premium rates, and the actuarial reasonableness of the ACA compliant plans for the period between 2019 and 2023. The study provides an in-depth analysis of the ACA health plans, identify strengths and address opportunities to promote competitive and affordable products for Puerto Rico consumers. The findings and recommendations outlined in this report are aimed at pursuing these goals.

# 2. Foundation of the Study

## Legislative and Regulatory Framework

The Affordable Care Act was passed in 2010 at the federal level as part of a series of measures to reform the health care system, introduced in the U.S. Congress, and promoted under the administration of President Barack Obama. The Act is a very broad law, the main intention of which was to increase the number of people with access to health care efficiently and at a reasonable price. This Law is distinguished by allowing people with pre-existing health conditions to purchase health insurance, establishing a standardized minimum coverage of health benefits (essential benefits), providing different levels of coverage (actuarial value/cost sharing), eliminating monetary limits on benefit coverage, establishing risk corridor methodologies, defining new market rules, it adds and requires specific product pricing methodologies, and promotes market participation by individuals and small groups through incentives and penalties in federal taxes, among the most significant features.

Puerto Rico prepared for compliance with Federal Law, including the passage of Local Law 194 of August 29, 2011 (Puerto Rico Health Insurance Code), which underwrites much of the applicable Federal regulation on the island. However, in a memo addressed to the governor of Puerto Rico, the Administrator for the Centers for Medicare and Medicaid, Marilyn Tavenner, confirmed the partial applicability to the territories. Nevertheless, Puerto Rico implemented the Puerto Rico Health Insurance Code, which maintained all the Patient Protections and market rules.

Implementation and compliance with the new regulation started gradually after the Act's approval in 2010, until its complete implementation by January 2014.

This proposal presents to the Office of the Commissioner of Insurance a detailed actuarial study of the health market conditions for individuals and small groups in Puerto Rico, following the implementation of the reforms as of 2010. The findings of this analysis will serve the Office as an evaluation tool, identifying successes, as well as opportunities to continue transforming the market into a more efficient, competitive one, with affordable quality products that meet the health needs of patients in Puerto Rico.

# 3. Methodology

## Methodology and Sources Used in Our Study

Our approach for this study entails three main steps, Data Collection, Market Analysis, and Actuarial review.

- **Data Collection.** The OCI's team set up a data repository with documents related to all insurers participating in the individual and small market for each year under the study (2019-2023). These include yearly OCI's ruling letters, rate filing documents, and benefits documents. Financial documents include actuarial memorandum and certification, URRT, Serff rates template, Supplemental Health Care Exhibit, and annual statements. The Benefits documents include a PDF Benefit file as presented by each insurer, and the cost share structures template named Attachment 8. Other documents were included, such as the Attachment 6 (Anejo 6), Mandatory Benefits, Non-EHB benefits reported by carrier, Drugs formulary reports, among others.

  Our Actuary guided us on specific data elements he will need for the actuarial study. Since most data was in PDF and/or in separate documents, we assisted the OCI's team to build up several Excel files to perform the analysis of the collected data. Some Excel files required SME expertise from KonnektingDots team, particularly the benefits file which required extensive work.

| | | |
|---|---|---|
| **Market** | Market Summary | OCI |
| **Financial** | YE NAIC Statement Tracking | OCI |
| | Health Supplement Tracking | OCI |
| | MLR Rebate Tracking | Actuary |
| **Rating Information** | Rate Filings | OCI |
| | URRTs | Actuary/OCI |
| **Product Information** | Benchmark Plan | OCI |
| | Grid of Benefit Mandate Changes | KD |
| | Detail Statement of Benefits | Developed by KD |
| | Rx Formulary Information | Actuary |
| **Data request to Carriers** | (1) Rx data by NDC and Formulary Name include scripts average cost share, allowed, and paid | Actuary |
| | (2) Non-EHB Benefits | KD |

- **Market analysis.** KD's team and its market analysis SMEs performed a market analysis which entails an assessment of the health insurance marketplace for both individual and group market segments. Areas of interest include the development, oversight, and evaluation of the implementation of ACA plans in Puerto Rico marketplace. The analysis is developed for two main topics:

1. **Market conditions.** The statistical approach to the analysis relies on descriptive and inferential statistics, particularly on measuring trends, market growth, market penetration, premium to membership ratio on an annual and monthly basis. The analysis was based on Puerto Rico market dataset, collected from different sources of information: OCI, the Department of Health and Human Services regulatory requirements for health plans to file annual, monthly or quarterly reports, and Market data track files in Excel. The analysis describes three segmentation categories: Overall (all plans combined), ACA Compliance Plans, and Transitional Plans, sub-segmented by combined individual and small group, individual, and small group market type. Findings and recommendations are provided based on the information resulting from the ACA Compliance Plans analysis, aiming to validate ACA implementation, OCI regulatory oversight of the PR market, and to identify strategies to perform this oversight. The analysis for the segmented categories "Overall" and "Transitional Plans" is in Addendum A at the end of this document.

2. **Benefit analysis.** Essential Benefits compliant plans, mandated benefits, non-essential benefits, cost sharing structures. The analysis of this category is critical for the completion of the market analysis and for the actuarial work. The data required to perform the analysis was not available in a standardized manner for comparison purposes. The data reside in different documents: Attachment 6 (Checklist for EHB, Preventive, and mandated benefits), Attachment 8 (Cost Share Structure), and the health benefits description for each plan (part of the policy or formulary). The KD's Information Technology (IT) SME invested long hours to build up a dataset, starting with data from Attachment 6. Although a good starting point, this resulted in insufficient data to perform the analysis. As a second layer, our team incorporated data from Attachment 8, and from the benefit segment of the policy, ending in a dataset with minimum requirements to realize the analysis. The essential benefits dataset consists of 20 essential benefits (n=20). Among its elements are Market type (individual and small groups), Metallic products (Platinum, Gold, Silver, and Bronze), Health Plans, Policy Year (2023). The decision on analyzing year 2023 was to facilitate a thorough analysis on the most recent and updated policy year, and to cross match and validate with Attachment 6 Essential Benefits Checklist, Attachment 8 Cost Share Structure Tables (Copays, Coinsurance and Deductibles), Health Plans Coverage of Benefits Policy Manual.

- **Actuarial review.** KD contracted an actuarial firm, Horman Actuarial Solutions Inc. (HAS), to perform this part of the analysis. The focus of the review was the PR Individual and Small Group ACA health insurance markets. The first part of this project is focused on reasonability of premium setting and product price relativities over an historic 5-year period of rate filings (2019 – 2023). Further, the PR OCI has requested a review of the existing AV (actuarial value or relative richness of a given benefit plan) compliance calculator and MOOP (maximum out of pocket) levels both of

which are set at the national level and frozen to 2014 levels. To conclude, they would like actuarial recommendations we observed during this review related to an annual rate review process or best practices in product design (including AV testing and MOOP). Horman's analysis is included in its entirety at the end of this document in Addendum B.

1. **Background. PR Markets and National Comparison.** The focus of our review was the PR individual and Small Group ACA compliant health insurance markets. This section outlines our review of the market, unique aspects of PR that drive product and rates, and our review of various products available nationally and how they related to the PR market. As part of this review, we relied on market regulatory studies performed by KD to understand the various external and internal drivers of the exchange markets.

2. **Data Collection and Survey of Available Data.** This section outlines the data we had available in this review and data not available for the review, but which is available in other states in which we have worked. The data available provides significant information to provide a reasonable assessment of the information and is usually the focus of a standard actuarial review. That said, later in this section we will provide information on expanded data and how it could be used for future reviews.

3. **Historic Rate Review.** Each year each insurer must submit a rate filing to the PR OCI which shows how much and why premiums are increasing. A major aspect of our actuarial assessment of the Puerto Rico Exchange markets was to perform an historical analysis of the health insurance products and rates to ensure they were set in a reasonable manner consistent with rating regulations. This section outlines our review of appropriateness of rates in total, but the next section digs into the specific product level pricing. In the later section we make recommendations on the submission process, pricing rules used in PR, annual analysis process, and approval.

   **Background on Rate Review**

   The review is focused on the rate submissions for 2019-2023 and included a systematic review of the information in the actuarial memorandums and data evaluation of the information included in the URRT. For the actuarial review Horman did not recreate the rate calculations, instead they relied on the material in the actuarial memorandums and URRT to evaluate the appropriateness of the assumptions at the time they were made. An outline of the review is as follows:

   - Read through actuarial memorandum and accumulated key information including:
     - Base experience time and IBNR factors used.
     - Medical and Rx trend assumptions
     - Administrative costs and profit margin

        - Product or other benefit changes
        - Other key assumptions
    - Evaluated the available data in the URRT, key information we were able to evaluate
        - Understand membership and enrollment growth over past 5 years
        - Evaluate historic claims by product including actuarial values
        - Evaluate trends built into rate filings and track over time
        - Evaluate loss ratios to see if they are in line with rate filing assumptions
    - Where available, use other external data such as the Health Supplement reports or employ proprietary HAS actuarial models to supplement or validate assumptions in the actuarial review.

4. **Product Price Differentiation**. Horman's actuarial review includes the review of pricing relativities of Metal plans in the markets, AV Calculator and MOOP rules, and how benefits offered are aligned with insured health status. This section of the review focuses on the product offerings and assesses whether the actuarial factors were reasonably priced into premium. Actuaries measure the relative value of benefits and cost sharing in a health insurance plan with an actuarial value (AV).

5. **Product Compliance Rules AV Calculator and MOOP.** This section outlines Horman's review around current PR guidance to use 2014 Federal AV calculator for Metal testing and the 2014 MOOP value of $6,350 for an Individual and $12,700 for a Family. In this section of the review, he evaluated Federal AV Metal levels over time and applied their internal benefit pricing model to understand differences in MOOP. Their goal was to understand how changing the AV calculator or MOOP would impact on the existing products and prices in the PR exchange markets.

6. **Relationship between Benefits Offered and Insured Product Selection**. In this section Horman evaluated two areas related to insured product selection and benefits offered, these are (1) tradeoffs of PR's decision not to include risk adjustment and (2) review of existing benefit offerings (including Rx formularies) for the presence of items that could target healthy or deter sick insured.

Horman's actuarial review includes a thorough analysis, critical findings, and appropriate recommendations to the OCI on the ACA compliant health insurance market.

# 4. Findings

## Data Collection findings

- The data collection exercise was time consuming, mainly because of the absence of a digital database where the elements needed for the study were available. We do recognize that most of the data was available, but mainly in documents and/or images. Some data was accessed in Excel files, but again, not in a database where it can be analyzed and monitored easily. KD and OCI had to populate historical data elements in Excel files to realize the analysis.
- The benefits data is not available in a structured manner to monitor compliance or to perform analytics. To perform the benefits analysis, KD had to develop a dataset from the data contained in the Attachment 8 (Cost share structure), and supplement it with the Attachment 6 (Checklist for EHB and mandated benefits required), an additional report on optional benefits asked to the insurers, and the document with health benefits from the policy. Although these Attachments 6 and 8 provide a structured frame, insurers customize them to their specific need, ending in non-standard documents with non-comparable data. On the other hand, each insurer has its own custom section of the health benefits document, not allowing an ease way for monitor, and validate compliance.
- It was found that some reports did not reconcile, showing different figures for the same elements. For example, reported data by market segment in "Report of Premiums Written and Claims Paid for All Kind of Medical Expense Insurance and Number of Insureds" (a required report ruled in "Carta Normativa Num.: CN-2014-186-ES"), and the amounts in the Supplemental Health Care Exhibit (SHCE).

## Market Analysis findings

### Findings on Market Conditions

The analysis of the market conditions includes several segments and subsegments. As mentioned in the methodology section, the analysis describes three segmentation categories: Overall (all plans combined), ACA Compliance Plans, and Transitional Plans, sub-segmented by combined individual and small group, individual, and small group market type. This section includes the most significant findings, and its focus is on the ACA compliant plans for individual and small group markets. The analysis for the categories "Overall" and "Transitional" is at the end of this document, identified as Addendum A.

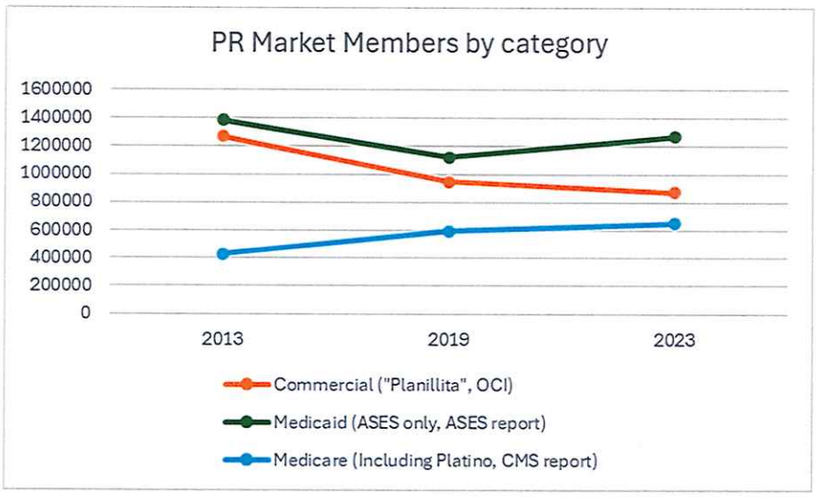
### PR health insurance market behavior after ACA

The Puerto Rico marketplace was impacted by the Affordable Care Act in many ways. The most impacted segments were the Individual and Small Group by reformulating benefits, rating, and

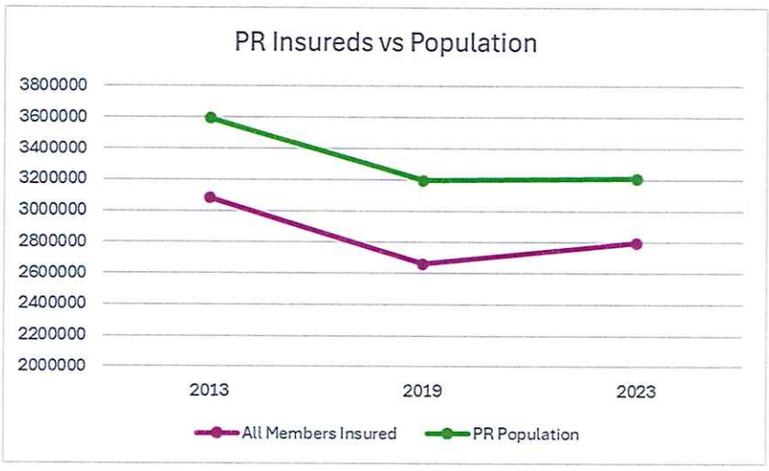
market rules. One of the purposes of the reforms was to reduce the number of uninsured, promoting more participation with incentives, competitive products at affordable rates. Although the financial incentives from the federal law were not implemented in PR, the market had access to better standard benefits, the members health status cannot be used to reject them or to set higher premiums, and benefits cannot be caped to maximum dollar amounts. The maximum out of pocket (MOOP) was included as financial protection for members with health conditions accumulating large amounts of cost share. Rates with metal level differentiation provide an array of products with price points where the member chooses according to their affordable level.

Health plans developed creative competitive alternatives in compliance with the new rules. Nevertheless, there are individuals and small groups that decided to maintain their previous health coverage ("Grandfather" or "Grandmother", named Transitional), allowed by a waiver from OCI.

The total health insured market by main categories seems to have a negative trend. It is also true that our population is decreasing and demographics changing. It is noticeable an increase in Medicare Advantage and a decrease in Commercial members.




Comparing total members insured to total population there is a correlation between the two. Both are decreasing, but the population at a higher rate.




Ratios between the ten-year show population decreasing at -11%, and insured members at -9%. The implication is that when normalized by the population, total insured to population change is positive 1.7%. Therefore, the number of estimated uninsured in 2023 is less than the ones in 2013.

**Contribution of Membership and Premium Volume by Health Plan (All segments)**

The following Table provides information on the average percent (%) contribution of each health plan over the five-year period of analysis whether being an ACA compliance or Transitional plan considering its membership and premium volume in the combined markets (i.e., individual, and small group).

Table 1: Distribution of Percent Contribution of Membership and Premium Volume by Health Plan and Plan Classification, Years 2019 to 2023

| Combined Markets | 5 Year Term % Contribution by Type of Plans (ACA Compliant or Transitional) | | | |
|---|---|---|---|---|
| | Membership | | Premium Volume | |
| Health Plans | ACA Compliance | Transitional | ACA Compliance | Transitional |
| First Medical Health Plan, Inc. | 51% | 49% | 57% | 43% |
| Humana Health Plans of Puerto Rico, Inc. | 48% | 52% | 55% | 45% |
| Humana Insurance of Puerto Rico, Inc. | 96% | 4% | 96% | 4% |

| | | | | |
|---|---|---|---|---|
| MAPFRE Life Insurance Company | 20% | 80% | 23% | 77% |
| MCS Life Insurance Company | 50% | 50% | 42% | 58% |
| Plan de Salud Menonita, Inc. | 95% | 5% | 95% | 5% |
| Plan Medico Servicios de Salud Bella Vista, Inc. | 63% | 37% | 73% | 27% |
| Ryder Health Plan, Inc. | 54% | 46% | 69% | 31% |
| Triple-S Salud | 67% | 33% | 56% | 44% |
| Overall Contribution to Combined Markets (Individual or Small Group) | 61% | 39% | 63% | 37% |

ACA plans contribute 61% of the membership and 63% of the premium to the total market including Transitional plans. While this fact represents a moderate level of compliance under ACA in Puerto Rico, there is an opportunity to increase towards an ACA compliance plan rather than remaining as a Transitional after almost ten (10) years of implementing and transition to ACA provisions.

## ACA Compliance Market Health Plans

### A. Market Trend

The analysis for ACA compliance health plans under this section is focused to look at the members or enrollment trend overtime period (2019 to 2023), in addition to estimate a five (5) year average enrollment or membership per payor and in the overall marketplace. Tables 32 to 34 provide the market profile aggregating both market types (i.e., individual, or small group) in addition to profiling each one of them. Furthermore, each table is followed by trend charts in Figures 28 to 30. From the analysis we can see that in the combined markets 3 out of 9 health plans had an upward trend (Triple-S, MCS, and Plan de Salud Menonita), while 5 had a downward trend (First Medical Health Plans, Humana Insurance of Puerto Rico, Humana Health Plans, Ryder, and Mapfre; and the remaining Plan Medico de Salud Bella Vista shows a steady flat trend. Both Humana plans are impacted by corporate decision to face out of the commercial market.

Table 32: ACA Compliance Plans Total Membership Volume in Overall Market by Policy Year and Payor

| Market | {All} | | | | | |
|---|---|---|---|---|---|---|
| Market Membership Segment | | | | | | |
| Health Plan | 2019 | 2020 | 2021 | 2022 | 2023 | 5 Yr. Avg. Membership |
| First Medical Health Plan, Inc. | 58,793 | 53,848 | 54,793 | 50,824 | 45,665 | 52,785 |
| Humana Health Plans of Puerto Rico, Inc. | 192 | 169 | 160 | 154 | 137 | 162 |
| Humana Insurance of Puerto Rico, Inc. | 15,398 | 13,941 | 13,602 | 13,212 | 5,115 | 12,254 |
| MAPFRE Life Insurance Company | 1,181 | 886 | 905 | 927 | 910 | 962 |
| MCS Life Insurance Company | 11,323 | 13,019 | 14,352 | 17,617 | 24,776 | 16,217 |
| Plan de Salud Menonita, Inc. | 5,624 | 7,852 | 8,866 | 10,536 | 12,588 | 9,093 |
| Plan Medico Servicios de Salud Bella Vista, Inc. | 2,478 | 2,564 | 2,367 | 2,369 | 2,501 | 2,456 |
| Ryder Health Plan, Inc. | 794 | 828 | 590 | 454 | 399 | 613 |
| Triple-S Salud | 38,438 | 51,277 | 59,023 | 62,252 | 63,677 | 54,933 |
| Gran Total | 136,240 | 146,404 | 156,679 | 160,367 | 157,791 | 149,475 |

Table 33: ACA Compliance Plans Total Membership in Individual Market by Policy Year and Payor

| Market | Individual | | | | | |
|---|---|---|---|---|---|---|
| Market Membership Segment | | | | | | |
| Health Plan | 2019 | 2020 | 2021 | 2022 | 2023 | 5 Yr. Avg. Membership |
| First Medical Health Plan, Inc. | 54,788 | 53,848 | 50,129 | 46,531 | 41,612 | 49,382 |
| MCS Life Insurance Company | 4,002 | 5,825 | 8,605 | 10,962 | 14,513 | 8,781 |
| Plan de Salud Menonita, Inc. | 5,351 | 7,461 | 8,314 | 10,079 | 11,968 | 8,635 |
| Plan Medico Servicios de Salud Bella Vista, Inc. | 2,478 | 2,564 | 2,367 | 2,362 | 2,484 | 2,451 |
| Ryder Health Plan, Inc. | 794 | 828 | 590 | 454 | 399 | 613 |
| Triple-S Salud | 32,450 | 42,389 | 47,928 | 49,650 | 49,568 | 44,397 |
| Gran Total | 101,882 | 114,935 | 119,954 | 122,060 | 122,567 | 116,280 |

Table 34: ACA Compliance Plans Total Membership in Small Group Market by Policy Year and Payor

| Market | Small | | | | | |
|---|---|---|---|---|---|---|
| Market Membership Segment | | | | | | |
| Health Plan | 2019 | 2020 | 2021 | 2022 | 2023 | 5 Yr. Avg. Membership |
| First Medical Health Plan, Inc. | 4,005 | 3,649 | 4,664 | 4,293 | 4,053 | 4,133 |
| Humana Health Plans of Puerto Rico, Inc. | 192 | 169 | 160 | 154 | 137 | 162 |
| Humana Insurance of Puerto Rico, Inc. | 15,398 | 13,941 | 13,602 | 13,212 | 5,115 | 12,254 |
| MAPFRE Life Insurance Company | 1,181 | 886 | 905 | 927 | 910 | 962 |
| MCS Life Insurance Company | 7,321 | 7,194 | 5,747 | 6,655 | 10,263 | 7,436 |
| Plan de Salud Menonita, Inc. | 273 | 391 | 552 | 457 | 620 | 459 |
| Triple-S Salud | 5,988 | 8,888 | 11,095 | 12,602 | 14,109 | 10,536 |
| Gran Total | 34,358 | 35,118 | 36,725 | 38,300 | 35,207 | 35,942 |

Figure 28: ACA Compliance Combined Markets Membership Volume by Payors

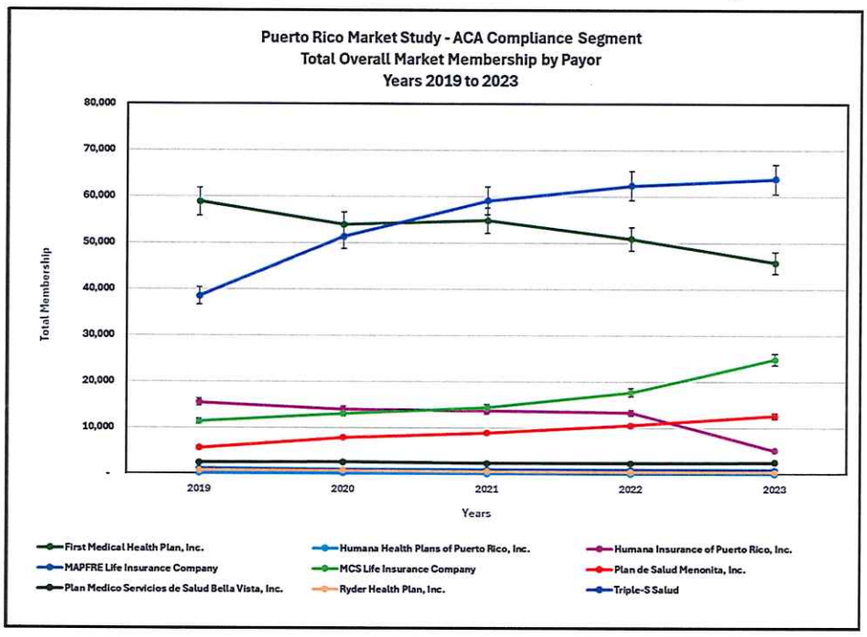



Figure 29: ACA Compliance Individual Market Membership Volume by Payor

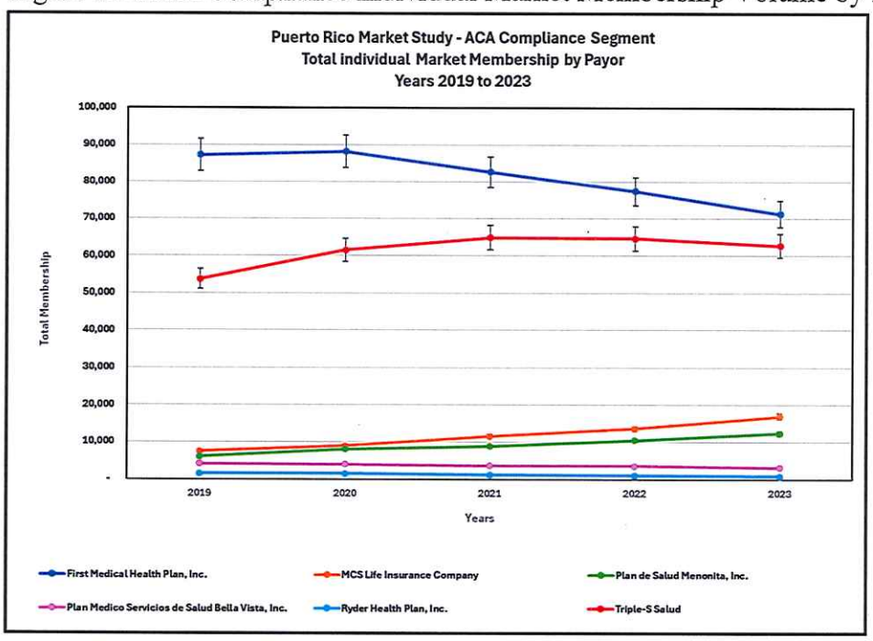
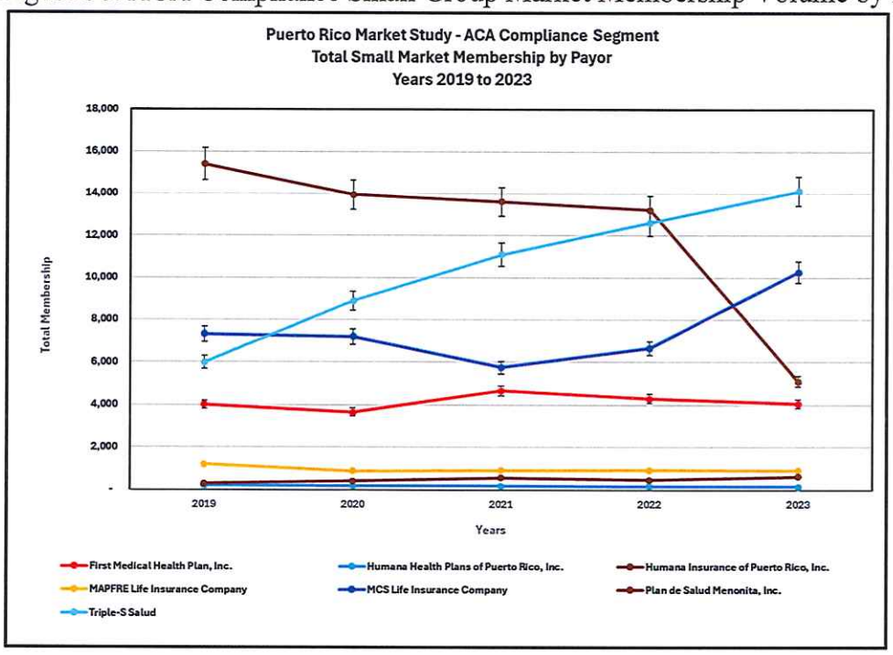


Figure 30: ACA Compliance Small Group Market Membership Volume by Payor




**(MA) Finding 1. Reasonable member growing trends**

- **Total membership growing** in 2023 is 157,791, an increase of 21,551 when compared to 2019.
- Reasonable number of insurers participating- Between 7 (small group) and 9 (individual) plans in the market, the 2 Humana Plans almost exited in 2023.
- **The individual** segment accounts for most of the growing trend, 20,685 new members in 5 years. Insurers driving growth are Triple S, MCS, Plan de Salud Menonita. First Medical is still strong but with a downward trend.
- **The small group** segment shows 35,207 members in 2023, with marginal growth of 869 in 5 years. Impacted by Humana exit but net membership 2023 vs 2022 reflects a loss. Insurers growing MCS, Plan de Salud Menonita, Triple S.

The following tables and figures provide insights on how the ACA Compliance plans are showing progress, impact, and growth in terms of premium volume. It is relevant to consider that either the combined markets, individual and small group provides a trendline that should be like that of the members volume, due to its direct relationship, which illustrates minor differences in trending across the three markets (combined, individual and small group). Table 35 to 37 provides detailed information on each year's premium volume (in dollars) as well as a five (5) year average, providing an estimate of premiums collected year after year. In this sense, the average premium volume for the combined markets (aggregating individual and small group) was $310 million, and $390 million for 2023, an increase of 43%, from 2019 to 2023.

Table 35: ACA Compliance plans Combined Markets Total Premium Volume by Policy Year and Payor

| Market | (All) | | | | | |
|---|---|---|---|---|---|---|
| Market Premium Volume Segment | | | | | | |
| Health Plan | 2019 | 2020 | 2021 | 2022 | 2023 | 5 Yr. Avg. Premium Volume |
| First Medical Health Plan, Inc. | $100,285,138 | $103,066,364 | $103,113,032 | $103,095,881 | $118,872,844 | $105,686,652 |
| Humana Health Plans of Puerto Rico, Inc. | $711,678 | $683,177 | $740,316 | $755,862 | $697,141 | $717,635 |
| Humana Insurance of Puerto Rico, Inc. | $38,889,860 | $36,257,253 | $35,135,666 | $36,670,530 | $26,967,659 | $34,784,194 |
| MAPFRE Life Insurance Company | $3,371,862 | $3,231,627 | $3,161,766 | $2,854,371 | $3,058,379 | $3,135,601 |
| MCS Life Insurance Company | $36,004,173 | $36,406,147 | $43,144,836 | $52,966,563 | $58,338,617 | $45,372,067 |
| Plan de Salud Menonita, Inc. | $9,402,047 | $11,981,213 | $14,463,090 | $16,688,739 | $20,800,691 | $14,667,156 |
| Plan Medico Servicios de Salud Bella Vista, Inc. | $3,510,322 | $4,006,155 | $4,077,665 | $4,075,025 | $4,273,980 | $3,988,629 |
| Ryder Health Plan, Inc. | $878,863 | $1,005,108 | $855,556 | $678,019 | $639,298 | $811,369 |
| Triple-S Salud | $79,357,516 | $74,297,518 | $88,207,788 | $108,010,725 | $156,079,309 | $101,190,571 |
| Gran Total | $272,413,478 | $270,936,582 | $292,901,736 | $325,797,737 | $389,729,941 | $310,355,895 |

Table 36: ACA Compliance plans Total Premium Volume in Individual Market by Policy Year and Payor

| Market | Individual | | | | | |
|---|---|---|---|---|---|---|
| Market Premium Volume Segment | | | | | | |
| Health Plan | 2019 | 2020 | 2021 | 2022 | 2023 | 5 Yr. Avg. Premium Volume |
| First Medical Health Plan, Inc. | $92,786,187 | $95,652,150 | $95,458,841 | $93,579,846 | $107,109,303 | $96,917,265 |
| MCS Life Insurance Company | $10,268,148 | $9,498,390 | $14,417,213 | $21,051,398 | $28,046,769 | $16,656,384 |
| Plan de Salud Menonita, Inc. | $8,989,779 | $11,804,528 | $14,212,880 | $16,462,959 | $20,496,109 | $14,393,251 |
| Plan Medico Servicios de Salud Bella Vista, Inc. | $3,510,322 | $4,006,155 | $4,077,665 | $4,072,684 | $4,257,157 | $3,984,797 |
| Ryder Health Plan, Inc. | $878,863 | $1,005,108 | $855,556 | $678,019 | $639,298 | $811,369 |
| Triple-S Salud | $61,133,412 | $58,081,627 | $66,341,893 | $81,161,131 | $114,841,801 | $76,311,973 |
| Gran Total | $177,568,730 | $180,049,978 | $195,366,069 | $217,008,059 | $275,392,460 | $209,077,059 |

Table 37: ACA Compliance plans Total Premium Volume Small Group Market by Policy Year and Payor

| Market | Small | | | | | |
|---|---|---|---|---|---|---|
| Market Premium Volume Segment | | | | | | |
| Health Plan | 2019 | 2020 | 2021 | 2022 | 2023 | 5 Yr. Avg. Premium Volume |
| First Medical Health Plan, Inc. | $7,498,951 | $7,414,214 | $7,654,191 | $9,516,035 | $11,763,541 | $8,769,386 |
| Humana Health Plans of Puerto Rico, Inc. | $711,678 | $683,177 | $740,316 | $755,862 | $697,141 | $717,635 |
| Humana Insurance of Puerto Rico, Inc. | $38,889,860 | $36,257,253 | $35,135,666 | $36,670,530 | $26,967,659 | $34,784,194 |
| MAPFRE Life Insurance Company | $3,371,862 | $3,231,627 | $3,161,766 | $2,854,371 | $3,058,379 | $3,135,601 |
| MCS Life Insurance Company | $25,736,025 | $26,907,757 | $28,727,623 | $31,915,165 | $30,291,848 | $28,715,684 |
| Plan de Salud Menonita, Inc. | $412,268 | $176,685 | $250,210 | $225,780 | $304,582 | $273,905 |
| Triple-S Salud | $18,224,104 | $16,215,891 | $21,865,895 | $26,849,594 | $41,237,508 | $24,878,598 |
| Gran Total | $94,846,767 | $90,888,624 | $97,537,688 | $108,789,359 | $114,322,681 | $101,277,024 |

Figure 31: ACA Compliance Combined Markets Premium Volume by Payor

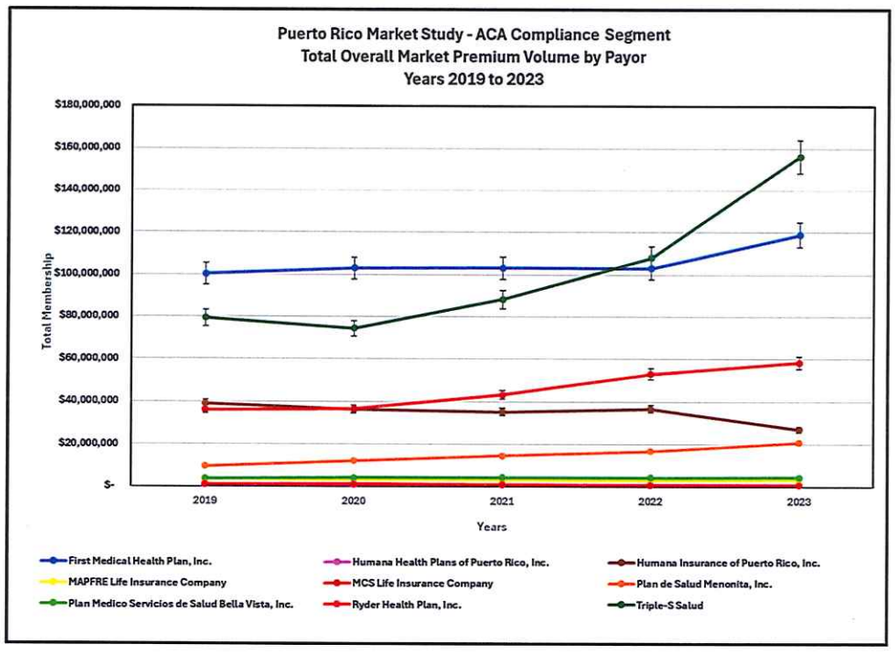



Figure 32: ACA Compliance Individual Market Premium Volume by Payor

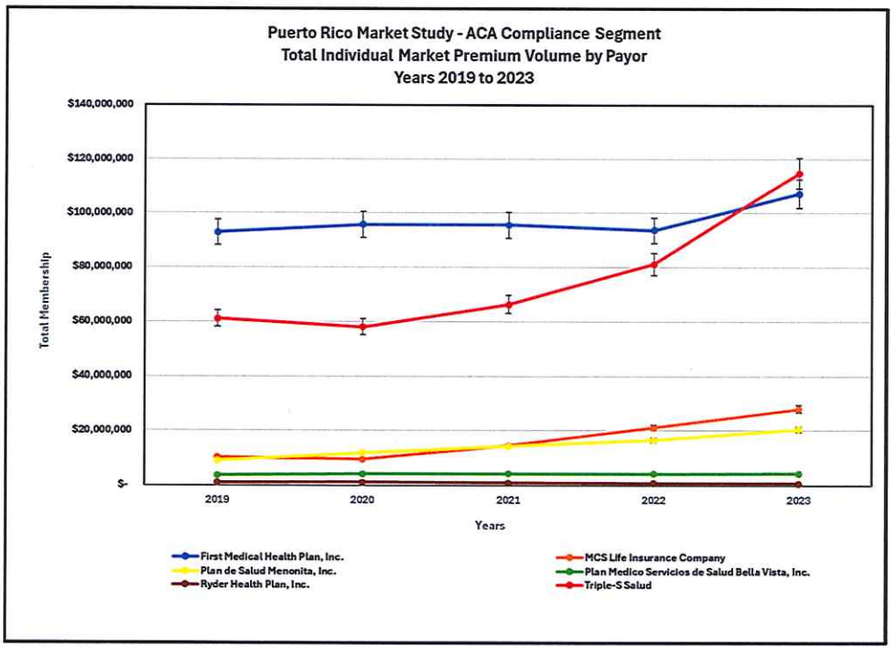
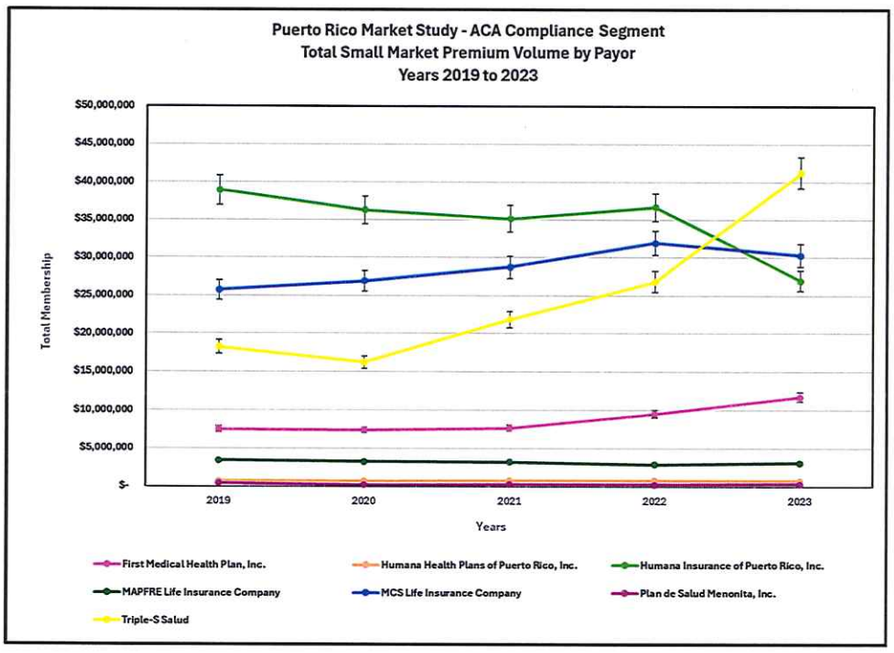


Figure 33: ACA Compliance Small Group Premium Volume Market by Payor




**(MA) Finding 2. Growing Premium trend**

- **Total premium** growing: in 2023 is $390 million, an increase of $117 (43%) when compared to 2019. Average 5 years $310 million.
- Reasonable number of insurers participating- Between 7 and 9 plans in the market, one exited in 2023 (Humana)
- **The individual** segment accounts for most of the premium growing trend, $98 million. Insurers driving growth are Triple S, MCS, and First Medical.
- **The small group** segment shows premium growth of $19 million in 5 years. Impacted by Humana exit in 2023. Insurers with larger increases are Triple S, MCS, First Medical. Timid growth overall.

## B. Market Penetration

The ACA health plans with the most market member penetration were Triple-S Salud (37%) and First Medical Health Plan (35%), accounting for a little more than 72% of the marketplace combining individual and small group markets. In the Individual market as per Figure 35, Triple-S and First Medical contribute the most member enrollment volume during the period under study, both accounting for more than 82%. In the Small group market, Triple-S, First Medical, Humana Insurance of PR, and MCS Life Insurance Company accounts for more than 83% as shown in Figure 36.

While in the Small group market Triple-S, First Medical, Humana Insurance of PR and MCS Life Insurance Company accounts for more than 83% as shown in Figure 36.

Figure 34: ACA Compliance Plans Combined Markets Distribution of Members by Payor

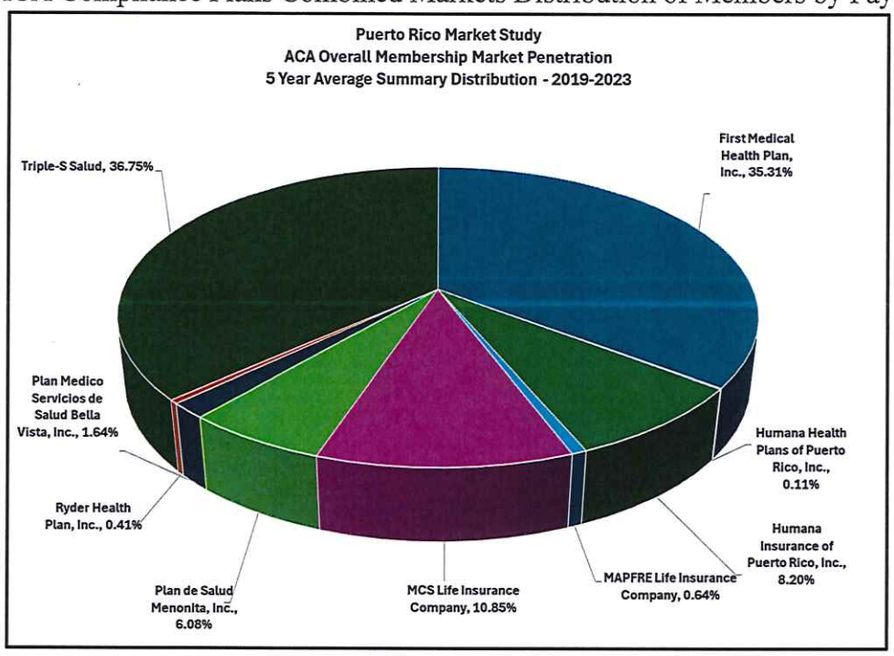
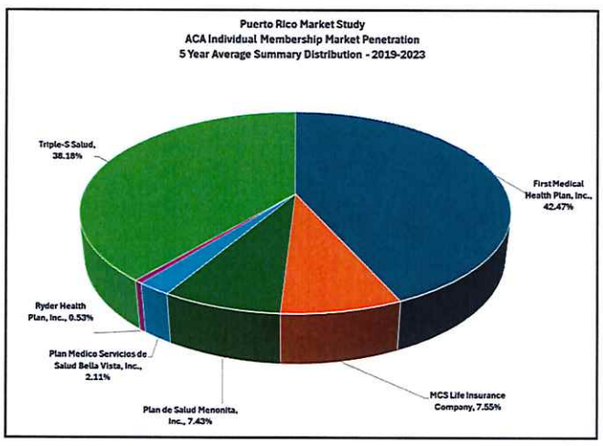



Figure 35: ACA Compliance Individual Market




36: ACA Compliance Small Group Market

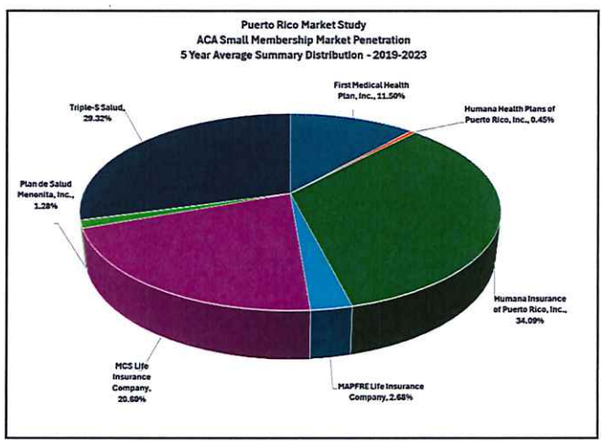


Figure 37: ACA Compliance Plans Combined Markets Premium Volume Distribution

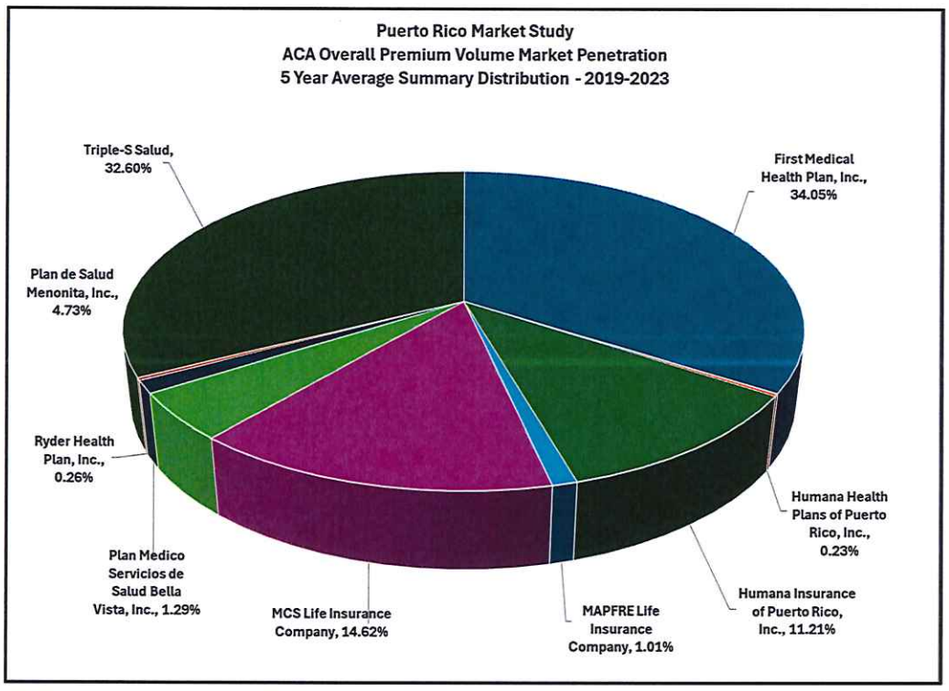



Figure 38: Individual Premium Distribution

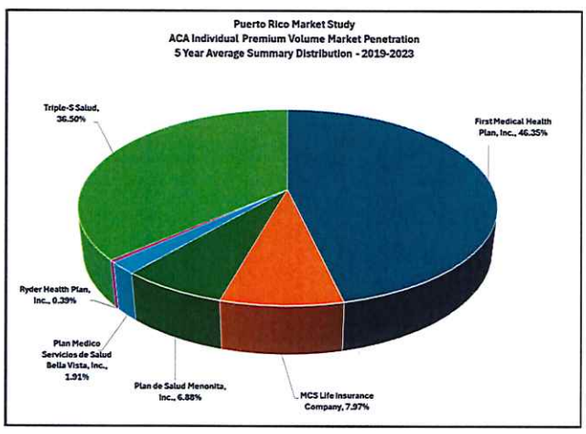
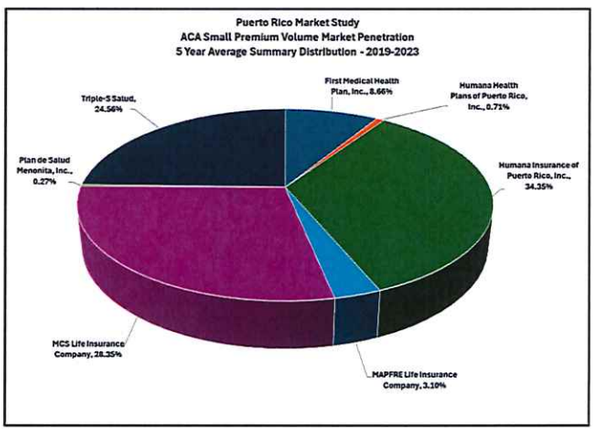



Figure 39: Small Group Premium Distribution



**(MA) Finding 3.** Market penetration is led by 2 main Health Plans (Insurers) based on 5-year average members and premiums.

- Triple S and First Medical accounts for 72% of the total member share and 82% in premium share
- **Individual** segment member share is led by First Medical (on average, in 2022 and 2023 Triple S lead) and Triple S penetrating 83% of the member market
- **Small group** segment shows Humana Insurance leading the member and premium share market, 34%. Since Humana is leaving the PR marketplace, the next 3 players with the highest member penetration rate are: Triple S (29%), and MCS (20%), and First Medical (12%) in a distant position.

### C. YoY Growth Analysis

The following tables disclose the trend and growth level of each health plan under the ACA compliance plans category during the five (5) year period of the study. The overall market growth aggregating the data from both market types (individual and small group) for the ACA compliance plans segment was 16% from year 1 to year 5. Nevertheless, there were only a few plans that were consistent in their growth trend, with over 50% increase in member volume over the study period. These were MCS Life Insurance Company, Plan de Salud Menonita and Triple-S Salud.

Table 38: ACA Compliance plans Combined Markets Year-over-Year (YoY) Membership Growth Analysis

| Market | (All) | | | | | |
|---|---|---|---|---|---|---|
| YoY Membership Market Growth Analysis | | | | | | |
| Health Plan | 2019 | 2020 | 2021 | 2022 | 2023 | 5 Yr Overall Growth |
| First Medical Health Plan, Inc. | | -8% | 2% | -7% | -10% | -22% |
| Humana Health Plans of Puerto Rico, Inc. | | -12% | -5% | -4% | -11% | -29% |
| Humana Insurance of Puerto Rico, Inc. | | -9% | -2% | -3% | -61% | -67% |
| MAPFRE Life Insurance Company | | -25% | 2% | 2% | -2% | -23% |
| MCS Life Insurance Company | | 15% | 10% | 23% | 41% | 119% |
| Plan de Salud Menonita, Inc. | | 40% | 13% | 19% | 19% | 124% |
| Plan Medico Servicios de Salud Bella Vista, Inc. | | 3% | -8% | 0% | 6% | 1% |
| Ryder Health Plan, Inc. | | 4% | -29% | -23% | -12% | -50% |
| Triple-S Salud | | 33% | 15% | 5% | 2% | 66% |
| Market Growth | | 7% | 7% | 2% | -2% | 16% |

Table 39: ACA Compliance plans Individual Market Year-over-Year (YoY) Membership Growth Analysis

| Market | Individual | | | | | |
|---|---|---|---|---|---|---|
| YoY Membership Market Growth Analysis | | | | | | |
| Health Plan | 2019 | 2020 | 2021 | 2022 | 2023 | 5 Yr Overall Growth |
| First Medical Health Plan, Inc. | [redacted] | -2% | -7% | -7% | -11% | -24% |
| MCS Life Insurance Company | | 46% | 48% | 27% | 32% | 263% |
| Plan de Salud Menonita, Inc. | | 39% | 11% | 21% | 19% | 124% |
| Plan Medico Servicios de Salud Bella Vista, Inc. | | 3% | -8% | 0% | 5% | 0% |
| Ryder Health Plan, Inc. | | 4% | -29% | -23% | -12% | -50% |
| Triple-S Salud | | 31% | 13% | 4% | 0% | 53% |
| Market Growth | | 13% | 4% | 2% | 0% | 20% |

Table 40: ACA Compliance plans Small Group Market Year-over-Year (YoY) Membership Growth Analysis

| Market | Small | | | | | |
|---|---|---|---|---|---|---|
| YoY Membership Market Growth Analysis | | | | | | |
| Health Plan | 2019 | 2020 | 2021 | 2022 | 2023 | 5 Yr Overall Growth |
| First Medical Health Plan, Inc. | [redacted] | -9% | 28% | -8% | -6% | 1% |
| Humana Health Plans of Puerto Rico, Inc. | | -12% | -5% | -4% | -11% | -29% |
| Humana Insurance of Puerto Rico, Inc. | | -9% | -2% | -3% | -61% | -67% |
| MAPFRE Life Insurance Company | | -25% | 2% | 2% | -2% | -23% |
| MCS Life Insurance Company | | -2% | -20% | 16% | 54% | 40% |
| Plan de Salud Menonita, Inc. | | 43% | 41% | -17% | 36% | 127% |
| Triple-S Salud | | 48% | 25% | 14% | 12% | 136% |
| Market Growth | | 2% | 5% | 4% | -8% | 2% |

Table 41: ACA Compliance plans Combined Markets Year-over-Year (YoY) Premium Volume Growth Analysis

| Market | (All) | | | | | |
|---|---|---|---|---|---|---|
| YoY Premium Market Growth Analysis | | | | | | |
| Health Plan | 2019 | 2020 | 2021 | 2022 | 2023 | 5 Yr Overall Growth |
| First Medical Health Plan, Inc. | | 3% | 0% | 0% | 15% | 19% |
| Humana Health Plans of Puerto Rico, Inc. | | -4% | 8% | 2% | -8% | -2% |
| Humana Insurance of Puerto Rico, Inc. | | -7% | -3% | 4% | -26% | -31% |
| MAPFRE Life Insurance Company | | -4% | -2% | -10% | 7% | -9% |
| MCS Life Insurance Company | | 1% | 19% | 23% | 10% | 62% |
| Plan de Salud Menonita, Inc. | | 27% | 21% | 15% | 25% | 121% |
| Plan Medico Servicios de Salud Bella Vista, Inc. | | 14% | 2% | 0% | 5% | 22% |
| Ryder Health Plan, Inc. | | 14% | -15% | -21% | -6% | -27% |
| Triple-S Salud | | -6% | 19% | 22% | 45% | 97% |
| Market Growth | | -1% | 8% | 11% | 20% | 43% |

Table 42: ACA Compliance plans Individual Market Year-over-Year (YoY) Premium Volume Growth Analysis

| Market | Individual | | | | | |
|---|---|---|---|---|---|---|
| YoY Premium Market Growth Analysis | | | | | | |
| Health Plan | 2019 | 2020 | 2021 | 2022 | 2023 | 5 Yr Mkt. Overall Growth |
| First Medical Health Plan, Inc. | | 3% | 0% | -2% | 14% | 15% |
| MCS Life Insurance Company | | -7% | 52% | 46% | 33% | 173% |
| Plan de Salud Menonita, Inc. | | 31% | 20% | 16% | 24% | 128% |
| Plan Medico Servicios de Salud Bella Vista, Inc. | | 14% | 2% | 0% | 5% | 21% |
| Ryder Health Plan, Inc. | | 14% | -15% | -21% | -6% | -27% |

| Market | Individual | | | | | |
|---|---|---|---|---|---|---|
| YoY Premium Market Growth Analysis | | | | | | |
| Health Plan | 2019 | 2020 | 2021 | 2022 | 2023 | 5 Yr Mkt. Overall Growth |
| Triple-S Salud | [redacted] | -5% | 14% | 22% | 41% | 88% |
| Market Growth | | 1% | 9% | 11% | 27% | 55% |

43: ACA Compliance plans Small Group Market Year-over-Year (YoY) Premium Volume Growth Analysis

| Market | Small | | | | | |
|---|---|---|---|---|---|---|
| YoY Premium Market Growth Analysis | | | | | | |
| Health Plan | 2019 | 2020 | 2021 | 2022 | 2023 | 5 Yr Mkt. Overall Growth |
| First Medical Health Plan, Inc. | [redacted] | -1% | 3% | 24% | 24% | 57% |
| Humana Health Plans of Puerto Rico, Inc. | | -4% | 8% | 2% | -8% | -2% |
| Humana Insurance of Puerto Rico, Inc. | | -7% | -3% | 4% | -26% | -31% |
| MAPFRE Life Insurance Company | | -4% | -2% | -10% | 7% | -9% |
| MCS Life Insurance Company | | 5% | 7% | 11% | -5% | 18% |
| Plan de Salud Menonita, Inc. | | -57% | 42% | -10% | 35% | -26% |
| Triple-S Salud | | -11% | 35% | 23% | 54% | 126% |
| Market Growth | | -4% | 7% | 12% | 5% | 21% |

**(MA) Finding 4.** YOY market growth, mixed results by segments, insurers, and periods

- **The overall** market shows YOY member growth between -2% and 7%. A negative result of -2% for 2023, but at an average of 16% over a 5-year period. YOY premium growth shows the same pattern but at a larger scale: -1% to 20% on YOY, 0% in 2023, and 43% over the 5-year period.
- Consistent YOY positive member growth plans are: Plan de Salud Menonita (13%-40%) averaging 124% for 5-year period, MCS (10%-41%) averaging 119% (over 5-year period, Triple S (2%-33%) averaging 66%memeber growth over 5-year period.
- **Individual** segment YOY member growth is 0% in 2023, average of 20% over 5-year period. Leading insurers are MCS (123%), Plan de Salud Menonita (124%), and Triple S (53%) for the 5-year period. All plans but Ryder reflected positive YOY premium growth for the 5year period. Individual premium growth YOY averages 55% for the 5-year period

- **Small group** segment YOY member growth shows a negative growth of -8% for 2023, and 2% for the 5-year period. MCS, Plan de Salud Menonita, and Triple S showed positive growth in this segment, like Individual. Premium growth YOY reflected 21%, 5% for 2023. Positive and negative growth are observed among health insurers.

### D. Premium to member ratio per year

The premium to member ratio per year allows us to compare the average ratio of premium per person during a year and see the trendline over time (2019 to 2023).

Table 44: ACA Compliance plans Combined Market Premium to Membership Ratio Analysis by Policy Year and Payor

| Market | (All) | | | | | |
|---|---|---|---|---|---|---|
| | Overall Premium to Membership Ratio per Year | | | | | |
| Health Plan | 2019 | 2020 | 2021 | 2022 | 2023 | Avg. Prem. To Member. Ratio |
| First Medical Health Plan, Inc. | $1,706 | $1,914 | $1,882 | $2,028 | $2,603 | $2,027 |
| Humana Health Plans of Puerto Rico, Inc. | $3,707 | $4,042 | $4,627 | $4,908 | $5,089 | $4,475 |
| Humana Insurance of Puerto Rico, Inc. | $2,526 | $2,601 | $2,583 | $2,776 | $5,272 | $3,151 |
| MAPFRE Life Insurance Company | $2,855 | $3,647 | $3,494 | $3,079 | $3,361 | $3,287 |
| MCS Life Insurance Company | $3,180 | $2,796 | $3,006 | $3,007 | $2,355 | $2,869 |
| Plan de Salud Menonita, Inc. | $1,672 | $1,526 | $1,631 | $1,584 | $1,652 | $1,613 |
| Plan Medico Servicios de Salud Bella Vista, Inc. | $1,417 | $1,562 | $1,723 | $1,720 | $1,709 | $1,626 |
| Ryder Health Plan, Inc. | $1,107 | $1,214 | $1,450 | $1,493 | $1,602 | $1,373 |
| Triple-S Salud | $2,065 | $1,449 | $1,494 | $1,735 | $2,451 | $1,839 |
| Avg. Market Prem. To Membership Ratio | $2,000 | $1,851 | $1,869 | $2,032 | $2,470 | $2,044 |

Table 45: ACA Compliance plans Individual Market Premium to Membership Ratio Analysis by Policy Year and Payor

| Market | Individual | | | | | |
|---|---|---|---|---|---|---|
| Overall Premium to Membership Ratio per Year | | | | | | |
| Health Plan | 2019 | 2020 | 2021 | 2022 | 2023 | Avg. Prem. To Member. Ratio |
| First Medical Health Plan, Inc. | $1,694 | $1,776 | $1,904 | $2,011 | $2,574 | $1,992 |

| Market | Individual | | | | | |
|---|---|---|---|---|---|---|
| Overall Premium to Membership Ratio per Year | | | | | | |
| Health Plan | 2019 | 2020 | 2021 | 2022 | 2023 | Avg. Prem. To Member. Ratio |
| MCS Life Insurance Company | $2,566 | $1,631 | $1,675 | $1,920 | $1,933 | $1,945 |
| Plan de Salud Menonita, Inc. | $1,680 | $1,582 | $1,710 | $1,633 | $1,713 | $1,664 |
| Plan Medico Servicios de Salud Bella Vista, Inc. | $1,417 | $1,562 | $1,723 | $1,724 | $1,714 | $1,628 |
| Ryder Health Plan, Inc. | $1,107 | $1,214 | $1,450 | $1,493 | $1,602 | $1,373 |
| Triple-S Salud | $1,884 | $1,370 | $1,384 | $1,635 | $2,317 | $1,718 |
| Avg. Market Prem. To Membership Ratio | $1,743 | $1,567 | $1,629 | $1,778 | $2,247 | $1,793 |

Table 46: ACA Compliance plans Small Group Market Premium to Membership Ratio Analysis by Policy and Payor

| Market | Small | | | | | |
|---|---|---|---|---|---|---|
| Overall Premium to Membership Ratio per Year | | | | | | |
| Health Plan | 2019 | 2020 | 2021 | 2022 | 2023 | Avg. Prem. To Member. Ratio |
| First Medical Health Plan, Inc. | $1,872 | $2,032 | $1,641 | $2,217 | $2,902 | $2,133 |
| Humana Health Plans of Puerto Rico, Inc. | $3,707 | $4,042 | $4,627 | $4,908 | $5,089 | $4,475 |
| Humana Insurance of Puerto Rico, Inc. | $2,526 | $2,601 | $2,583 | $2,776 | $5,272 | $3,151 |
| MAPFRE Life Insurance Company | $2,855 | $3,647 | $3,494 | $3,079 | $3,361 | $3,287 |
| MCS Life Insurance Company | $3,515 | $3,740 | $4,999 | $4,796 | $2,952 | $4,000 |
| Plan de Salud Menonita, Inc. | $1,510 | $452 | $453 | $494 | $491 | $680 |
| Triple-S Salud | $3,043 | $1,824 | $1,971 | $2,131 | $2,923 | $2,378 |
| Avg. Market Prem. To Membership Ratio | $2,761 | $2,588 | $2,656 | $2,840 | $3,247 | $2,818 |

The following Figures 40 to 42 provide a visual representation of the previous tables regarding the ACA Compliance plans under the combined, individual and small group markets trends.

Figure 40: ACA Compliance Plans Combined Markets Premium to Member Ratio per Year

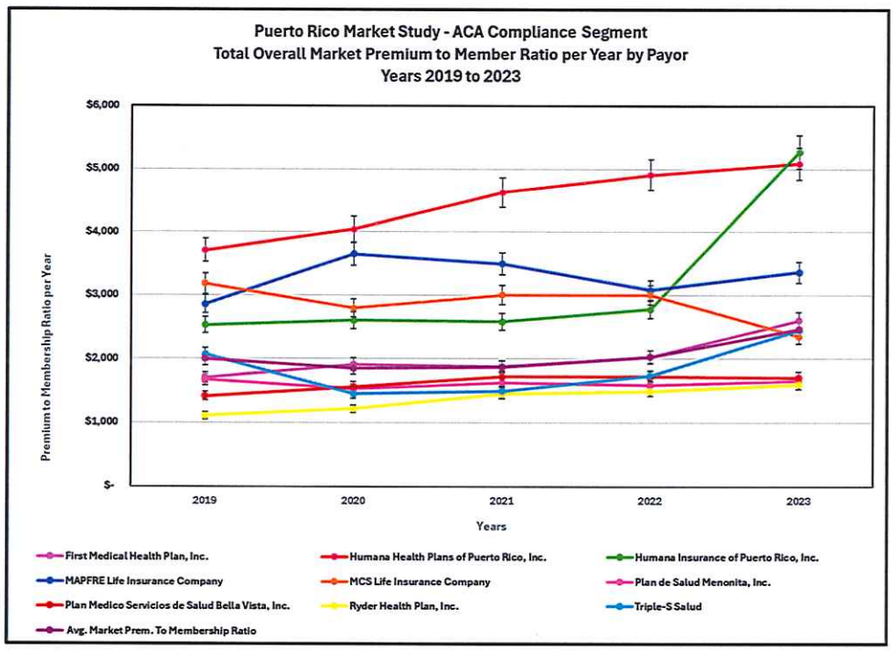



Figure 41: ACA Compliance Plans Individual Market Premium to Member Ratio per Year

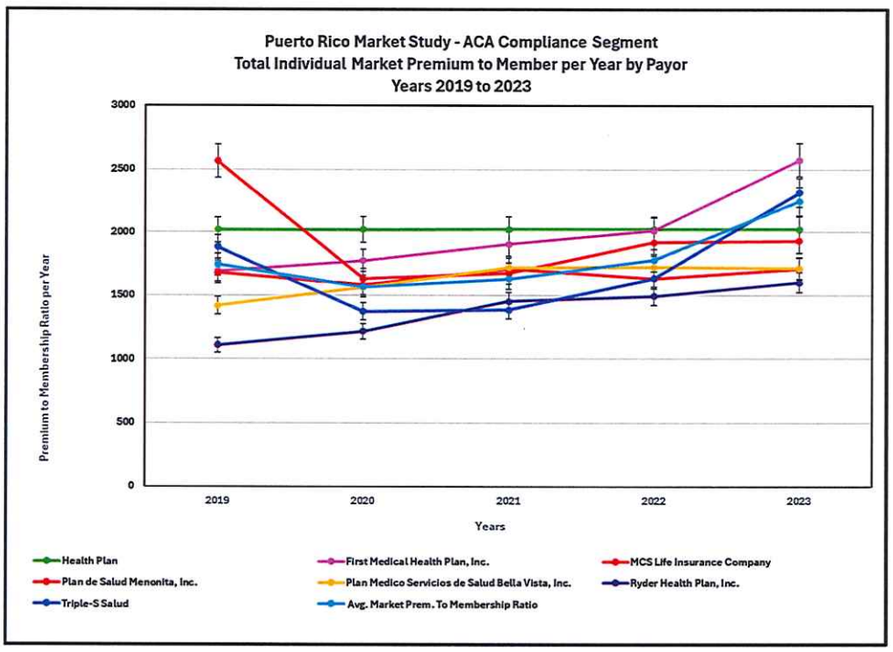
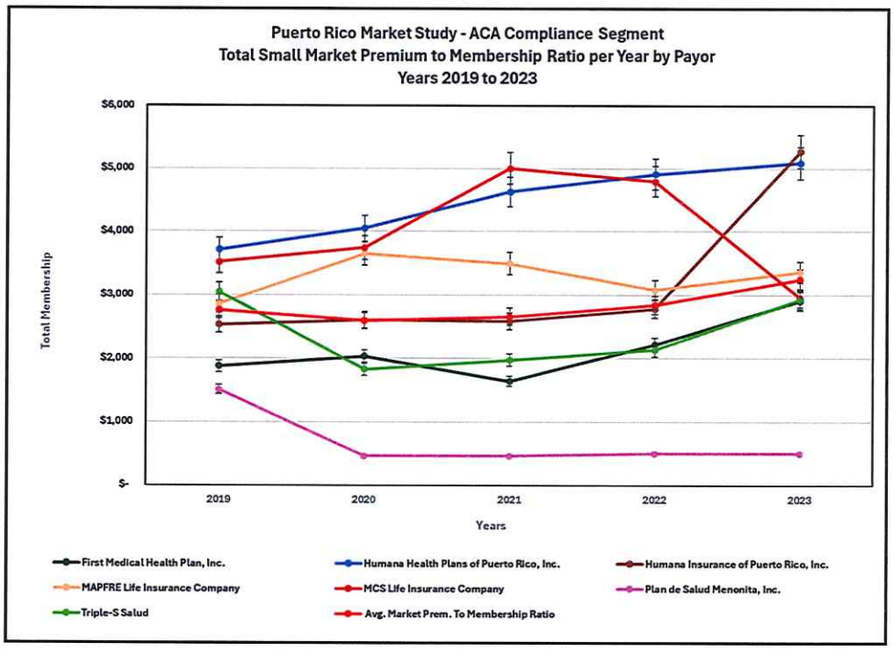


Figure 42: ACA Compliance Plans Small Group Market Premium to Member Ratio per Year




**(MA) Finding 6.** Premium to member ratio per year (PMPY) shows a small variance among insurers when outliers are excluded. No stable trend pattern over time is observed.
- **PMPY for the overall** market shows an average of $2,470 in 2023. After excluding Plan de Salud Menonita and Humana plans as outliers, variance among plans is $220. There is an upward trend from 2019 to 2023 for all plans, but MCS.
-**Individual** segment PMPY reflects no clear trends among insurers. From 2019-2020 half of the insurers increased their PMPY, the other half dropped them. By 2023 all plans increased at 24% on average, over 2022.
-**Small group** segment PMPY show an average of $3,247 for 2023, impacted by Humana PMPY. Plans leading market membership have close PMPY's in 2023: MCS ($2,952), Triple S ($2,923), and First Medical ($2,902).

### E. Premium to Membership Ratio per Month

The next three tables (Table 43 to 45) of the study focused on calculating the premium per membership ratio per month (PMPM), year after year by each ACA Compliance plan. In addition, an estimate of the average of the PMPM per Plan was calculated for benchmark purposes. Tables 47 to 49 provide the distribution per Plan and Policy Year of the PMPM.

Table 47: ACA Compliance plans Combined Markets Premium to Member Ratio per Month by Policy Year and Payor

| Market | (All) | | | | | |
|---|---|---|---|---|---|---|
| | Overall Premium to Membership Ratio per Month | | | | | |
| Health Plan | 2019 | 2020 | 2021 | 2022 | 2023 | Avg. Prem. To Member. Ratio |
| First Medical Health Plan, Inc. | $142 | $160 | $157 | $169 | $217 | $169 |
| Humana Health Plans of Puerto Rico, Inc. | $309 | $337 | $386 | $409 | $424 | $373 |
| Humana Insurance of Puerto Rico, Inc. | $210 | $217 | $215 | $231 | $439 | $263 |
| MAPFRE Life Insurance Company | $238 | $304 | $291 | $257 | $280 | $274 |
| MCS Life Insurance Company | $265 | $233 | $251 | $251 | $196 | $239 |
| Plan de Salud Menonita, Inc. | $139 | $127 | $136 | $132 | $138 | $134 |
| Plan Medico Servicios de Salud Bella Vista, Inc. | $118 | $130 | $144 | $143 | $142 | $136 |
| Ryder Health Plan, Inc. | $92 | $101 | $121 | $124 | $134 | $114 |
| Triple-S Salud | $172 | $121 | $125 | $145 | $204 | $153 |
| Avg. Market Prem. To Membership Ratio | $ 167 | $154 | $156 | $169 | $206 | $170 |

Table 48: ACA Compliance plans Individual Market Premium to Member Ratio per Month by Policy Year and Payor

| Market | Individual | | | | | |
|---|---|---|---|---|---|---|
| Premium to Membership Ratio per Month | | | | | | |
| Health Plan | 2019 | 2020 | 2021 | 2022 | 2023 | Avg. Prem. To Member. Ratio |
| First Medical Health Plan, Inc. | $141 | $148 | $159 | $168 | $215 | $166 |
| MCS Life Insurance Company | $ 214 | $136 | $140 | $160 | $161 | $162 |
| Plan de Salud Menonita, Inc. | $140 | $132 | $142 | $136 | $143 | $139 |
| Plan Medico Servicios de Salud Bella Vista, Inc. | $118 | $130 | $144 | $ 144 | $143 | $136 |
| Ryder Health Plan, Inc. | $92 | $101 | $121 | $124 | $134 | $114 |
| Triple-S Salud | $157 | $114 | $115 | $136 | $193 | $143 |
| Avg. Market Prem. To Membership Ratio | $145 | $131 | $136 | $148 | $187 | $149 |

Table 49: ACA Compliance plans Small Group Market Premium to Member Ratio per Month by Policy Year and Payor

| Market | Small | | | | | |
|---|---|---|---|---|---|---|
| Premium to Membership Ratio per Month | | | | | | |
| Health Plan | 2019 | 2020 | 2021 | 2022 | 2023 | Avg. Prem. To Member. Ratio |
| First Medical Health Plan, Inc. | $156 | $169 | $137 | $185 | $242 | $178 |
| Humana Health Plans of Puerto Rico, Inc. | $309 | $337 | $386 | $409 | $424 | $373 |
| Humana Insurance of Puerto Rico, Inc. | $210 | $217 | $215 | $231 | $439 | $263 |
| MAPFRE Life Insurance Company | $238 . | $304 | $291 | $257 | $280 | $274 |
| MCS Life Insurance Company | $293 | $312 | $417 | $400 | $246 | $333 |
| Plan de Salud Menonita, Inc. | $126 | $38 | $38 | $41 | $41 | $57 |
| Triple-S Salud | $254 | $152 | $164 | $178 | $244 | $198 |
| Avg. Market Prem. To Membership Ratio | $230 | $216 | $221 | $237 | $271 | $235 |

Figure 43: ACA Compliance Plans Combined Markets Premium to Member Ratio per Month

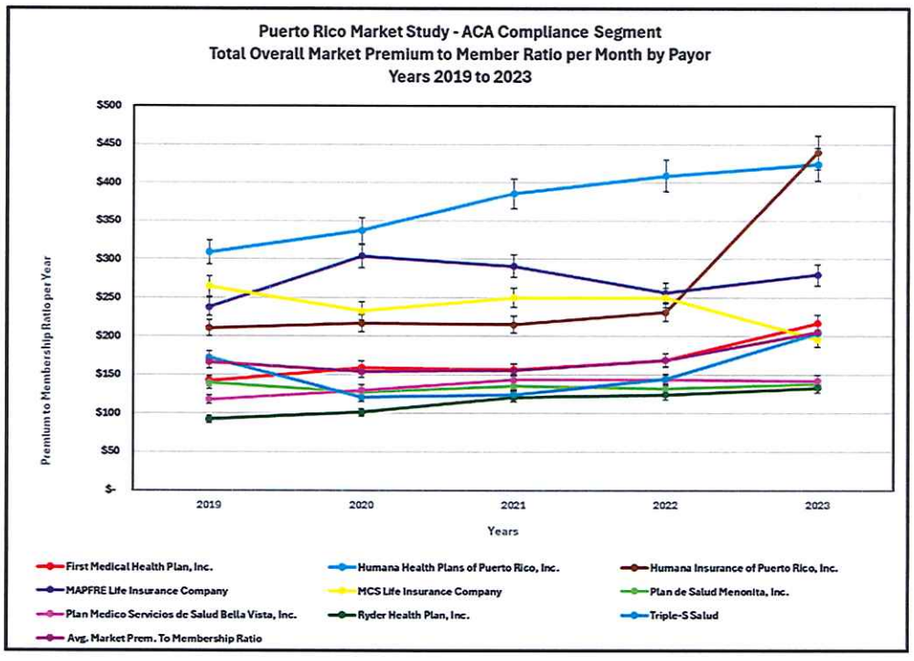


Figure 44: ACA Compliance Plans Individual Market Premium to Member Ratio per Month

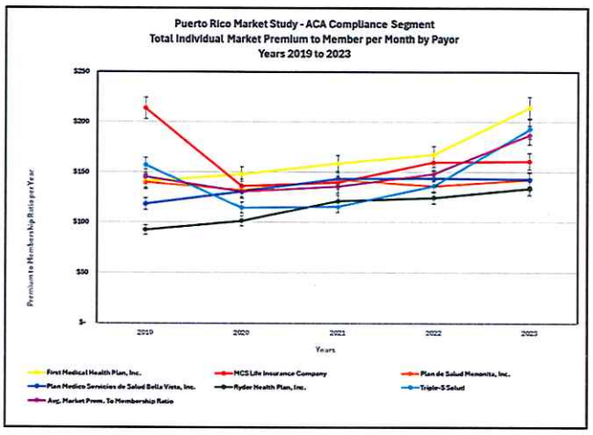
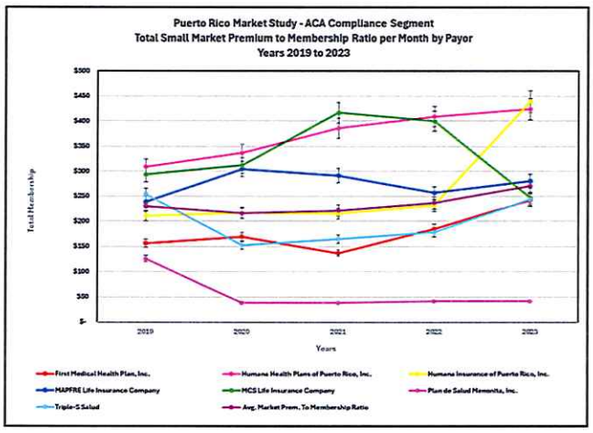



Figure 45: ACA Compliance Plans Small Group Market Premium to Member Ratio per Month




**(MA) Finding 7.** Premium to member ratio per month (PMPM) shows a small variance among insurers when outliers are excluded. No stable trend pattern over time is observed, other than an increase from the starting point to the end point for most insurers.

- **PMPM for the overall** market shows an average of $206 in 2023. Market leaders show average rates close to the average: First Medical $217, Triple S $204, and MCS $196, in 2023. There is an upward trend from 2019 to 2023 for all plans, but MCS.

-**Individual** segment PMPM reflects no clear trends among insurers. From 2019-2020 half of the insurers increased their PMPM, the other half dropped them. By 2023 all plans increased at 26% on average, over 2022.

-**Small group** segment PMPM show an average of $271 for 2023, impacted by Humana plans ($439, $434), and Plan de Salud Menonita ($41) PMPMs. When excluding outliers, the segment PMPMs are much closer ($242-$280). Only MCS reflected a drop in 2022 to 2023 PMPMs. This price strategy might explain MCS's membership growth in 2023.

The transition from non-ACA plans to ACA-compliant plans increased competition in the Puerto Rico market, comprehensive coverage including drugs, distinct levels of price points aligned to the benefits and metallic value, promoting both individuals and small groups participation in the ACA plans market.

**Benefit Analysis Findings**

- **Essential Health Benefits**

The Essential Benefits were defined under the ACA law, also included in the PRHIC, to provide access, timeliness, and quality of care to the consumers that could not afford or did not have accessibility to coverage of benefits essential to manage their disease state and chronic conditions. To that effect the Federal Law along with State regulators in Puerto Rico provided an approval process for an array of products classified on metallic categories according to the law. These are:

- Platinum
- Gold
- Silver
- Bronze

These categories or classification are intended to provide at a state level a uniform definition of the relative value of benefits (actuarial value), the relative value of the cost-share structure and the premium allocation among the categories. A richer metallic plan has a higher premium and a lower cost share for the member. This will provide the conditions for accessibility and affordability in the marketplace to provide healthcare to a portion of the population in PR that were not able to have such an opportunity prior to ACA. The analysis on this part will provide a descriptive view of the uniformity applied to the metallic product per Essential or Not-Essential Benefit in Puerto Rico. There are other benefits we will review in this section: State mandated benefits, value-added benefits, and other optional benefits offered in the ACA market.

The analysis will be layered by benefit, policy year, market type, and metallic product. The ACA compliant products were introduced to Puerto Rico market by 2014, as required by the PRHIC, after a process led by the OCI to educate the insurers and consumers. The OCI, in its regulatory role, oversights the insurers' compliance with the new code and market rules, including the entire process of rate filing. The products to be marketed were submitted for approval to the OCI during 2013, and every year after that. This section focused on the 5-year period from 2019 to 2023.

**2019 – 2023 ACA plans in PR**

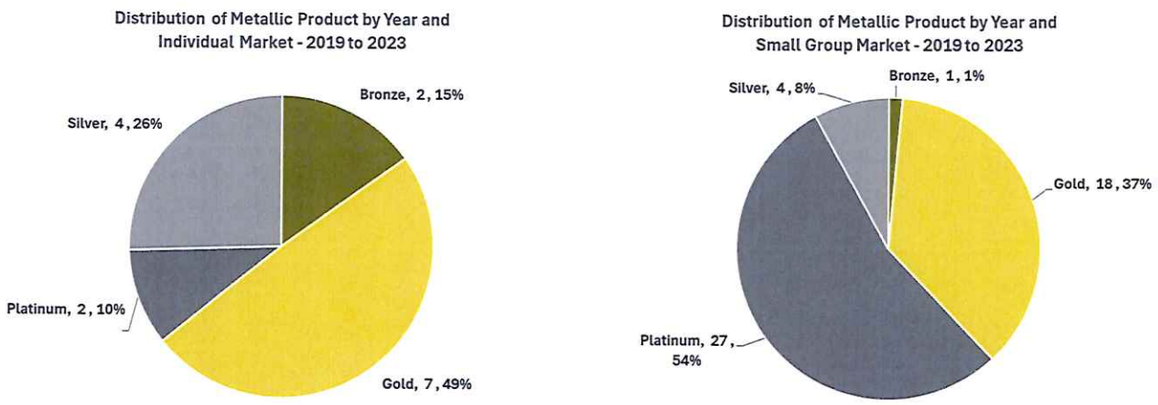
To that matter Table 62 provides the distribution by market type and metallic product. Figure 60 illustrates the percent distribution of the metallic products by market type, signifying that in individual market the Gold has been the most designed products (40%) in the individual market followed by Silver (26%) accounting for 66% in this market. While, under the small group market more than half (54%) of the metallic products fall under the Platinum category and 37% in Gold. It is important to note that most of the metallic products (81%) regardless of the metallic product

category are under the Small Group market while 19% falls in the Individual Market. The following table details the distribution of metallic products by category and market type under each policy year.

Table 62: Distribution of Metallic Products by Market Type and Policy Year

| Distribution of Metallic Product by Year and Market Type | Policy Years | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Metallic Products | 2019 | | 2020 | | 2021 | | 2022 | | 2023 | | Avg. 7Yr Term | |
| | % | Count | % | Count | % | Count | % | Count | % | Count | % | Count |
| **Individual** | 15% | 21 | 17% | 20 | 25% | 19 | 37% | 22 | 39% | 24 | 27% | 21 |
| Bronze | 2% | 3 | 3% | 3 | 4% | 3 | 5% | 3 | 6% | 4 | 4% | 3 |
| Gold | 7% | 10 | 9% | 10 | 12% | 9 | 20% | 12 | 18% | 11 | 13% | 10 |
| Platinum | 2% | 3 | 2% | 2 | 3% | 2 | 3% | 2 | 3% | 2 | 3% | 2 |
| Silver | 4% | 5 | 4% | 5 | 7% | 5 | 8% | 5 | 11% | 7 | 7% | 5 |
| **Small Group** | 85% | 118 | 83% | 95 | 75% | 57 | 63% | 38 | 61% | 38 | 73% | 69 |
| Bronze | 1% | 2 | 2% | 2 | 0% | - | 0% | - | 2% | 1 | 1% | 1 |
| Gold | 29% | 40 | 31% | 36 | 32% | 24 | 22% | 13 | 19% | 12 | 27% | 25 |
| Platinum | 51% | 71 | 43% | 49 | 37% | 28 | 33% | 20 | 32% | 20 | 39% | 38 |
| Silver | 4% | 5 | 7% | 8 | 7% | 5 | 8% | 5 | 8% | 5 | 7% | 6 |
| **Grand Total** | **100%** | **139** | **100%** | **115** | **100%** | **76** | **100%** | **60** | **100%** | **62** | **100%** | **90** |

Figure 60: Distribution of Metallic Plans Categories by Market Type, Years 2019 to 2023




## Essential Benefits Dataset

The following tables display an analysis made with the Essential Benefits dataset per market type (either Individual or Small Group). The method used was to extract the data from the Attachment 8, and crossmatch with information provided by Attachment 6, which is the checklist each payor submits in compliance with the State agency's requirement to give evidence of coverage of benefits based on ACA requirements and defined as Essential Health Benefits (EHB), and State

Mandated services. Some non-essential benefits cost share are included in Insurer's cost share tables (Attachment 8), as well as optional benefits with additional premium payment. To validate these for all plans, KD asked OCI to get information from the insurers to provide a supplemental report to assure which non-essential benefits are been offered, either with or without additional premium. To validate some benefits coverage, KD consulted the Health Benefit Document description. The analysis was focused on the top four payors with the higher premium and membership volume in both markets, individual or small group. To that extent the following health plans were considered: (1) Triple-S Salud, (2) MCS Life Insurance Company, (3) First Medical Health Plans, and (4) Plan de Salud Menonita, Inc.

The analysis considered the policy year 2023 and integrating the components to address compliance and validation of the coverage of benefits required under ACA as well as State mandated terms and conditions. The methodology includes the development of a summary table with data elements from official documents filed at the OCI, and supplemental data:

- Addendum 8, cost share structure for each plan
- Attachment 6, EHB checklist
- Supplemental report on Non EHB
- Health plan benefit description

The Attachment 8 benefits were crossmatched with each benefit on the checklist in Attachment 6 to evidence and confirm their inclusion under the approved insurance policy. The Non-EHB/Optional Services for Additional Premium files were also included in each health plan. The categories were color coded in a summary table and classified as:

- Red color "X": benefits that were found in Attachment 6 Checklist by health plans with notes related to Plan's benefit guidelines and policy.
- Black color "X": benefits that were found in Attachment 8 dataset under EHB categories.

For both tables in each market type, the analysis resulted in the identification of unmatched information between Attachment 6 and 8, needing other sources of data to complete the information and perform the analysis.

The tables are segmented into Individual and Small Group markets and the only variance were in the Non-EHB and Optional Services for additional premium worksheets, which the benefits were varied among the four (4) health plans evaluated (First Medical Health Plan, MCS Life Insurance Company, Plan de Salud Menonita and Triple-S Salud). An array of different options within the

metallic products includes value added benefits that in nature were similar in some instances and others were distinct based on the Plans assessments in their members and products. For example, MCS provided such programs as wellness, a telemedicine focused program, alternative medicine, among other opportunities to improve and empower their members to provide health outcomes. Also, there were life insurance options under some of the health plans. In the small group there were offerings like employee assistance programs, cannabis, gym, and so forth. Optional benefits and the named value-added benefits are distinct among the insurers, being MCS and Triple S the ones with more offerings. These benefits provide the plans with enough flexibility in the benefits design for differentiation and implement specific strategies to improve their growth or health outcomes.

The following are selected segments from the referred tables to illustrate the flexibilities on the non-EHB benefits.

## *INDIVIDUAL MARKET: BENEFIT TABLE SELECTED CATEGORIES*

| YEAR | 2023 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| MARKET TYPE | INDIVIDUAL | | | | | | | | | | | |
| PAYOR | First Medical Health Plans | | | MCS Life Insurance Company | | | Triple-S Salud | | | Plan de Salud Menonita | | |
| ESSENTIAL BENEFITS | EHB Cov.Serv. | Non-EHB Serv. | Uncov. EHB Serv. | EHB Cov.Serv. | Non-EHB Serv. | Uncov. EHB Serv. | EHB Cov.Serv. | Non-EHB Serv. | Uncov. EHB Serv. | EHB Cov.Serv. | Non-EHB Serv. | Uncov. EHB Serv. |
| **Non EHB Covered Services** | | | | | | | | | | | | |
| Life Insurance | | X | | | | | | | | | | |
| Glasses/contacts 21+ members | | | | | X | | | X | | | | |
| Dental benefit for adults | | | | | X | | | X | | | | |
| COVID PPE payment for Providers | | | | | | | | | | | | |
| Alternative medicine | | | | | X | | | X | | | | |
| Telemedicine (Or, for certain specialists) | | | | | X | | | X | | | | |
| Mail order pharmacy delivery | | | | | | | | X | | | | |
| Wellness | | | | | X | | | | | | | |
| In-home maternity | | | | | | | | X | | | | |
| Gym | | | | | X | | | | | | | |
| Other Non-EHB Case Management services | | | | | | | | X | | | | |
| Travel assistance | | | | | | | | X | | | | |
| Hospice | | | | | | | | X | | | | |
| Vision (adults) | | | | | X | | | X | | | | |
| Cannabis | | | | | X | | | | | | | |
| **Optional Additional Benefits for additional premium** | | | | | | | | | | | | |
| Dental benefit for adults | | X | | | X | | | X | | | | |
| Life Insurance - additional coverage amounts | | | | | X | | | X | | | | |
| Vision | | | | | | | | | | | | |
| Cannabis | | | | | | | | | | | | |
| Major Medical | | | | | | | | | | | | |
| Organ transplant | | | | | | | | | | | | |
| Employee Assistance Program | | | | | | | | | | | | |

## *SMALL GROUP MARKET SELECTED CATEGORIES*

| YEAR | 2023 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| MARKET TYPE | SMALL GROUP | | | | | | | | | | | |
| PAYOR | First Medical Health Plan | | | Plan de Salud Menonita | | | MCS Life Insurance Company | | | Triple-S Salud | | |
| ESSENTIAL BENEFITS | EHB Cov.Serv. | Non-EHB Serv. | Uncov. EHB Serv. | EHB Cov.Serv. | Non-EHB Serv. | Uncov. EHB Serv. | EHB Cov.Serv. | Non-EHB Serv. | Uncov. EHB Serv. | EHB Cov. Serv. | Non-EHB Serv. | Uncov. EHB Serv. |
| **Non EHB Covered Services** | | | | | | | | | | | | |
| Life Insurance | | X | | | | | | | | | | |
| Glasses/contacts 21+ members | | | | | X | | | | | | X | |
| Dental benefit for adults | | | | | X | | | X | | | | |
| COVID PPE payment for Providers | | | | | X | | | | | | | |
| Alternative medicine | | | | | | | | X | | | X | |
| Telemedicine (or, for certain specialists) | | | | | | | | X | | | X | |
| Mail order pharmacy delivery | | | | | | | | | | | X | |
| Wellness | | | | | | | | X | | | X | |
| In-home maternity | | | | | | | | | | | X | |

| YEAR | 2023 |
|---|---|
| MARKET TYPE | SMALL GROUP |

| PAYOR | First Medical Health Plan | | | Plan de Salud Menonita | | | MCS Life Insurance Company | | | Triple-S Salud | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ESSENTIAL BENEFITS | EHB Cov.Serv. | Non-EHB Serv. | Uncov. EHB Serv. | EHB Cov.Serv. | Non-EHB Serv. | Uncov. EHB Serv. | EHB Cov.Serv. | Non-EHB Serv. | Uncov. EHB Serv. | EHB Cov. Serv. | Non-EHB Serv. | Uncov. EHB Serv. |
| Other Non-EHB Case Management services | | | | | | | | | | | X | |
| Travel assistance | | | | | | | | | | | | |
| Gym | | | | | | | | X | | | | |
| Hospice | | | | | | | | | | | X | |
| Prosthesis | | | | | | | | | | | (and Implants) TSS Platinum Plans) X | |
| Acupuncture | | | | | | | | | | | X | |
| Hearing aids | | | | | | | | | | | X | |
| Open Access coverage in US for dependents - College students | | | | | | | | X | | | | |
| Employee Assistance Program | | | | | | | | X | | | All plans but Bronze and Silver X | |
| Hyperbaric Chamber | | | | | | | | X | | | | |
| Gynecomastia | | | | | | | | X | | | | |
| Blood pressure monitoring | | | | | | | | | | | X | |
| Non participant providers | | | | | | | | | | | Only in Platinum X | |
| Major Medical | | | | | | | | | | | All plans but Bronze and Silver X | |
| Vision for adults | | | | | | | | X | | | X | |
| Epidural Anesthesia (reimbursement max $288) | | | | | | | | X | | | | |
| Emergency services out of US (Reimbursement 80%) | | | | | | | | X | | | | |
| Organ Transplant | | | | | | | | X | | | All plans but Bronze and Silver X | |
| **Optional Additional Benefits for additional premium** | | | | | | | | | | | | |
| Dental benefit for adults | | X | | | | | | X | | | X | |
| Life Insurance - additional coverage amounts | | | | | | | | X | | | X | |
| Vision | | | | | | | | | | | | |
| Cannabis | | | | | | | | X | | | | |
| Major Medical | | X | | | | | | | | | Bronze and Silver plans X | |
| Organ transplant | | | | | | | | | | | Bronze and Silver plans X | |
| Employee Assistance Program | | X | | | | | | | | | Bronze and Silver plans X | |

All health plans were compliant with definitions and requirements set forth under ACA as reviewed on the official documentation provided and considered under OCI. Nevertheless, there is an opportunity for OCI to improve their fiscal oversight responsibility towards the marketplace. Data must be defined in a standard way and applied consistently across all reporting requirements, complying with the Federal and State laws provisions, and industry standards. Standardization of the use of data elements avoids multiple efforts to adapt it to each reporting request, providing an ease way for comparison and monitoring among diverse sources. Under the recommendations section there will be further explanations to address some of these findings.

**(MA) Finding 8:** Data and processes available at the OCI related to the oversight of EHB and mandated benefits compliance require standardization, alignment, and digitalization among the tools to perform such duty.

**(MA) Finding 9.** All plans reviewed complied with the EHB required coverage and PR mandated benefits. Non EHB benefits vary by segment, insurer, and metallic value, providing flexibility to differentiate products among insurers and wider options to consumers.

Overall, while premium values are a critical factor, non-EHB services play a significant role in shaping member choices and the competitive landscape of the health insurance market in Puerto Rico.

- **Cost Sharing Structure Benchmark Analysis: Individual and Small Group Markets**

In terms of comparing cost-sharing structures among the four health plans benchmarked in this study, for policy year 2023, we focused the analysis on specific benefits such as: *MOOP*, *Hospitalization*, *Emergency Services*, *Medical and Specialists Office Visits*, *Prescription Drug coverage (Pharmacy benefit)*, *Lab and Radiology services*, *Other Services*, and *Value Added Benefits Program*. The information provides the cost-share range on minimum and maximum values, for the coinsurance (%), copayment (in dollars), or deductibles (in dollars). The focus is to compare among payors and identify any potential outlier practices, within the market groups and metallic categories.

As part of the cost sharing structures, some health plans have included upfront deductibles for medical benefits, so once the limit has been reached by the member then the plan begins to pay. Plans like MCS and First Medical Health Plan are examples of this concept. MCS, with some of their products, provides an upfront deductible of $200 for family and $100 on individual coverage, while First Medical Health Plan has set a $50 for either family or individual coverage. Further, we will describe in the Prescription Drug Coverage benefit a similar approach in some metallic plans

across the evaluated health plans (First Medical Health Plan, MCS Life Insurance Company, Plan de Salud Menonita and Triple-S Salud).

- **Maximum out of pocket (MOOP) benefit**

  MOOP limits ensure that individuals and families do not face excessive financial burdens from high medical costs. These limits are designed to make healthcare more affordable by setting a ceiling on out-of-pocket expenses for essential health benefits. After reaching these amounts, the members will pay zero cost-share for the rest of their policy period.

  The Federal MOOP limit is revised every year, $9,100 for individuals and $18,200 for families in 2023, and most states mirror it. In Puerto Rico, the MOOP limit is assigned by OCI, initially aligned with the Federal in 2014, but kept at the same level ever since. For 2023, the MOOP limits for ACA-compliant plans in Puerto Rico are:
  - Individual Coverage: $6,350
  - Family Coverage: $12,700

**(MA) Finding 10.** MOOP levels are significantly lower in PR than the ones in the US (3 out of 4 plans studied are setting it at its maximum) providing members better financial protection to their out-of-pocket costs than the one at federal level.

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- **Hospitalization Services**

  Under ACA-compliant plans in Puerto Rico, hospitalization services are covered as part of essential health benefits. This ensures that enrollees receive necessary inpatient care without undue financial burden.

  The PR population, 3.2 million, have access to 60 hospitals on the island. During the last decade the hospital system has been stressed by a reduction in demand due to migration of population, and the availability of health professionals. Although there are some financial incentives from the government to retain health professionals in the island, some hospitals have been closing, and hospital systems are consolidating their facilities and services.

  The table below provides the overall framework in cost-sharing structure across the metallic categories for both markets: individual and small groups. The content focuses on comparing the four health plans and policy year 2023 as described before.

# Table: Hospital stay benefit, Individual segment

| Individual | First Medical Health Plan | | | | MCS Life Insurance Company | | | | Plan de Salud Menonita | | | | Triple-S | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Copayment[1/] | | Coinsurance[2/] | | Copayment[1/] | | Coinsurance[2/] | | Copayment[1/] | | Coinsurance[2/] | | Copayment[1/] | | Coinsurance[2/] | |
| | Min | Max | Min | Max | Min | Max | Min | Max | Min | Max | Min | Max | Min | Max | Min | Max |
| Bronze | | | | | | | | | | | | | | | | |
| Completa con Pre-Autorización (incluyendo Salud Mental) | $ | 350 | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Completa con Pre-Autorización No Preferido (incluyendo Salud Mental) | * | * | * | * | * | * | * | * | * | * | * | * | $ | 900 | * | * |
| Completa con Pre-Autorización Preferido (incluyendo Salud Mental) | * | * | * | * | * | * | * | * | * | * | * | * | $ | 300 | * | * |
| Completa sin Pre-Autorización (incluyendo Salud Mental) | $ | 350 | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Completa sin Pre-Autorización No Preferido (incluyendo Salud Mental) | * | * | * | * | * | * | * | * | * | * | * | * | $ | 900 | * | * |
| Completa sin Pre-Autorización Preferido (incluyendo Salud Mental) | * | * | * | * | * | * | * | * | * | * | * | * | $ | 300 | * | * |
| Hospitalización (incluyendo salud mental) Nivel 2 (PPO) | * | * | * | * | $ | 900 | * | * | * | * | * | * | * | * | * | * |
| Hospitalización (incluyendo salud mental) Nivel I (PPO) | * | * | * | * | $ | 300 | * | * | * | * | * | * | * | * | * | * |
| Gold | | | | | | | | | | | | | | | | |
| Completa con Pre-Autorización (incluyendo Salud Mental) | $ 200.00 | $ 250.00 | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Completa con Pre-Autorización (incluyendo Salud Mental) | * | * | * | * | * | * | * | * | $ - | $ - | * | * | * | * | * | * |
| Completa con Pre-Autorización No Preferido (incluyendo Salud Mental) | * | * | * | * | * | * | * | * | $ 150 | $ 250 | * | * | $ | 500 | * | * |
| Completa con Pre-Autorización Preferido (incluyendo Salud Mental) | * | * | * | * | * | * | * | * | * | * | * | * | $ | 150 | * | * |
| Completa sin Pre-Autorización (incluyendo Salud Mental) | $ 200 | $ 250 | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Completa sin Pre-Autorización (incluyendo Salud Mental) | * | * | * | * | * | * | * | * | $ 150 | $ 250 | * | * | * | * | * | * |
| Completa sin Pre-Autorización No Preferido (incluyendo Salud Mental) | * | * | * | * | * | * | * | * | * | * | * | * | $ | 500 | * | * |
| Completa sin Pre-Autorización Preferido (incluyendo Salud Mental) | * | * | * | * | * | * | * | * | * | * | * | * | $ | 150 | * | * |
| Hospitalización (incluyendo salud mental) Nivel 2 (PPO) | * | * | * | * | $ | 700 | * | * | * | * | * | * | * | * | * | * |
| Hospitalización (incluyendo salud mental) Nivel I (PPO) | * | * | * | * | $ | 150 | * | * | * | * | * | * | * | * | * | * |
| Platinum | | | | | | | | | | | | | | | | |
| Completa con Pre-Autorización (incluyendo Salud Mental) | * | * | * | * | * | * | * | * | $ | 50 | * | * | * | * | * | * |
| Completa sin Pre-Autorización (incluyendo Salud Mental) | * | * | * | * | * | * | * | * | $ | 50 | * | * | * | * | * | * |
| Silver | | | | | | | | | | | | | | | | |
| Completa con Pre-Autorización (incluyendo Salud Mental) | $ | 350 | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Completa con Pre-Autorización No Preferido (incluyendo Salud Mental) | * | * | * | * | * | * | * | * | * | * | * | * | $ 500 | $ 600 | * | * |
| Completa con Pre-Autorización Preferido (incluyendo Salud Mental) | * | * | * | * | * | * | * | * | * | * | * | * | $ 150 | $ 300 | * | * |
| Completa sin Pre-Autorización (incluyendo Salud Mental) | $ | 350 | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Completa sin Pre-Autorización No Preferido (incluyendo Salud Mental) | * | * | * | * | * | * | * | * | * | * | * | * | $ 500 | $ 600 | * | * |
| Completa sin Pre-Autorización Preferido (incluyendo Salud Mental) | * | * | * | * | * | * | * | * | * | * | * | * | $ 150 | $ 300 | * | * |
| Hospitalización (incluyendo salud mental) Nivel 2 (PPO) | * | * | * | * | $ | 750 | * | * | * | * | * | * | * | * | * | * |
| Hospitalización (incluyendo salud mental) Nivel I (PPO) | * | * | * | * | $ | 200 | * | * | * | * | * | * | * | * | * | * |

*The insurer does not have coverage or an specific service under the benefit in the metallic category.

[1/]Copay are segmented as one in each service or a range of copays with minimum or maximum values in the cost sharing structure for all or some planes under the metallic category.

[2/]Coinsurance are segmented as one in each service or a range of coinsurance with minimum or maximum values in the cost sharing structure for all or some plans under the metallic category.

Table: Hospital stay benefit, Small group segment

| Small Group | FIRST MEDICAL HEALTH PLAN, INC. | | | | MCS Life Insurance Company | | | | Plan de Salud Menonita | | | | Triple-S | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Copayment[1] | | Coinsurance[2] | | Copayment[1] | | Coinsurance[2] | | Copayment[1] | | Coinsurance[2] | | Copayment[1] | | Coinsurance[2] | |
| | Min | Max | Min | Max | Min | Max | Min | Max | Min | Max | Min | Max | Min | Max | Min | Max |
| **Bronze** | | | | | | | | | | | | | | | | |
| Completa con Pre-Autorización No Preferido (incluyendo Salud Mental) | * | * | * | * | * | * | * | * | * | * | * | * | $ 800 | | * | * |
| Completa con Pre-Autorización Preferido (incluyendo Salud Mental) | * | * | * | * | * | * | * | * | * | * | * | * | $ - | | 35% | |
| Completa sin Pre-Autorización No Preferido (incluyendo Salud Mental) | * | * | * | * | * | * | * | * | * | * | * | * | $ 800 | | * | * |
| Completa sin Pre-Autorización Preferido (incluyendo Salud Mental) | * | * | * | * | * | * | * | * | * | * | * | * | $ 300 | | * | * |
| Hospitalización (incluyendo salud mental) Nivel 1 | * | * | * | * | $ 400 | | * | * | | | | | | | | |
| Hospitalización (incluyendo salud mental) Nivel 2 | * | * | * | * | $ 900 | | * | * | | | | | | | | |
| **Gold** | | | | | | | | | | | | | | | | |
| Completa con Pre-Autorización (incluyendo Salud Mental) | $ 150 | | 0% | | * | * | * | * | * | * | * | * | * | * | * | * |
| Completa con Pre-Autorización (incluyendo Salud Mental) | * | * | * | * | * | * | * | * | $ - | $ 150 | * | * | * | * | * | * |
| Completa con Pre-Autorización No Preferido (incluyendo Salud Mental) | * | * | * | * | * | * | * | * | * | * | * | * | $ 350 | $ 450 | * | * |
| Completa con Pre-Autorización Preferido (incluyendo Salud Mental) | * | * | * | * | * | * | * | * | * | * | * | * | $ 100 | $ 200 | * | * |
| Completa sin Pre-Autorización (incluyendo Salud Mental) | $ 150 | | 0% | | * | * | * | * | * | * | * | * | * | * | * | * |
| Completa sin Pre-Autorización (incluyendo Salud Mental) | * | * | * | * | * | * | * | * | $ - | $ 150 | * | * | * | * | * | * |
| Completa sin Pre-Autorización No Preferido (incluyendo Salud Mental) | * | * | * | * | * | * | * | * | * | * | * | * | $ 350 | $ 450 | * | * |
| Completa sin Pre-Autorización Preferido (incluyendo Salud Mental) | * | * | * | * | * | * | * | * | * | * | * | * | $ 100 | $ 200 | * | * |
| Hospitalización Regular dentro de las facilidades de la red Metro Pavia Health System | 0 | | 0% | | * | * | * | * | * | * | * | * | * | * | * | * |
| Hospitalización (incluyendo salud mental) Nivel 1 | * | * | * | * | $ 150 | $ 150 | * | * | * | * | * | * | * | * | * | * |
| Hospitalización (incluyendo salud mental) Nivel 2 | * | * | * | * | $ 600 | $ 600 | * | * | * | * | * | * | * | * | * | * |
| Hospitalization (includes mental health) Level 2 (PPO) | * | * | * | * | $ 250 | $ 350 | * | * | * | * | * | * | * | * | * | * |
| Hospitalization (includes mental health) Level I (PPO) | * | * | * | * | $ 75 | $ 125 | * | * | * | * | * | * | * | * | * | * |
| **Platinum** | | | | | | | | | | | | | | | | |
| Completa con Pre-Autorización (incluyendo Salud Mental) | $ 100 | $ 150 | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Completa con Pre-Autorización (incluyendo Salud Mental) | * | * | * | * | * | * | * | * | $ 50 | | * | * | * | * | * | * |
| Completa con Pre-Autorización No Preferido (incluyendo Salud Mental) | * | * | * | * | * | * | * | * | * | * | * | * | $ 200 | $ 350 | * | * |
| Completa con Pre-Autorización Preferido (incluyendo Salud Mental) | * | * | * | * | * | * | * | * | * | * | * | * | $ 75 | $ 100 | * | * |
| Completa sin Pre-Autorización (incluyendo Salud Mental) | $ 100 | $ 150 | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Completa sin Pre-Autorización (incluyendo Salud Mental) | * | * | * | * | * | * | * | * | $ 50 | | * | * | * | * | * | * |
| Completa sin Pre-Autorización No Preferido (incluyendo Salud Mental) | * | * | * | * | * | * | * | * | * | * | * | * | $ 200 | $ 350 | * | * |
| Completa sin Pre-Autorización Preferido (incluyendo Salud Mental) | * | * | * | * | * | * | * | * | * | * | * | * | $ 75 | $ 100 | * | * |
| Hospitalization (includes mental health) Level 2 (PPO) | * | * | * | * | $ 200 | $ 350 | * | * | * | * | * | * | * | * | * | * |
| Hospitalization (includes mental health) Level I (PPO) | * | * | * | * | $ 75 | $ 150 | * | * | * | * | * | * | * | * | * | * |
| Hospitalización Regular dentro de las facilidades de la red Metro Pavia Health System | $ - | $ - | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| **Silver** | | | | | | | | | | | | | | | | |
| Completa con Pre-Autorización (incluyendo Salud Mental) | $ 200 | $ 250 | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Completa con Pre-Autorización No Preferido (incluyendo Salud Mental) | * | * | * | * | * | * | * | * | * | * | * | * | $ | 450 | * | * |
| Completa con Pre-Autorización Preferido (incluyendo Salud Mental) | * | * | * | * | * | * | * | * | * | * | * | * | $ | 150 | * | * |
| Completa sin Pre-Autorización (incluyendo Salud Mental) | $ 200 | $ 250 | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Completa sin Pre-Autorización No Preferido (incluyendo Salud Mental) | * | * | * | * | * | * | * | * | * | * | * | * | $ | 450 | * | * |
| Completa sin Pre-Autorización Preferido (incluyendo Salud Mental) | * | * | * | * | * | * | * | * | * | * | * | * | $ | 150 | * | * |
| Hospitalización (incluyendo salud mental) Nivel 1 | * | * | * | * | $ | 200 | * | * | * | * | * | * | * | * | * | * |
| Hospitalización (incluyendo salud mental) Nivel 2 | * | * | * | * | $ | 700 | * | * | * | * | * | * | * | * | * | * |
| Hospitalización Regular dentro de las facilidades de la red Metro Pavia Health System | $ - | $ - | * | * | * | * | * | * | * | * | * | * | * | * | * | * |

In summary, ACA-compliant plans in Puerto Rico provide comprehensive coverage for hospitalization services, designed to ensure that essential inpatient care is accessible. The cost-sharing structure includes co-payments, and coinsurance, with protections in place through MOOP limits to prevent excessive out-of-pocket expenses.

**(MA) Finding 11.** Copayment is the preferred cost share structure in Hospital stays.

- Hospital stays observed for selected 4 plans with 2023 benefits show the copayment is the preferred cost share structure, ranging from $150 to $900 in individual and from $75 to $800 in small groups.
- Both Individual and Small group markets include 2 insurers offering flexible network tiers, varying the copayment by the selected network. With this tiered network design, the member have access to lower cost share for certain preferred networks.
- Copays among metallic plans show differentiation aligned to their metallic value.
- Few metallic plans at Platinum level in Individual, Plan de Salud Menonita

- Only one plan has a coinsurance at the Bronze level for hospital stays.

- **Emergency services**

Under ACA-compliant plans in Puerto Rico, emergency services coverage includes emergency services without requiring prior authorization and are provided for medical conditions that are serious enough to require immediate care.

Table: Emergency services benefit, Individual segment

| Individual Market | FIRST MEDICAL HEALTH PLAN, INC. | | | | MCS Life Insurance Company | | | | Plan de Salud Menonita | | | | Triple-S | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Copayment[1/] | | Coinsurance[2/] | | Copayment[1/] | | Coinsurance[2/] | | Copayment[1/] | | Coinsurance[2/] | | Copayment[1/] | | Coinsurance[2/] | |
| | Min. | Max. | Min. | Max. | Min. | Max. | Min. | Max. | Min. | Max. | Min. | Max. | Min. | Max. | Min. | Max. |
| **Servicios de Emergencia** | | | | | | | | | | | | | | | | |
| **Bronze** | | | | | | | | | | | | | | | | |
| Accidente | $125 | | * | | $50 | | * | | * | * | * | * | * | | 45% | |
| Centro de Urgencia | * | * | * | * | $50 | | * | | * | * | * | * | $15 | | 0% | |
| Enfermedad | $125 | | * | | $85 | | * | | * | * | * | * | * | | 45% | |
| **Gold** | | | | | | | | | | | | | | | | |
| Accidente | $70 | $80 | * | | $40 | | * | | $0 | $75 | * | | $75 | | * | |
| Centro de Urgencia | * | * | * | * | $20 | | * | | * | * | * | * | $15 | | * | |
| Enfermedad | $70 | $80 | * | | $100 | | * | | $0 | $75 | * | | $75 | | * | |
| **Platinum** | | | | | | | | | | | | | | | | |
| Accidente | * | * | * | * | * | * | * | * | $25 | | * | | * | * | * | * |
| Enfermedad | * | * | * | * | * | * | * | * | $25 | | * | | * | * | * | * |
| **Silver** | | | | | | | | | | | | | | | | |
| Accidente | $100 | | * | | $40 | | * | | * | * | * | * | $50 | $100 | * | |
| Centro de Urgencia | * | * | * | * | $20 | | * | | * | * | * | * | $15 | | * | |
| Enfermedad | $100 | | * | | $100 | | * | | * | * | * | * | $50 | $100 | * | |

*The insurer does not have coverage or a specific service under the benefit in the metallic category.
[1/]Copay are segmented as one in each service or a range of copays with minimum or maximum values in the cost sharing structure for all or some planes under the metallic category.
[2/]Coinsurance are segmented as one in each service or a range of coinsurance with minimum or maximum values in the cost sharing structure for all or some plans under the metallic category.

Table: Emergency services benefit, Small group segment

| Small Group Market | First Medical Health Plan | | | | MCS Life Insurance Company | | | | Plan de Salud Menonita | | | | Triple-S | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Copayment[1/] | | Coinsurance[2/] | | Copayment[1/] | | Coinsurance[2/] | | Copayment[1/] | | Coinsurance[2/] | | Copayment[1/] | | Coinsurance[2/] | |
| | Min. | Max. | Min. | Max. | Min. | Max. | Min. | Max. | Min. | Max. | Min. | Max. | Min. | Max. | Min. | Max. |
| **Servicios de Emergencia** | | | | | | | | | | | | | | | | |
| **Bronze** | | | | | | | | | | | | | | | | |
| Accidente | * | * | * | * | $50 | | * | | * | * | * | * | $0 | | 60% | |
| Centro de Urgencia | * | * | * | * | $40 | | * | | * | * | * | * | $15 | | * | |
| Enfermedad | * | * | * | * | $125 | | * | | * | * | * | * | $0 | | 60% | |
| **Gold** | | | | | | | | | | | | | | | | |
| Accidente | $0 | $50 | * | | $0 | $20 | * | | $50 | | * | | $0 | $100 | * | * |
| Centro de Urgencia | * | * | * | * | $0 | $30 | * | * | * | * | * | * | $15 | | * | |
| Enfermedad | $0 | $60 | * | | $40 | $100 | * | | $50 | | * | | $0 | $100 | * | * |
| **Platinum** | | | | | | | | | | | | | | | | |
| Accidente | $0 | $40 | * | | $0 | $25 | * | | $25 | | * | | $50 | $75 | * | |

| Small Group Market | First Medical Health Plan | | | | MCS Life Insurance Company | | | | Plan de Salud Menonita | | | | Triple-S | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Copayment[1/] | | Coinsurance[2/] | | Copayment[1/] | | Coinsurance[2/] | | Copayment[1/] | | Coinsurance[2/] | | Copayment[1/] | | Coinsurance[2/] | |
| | Min. | Max. | Min. | Max. | Min. | Max. | Min. | Max. | Min. | Max. | Min. | Max. | Min. | Max. | Min. | Max. |
| **Servicios de Emergencia** | | | | | | | | | | | | | | | | |
| Centro de Urgencia | * | * | * | * | $15 | $25 | * | | * | * | * | * | $15 | | * | |
| Enfermedad | $0 | $50 | * | | $50 | $100 | 0% | | $25 | | 0% | | $50 | $75 | * | |
| **Silver** | | | | | | | | | | | | | | | | |
| Accidente | $20 | $70 | * | | $40 | $50 | * | | * | * | * | * | $100 | | * | |
| Centro de Urgencia | * | * | * | * | $35 | | * | | * | * | * | * | $15 | | * | |
| Enfermedad | $20 | $80 | * | | $125 | | * | | * | * | * | * | $100 | | * | |

*The insurer does not have coverage or a specific service under the benefit in the metallic category.
[1/]Copay are segmented as one in each service or a range of copays with minimum or maximum values in the cost sharing structure for all or some planes under the metallic category.
[2/]Coinsurance are segmented as one in each service or a range of coinsurance with minimum or maximum values in the cost sharing structure for all or some plans under the metallic category.

**(MA) Finding 12**. Preferred cost share structure for emergencies is a flat dollar copayment, some plans with coinsurance

- Most plans in all metallic levels have a copayment cost share structure within ranges from $0 to $125
- Few plans with coinsurance from 45% to 50%, only one insurer had coinsurance at the bronze and gold level.
- Two plans out of the 4 include urgent care center as an additional level of care. This alternate setting allows members to access a lower cost share for certain urgent services.
- Zero copay is common for emergencies related to accidents in the small group market, supporting member financial access.
- When comparing the cost-share structure among plans and segments, First Medical and MCS seem to have a higher cost sharing structure in the Individual segment. In the small group segment, MCS has a higher cost share structure compared to the remaining insurers.

- **Medical and Specialists Office Visits**

In Puerto Rico, the EHB of medical and specialist office visits under ACA-compliant plans in both the individual and small group markets reflect a balance between accessibility, affordability, and plan design.

Next tables show current designs for the 4 insurers selected.

Table: Office visits benefit, Individual segment

| Individual | First Medical Health | | MCS Life Insurance | | Plan de Salud | | Triple-S | |
|---|---|---|---|---|---|---|---|---|
| | Copayment structure[1/] | | | | | | | |
| | Min | Max | Min | Max | Min | Max | Min | Max |
| **Bronze** | | | | | | | | |
| Generalist | $15 | | $0 | | | | $0 | $10 |
| Specialists | $25 | | $15 | $18 | | | $0 | $20 |
| Sub-specialist | $30 | | $22 | $25 | | | $0 | $20 |
| **Gold** | | | | | | | | |
| Generalist | $10 | $12 | $0 | $0 | $5 | $10 | $0 | $5 |
| Specialists | $15 | $18 | $10 | $13 | $12 | $15 | $0 | $10 |
| Sub-specialist | $20 | | $16 | $18 | $17 | $20 | $0 | $15 |
| **Platinum** | | | | | | | | |
| Generalist | | | | | $5 | | | |
| Specialists | | | | | $10 | | | |
| Sub-specialist | | | | | $15 | | | |
| **Silver** | | | | | | | | |
| Generalist | $15 | | $0 | | | | $0 | $15 |
| Specialists | $20 | | $12 | $15 | | | $0 | $20 |
| Sub-specialist | $25 | $25 | $18 | $20 | | | $0 | $20 |

*The insurer does not have coverage or an specific service under the benefit in the metallic category.

[1/]Copay are segmented as one in each service or a range of copays with minimum or maximum values in the cost sharing

Table: Office visits benefit, Small group segment

| Small Group | FIRST MEDICAL HEALTH PLAN, | | MCS Life Insurance Company | | Plan de Salud Menonita | | Triple-S | |
|---|---|---|---|---|---|---|---|---|
| | Copayment structure[1/] | | | | | | | |
| | Min | Max | Min | Max | Min | Max | Min | Max |
| **Bronze** | | | | | | | | |
| Generalist | * | * | $0 | | * | * | $0 | $10 |
| Specialists | * | * | $18 | | * | * | $0 | $18 |
| Sub-specialist | * | * | $25 | | * | * | $0 | $18 |
| **Gold** | | | | | | | | |
| Generalist | $10 | | $0 | | $7 | | $0 | $10 |
| Specialists | $12 | | $12 | $20 | $15 | | $0 | $25 |
| Sub-specialist | $15 | | $15 | $22 | $20 | | $0 | $25 |
| **Platinum** | | | | | | | | |
| Generalist | $7 | $8 | $0 | | $5 | | $0 | $10 |
| Specialists | $10 | $12 | $10 | $20 | $10 | | $0 | $20 |
| Sub-specialist | $12 | $15 | $10 | $20 | $15 | | $0 | $20 |
| **Silver** | | | | | | | | |
| Generalist | $10 | | $0 | | * | * | $0 | $10 |
| Specialists | $18 | $20 | $12 | $15 | * | * | $0 | $20 |
| Sub-specialist | $20 | | $22 | $25 | * | * | $0 | $20 |

*The insurer does not have coverage or an specific service under the benefit in the metallic category.

[1/]Copay are segmented as one in each service or a range of copays with minimum or maximum values in the cost sharing structure for all or some planes

**(MA) Finding 13.** Office visits cost share structure is at flat dollar copayment and within reasonable ranges not representing a barrier to access primary or specialists' care.

- For both Individual and Small Group segments, all plans have a copayment cost share structure.
- Office visits copayments ranges are from $0 to $30 for the Individual market, and from $0 to $25 for small groups. One POS plan offers $0 copay for all office visits.
- Variability among metallic plans is observed but dollar amounts are relatively small

- **Prescription drug coverage**

ACA-compliant plans in Puerto Rico provide prescription drug coverage with varying cost-sharing structures, including copayments, coinsurance, and deductibles. The annual out-of-pocket maximum (MOOP) caps the total amount enrollees pay for covered services, including prescription drugs, thereby protecting against high costs drugs. These elements ensure access to necessary medications while managing out-of-pocket expenses and providing financial protection.

Health plans in Puerto Rico provide complex drug coverage design structured to address affordability and access for members to address their care needs. In both individual and small group markets the drug coverage provides for a tiered level access to formulary drugs classified by several categories: generic, preferred, and non-preferred brands, specialty drugs. Pharmacy benefit design allows for another layer at the cost share structure, where the applicable cost share can be stratified at several levels. The following tables illustrate the level of coverage for medications per market, cost-sharing, and the service category whether generic or bioequivalent, brand medications, or specialized prescription drugs preferred or non-preferred. For some plans there is an upfront deductible, and stratified more than one level of coverage, where the coverage limit can be identified at the MAB column.

Table: Prescription Drugs Cost share structure, Individual segment, 1/3

| INDIVIDUAL MARKET | FIRST MEDICAL HEALTH PLAN, INC. | | | | | | | | | | MCS Life Insurance Company | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Copay | | Coins | | Max. Allowable Benefit Structure | | | | | | Copay | | Coins | | Max. Allowable Benefit Structure | | | | | |
| | | | | | MAB | | Max. Allow. | | Post MAC | | | | | | MAB | | Max. Allow. | | Post MAC | |
| | Min | Max | Min | Max | Min | Max | Min | Max | Min | Max | Min | Max | Min | Max | Min | Max | Min | Max | Min | Max |
| **Bronze** | | | | | | | | | | | | | | | | | | | | |
| [Primer nivel de cubierta (cantidad que se aplica a los copagos o coseguros de primer nivel) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | $500 | | * | * | * | * |
| [Segundo nivel de cubierta (una vez agotada la cantidad del primer nivel) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | 90% | |
| Generico Bioequivalente | * | * | 15% min $15 | | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Genéricos no preferidos (primer nivel) | * | * | * | * | * | * | * | * | * | * | * | * | 50% | | * | * | * | * | * | * |
| Genéricos preferidos (primer nivel) | * | * | * | * | * | * | * | * | * | * | * | * | 15% min $10 | | * | * | * | * | * | * |
| Marca No Preferida | * | * | 60% min $30 | | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Marca no preferida (primer nivel) | * | * | * | * | * | * | * | * | * | * | * | * | 80% | | * | * | * | * | * | * |
| Marca Preferida | * | * | 60% min $30 | | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Marca preferida [(primer nivel)] | * | * | * | * | * | * | * | * | * | * | * | * | 50% | | * | * | * | * | * | * |
| Medicamentos especializados no preferidos (primer nivel) | * | * | * | * | * | * | * | * | * | * | * | * | 90% | | * | * | * | * | * | * |
| Medicamentos especializados preferidos (primer nivel) | * | * | * | * | * | * | * | * | * | * | * | * | 90% | | * | * | * | * | * | * |
| Medicamentos fuera de recetario (OTC) | * | * | * | * | * | * | * | * | * | * | $1 | | * | * | * | * | * | * | * | * |
| Productos Especializados | * | * | 60% min $100 | | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Productos especializados no preferidos | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Productos especializados preferidos | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| **Gold** | | | | | | | | | | | | | | | | | | | | |
| [Primer nivel de cubierta (cantidad que se aplica a los copagos o coseguros de primer nivel) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | $900 | | * | * | * | * |
| [Segundo nivel de cubierta (una vez agotada la cantidad del primer nivel) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | 90% | |
| Generico Bioequivalente | * | * | 10% min $10 | 10% min $15 | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Genérico Bioequivalente Nivel 1 | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Genéricos no preferidos (primer nivel) | * | * | * | * | * | * | * | * | * | * | $15 | | * | * | * | * | * | * | * | * |
| Genéricos preferidos (primer nivel) | * | * | * | * | * | * | * | * | * | * | $5 | | * | * | * | * | * | * | * | * |
| Marca No Preferida | * | * | 40% min $25 | 40% min $30 | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Marca no preferida (primer nivel) | * | * | * | | * | * | * | | * | * | * | * | 50% min $30 | | * | * | * | * | * | * |
| Marca No Preferida Nivel 3 | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Marca Preferida | $20 | $25 | 30% min $20 | 30% min $25 | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Marca preferida [(primer nivel)] | * | * | * | * | * | * | * | * | * | * | * | * | 40% min $20 | | * | * | * | * | * | * |
| Marca Preferida Nivel 2 | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Medicamentos especializados no preferidos (primer nivel) | * | * | * | * | * | * | * | * | * | * | * | * | 90% | | * | * | * | * | * | * |
| Medicamentos especializados preferidos (primer nivel) | * | * | * | * | * | * | * | * | * | * | * | * | 90% | | * | * | * | * | * | * |
| Medicamentos fuera de recetario (OTC) | * | * | * | * | * | * | * | * | * | * | $1 | | * | * | * | * | * | * | * | * |
| Primer nivel de cubierta | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Productos Especializados | $50 | $55 | 40% min $50 | 40% min $55 | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Productos Especializados Nivel 4 | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Productos especializados no preferidos | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Productos especializados preferidos | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| **Platinum** | | | | | | | | | | | | | | | | | | | | |
| Genérico Bioequivalente Nivel 1 | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Marca No Preferida Nivel 3 | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Marca Preferida Nivel 2 | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Productos Especializados Nivel 4 | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| **Silver** | | | | | | | | | | | | | | | | | | | | |
| [Primer nivel de cubierta (cantidad que se aplica a los copagos o coseguros de primer nivel) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | $0 | $800 | * | * | * | * |
| [Segundo nivel de cubierta (una vez agotada la cantidad del primer nivel) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | 0% | 90% |
| Generico Bioequivalente | * | * | 10% min $10 | | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Genéricos no preferidos (primer nivel) | * | * | * | * | * | * | * | * | * | * | $10 | $15 | * | * | * | * | * | * | * | * |
| Genéricos preferidos (primer nivel) | * | * | * | * | * | * | * | * | * | * | $5 | $10 | * | * | * | * | * | * | * | * |
| Marca No Preferida | * | * | 60% min $25 | | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Marca no preferida (primer nivel) | * | * | * | * | * | * | * | * | * | * | * | * | 75% | 90% | * | * | * | * | * | * |
| Marca Preferida | * | * | 60% min $20 | | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Marca preferida [(primer nivel)] | * | * | * | * | * | * | * | * | * | * | * | * | 50% min $25 | 90% | * | * | * | | * | * |
| Medicamentos especializados no preferidos (primer nivel) | * | * | * | * | * | * | * | * | * | * | * | * | 75% | 90% | * | * | * | * | * | * |
| Medicamentos especializados preferidos (primer nivel) | * | * | * | * | * | * | * | * | * | * | * | * | 75% | 90% | * | * | * | * | * | * |
| Medicamentos fuera de recetario (OTC) | * | * | * | * | * | * | * | * | * | * | $1 | | * | * | * | * | * | * | * | * |
| Primer nivel de cubierta | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Productos Especializados | * | * | 60% min $50 | | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Productos especializados no preferidos | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Productos especializados preferidos | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |

## Table: Prescription Drugs Cost share structure, Individual segment, 2/3

| INDIVIDUAL MARKET | Plan de Salud Menonita | | | | | | | | | | Triple-S | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Copay | | Coins | | Max. Allowable Benefit Structure | | | | | | Copay | | Coins | | Max. Allowable Benefit Structure | | | | | |
| | | | | | MAB | | Max. Allow. | | Post MAC | | | | | | MAB | | Max. Allow. | | Post MAC | |
| | Min | Max | Min | Max | Min | Max | Min | Max | Min | Max | Min | Max | Min | Max | Min | Max | Min | Max | Min | Max |
| **Bronze** | | | | | | | | | | | | | | | | | | | | |
| [Primer nivel de cubierta (cantidad que se aplica a los copagos o coseguros de primer nivel) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| [Segundo nivel de cubierta (una vez agotada la cantidad del primer nivel) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Generico Bioequivalente | * | * | * | * | * | * | * | * | * | * | $5 | | * | * | * | * | * | * | * | * |
| Genéricos no preferidos (primer nivel) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Genéricos preferidos (primer nivel) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Marca No Preferida | * | * | * | * | * | * | * | * | * | * | * | * | 95% | | * | * | * | * | * | * |
| Marca no preferida (primer nivel) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Marca Preferida | * | * | * | * | * | * | * | * | * | * | * | * | 95% | | * | * | * | * | * | * |
| Marca preferida [(primer nivel)] | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Medicamentos especializados no preferidos (primer nivel) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Medicamentos especializados preferidos (primer nivel) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Medicamentos fuera de recetario (OTC) | * | * | * | * | * | * | * | * | * | * | $0 | | * | * | * | * | * | * | * | * |
| Productos Especializados | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Productos especializados no preferidos | * | * | * | * | * | * | * | * | * | * | * | * | 95% | | * | * | * | * | * | * |
| Productos especializados preferidos | * | * | * | * | * | * | * | * | * | * | * | * | 95% | | * | * | * | * | * | * |
| **Gold** | | | | | | | | | | | | | | | | | | | | |
| [Primer nivel de cubierta (cantidad que se aplica a los copagos o coseguros de primer nivel) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| [Segundo nivel de cubierta (una vez agotada la cantidad del primer nivel) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Generico Bioequivalente | * | * | * | * | * | * | * | * | * | * | $5 | | * | * | * | * | * | * | 90% | |
| Genérico Bioequivalente Nivel 1 | $5 | $7 | * | * | $750 | $1,000 | * | * | 80% | | * | * | * | * | * | * | * | * | * | * |
| Genéricos no preferidos (primer nivel) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Genéricos preferidos (primer nivel) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Marca No Preferida | * | * | * | * | * | * | * | * | * | * | * | * | 30% | | * | * | * | * | 90% | |
| Marca no preferida (primer nivel) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Marca No Preferida Nivel 3 | * | * | 35% | 50% | $750 | $1,000 | * | * | 80% | | * | * | * | * | * | * | * | * | * | * |
| Marca Preferida | * | * | * | * | * | * | * | * | * | * | * | * | 25% | | * | * | * | * | 90% | |
| Marca preferida [(primer nivel)] | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Marca Preferida Nivel 2 | * | * | 25% | | $750 | $1,000 | * | * | 80% | | * | * | * | * | * | * | * | * | * | * |
| Medicamentos especializados no preferidos (primer nivel) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Medicamentos especializados preferidos (primer nivel) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Medicamentos fuera de recetario (OTC) | * | * | * | * | * | * | * | * | * | * | $0 | | * | * | * | * | * | * | 90% | |
| Primer nivel de cubierta | * | * | * | * | * | * | * | * | * | * | * | * | * | * | $700 | | * | * | * | * |
| Productos Especializados | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Productos Especializados Nivel 4 | * | * | 50% | | $750 | $1,000 | * | * | 80% | | * | * | * | * | * | * | * | * | * | * |
| Productos especializados no preferidos | * | * | * | * | * | * | * | * | * | * | * | * | 50% | | * | * | * | * | 90% | |
| Productos especializados preferidos | * | * | * | * | * | * | * | * | * | * | * | * | 40% | | * | * | * | * | 90% | |
| **Platinum** | | | | | | | | | | | | | | | | | | | | |
| Genérico Bioequivalente Nivel 1 | $5 | | * | | $1,000 | | * | | * | | * | * | * | * | * | * | * | * | * | * |
| Marca No Preferida Nivel 3 | * | | 30% min $30 | | $1,000 | | * | | * | | * | * | * | * | * | * | * | * | * | * |
| Marca Preferida Nivel 2 | * | | 20% min $20 | | $1,000 | | * | | * | | * | * | * | * | * | * | * | * | * | * |
| Productos Especializados Nivel 4 | * | | 50% | | $1,000 | | * | | * | | * | * | * | * | * | * | * | * | * | * |
| **Silver** | | | | | | | | | | | | | | | | | | | | |
| [Primer nivel de cubierta (cantidad que se aplica a los copagos o coseguros de primer nivel) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| [Segundo nivel de cubierta (una vez agotada la cantidad del primer nivel) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Generico Bioequivalente | * | * | * | * | * | * | * | * | * | * | $5 | | * | * | * | * | * | * | 0% | 90% |
| Genéricos no preferidos (primer nivel) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Genéricos preferidos (primer nivel) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Marca No Preferida | * | * | * | * | * | * | * | * | * | * | * | * | 40% | 95% | * | * | * | * | 0% | 90% |
| Marca no preferida (primer nivel) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Marca Preferida | * | * | * | * | * | * | * | * | * | * | * | * | 40% | 95% | * | * | * | * | 0% | 90% |
| Marca preferida [(primer nivel)] | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Medicamentos especializados no preferidos (primer nivel) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Medicamentos especializados preferidos (primer nivel) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Medicamentos fuera de recetario (OTC) | * | * | * | * | * | * | * | * | * | * | $0 | | * | * | * | * | * | * | 0% | 90% |
| Primer nivel de cubierta | * | * | * | * | * | * | * | * | * | * | * | * | * | * | $0 | $500 | * | * | * | * |
| Productos Especializados | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Productos especializados no preferidos | * | * | * | * | * | * | * | * | * | * | * | * | 55% | 95% | * | * | * | * | 0% | 90% |
| Productos especializados preferidos | * | * | * | * | * | * | * | * | * | * | * | * | 50% | 95% | * | * | * | * | 0% | 90% |

Table: Prescription Drugs Cost share structure, Individual segment, 3/3

| FIRST MEDICAL HEALTH PLAN, INC. | | |
|---|---|---|
| **Pharmacy Deductible** | Min | Max |
| Bronze | $500 | |
| Gold | $250 | |
| Silver | $50 | $75 |
| Platinum | * | * |

| MCS Life Insurance Company | | |
|---|---|---|
| **Pharmacy Deductible** | Min | Max |
| Bronze | * | * |
| Gold | * | * |
| Silver | $0 | $50 |
| Platinum | * | * |

| Plan de Salud Menonita | | |
|---|---|---|
| **Pharmacy Deductible** | Min | Max |
| Bronze | * | * |
| Gold | $0 | $250 |
| Silver | * | * |
| Platinum | * | * |

| Triple-S | | |
|---|---|---|
| **Pharmacy Deductible** | Min | Max |
| Bronze | * | * |
| Gold | $50 | |
| Silver | * | * |
| Platinum | * | * |

Table: Prescription Drugs Cost share structure, Small group segment, 1/3

| SMALL GROUP MARKET | FIRST MEDICAL HEALTH PLAN, INC. | | | | | | | | | | MCS Life Insurance Company | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Copay | | Coins | | Max. Allowable Benefit Structure | | | | | | Copay | | Coins | | Max. Allowable Benefit Structure | | | | | |
| | | | | | MAB | | Max. Allow. | | Post MAC | | | | | | MAB | | Max. Allow. | | Post MAC | |
| | Min | Max | Min | Max | Min | Max | Min | Max | Min | Max | Min | Max | Min | Max | Min | Max | Min | Max | Min | Max |
| **Bronze** | | | | | | | | | | | | | | | | | | | | |
| Generic non-preferred (first level) | * | * | * | * | * | * | * | * | * | * | * | * | 90% | | $700 | | * | * | 90% | |
| Genéricos preferidos | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Marca No Preferida | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Marca Preferida | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Medicamentos especializados no preferidos | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Medicamentos especializados no-preferidos (primer nivel) | * | * | * | * | * | * | * | * | * | * | * | * | 90% | | $700 | | * | * | 90% | |
| Medicamentos especializados preferidos | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Medicamentos fuera de recetario (OTC) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Non-preferred brand (first level)) | * | * | * | * | * | * | * | * | * | * | * | * | 90% | | $700 | | * | * | 90% | |
| Over-the-Counter (OTC) Drugs | * | * | * | * | * | * | * | * | * | * | $1 | | * | * | $700 | | * | * | 90% | |
| Preferred brand (first level) | * | * | * | * | * | * | * | * | * | * | * | * | 90% | | $700 | | * | * | 90% | |
| Preferred Generic (First Tier) | * | * | * | * | * | * | * | * | * | * | $10 | | * | * | $700 | | * | * | 90% | |
| Preferred Specialty Drugs (First Tier) | * | * | * | * | * | * | * | * | * | * | * | * | 90% | | $700 | | * | * | 90% | |
| Primer nivel de cubierta | * | * | * | * | * | * | * | * | * | * | * | * | * | * | $700 | | * | * | * | * |
| **Gold** | | | | | | | | | | | | | | | | | | | | |
| Generic non-preferred (first level) | * | * | * | * | * | * | * | * | * | * | $10 | $15 | * | 15% min $15 | $0 | $2,000 | * | * | $0 | 80% |
| Generico Bioequivalente | $10 | | * | * | $1,500 | $3,000 | * | * | 80% | | * | * | * | * | * | * | * | * | * | * |
| Genérico Bioequivalente Nivel 1 | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Genéricos preferidos | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Marca No Preferida | $20 | $20 | 30% | 40% | $1,500 | $3,000 | * | * | 80% | | * | * | * | * | * | * | * | * | * | * |
| Marca No Preferida Nivel 3 | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Marca Preferida | $10 | $15 | 20% | 30% | $1,500 | $3,000 | * | * | 80% | | * | * | * | * | * | * | * | * | * | * |
| Marca Preferida Nivel 2 | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Medicamentos especializados no preferidos | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Medicamentos especializados no-preferidos (primer nivel) | * | * | * | * | * | * | * | * | * | * | * | * | 40% | 90% | * | $2,000 | * | * | $0 | 80% |
| Medicamentos especializados preferidos | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Medicamentos fuera de recetario (OTC) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Non-preferred brand (first level)) | * | * | * | * | * | * | * | * | * | * | * | $40 | 15% min $35 | 25% min $30 | $0 | $2,000 | * | * | $0 | 80% |
| Over-the-Counter (OTC) Drugs | * | * | * | * | * | * | * | * | * | * | $1 | | * | * | * | * | * | * | $0 | 80% |
| Preferred brand (first level) | * | * | * | * | * | * | * | * | * | * | $29 | $25 | 15% min $20 | 25% min $30 | $0 | $2,000 | * | * | $0 | 80% |
| Preferred Generic (First Tier) | * | * | * | * | * | * | * | * | * | * | $5 | $7 | * | * | $0 | $2,000 | * | * | $0 | 80% |
| Preferred Specialty Drugs (First Tier) | * | * | * | * | * | * | * | * | * | * | * | * | 30% | 90% | $0 | $2,000 | * | * | $0 | 80% |
| Primer nivel de cubierta | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Productos Especializados | 40% | | 40% | | $1,500 | $3,000 | * | * | 80% | | * | * | * | * | * | * | * | * | * | * |
| Productos Especializados Nivel 4 | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| **Platinum** | | | | | | | | | | | | | | | | | | | | |
| Generic non-preferred (first level) | * | * | * | * | * | * | * | * | * | * | $10 | $38 | 0% | 25% | $0 | $5,000 | * | * | 0% | 50% |
| Generico Bioequivalente | $5 | $10 | * | * | * | $3,500 | * | * | 80% | | * | * | * | * | * | * | * | * | * | * |
| Genérico Bioequivalente Nivel 1 | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Marca No Preferida | $10 | $15 | 20% | | * | $3,500 | * | * | 80% | | * | * | * | * | * | * | * | * | * | * |
| Marca No Preferida Nivel 3 | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Marca Preferida | $10 | | 10% | | * | $3,500 | * | * | 80% | | * | * | * | * | * | * | * | * | * | * |
| Marca Preferida Nivel 2 | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Medicamentos especializados no-preferidos (primer nivel) | * | * | * | * | * | * | * | * | * | * | * | * | 40% | 40% | $0 | $5,000 | * | * | 0% | 50% |
| Medicamentos fuera de recetario (OTC) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Non-preferred brand (first level)) | * | * | * | * | * | * | * | * | * | * | $40 | | 20% min $30 | 45% min $50 | $0 | $5,000 | * | * | 0% | 50% |
| Over-the-Counter (OTC) Drugs | * | * | * | * | * | * | * | * | * | * | $1 | | * | * | * | * | * | * | 0% | 50% |
| Preferred brand (first level) | * | * | * | * | * | * | * | * | * | * | $20 | $35 | 25% min $30 | | $0 | $5,000 | * | * | 0% | 50% |
| Preferred Generic (First Tier) | * | * | * | * | * | * | * | * | * | * | $5 | | * | * | $0 | $5,000 | * | * | 0% | 50% |
| Preferred Specialty Drugs (First Tier) | * | * | * | * | * | * | * | * | * | * | * | * | 30% | 30% | $0 | $5,000 | * | * | 0% | 50% |
| Primer nivel de cubierta | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Productos Especializados | 40% | | 40% | | * | $3,500 | * | * | 80% | | * | * | * | * | * | * | * | * | * | * |
| Productos Especializados Nivel 4 | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Productos especializados no preferidos | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Productos especializados preferidos | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| **Silver** | | | | | | | | | | | | | | | | | | | | |
| Generic non-preferred (first level) | * | * | * | * | * | * | * | * | * | * | $10 | $15 | * | * | $0 | $900 | * | * | 0% | 80% |
| Generico Bioequivalente | $10 | | 0% | | $1,200 | $1,500 | * | * | 80% | | * | * | * | * | * | * | * | * | * | * |
| Genéricos preferidos | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Marca No Preferida | $30 | | 50% | | $1,200 | $1,500 | * | * | 80% | | * | * | * | * | * | * | * | * | * | * |
| Marca Preferida | $20 | | 40% | | $1,200 | $1,500 | * | * | 80% | | * | * | * | * | * | * | * | * | * | * |
| Medicamentos especializados no preferidos | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Medicamentos especializados no-preferidos (primer nivel) | * | * | * | * | * | * | * | * | * | * | * | * | 90% | | $0 | $900 | * | * | 0% | 80% |
| Medicamentos especializados preferidos | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Medicamentos fuera de recetario (OTC) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Non-preferred brand (first level)) | * | * | * | * | * | * | * | * | * | * | $0 | | 90% | | $0 | $900 | * | * | 0% | 80% |
| Over-the-Counter (OTC) Drugs | * | * | * | * | * | * | * | * | * | * | $1 | | * | * | $0 | $900 | * | * | 0% | 80% |
| Preferred brand (first level) | * | * | * | * | * | * | * | * | * | * | * | * | 20% min $25 | 90% | $0 | $900 | * | * | 0% | 80% |
| Preferred Generic (First Tier) | * | * | * | * | * | * | * | * | * | * | $5 | $10 | * | * | $0 | $900 | * | * | 0% | 80% |
| Preferred Specialty Drugs (First Tier) | * | * | * | * | * | * | * | * | * | * | * | * | 90% | | $0 | $900 | * | * | 0% | 80% |
| Primer nivel de cubierta | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Productos Especializados | $40 | | 40% | | $1,200 | $1,500 | * | * | 80% | | * | * | * | * | * | * | * | * | * | * |

Table: Prescription Drugs Cost share structure, Small group segment, 2/3

| SMALL GROUP MARKET | Plan de Salud Menonita | | | | | | | | | | Triple-S | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Copay | | Coins | | Max. Allowable Benefit Structure | | | | | | Copay | | Coins | | Max. Allowable Benefit Structure | | | | | |
| | | | | | MAB | | Max. Allow. | | Post MAC | | | | | | MAB | | Max. Allow. | | Post MAC | |
| | Min | Max | Min | Max | Min | Max | Min | Max | Min | Max | Min | Max | Min | Max | Min | Max | Min | Max | Min | Max |
| **Bronze** | | | | | | | | | | | | | | | | | | | | |
| Generic non-preferred (first level) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Genéricos preferidos | * | * | * | * | * | * | * | * | * | * | $5 | | * | * | $600 | | * | * | 95% | |
| Marca No Preferida | * | * | * | * | * | * | * | * | * | * | * | * | 95% | | $600 | | * | * | 95% | |
| Marca Preferida | * | * | * | * | * | * | * | * | * | * | * | * | 95% | | $600 | | * | * | 95% | |
| Medicamentos especializados no preferidos | * | * | * | * | * | * | * | * | * | * | * | * | 95% | | $600 | | * | * | 95% | |
| Medicamentos especializados no-preferidos (primer nivel) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Medicamentos especializados preferidos | * | * | * | * | * | * | * | * | * | * | * | * | 95% | | $600 | | * | * | 95% | |
| Medicamentos fuera de recetario (OTC) | * | * | * | * | * | * | * | * | * | * | $0 | | * | * | $600 | | * | * | 95% | |
| Non-preferred brand (first level)) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Over-the-Counter (OTC) Drugs | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Preferred brand (first level) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Preferred Generic (First Tier) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Preferred Specialty Drugs (First Tier) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Primer nivel de cubierta | * | * | * | * | * | * | * | * | * | * | * | * | * | * | $600 | | * | * | * | * |
| **Gold** | | | | | | | | | | | | | | | | | | | | |
| Generic non-preferred (first level) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Generico Bioequivalente | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Genérico Bioequivalente Nivel 1 | $5 | $10 | * | * | $800 | $1,000 | * | * | 80% | | * | * | * | * | * | * | * | * | * | * |
| Genéricos preferidos | * | * | * | * | * | * | * | * | * | * | $5 | $7 | * | * | $0 | $1,750 | * | * | 0% | 95% |
| Marca No Preferida | * | * | * | * | * | * | * | * | * | * | * | * | 20% min $40 | 60% | $0 | $1,750 | * | * | 0% | 95% |
| Marca No Preferida Nivel 3 | * | * | 50% | 50% min $30 | $800 | $1,000 | * | * | 80% | | * | * | * | * | * | * | * | * | * | * |
| Marca Preferida | * | * | * | * | * | * | * | * | * | * | $30 | $50 | 20% min $20 | 60% | $0 | $1,750 | * | * | 0% | 95% |
| Marca Preferida Nivel 2 | * | * | 25% | 25% min $20 | $800 | $1,000 | * | * | 80% | | * | * | * | * | * | * | * | * | * | * |
| Medicamentos especializados no preferidos | * | * | * | * | * | * | * | * | * | * | * | * | 40% | 70% | $0 | $1,750 | * | * | 0% | 95% |
| Medicamentos especializados no-preferidos (primer nivel) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Medicamentos especializados preferidos | * | * | * | * | * | * | * | * | * | * | * | * | 40% | 70% | $0 | $1,750 | * | * | 0% | 95% |
| Medicamentos fuera de recetario (OTC) | * | $1 | * | * | * | * | * | * | * | * | $0 | | * | * | $0 | $1,750 | * | * | 0% | 95% |
| Non-preferred brand (first level)) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Over-the-Counter (OTC) Drugs | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Preferred brand (first level) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Preferred Generic (First Tier) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Preferred Specialty Drugs (First Tier) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Primer nivel de cubierta | * | * | * | * | * | * | * | * | * | * | * | * | * | * | $0 | $1,750 | * | * | * | * |
| Productos Especializados | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Productos Especializados Nivel 4 | * | * | 50% | | $800 | $1,000 | * | * | 80% | | * | * | * | * | * | * | * | * | * | * |
| **Platinum** | | | | | | | | | | | | | | | | | | | | |
| Generic non-preferred (first level) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Generico Bioequivalente | * | * | * | * | * | * | * | * | * | * | $5 | | * | * | $0 | $2,500 | * | * | 0% | 40% |
| Genérico Bioequivalente Nivel 1 | $5 | | * | * | $1,000 | | * | * | 60% | | * | * | * | * | * | * | * | * | * | * |
| Marca No Preferida | * | * | * | * | * | * | * | * | * | * | * | * | 20% | 35% min $40 | $0 | $2,500 | * | * | 0% | 40% |
| Marca No Preferida Nivel 3 | * | * | 30% min $30 | | $1,000 | | * | * | 60% | | * | * | * | * | * | * | * | * | * | * |
| Marca Preferida | * | * | * | * | * | * | * | * | * | * | $15 | $30 | * | * | $0 | $2,500 | * | * | 0% | 40% |
| Marca Preferida Nivel 2 | * | * | 20% min $20 | | $1,000 | | * | * | 60% | | * | * | * | * | * | * | * | * | * | * |
| Medicamentos especializados no-preferidos (primer nivel) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Medicamentos fuera de recetario (OTC) | * | * | * | * | * | * | * | * | * | * | $0 | | * | * | $0 | $2,500 | * | * | 0% | 40% |
| Non-preferred brand (first level)) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Over-the-Counter (OTC) Drugs | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Preferred brand (first level) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Preferred Generic (First Tier) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Preferred Specialty Drugs (First Tier) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Primer nivel de cubierta | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Productos Especializados | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Productos Especializados Nivel 4 | * | * | 50% | | $1,000 | | * | * | 60% | | * | * | * | * | * | * | * | * | * | * |
| Productos especializados no preferidos | * | * | * | * | * | * | * | * | * | * | * | * | 40% | 45% | $0 | $2,500 | * | * | 0% | 40% |
| Productos especializados preferidos | * | * | * | * | * | * | * | * | * | * | * | * | 25% | 45% | $0 | $2,500 | * | * | 0% | 40% |
| **Silver** | | | | | | | | | | | | | | | | | | | | |
| Generic non-preferred (first level) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Generico Bioequivalente | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Genéricos preferidos | * | * | * | * | * | * | * | * | * | * | $5 | | * | * | $800 | | * | * | 90% | |
| Marca No Preferida | * | * | * | * | * | * | * | * | * | * | * | * | 50% | | $800 | | * | * | 90% | |
| Marca Preferida | * | * | * | * | * | * | * | * | * | * | * | * | 25% | | $800 | | * | * | 90% | |
| Medicamentos especializados no preferidos | * | * | * | * | * | * | * | * | * | * | * | * | 70% | | $800 | | * | * | 90% | |
| Medicamentos especializados no-preferidos (primer nivel) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Medicamentos especializados preferidos | * | * | * | * | * | * | * | * | * | * | * | * | 70% | | $800 | | * | * | 90% | |
| Medicamentos fuera de recetario (OTC) | * | * | * | * | * | * | * | * | * | * | $0 | | * | * | $800 | | * | * | 90% | |
| Non-preferred brand (first level)) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Over-the-Counter (OTC) Drugs | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Preferred brand (first level) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Preferred Generic (First Tier) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Preferred Specialty Drugs (First Tier) | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |
| Primer nivel de cubierta | * | * | * | * | * | * | * | * | * | * | * | * | * | * | $800 | | * | * | * | * |
| Productos Especializados | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * | * |

Table: Prescription Drugs Cost share structure, Small group segment, 3/3

| FIRST MEDICAL HEALTH PLAN, INC. | | |
|---|---|---|
| **Pharmacy Deductible** | Min | Max |
| Bronze | * | * |
| Gold | $0 | $50 |
| Silver | $0 | $50 |
| Platinum | $0 | $50 |

| MCS Life Insurance Company | | |
|---|---|---|
| **Pharmacy Deductible** | Min | Max |
| Bronze | * | * |
| Gold | $25 | |
| Silver | * | * |
| Platinum | * | * |

| Plan de Salud Menonita | | |
|---|---|---|
| **Pharmacy Deductible** | Min | Max |
| Bronze | * | * |
| Gold | * | * |
| Silver | * | * |
| Platinum | * | * |

| Triple-S | | |
|---|---|---|
| **Pharmacy Deductible** | Min | Max |
| Bronze | * | * |
| Gold | $0 | $50 |
| Silver | $125 | |
| Platinum | * | * |

**(MA) Finding 14. Prescription drug coverage provide diverse and complex cost share designs, some at very high coinsurance amounts.**

- Drug included in drug formularies vary by insurer, OCI require compliance with drug categories. Each insurer has identified several drug tiers, such as generic, brand, and specialty drugs, adding subcategories for preferred and non preferred. Each category has a different cost share.
- Cost share structure varies. Most generics have copayment, while the rest of the categories have coinsurance or high flat amounts. Although this helps the payor to manage their costs risk, helping to offer more fair prices to the consumer, this might have an adverse impact on the access of the members to the drugs they need. Coinsurances are as high as 70%-95% for certain tiers of brand drugs. Some plans have blended designs, where the member pays a coinsurance but conditioned to a minimum flat amount. There are few plans with upfront deductibles.
- Layered cost share is also common for MCS and Triple S in both Individual and Small markets. Usually there are two sets of cost share structure, where the second structure is activated after a certain level of accrued costs for the plan. It was found that the second level was not communicated clearly for some plans.

- **Laboratory and Radiology services**

Under ACA-compliant plans in Puerto Rico, laboratory tests and radiology services are essential health benefits covered, with a broad range services, including diagnostic tests, blood work, and imaging studies. This ensures access to necessary diagnostic and monitoring services for effective medical care.

## Table: Laboratory and Radiology Services, Individual

| Individual Market | First Medical Health Plan | | MCS Life Insurance Company | | Plan de Salud Menonita | | Triple-S | |
|---|---|---|---|---|---|---|---|---|
| | Coinsurance[1] | | | | | | | |
| | Min | Max | Min | Max | Min | Max | Min | Max |
| **Bronze** | | | | | | | | |
| Laboratorio | 75% | | 40% | | * | * | 40% | |
| PPET Scan, CT Scan, MRI o PET CT (1 por año) | 75% | | | | * | * | | |
| Pruebas especializadas (CT Scan, PET CT, MRI, SPECT) | * | * | 75% | | * | * | 60% | |
| Pruebas moleculares y/o genéticas | * | * | 75% | | * | * | | |
| Rayos X | 75% | | | | * | * | 0% | 60% |
| Rayos X (incluye medicina nuclear, cateterismo cardiaco, prueba diagnóstica cardiaca (Stress test, Echo Cardio, y otras)) | * | * | 60% | | * | * | * | * |
| **Gold** | | | | | | | | |
| Laboratorio | 40% | 45% | 30% | | 0% | 50% | 30% | |
| PPET Scan, CT Scan, MRI o PET CT (1 por año) | 40% | 45% | * | * | * | * | * | * |
| Pruebas especializadas (CT Scan, PET CT, MRI, SPECT) | * | * | 40% | | 40% | 50% | 35% | |
| Pruebas moleculares y/o genéticas | * | * | 75% | | * | * | * | * |
| Rayos X | 40% | 45% | * | * | 0% | 50% | 0% | 30% |
| Rayos X (incluye medicina nuclear, cateterismo cardiaco, prueba diagnóstica cardiaca (Stress test, Echo Cardio, y otras)) | * | * | 30% | | * | * | * | * |
| **Platinum** | | | | | | | | |
| Laboratorio | * | * | * | * | 20% | | * | * |
| Pruebas especializadas (CT Scan, PET CT, MRI, SPECT) | * | * | * | * | 20% | | * | * |
| Rayos X | * | * | * | * | 20% | | * | * |
| **Silver** | | | | | | | | |
| Laboratorio | 60% | | 35% | | * | * | 35% | 45% |
| PPET Scan, CT Scan, MRI o PET CT (1 por año) | 60% | | * | * | * | * | | |
| Pruebas especializadas (CT Scan, PET CT, MRI, SPECT) | * | * | 50% | | * | * | 40% | 45% |
| Pruebas moleculares y/o genéticas | * | * | 75% | | * | * | | |
| Rayos X | 60% | | * | * | * | * | 0% | 45% |
| Rayos X (incluye medicina nuclear, cateterismo cardiaco, prueba diagnóstica cardiaca (Stress test, Echo Cardio, y otras)) | * | * | 35% | | * | * | * | * |

Table: Laboratory and Radiology Services, Small group

| Small Group Market | First Medical Health Plan | | MCS Life Insurance | | Plan de Salud Menonita | | Triple-S | |
|---|---|---|---|---|---|---|---|---|
| | Coinsurance Structure[1/] | | | | | | | |
| | Min | Max | Min | Max | Min | Max | Min | Max |
| **Bronze** | | | | | | | | |
| Laboratorio | * | * | 40% | | * | * | 55% | |
| Molecular and/or genetic tests | * | * | 75% | | * | * | | |
| Pruebas especializadas (CT Scan, PET CT, MRI, SPECT) Selective | * | * | * | * | * | * | 60% | |
| Rayos X | * | * | * | * | * | * | 65% | |
| Rayos X SALUS | * | * | * | * | * | * | 0% | |
| Specialized tests (CT Scan, PET Scan, PET CT, MRI, SPECT) | * | * | 75% | | * | * | * | * |
| X-rays (includes nuclear medicine, cardiac diagnostic tests (stress test, echo cardio , and others) | * | * | 60% | | * | * | * | * |
| **Gold** | | | | | | | | |
| Laboratorio | 25% | 40% | 20% | 30% | 0% | 30% | 25% | 50% |
| Laboratorios en Facilidades de la Red Metro Pavía Health System | 10% | | * | * | * | * | * | * |
| Molecular and/or genetic tests | * | * | 30% | 75% | * | * | * | * |
| PET Scan, CT Scan, MRI o PET CT (1 por año) dentro de las facilidades de la red Metro Pavía Health System | 10% | | * | * | * | * | * | * |
| PPET Scan, CT Scan, MRI o PET CT (1 por año) | 40% | | * | * | * | * | * | * |
| Pruebas especializadas (CT Scan, PET CT, MRI, SPECT) | * | * | * | * | 50% | | 30% | 70% |
| Pruebas especializadas (CT Scan, PET CT, MRI, SPECT) Selective | * | * | * | * | | | 40% | 55% |
| Rayos X | 40% | | * | * | 0% | 30% | 0% | 50% |
| Rayos X en Facilidades de la Red Metro Pavía Health System | 10% | | * | * | * | * | * | * |
| Rayos X SALUS | * | * | * | * | * | * | 0% | |
| Specialized tests (CT Scan, PET Scan, PET CT, MRI, SPECT) | * | * | 30% | 50% | * | * | * | * |
| X-rays (includes nuclear medicine, cardiac diagnostic tests (stress test, echo cardio , and others) | * | * | 25% | 40% | * | * | * | * |
| **Platinum** | | | | | | | | |
| Laboratorio | 25% | | 20% | 30% | 20% | | 0% | 35% |
| Laboratorios en Facilidades de la Red Metro Pavía Health System | 10% | | * | * | * | * | * | * |
| Molecular and/or genetic tests | * | * | 30% | 50% | * | * | * | * |
| PET Scan, CT Scan, MRI o PET CT (1 por año) dentro de las facilidades de la red Metro Pavía Health System | 10% | | * | * | * | * | * | * |
| PPET Scan, CT Scan, MRI o PET CT (1 por año) | 25% | 30% | * | * | * | * | * | * |
| Pruebas especializadas (CT Scan, PET CT, MRI, SPECT) | * | * | * | * | 20% | | 25% | 55% |
| Rayos X | 25% | 30% | * | * | 20% | | 0% | 40% |
| Rayos X en Facilidades de la Red Metro Pavía Health System | 10% | | * | * | * | * | * | * |
| Specialized tests (CT Scan, PET Scan, PET CT, MRI, SPECT) | * | * | 25% | 50% | * | * | * | * |
| X-rays (includes nuclear medicine, cardiac diagnostic tests (stress test, echo cardio , and others) | * | * | 25% | 50% | * | * | * | * |
| **Silver** | | | | | | | | |
| Laboratorio | 50% | 55% | 35% | | * | * | 40% | |
| Laboratorios en Facilidades de la Red Metro Pavía Health System | 10% | | * | * | * | * | * | * |
| Molecular and/or genetic tests | * | * | 75% | | * | * | * | * |
| PET Scan, CT Scan, MRI o PET CT (1 por año) dentro de las facilidades de la red Metro Pavía Health System | 10% | | * | * | * | * | * | * |
| PPET Scan, CT Scan, MRI o PET CT (1 por año) | 50% | 55% | * | * | * | * | | |
| Pruebas especializadas (CT Scan, PET CT, MRI, SPECT) | | | * | * | * | * | 50% | |
| Rayos X | 50% | 55% | * | * | * | * | 0% | 40% |
| Rayos X en Facilidades de la Red Metro Pavía Health System | 10% | | * | * | * | * | * | * |
| Specialized tests (CT Scan, PET Scan, PET CT, MRI, SPECT) | * | * | 50% | | * | * | * | * |
| X-rays (includes nuclear medicine, cardiac diagnostic tests (stress test, echo cardio , and others) | * | * | 35% | | * | * | * | * |
| Pruebas especializadas (CT Scan, PET CT, MRI, SPECT) | | | * | * | * | * | 50% | |
| Rayos X | 50% | 55% | * | * | * | * | 0% | 40% |
| Rayos X en Facilidades de la Red Metro Pavía Health System | 10% | | * | * | * | * | * | * |
| Specialized tests (CT Scan, PET Scan, PET CT, MRI, SPECT) | * | * | 50% | | * | * | * | * |
| X-rays (includes nuclear medicine, cardiac diagnostic tests (stress test, echo cardio , and others) | * | * | 35% | | * | * | * | * |

*The insurer does not have coverage or a specific service under the benefit in the metallic category.

[1/]Coinsurance are segmented as one in each service or a range of coinsurance with minimum or maximum values in the cost sharing structure for all or some plans under the metallic category.

In summary, significant differences in coinsurance design in Puerto Rico under ACA-compliant plans can arise due to variations in plan tiers and metallic value, local market conditions, insurer choices, and regulatory influences. These factors contribute to a diverse range of coinsurance structures across different plans available in Puerto Rico as shown in the tables above.

**(MA) Finding 15.** A Coinsurance amount is the prevalent cost share structure for Laboratory and Radiology services, with wide variations among service categories, metallic plan, and insurers

- Some insurers have a single coinsurance amount while in others there is a range of cost-sharing with minimum and maximum values as per the design in each product under the metallic category. For both individual and small group segments, the range of coinsurance amounts goes from 0% to 75% depending on the scope of the product design.
- High coinsurance rates can lead to significant out-of-pocket costs for lab and radiology services, although protected by the MOOP from excessive financial burden.
- Coinsurance amounts differ among service categories, metal tiers (Bronze, Silver, Gold, Platinum) and health plans.

- **Other services**

ACA-compliant plans in Puerto Rico include coverage for some services provided in the United States, especially for emergencies and treatments not available in Puerto Rico. The cost-sharing structure for these services can include deductibles, copayments, and coinsurance, with varying levels of coverage depending on whether services are in-network or out-of-network. It is of importance to recognize that all plans in the PR's market include in their in-network services all hospitals and most physicians and pharmacies. Services out of network are by nature those approved to be provided un the US. Nevertheless, in recent years, the health systems have been impacted by less demand for hospital beds due to population migration, and at the same time less health professionals available due to same reasons. This stress in the system is provoking some scarceness of specific specialists on the island. Therefore, health plans are seeing more out of network demand for certain services.

The following tables provide cost sharing structure data for copays and coinsurance amounts per metallic product and insurer.

## Table: Other services, Individual

| Individual Market | FIRST MEDICAL HEALTH PLAN, | | | | MCS Life Insurance Company | | | | Plan de Salud Menonita | | | | Triple-S | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Copayment | | Coinsurance | | Copayment | | Coinsurance | | Copayment | | Coinsurance | | Copayment | | Coinsurance | |
| | Min | Max | Min | Max | Min | Max | Min | Max | Min | Max | Min | Max | Min | Max | Min | Max |
| **Bronze** | | | | | | | | | | | | | | | | |
| Ambulancia Aérea en Puerto Rico | $0 | | 100% | | $0 | | 75% | | * | * | * | * | $0 | | 0% | |
| Examen de Refracción | * | * | * | * | * | * | * | * | * | * | * | * | $0 | | 0% | |
| Examen de Refracción (adultos) | $0 | | 0% | | * | * | * | * | * | * | * | * | * | * | * | * |
| Examen de Refracción (adultos y niños) | * | * | * | * | $10 | | 0% | | * | * | * | * | * | * | * | * |
| Servicios de Emergencia en EU: Sanitas | * | * | * | * | * | * | * | * | * | * | * | * | $50 | | 0% | |
| Servicios de Emergencia en EU | $0 | | 100% | | * | * | * | * | * | * | * | * | * | * | * | * |
| Servicios de emergencia en los EEUU | * | * | * | * | $0 | | 75% | | * | * | * | * | $0 | | 65% | |
| Servicios en los Estados Unidos de América de casos donde se requiera equipo, tratmiento y facilidades no disponibles en Puerto Rico | $0 | | 100% | | * | * | * | * | * | * | * | * | * | * | * | * |
| Servicios en los Estados Unidos de América de casos donde se requiera equipo, tratmiento y facilidades no disponibles en Puerto Rico | * | * | * | * | * | * | * | * | * | * | * | * | $0 | | 65% | |
| Servicios y tratamientos preautorizados no disponibles en Puerto Rico (en los EEUU) | * | * | * | * | $0 | | 75% | | * | * | * | * | * | * | * | * |
| **Gold** | | | | | | | | | | | | | | | | |
| Ambulancia Aérea en Puerto Rico | $0 | | 100% | | $0 | | 40% | | $0 | | 25% | 30% | $0 | | 0% | |
| Examen de Refracción | * | * | * | * | * | * | * | * | * | * | * | * | $0 | | 0% | |
| Examen de Refracción (adultos) | $0 | | 0% | | * | * | * | * | * | * | * | * | * | * | * | * |
| Examen de Refracción (adultos y niños) | * | * | * | * | $5 | | 0% | | * | * | * | * | * | * | * | * |
| Servicios de Emergencia en EU: Sanitas | * | * | * | * | * | * | * | * | * | * | * | * | $50 | | 0% | |
| Servicios de Emergencia en EU | $0 | | 100% | | * | * | * | * | * | * | * | * | * | * | * | * |
| Servicios de emergencia en los EEUU | * | * | * | * | $0 | | 40% | | $0 | | 20% | | $0 | | 50% | |
| Servicios en los Estados Unidos de América de casos donde se requiera equipo, tratmiento y facilidades no disponibles en Puerto Rico | $0 | | 100% | | * | * | * | * | * | * | * | * | * | * | * | * |
| Servicios en los Estados Unidos de América de casos donde se requiera equipo, tratmiento y facilidades no disponibles en Puerto Rico | * | * | * | * | * | * | * | * | $0 | | 20% | | $0 | | 50% | |
| Servicios y tratamientos preautorizados no disponibles en Puerto Rico (en los EEUU) | * | * | * | * | $0 | | 40% | | * | * | * | * | * | * | * | * |
| **Platinum** | | | | | | | | | | | | | | | | |
| Ambulancia Aérea en Puerto Rico | * | * | * | * | * | * | * | * | $0 | | 20% | | * | * | * | * |
| Examen de Refracción | * | * | * | * | * | * | * | * | $10 | | 0% | | * | * | * | * |
| Servicios de emergencia en los EEUU | * | * | * | * | * | * | * | * | $0 | | 20% | | * | * | * | * |
| Servicios en los Estados Unidos de América de casos donde se requiera equipo, tratmiento y facilidades no disponibles en Puerto Rico | * | * | * | * | * | * | * | * | $0 | | 20% | | * | * | * | * |
| **Silver** | | | | | | | | | | | | | | | | |
| Ambulancia Aérea en Puerto Rico | $0 | | 100% | | $0 | | 50% | | * | * | * | * | $0 | | 0% | |
| Examen de Refracción | * | * | * | * | * | * | * | * | * | * | * | * | $0 | | 0% | |
| Examen de Refracción (adultos) | $0 | | 0% | | * | * | * | * | * | * | * | * | * | * | * | * |
| Examen de Refracción (adultos y niños) | * | * | * | * | $5 | | 0% | | * | * | * | * | * | * | * | * |
| Servicios de Emergencia en EU: Sanitas | * | * | * | * | * | * | * | * | * | * | * | * | $50 | | 0% | |
| Servicios de Emergencia en EU | $0 | | 100% | | * | * | * | * | * | * | * | * | * | * | * | * |
| Servicios de emergencia en los EEUU | * | * | * | * | $0 | | 50% | | * | * | * | * | $0 | | 50% | |
| Servicios en los Estados Unidos de América de casos donde se requiera equipo, tratmiento y facilidades no disponibles en Puerto Rico | $0 | | 100% | | * | * | * | * | * | * | * | * | * | * | * | * |
| Servicios en los Estados Unidos de América de casos donde se requiera equipo, tratmiento y facilidades no disponibles en Puerto Rico | * | * | * | * | * | * | * | * | * | * | * | * | $0 | | 50% | |
| Servicios y tratamientos preautorizados no disponibles en Puerto Rico (en los EEUU) | * | * | * | * | $0 | | 50% | | * | * | * | * | * | * | * | * |

## Table: Other Services, Small group

| Small Group Market | First Medical Health Plan | | | MCS Life Insurance Company | | | Plan de Salud Menonita | | | Triple-S | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Copayment | Coinsurance[1/] | | Copayment | Coinsurance | | Copayment | Coinsurance | | Copayment | Coinsurance | |
| | | Min | Max | | Min | Max | | Min | Max | | Min | Max |
| **Bronze** | | | | | | | | | | | | |
| Air ambulance in Puerto Rico | * | * | * | $0 | 75% | | * | * | * | * | * | * |
| Ambulancia aérea en Puerto Rico | * | * | * | * | * | * | * | * | * | $0 | 50% | |
| Emergency services in the USA | * | * | * | $0 | 75% | | * | * | * | * | * | * |
| Examen de Refracción (adultos) | * | * | * | * | * | * | * | * | * | $0 | 0% | |
| Preauthorized services and treatments not available in Puerto Rico (in the US) | * | * | * | $0 | 75% | | * | * | * | * | * | * |
| Refraction test (adults and children) | * | * | * | $10 | 0% | | * | * | * | * | * | * |
| Servicios de Emergencia en EU: Sanitas | * | * | * | * | * | * | * | * | * | $0 | 50% | |
| Servicios de emergencia en los EEUU | * | * | * | * | * | * | * | * | * | $50 | 0% | |

| Small Group Market | First Medical Health Plan | | | MCS Life Insurance Company | | | Plan de Salud Menonita | | | Triple-S | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Copayment | Coinsurance[1/] | | Copayment | Coinsurance | | Copayment | Coinsurance | | Copayment | Coinsurance | |
| | | Min | Max | | Min | Max | | Min | Max | | Min | Max |
| Servicios en los Estados Unidos de América de casos donde se | * | * | * | * | * | * | * | * | * | $0 | 0% | |
| US Student | * | * | * | $0 | 20% | | * | * | * | * | * | * |
| **Gold** | | | | | | | | | | | | |
| Air ambulance in Puerto Rico | * | * | * | $0 | 30% | 50% | * | * | * | * | * | * |
| Ambulancia aérea en Puerto Rico | $0 | 100% | | * | * | * | $0 | 30% | | $0 | 20% | 30% |
| Emergency services in the USA | * | * | * | $0 | 30% | 50% | * | * | * | * | * | * |
| Examen de Refracción | * | * | * | * | * | * | $15 | 0% | | * | * | * |
| Examen de Refracción (adultos) | $0 | 0% | | * | * | * | * | * | * | * | * | * |
| Examen de Refracción (adultos) | * | * | * | * | * | * | * | * | * | $0 | 0% | |
| Preauthorized services and treatments not available in Puerto Rico (in the US) | * | * | * | $0 | 30% | 50% | * | * | * | * | * | * |
| Refraction test (adults and children) | * | * | * | $5 | 0% | | * | * | * | * | * | * |
| Servicios de Emergencia en EU: Sanitas | * | * | * | * | * | * | * | * | * | $0 | 20% | 30% |
| Servicios de Emergencia en EU | $0 | 100% | | * | * | * | * | * | * | | | |
| Servicios de emergencia en los EEUU | * | * | * | * | * | * | $0 | 20% | | $50 | 0% | |
| Servicios en los Estados Unidos de América de casos donde se | * | * | * | * | * | * | | | | $0 | 0% | 50% |
| Servicios en los Estados Unidos de América de casos donde se requiera equipo, tratmiento y facilidades no disponibles en Puerto Rico | * | * | * | * | * | * | $0 | 20% | | * | * | * |
| US Student | * | * | * | $0 | 20% | | * | * | * | * | * | * |
| **Platinum** | | | | | | | | | | | | |
| Air ambulance in Puerto Rico | * | * | * | $0 | 25% | 50% | * | * | * | * | * | * |
| Emergency services in the USA | * | * | * | $0 | 25% | 50% | * | * | * | * | * | * |
| Preauthorized services and treatments not available in Puerto Rico (in the US) | * | * | * | $0 | 25% | 50% | * | * | * | * | * | * |
| Refraction test (adults and children) | * | * | * | $5 | 0% | | * | * | * | * | * | * |
| US Student | * | * | * | $0 | 20% | | * | * | * | * | * | * |
| **Silver** | * | * | * | | | | * | * | * | * | * | * |
| Air ambulance in Puerto Rico | * | * | * | $0 | 50% | | * | * | * | * | * | * |
| Emergency services in the USA | * | * | * | $0 | 50% | | * | * | * | * | * | * |
| Preauthorized services and treatments not available in Puerto Rico (in the US) | * | * | * | $0 | 50% | | * | * | * | * | * | * |
| Refraction test (adults and children) | * | * | * | $5 | 0% | | * | * | * | * | * | * |
| US Student | * | * | * | $0 | 20% | | * | * | * | * | * | * |

*The insurer does not have coverage or a specific service under the benefit in the metallic category.

[1/]Coinsurance are segmented as one in each service or a range of coinsurance with minimum or maximum values in the cost sharing structure for all or some plans under the metallic category.

**(MA) Finding 16.** Other Services show cost share variations among service categories, metallic plans, insurers, and market segments

- Emergency services provided in the US are EHBs covered at in-network rates. Coinsurance ranges from 0% to 75% in both Individual and Small group segments.
- Non-Emergency services in the U.S. are covered if not available in PR, which is the required minimum in the PR Benchmark for the essential benefits. Coinsurance ranges from 0% to 75% in both Individual and Small groups.
- Air Ambulance Services in Puerto Rico is included in the Benchmark plan as an EHB. Cost share is usually high and varies by insurer and product plan. Coinsurance ranges from 0% to 75% in both Individual and Small groups.

- Routine and Elective Services provided in the US or outside Puerto Rico are not included as an essential benefit. Few plans offer some kind of coverage, particularly in the small group segment.
- Specialty Care and Referrals to providers in the mainland U.S. require prior authorization, and cost-sharing structures can vary widely, from 0% to 75% in both Individual and Small group markets,

- **Value-added benefits programs**

ACA-compliant plans in Puerto Rico offer value-added benefit programs beyond the core coverage requirements. These programs are designed to enhance the overall value of the insurance plan. Next tables provide the array of programs available and include in the cost share design of coverage per metallic category and insurer in the policy year 2023.

Table: Value-added Services, Individual

| Individual Market | FIRST MEDICAL HEALTH PLAN, | | | MCS Life Insurance Company | | | Plan de Salud Menonita | | | Triple-S | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Copayment[1/] | | Reimbursement | Copayment[1/] | | Reimbursement | Copayment[1/] | | Reimbursement | Copayment[1/] | | Reimbursement |
| | Min | Max | | Min | Max | | Min | Max | | Min | Max | |
| **Bronze** | | | | | | | | | | | | |
| MCS Alivia | * | * | * | $15 | | $0 | * | * | * | * | * | * |
| MCS Medilínea MD | * | * | * | $0 | | $0 | * | * | * | * | * | * |
| Nutricionista | $20 | | $0 | * | * | * | * | * | * | $0 | | $0 |
| Telemedicina | * | * | * | * | * | * | * | * | * | $10 | | $0 |
| Triple-S Natural | * | * | * | * | * | * | * | * | * | $10 | | $0 |
| **Gold** | | | | | | | | | | | | |
| MCS Alivia | * | * | * | $15 | | $0 | * | * | * | * | * | * |
| MCS Medilínea MD | * | * | * | $0 | | $0 | * | * | * | * | * | * |
| Nutricionista | $15 | $18 | $0 | * | * | * | $0 | | $20 | $0 | $5 | $0 |
| Telemedicina | * | * | * | * | * | * | * | * | * | $10 | | $0 |
| Triple-S Natural | * | * | * | * | * | * | * | * | * | $15 | | $0 |
| **Platinum** | | | | | | | | | | | | |
| Nutricionista | * | * | * | * | * | * | $0 | | $20 | * | * | * |
| **Silver** | | | | | | | | | | | | |
| MCS Alivia | * | * | * | $15 | | $0 | * | * | * | * | * | * |
| MCS Medilínea MD | * | * | * | $0 | | $0 | * | * | * | * | * | * |
| Nutricionista | $20 | | $0 | * | * | * | * | * | * | $0 | $5 | $0 |
| Telemedicina | * | * | * | * | * | * | * | * | * | $10 | | $0 |
| Triple-S Natural | * | * | * | * | * | * | * | * | * | $15 | | $0 |

*The insurer does not have coverage or an specific service under the benefit in the metallic category.

[1/]Copay are segmented as one in each service or a range of copays with minimum or maximum values in the cost sharing structure for all or some planes under the metallic category.

Table: Value added Services, Small group

| Small Group Markets | First Medical Health Plan | | | MCS Life Insurance Company | | | Plan de Salud Menonita | | | Triple-S | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Copayment[1/] | | Reimbursement | Copayment[1/] | | Reimbursement | Copayment[1/] | | Reimbursement | Copayment[1/] | | Reimbursement |
| | Min | Max | | Min | Max | | Min | Max | | Min | Max | |
| **Bronze** | | | | | | | | | | | | |
| MCS Alivia | * | * | * | $15 | | $0 | * | * | * | * | * | * |
| MCS Medilínea MD | * | * | * | $0 | | $0 | * | * | * | * | * | * |
| Nutricionista | * | * | * | * | * | * | * | * | * | $0 | | $0 |
| Telemedicina | * | * | * | * | * | * | * | * | * | $10 | | $0 |
| Triple-S Natural | * | * | * | * | * | * | * | * | * | $10 | | $0 |
| **Gold** | | | | | | | | | | | | |
| MCS Alivia | * | * | * | $15 | | $0 | * | * | * | * | * | * |
| MCS Medilínea MD | * | * | * | $0 | | $0 | * | * | * | * | * | * |
| Nutricionista | $20 | | $0 | * | * | * | $0 | | $20 | $0 | | $0 |
| Telemedicina | * | * | * | * | * | * | * | * | * | $10 | | $0 |
| Triple-S Natural | * | * | * | * | * | * | * | * | * | $10 | | $0 |
| **Platinum** | | | | | | | | | | | | |
| MCS Alivia | * | * | * | $15 | | $0 | * | * | * | * | * | * |
| MCS Medilínea MD | * | * | * | $0 | | $0 | * | * | * | * | * | * |
| Nutricionista | $10 | $12 | $0 | * | * | * | $0 | | $20 | $0 | | $0 |
| Telemedicina | * | * | * | * | * | * | * | * | * | $10 | | $0 |
| Triple-S Natural | * | * | * | * | * | * | * | * | * | $10 | | $0 |
| **Silver** | | | | | | | | | | | | |
| MCS Alivia | * | * | * | $15 | | $0 | * | * | * | * | * | * |
| MCS Medilínea MD | * | * | * | $0 | | $0 | * | * | * | * | * | * |
| Nutricionista | $20 | | $0 | * | * | * | * | * | * | $0 | | $0 |
| Telemedicina | * | * | * | * | * | * | * | * | * | $10 | | $0 |
| Triple-S Natural | * | * | * | * | * | * | * | * | * | $10 | | $0 |

*The insurer does not have coverage or an specific service under the benefit in the metallic category.

[1/]Copay are segmented as one in each service or a range of copays with minimum or maximum values in the cost sharing structure for all or some planes under the metallic category.

**(MA) Finding 16.** Value added benefits programs are used by insurers as a differentiation strategy, mostly focus within service categories that enhance the members wellbeing. Cost share structures are based on copayments ranging from $0 to $20.

In summary, the "Cost Sharing Structure Analysis" has provided information not only on the level of compliance under the four (4) Plans chosen to provide the analysis, but also the variance in cost sharing structure and its modalities associated with it for those benefits that were identified as essential.

One of the most significant findings was in the prescription drug coverage cost sharing structure. Although the plans, across their metallic products, have consistency in terms of benefit definition and inclusion, there were differences among their drug formularies, cost sharing structures such as upfront deductibles, first and secondary level of coverage with assigned amount limits and coinsurances.

Non-EHB and optional services for additional premiums constitutes another finding because it has provided flexibility and customization, allowing members to enhance their insurance plans based on individual needs and preferences. This setup helps in catering to diverse healthcare needs and offers consumers more control over their healthcare coverage.

**Actuarial review findings and Actuarial Opinion**

**(Cited from Horman document in Addendum B, complete Sections 3-6, findings)**

**Section 3: Historic Rate Review**

**Findings of the Rate Review**

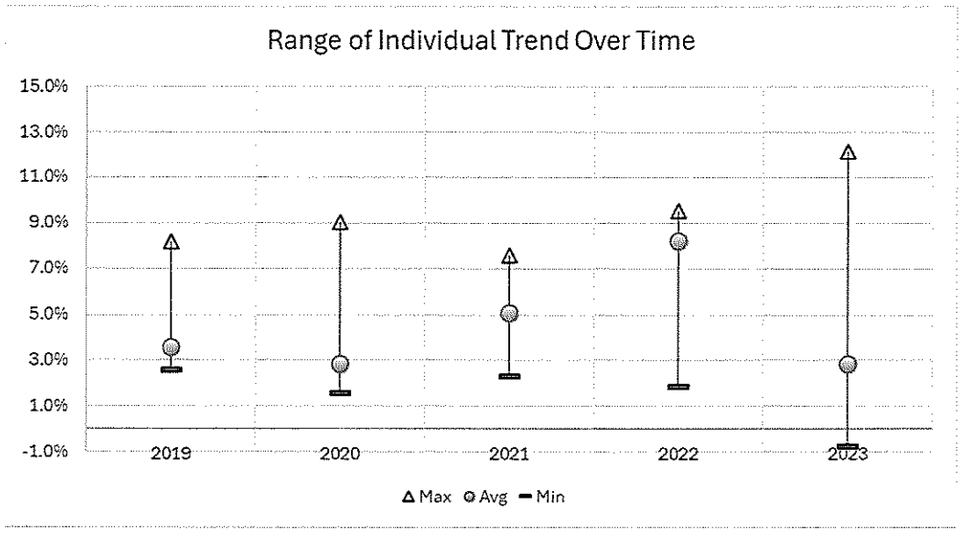
We performed a rate review of the 2019-2023 filed rates for the PR Individual and Small Group market. It is important to note that we reviewed filings, and all filings appeared to be performed by a qualified actuary who in general appear to demonstrate following actuarial standards of practice. That said, we did find some items of concern which are outlined as findings below.

*Items of concerns identified in actuarial memos*

In our review of the historic actuarial memorandums, we identified areas of concern. These areas of concern are items we believe may have been issues, but they also could have simply been areas that need more clarification. In this review we outline the type of concerns we saw, not the specific company or actuary as we no longer have the ability at this point to impact the rates. Instead, the importance of these findings is to outline areas that a future review could impact future year's rates. The following are our findings in this portion of the review.

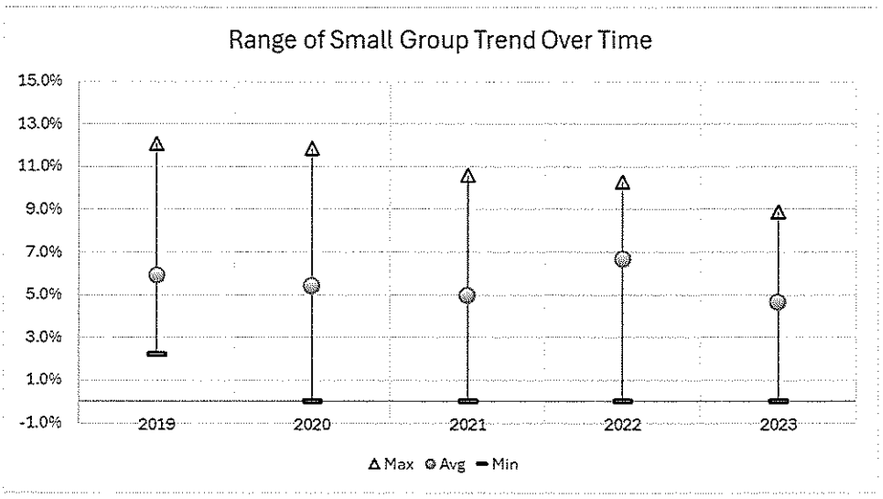
**Finding 3.1:** Inconsistent trend assumptions: we reviewed medical trend assumptions in the URRT and Actuarial memos and found there is significant variation within a given company over time, within a given company across markets, and variance across companies and across markets. While there are reasons trends vary, they should be reasonably correlated across markets and companies so we would expect some standardization of trend. Below is a table of the average trend we saw in the URRT (note, this is independent of any morbidity adjustment) where individual market is typically lower than Small Group. The graphs below show market average trend each year and the range of trend of various insurers. There is significant differences across markets, years, and carriers:

Graph 3.1.1 Shows Variance in Average Trend Across Year and Carrier in Individual Market




Y – Axis represents the trend and the X – Axis represents a rate filing year. The circle is the average trend that year and the range is the range of trends observed in the rate filing

Graph 3.1.2 Shows Variance in Average Trend Across Year and Carrier in Small Group Market




Y– Axis represents the trend and the X – Axis represents a rate filing year. The circle is the average trend that year and the range is the range of trends observed in the rate filing

Interpretation of graphs: Example from 3.1.2 in 2023 (right most side of graph) the circle is the average trend of 5% but we saw insurers with trend selection anywhere from 0% to 9%. This is an important variance because given trend is compounded over 2 years a 5% difference in trend could create premium rates which are up to 10% over- or underpriced.

If trend inconsistencies were identified in a concurrent review, we would make an effort to get information from each carrier to justify why their trends were unique to a market or different from the market-wide average. In some cases, variation in trend will be reasonable, in other cases it just reflects the subjective nature of trend selection by the actuary. In the latter case, a reviewer or department of insurance could intervene to have more standardization on trend within the market.

**Finding 3.2:** Limited Runout: we found significant variations in runout period used for the experience data in setting rates. For example, in one case we saw rates which were set with the base January 2019 to December 2019 but with runout only through December of 2019. There was no standardization and actuaries used anywhere from 0-6 months of runout. This is a concern because using less runout requires the use of a large IBNR factor (incurred but not reported, which is an actuarial calculation to approximate missing runout). We did not have access to the insurer IBNR analysis which determines how stable these IBNR estimates are at various levels of runout, but in our experience and past modeling of IBNR, we have found claims estimates using 0 or 1 month of runout to be highly unstable (could vary up to 10% based on studies of standard deviation) and more runout of 3-6 months is favorable (variation is limited to 1% or less).

The concern is not just that estimates with limited runout have inherent volatility, it's also that actuaries seem to be using these highly unstable estimates at a point in time when better estimates are available. Too much flexibility in allowing the actuary to choose the runout period could lead to selection bias and the ability to target desired rate levels and not necessarily the most actuarial sound rate. There are legitimate reasons an actuary might use less runout, for example due to IT limitations, so in a concurrent review we would have asked the actuaries to supply more information on their selected experience period runout selection.

**Finding 3.3**: Arbitrary Assumptions: in some cases, we found rating factors with limited support, or which appeared to be arbitrarily selected. Examples of such issues included:

- Selection of utilization trends – in some cases insurers just stated the trend selection, others simply referenced historic data, and some referenced national consulting guidelines.
- Selection of unit cost trends – most insurers typically contract fee for service rates with providers multiple years in the future, so often the change in unit cost is known. We were surprised that it was the exception not the rule that an insurer mentioned the unit cost assumption was set based on known contracting activity.
- Morbidity or other adjustments seemed arbitrary and, in many cases, needed clarification. One example was a rate filing which just stated it would add a 1% COVID adjustment, others

referenced morbidity assumptions tied to research reports, but it was not clear that the research report was relevant.

- Credibility assumptions (the number of members needed to be reasonably certain the experience is predicative of the future) varied significantly across insurers. For some insurers it requires 2K members and other insurers requires 10K members. Other companies just made a statement that their population was sufficient. Most did not make references to statistical studies to justify credibility levels.

In each of these cases in a concurrent review we would request more information to determine if the adjustments are supported.

**Finding 3.4:** Federal AV calculator version – in the memos we noticed that companies used different AV calculators to test AV compliance anywhere from 2014-2021. We were under the impression all companies should use the 2014 calculator.

**Finding 3.5:** Profit Margin – we saw a wide range of profit margins some insurers used close to 0% while others as high as 5%. We identified the following concerns related to profit margin:

- In one case we saw a company decrease their profit margin from around 4% to 1% from one year to the next. This was coordinated with the company increasing their admin allocation, so rates did not decrease. This could indicate an internal accounting change or possibly gaming the formula to show more administrative expense to hide high profit levels.

While reviewing materials, we did see that some insurers in some years had financial concerns and as such may need to increase profit margin to build surplus to DOI required levels. We are not prescribing an appropriate profit level, but in a concurrent review would ask for support if we saw high or changing profit margin levels.

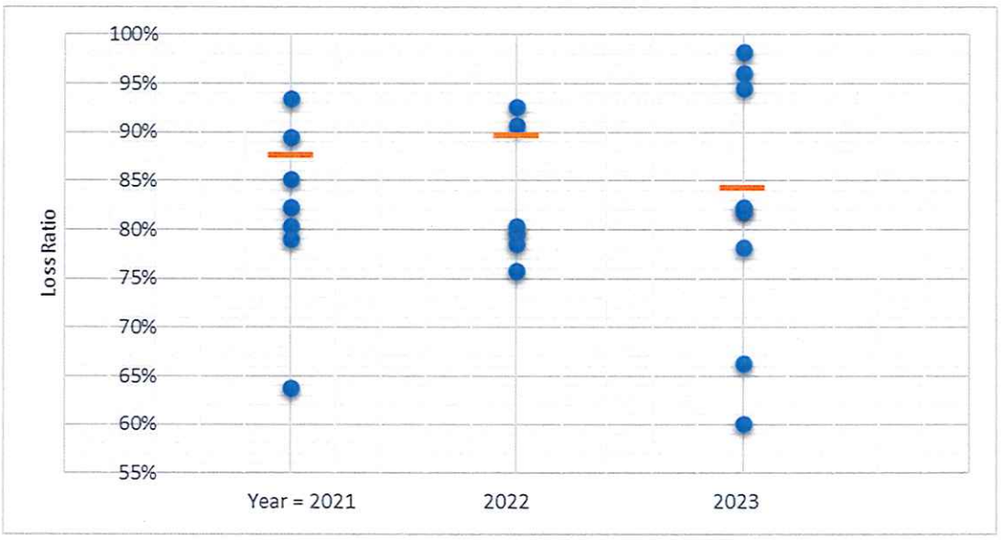
**Finding 3.6:** Target Loss Ratios – we did note that most market companies set a target loss ratio for pricing right near the Minimum Loss Ratio level of 80% (based on federal definition). This is concerning as it indicates the MLR rule may inadvertently be setting a floor on prices. Further, in one filing we noted one company who had a 3.6% quality expense allocation, significantly reducing their MLR (in the MLR regulation quality admin expenses are important because they are treated similar to a medical claim and as such reduce potential rebate liabilities). This is an outlier and in a concurrent review we would have asked for support behind the assumption.

These findings will be used to make recommendations for rate review later in the final section but given this is an historic review we can observe the historic rate increases and loss ratios to determine if the rates being set are reasonably in line with emerging experience.

**Evaluation of target vs actual loss ratios:**

As mentioned in Section 2 states have APCD data sets which are detail claims data sets of all market carriers which can be used to replicate or validate insurers rate filing assumptions or targets, but an APCD is not available for our review. In this review we had limited data but reviewed aggregated annual information to check the general reasonableness of the target loss ratios. Specifically, we reviewed the 2021 – 2023 loss ratios of the individual and small group lines using the Health Supplement reports. This data does include the transitional pool but is useful as a general reasonableness test if the companies are hitting their targets. Graph 3.4 below shows the average loss ratio by year and variation by insurer (those with at least 1K members). The blue dots represent individual companies, and the orange dash is the market average.

Graph 3.4 Combined Ind & Small Loss Ratio Review




Y – Axis is the loss ratio and the X Axis is the year the loss ratios were observed

Interpreting the graph above – the right column is 2023 combined loss ratio of individual and small group from the health supplement report (which includes transitional business). The blue dots represent individual companies while the orange dash represents the market average around 84%.

We observed a reasonable distribution of loss ratios with some very low loss ratios, but these were typically the smallest insurers. While the Health Supplement loss ratios are our most recent source they could be skewed by the transition pools. To validate these results, we used the reported loss ratios in the 2023 rate filing URRT (these represent 2021 experience). It appears in that case the loss ratios in the exchange may be lower than the overall loss ratios including the transitional pool, but they were still above the targeted loss ratio. While there were data limitations and data was reviewed in aggregate, we

did not find evidence in this loss ratio review that carriers were not targeting pricing levels stated in their actuarial memos.

### Actuarial Opinion On Rate Review

Based on our review insurers filing premium rates complied with regulations by having a qualified actuary develop the appropriate materials. We did find discrepancies and issues (as noted above including inconsistent trend selection, runout selection, and arbitrary selection of assumptions, and variations in profit margins) we would have raised questions on had we been reviewing the rates in a concurrent period. It is likely for some of these issues there were extenuating circumstances which drove the need for a unique rating approach, but it is also likely some of these could have required remediation. That said, these issues represent some of the items that we will recommend that the OCI review on a concurrent basis during the annual rate review. Further we will recommend the OCI continue to monitor emerging financial results to ensure carriers results align with pricing assumptions set in actuarial memos.

## Section 4: Product Price Differentiation

### Findings of the Product Factor Review

Using the URRT information, benefit design information, proprietary HAS benefit relativity models, and the Federal AV calculators we reviewed the top plan designs to understand if the products were appropriately priced and in line with the market specified metal levels. Given the volume of market products we focused on the top plan designs in place for 2023 rate period which had data reported for calendar year 2021. Our review consisted of sampling plan designs and validating:

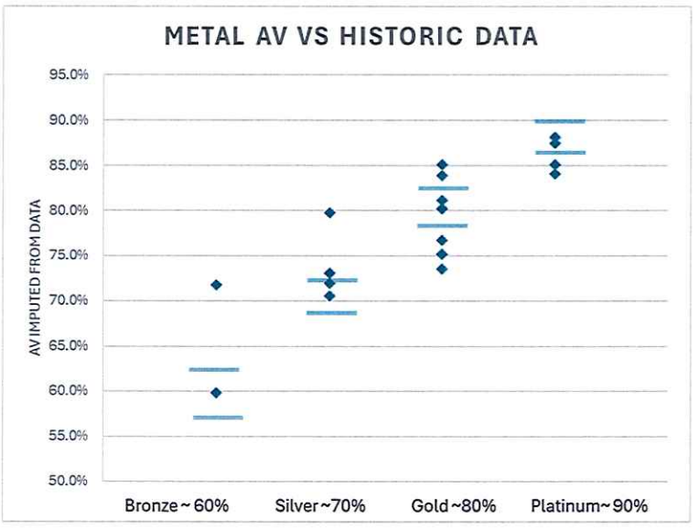
1. If we could replicate the metal level testing the plans were performing
2. How the proportion of member cost share presented in the URRT data compared to the amount of cost share anticipated at the given metal level
3. If product relativities of the top product in each of the metal level could be replicated using internal HAS pricing models
4. If there was a strong correlation between premium levels and the magnitude of member cost sharing

Similar to the other parts of the rate review in the previous section our ability to intervene on issues is limited due to the historic nature so we focused on identifying areas of possible concern and will use these in our recommendation of approaches going forward. The following are our findings related to these validations:

**Finding 4.1:** AV Compliance: replicated the metal AV compliance calculator for some of the top market plans and found they were in line with actuaries' testing. We did not perform a full audit but in a concurrent review would validate new plans or top plans AV screen shots for accuracy and appropriate parameter selection and then follow up with plan actuaries on any discrepancies. Further in some of the market top plans the actuary stated in the memo that the federal calculator cannot handle the plan design (for example Rx coinsurance levels). In this case the actuary certified the values outside of the AV model and as such we would have requested more information on the data and approach, they used in that certification.

**Finding 4.2:** AV Data Analysis: the URRT includes historic data on plan designs including the total allowed amount (plan pay plus insured pay) and the incurred amount (insurer pay only). Thus, an important test is to evaluate if the data shows that similar metal plans have similar ratios of incurred amount to allowed amount (referred to as paid to allowed ratio which is often the main proxy for AV). Typically, Platinum plans are considered to target 90%, Gold 80%, Silver 70%, and Bronze 60%. We performed this analysis using the 2023 URRT information, while there were close to 125 plan designs across the two markets once we removed non-renewing plans and limited to plans with at least 1,000 members we had about 20 relevant observations. The results are shown in graph 4.2.1 below.

Graph 4.2.1 Comparison of Imputed Actuarial value vs Metal




Y– Axis is the realized actuarial value in the data and the X- Axis is the metal value

To understand the graph, start on the left side where there are two bronze plans which met the requirements – we would expect Bronze AV both from the data and metal to be 60%. We had one observation at about 72% and one right at 60%. In this case, we were not too concerned about the high outlier of 72% because the presence of a high cost claimant could easily skew the AV upwards (as high cost claimants typically hit the MOOP and in turn have a relatively low percentage of cost sharing to total claims).

Our key concern however was in the Gold plan range where one of the top products appeared to have a much lower data AV (appeared plan paid just over 70% of allowed claims) than both the other plans in the Gold level and its metal target. In a concurrent review this is a plan we would have flagged and asked for more information on. It is possible that there was a data issue or other reasonable explanation, however it is important to understand why it appears the plan paid much less as a percent of total claims than the AV level would indicate. In our recommendations we recommend including this test as part of a concurrent annual review

**Finding 4.3:** Independent AV Modeling: in addition to looking at the data to validate reasonableness of pricing AVs we also applied HAS proprietary plan pricing model to estimate the top plan in each metal level, including the Gold outlier in identified in the prior finding. This AV is a theoretical model which estimates value of copays, coinsurance, and deductibles and was calibrated to claim levels in line with Puerto Rico. This model could reasonably validate the Platinum, Silver, and Bronze AV. We estimated the Gold AV, which was an outlier in the data, but our internal model showed that based on the plan design this should be close to the other gold plans. This is further indication that if the review was concurrent, we would need to ask questions to the filing actuary about the benefit design or data issues which could explain this outlier.

**Finding 4.4:** Correlation between AV and Premium Levels - using the URRT data we attempted to see if there was a correlation between richness of benefits and premium levels. We did find richer benefits lead to higher premiums, but it was not a perfect correlation as there were also plan design features like PPO, HMO, or POS or differences in network which also appeared to explain the differences in premium. In some cases a Gold plan on a HMO product would be less than a PPO plan at the Silver or Bronze metal level.

### Actuarial Opinion on Product Pricing

Based on analytical and theoretical modeling of benefits most of the reviewed seemed in line with their appropriate pricing range. That said, we did identify outliers, which if these were identified in a concurrent review we would have questioned the summitting insurer. These questions would relate to accuracy of data reported in URRT or ask the insurer to provide more detail on the benefit adjudication process.

In the next section we will outline how we used this AV model to validate the Federal AV calculators' effectiveness on PR plans and estimate potential impact of increasing the MOOP.

## Section 5: Product Compliance Rules AV Calculator and MOOP

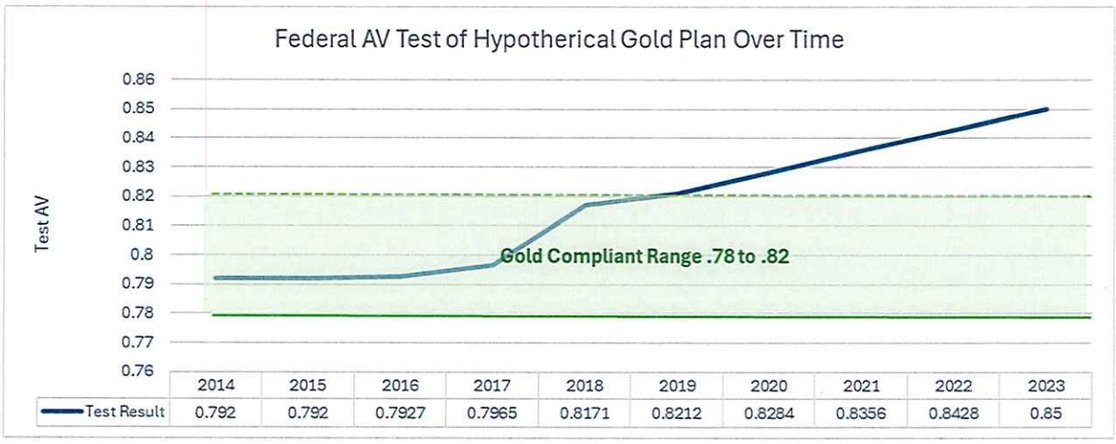
### Findings related to AV Calculator and MOOP levels

To help the PR OCI make decisions on appropriate AV calculators and MOOP levels we performed the following:

1. Evaluated the Metal compliance value of a sample of top products using the Federal AV calculators from 2014 to 2023
2. Used HAS proprietary pricing model to understand if the Federal Model based on US state data could lead to different results due to differences in PR claims levels
3. Used HAS proprietary model to understand the impact by Metal level of raising the MOOP from the 2014 levels to the current levels (roughly $9K individual and $18K family)

**Finding 5.1:** Changes to AV Calculator 2014 to 2023: the AV calculators have changed over the course of the last 10 years. To demonstrate this, we tracked a hypothetical Gold plan over time to see how their AV would change. Table 5.1.1 below outlines the results its likely a plan that originally met gold criteria in 2014 would no longer meet the criteria by the 2019 calculator.

Graph 5.1.1 Comparison of Imputed Actuarial value vs Metal




| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|---|---|---|---|
| Test Result | 0.792 | 0.792 | 0.7927 | 0.7965 | 0.8171 | 0.8212 | 0.8284 | 0.8356 | 0.8428 | 0.85 |

From this analysis we can observe that the AVs change on an annual basis, sometimes at a magnitude that would make a plan non-compliant from one year to the next. This change over time is driven by two major causes:

1) CMS changes the calculator presumably because these are improvements, but any change will impact plan values
2) Each year medical costs increase but cost share elements such as copays and deductibles are fixed. This leads to member cost share decreasing as a percent of the total costs and in turn increases the AV testing value

This changing nature of the Federal AV test is not an ideal situation as it causes member disruption and significant work for insurers to redesign plans each year. In the recommendation section we will highlight possible ways to balance stabilizing plan designs and enabling more recent Federal AV calculators to be employed.

**Finding 5.2:** Modeling AVs using independent models: PR has a significantly different cost profile than the US States and this means that the compliance results in the Federal AV for any year may not accurately reflect the actual AV an insured sees. We noted two major drivers of differences that could skew AVs:

1) Medical claims have much lower unit costs in PR than in the US States
2) The low medical unit costs leads to Rx representing a much higher percentage of total costs that in the US states

These two factors could lead to swings of 5% to 10% in the AV testing from a best estimate at PR levels to what we would expect if modeled under levels seen in the US States. Thus we believe there is a disconnect between the Federal AV calculator and the true AVs that are present in PR.

**Finding 5.3:** Impact of MOOP: PR has frozen the MOOP at the 2014 levels, and increasing these levels to current values could increase out of pocket by almost $3K per individual. We reviewed the potential premium impact by increasing the MOOP and believe the change would vary considerably by Metal level. This is because Platinum plans have low cost sharing and in turn few people will hit the out of pocket levels but Bronze plans have very high cost sharing so many will benefit from the MOOP. Table 5.3.1 shows an estimate of how MOOP could impact premium, our modeling shows representative metal plans could reduce cost by 0% for richest Platinum plans or 4% for high cost sharing Bronze plans.

Table 5.3.1 Impact of Increasing MOOP

| Metal | Premium Impact |
|---|---|
| Platinum | -0.1% |
| Gold | -1% |
| Silver | -2% |
| Bronze | -4% |

**Actuarial Opinion on Product Compliance Rules AV Calculator and MOOP**

AV Calculators and MOOPs are typically indexed with inflationary pressure each year to maintain a constant percentage of member cost sharing. This creates a challenge that often requires benefit changes to keep pace which is disruptive to the market. Further, PR has a unique claims profile that makes the calculators less effective there than in the US States. For a similar reason federal MOOPs are indexed to the increase in cost each year. By increasing the MOOP premiums will be decreased but with a tradeoff that most of the burden will fall on some of the sicker members in the population.

In the next section we expand on the product evaluation but with respect to market rules and the benefits offered.

**Section 6: Relationship between Benefits Offered and Insured Product Selection**

**Tradeoffs of Risk Adjustment**

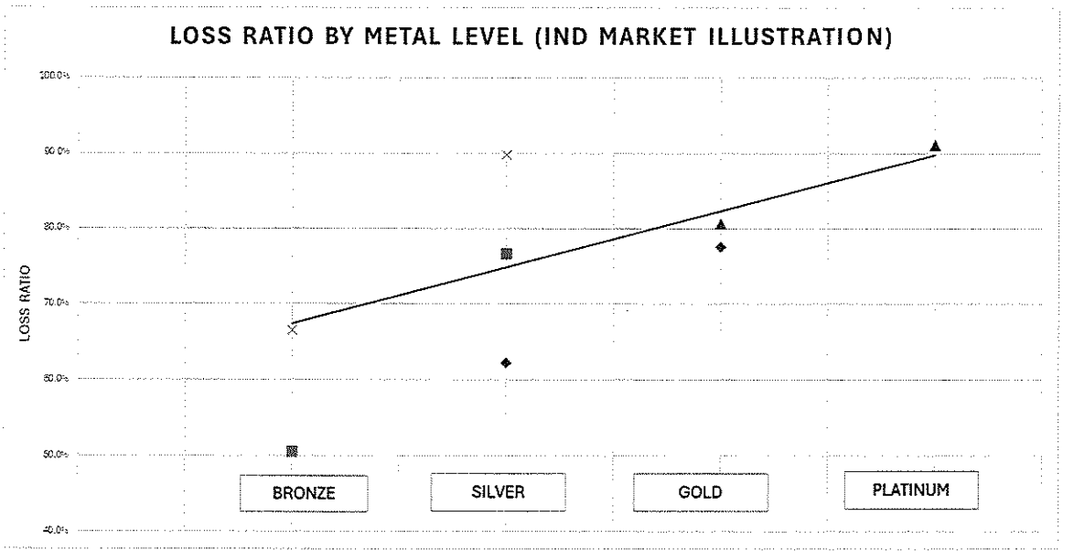
In this section we start by discussing the tradeoffs of PR's regulation not to include ACA risk adjustment. The goal of ACA risk adjustment is to minimize the impact on rates that a disproportionate

amount of healthy or sick members selecting a given plan design would have on the rates. It does this by transferring premium dollars from plans with healthier members to those with sicker members. If this is done effectively it could create a marketplace that competes on the value of a product (price and quality) not the health status of the insureds who choose the plan. Without risk adjustment, healthy members tend to select low priced insurance plans and sick insureds tend to select whichever plan covers the services they need for the lowest out of pocket amount. That said, there are many obstacles and issues that PR market would face implementing risk adjustment that may not be worth the benefit – these include:

1. Lower priced plans would increase in price and potentially drive healthy members out of the market, which in turn could increase the price on all plans
2. ACA risk adjustment is calibrated at the US State levels which have significantly different plan designs and cost profile than PR – this means there is a chance risk adjustment may not work as intended
3. In the US States risk adjustment is often cited as an obstacle to innovation. For example, a low cost highly efficient plan may be over penalized for the healthy members it attracts
4. Larger carriers or those with a national presence tend to be better at ensuring data is coded properly making it harder for smaller local plans to compete

As part of our review, we looked at the loss ratios (Claims / Premium) to evaluate if there was evidence that healthier members were more likely to choose Bronze plans (least rich) and sicker members were likely to select the richer plans. In Graph 6.1 below we focused on 4 companies in the individual ACA market which had substantial membership on a high and low-cost sharing product as published in the 2023 URRT. We plotted the loss ratios by metal level and estimated a regression line. From these data points there was clear evidence that loss ratios were much lower on Bronze plans than Silver, Gold, or Platinum. It is likely this pattern is from healthier members seeking out the low priced Bronze plans and sicker members focusing accessing specific services they need at a lower out of pocket costs. We reviewed and found a similar but dampened pattern in the Small Group market, likely due to the fact that the management team is selecting the benefit plan not the individual who is covered.

Graph 6.1 Comparison of Individual Market Loss Ratios By Metal




Y– Axis is the loss ratio (claims/premium) in the data and the X- Axis is the metal value. The various shapes (blue X, orange squares, blue diamonds, purple triangles) correspond to a data point for a given company in the Individual Market.

If there was risk adjustment in this market and it was effective some of the premium from the Bronze plans would be transferred to the Platinum plan leading to a flatter regression line. However, risk adjustment hasn't always been effective and in some cases the regression line has even become inverted. This would create an inability to sell Bronze plans at a lower price point. Markets without lower price point products could drive healthier members to opt out completely, which in turn would drive up costs in the market even if risk adjustment is present.

**Actuarial Opinion on Risk Adjustment:** the market appears to operate reasonably well without risk adjustment. It does seem healthy members gravitate towards lower cost share plan designs leading to lower loss ratios in Bronze plans and higher loss ratios in Platinum plans but based on our review in section 3 the aggregate loss ratios are near pricing targets. The market should remain stable if each carrier continues to offer a mix of high and low-cost sharing metal levels plus there is an MLR rebate deterrent to having a corporate wide low loss ratio. Implementing risk adjustment could disrupt the status quo and have negative consequences. In the recommendations section we outline the steps required before any changes to the status quo are seriously considered.

**Analysis of Benefits Offered:**

In addition to the cost sharing levels, health insurance purchasers also make product decisions based on the specific covered services (or based on services not covered). KonnektingDots (KD) performed a detailed review of the covered services associated with the 2023 individual and small group plan offerings. Using this information, we evaluated how these variations in covered services might impact member selection. Further as part of this section we outline an approach to monitoring Rx formularies to ensure they are comprehensive and not designed to be exclusionary.

**Covered Services**

Based on the KD details we did find some variation in benefits offered. One foundation of ACA regulation is to ensure a minimum set of "Essential Benefits" are covered. KD's analysis reviewed the "Essential Benefits" and validated that each of the major plans in the Individual and Small Group markets covers essential benefits. However, there are three other avenues a plan can use to differentiate their plan designs even with the "Essential Benefits" technically covered:

- Treatment of cost share on "Essential Benefits" which could lead to economic obstacles to accessing "Essential Benefits"
- Coverage of additional benefits outside of "Essential Benefits" which are often used by carriers to differentiate their products and attract membership, sometimes targeting healthy members
- Policy rules around accessing "Essential Benefits" which are often buried in payment policy or drug (Rx) formularies. Review if insurer payment policies were out of scope but we did receive some Rx formulary data from insurers.

**Below are some of our findings related to covered services:**

**Finding 6.1:** Cost Share Barriers on "Essential Benefits": We did find an instance in which an "Essential Benefit" was covered but the coinsurance levels were extremely high. In this case it was a popular bronze plan where brand drugs were covered but insured must pay 95% of brand drug cost. This level of coinsurance may act as a deterrent to accessing this essential benefit and deter many insureds who have a medical condition requiring a brand drug from not selecting the plan designs.

**Finding 6.2:** Additional Benefits: The additional benefits do vary by plan and market. Additional benefits included Life Insurance, Vision, Dental, Telemedicine, Wellness, Gym, and more. These benefits seem to add value to the insured but could also be used by a plan to attract a healthier risk pool. For example, in some markets Gym memberships are added to target healthy members. In our review we did not see anything unusual about the additional benefits offered but did note that additional benefits varied by carrier and market.

**Finding 6.3:** Review of Rx Formulary Data: Formulary differentiation between insurers is important as it can reduce Rx costs (as it enables price competition across similar scripts), but unfortunately can also be used to avoid coverage of certain popular scripts and in turn certain medical conditions. To evaluate variation across insurer formularies, insurers were asked to supply data on their 2023 Rx cost and utilization by market. We received most of the data requested, but quality varied by insurer and in many cases, values appeared to be reported on different basis (for example in one case a carrier might report average cost of a script while another may report total costs of scripts). Given these limitations we attempted to evaluate the data to see if a given insurer's formulary led to disproportionate distributions of common chronic medical limitations. Our approach was as follows:

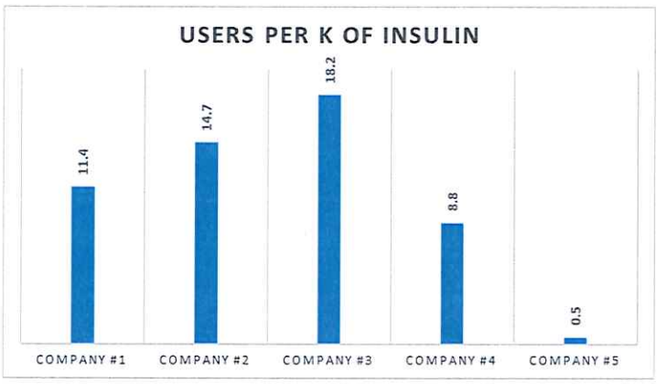
- Map individual NDC codes (unique codes identifying a unique drug) into therapeutic classes. Therapeutic classes based on The Food and Drug Administration (FDA) and the National Library of Medicine (NLM) RxDC drug name and therapeutic class crosswalk
- Focused on the high prevalence therapeutic classes including those associated with Heart Disease, Diabetes, Asthma, ADHD, and Hyperthyroidism to improve statistical credibility of results
- Review users per 1,000 in the class to understand if there is a difference by carrier in members with that condition and then evaluate the various scripts in the class to see if there is a variation in covered scripts

Below is an illustrative example of the review of one therapeutic class associated with Diabetes (Insulin Analog) for the companies in the individual market. The graphs shown below reflect the data received but as mentioned the data was limited and we had concerns that some data was reported on a different basis.

Graph 6.3.1 shows the users per 1,000 of insulin based on the data and approximation of the membership by carrier and market. In the example below "Company 5" appears to be counting users differently than other carriers, so it is not clear if they are avoiding members with insulin or there was a reporting issue (which we believe is more likely). The other companies vary from 9 members per 1000 using a script to 18 members per 1000, showing significant variation.

Graph 6.3.1 Example Individual Rx Utilization Variance

Note Relies on Carrier Data Reporting Illustration Only

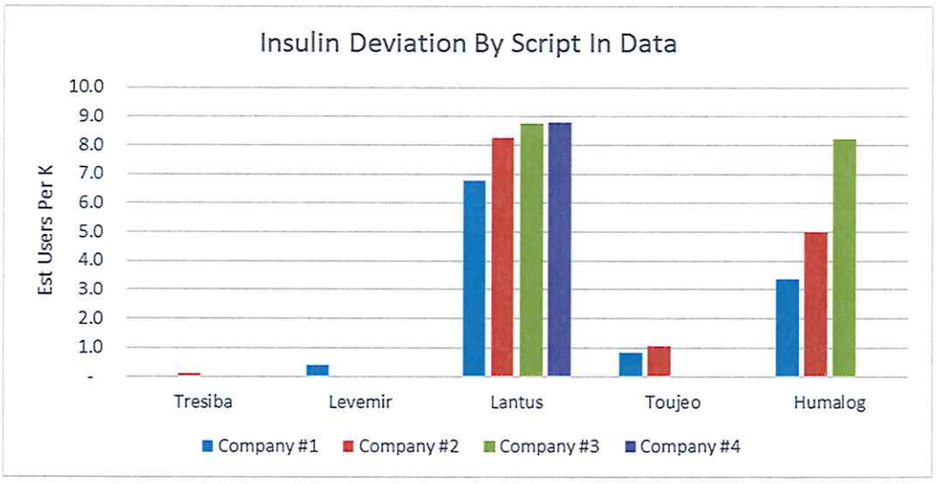



Y– Axis is the approximated users per 1,000 based on data reported by insurer. On the X-Axis we show 5 companies providing data in the individual market that had material membership

Drilling into the data further, Graph 6.3.2 shows the users per 1,000 of specific insulin scripts by company (excluding Company 5 with visible data issues). Lantus for example appears to be prevalent on all individual market insurers, Humalog appears popular on 3 of the 4 companies, but some of the less utilized scripts like Tresiba, Toujeo, or Levemir are only found on one or two companies.

Graph 6.3.2 Variance of Script Coverage by Carrier Within Insulin

Note Relies on Carrier Data Reporting Illustration Only




Y– Axis is the approximated users per 1,000 based on data reported by insurer. On the X-Axis we show 5 common insulin analog scripts, and each bar represents a given individual market company (Company #5 excluded due to data issues)

Based on the review of insulin there was variation in users and scripts by carrier and market. Like the example of insulin, in each other therapeutic class reviewed we identified variation across carriers and markets on the percent of users and variation in the volume of scripts within the therapeutic class. While

this is only a statistical result on limited imperfect data, we do believe it is reflective of the market that insurers formularies differ and to some extent that drives insured with different medical needs to select one carrier over another.

**Actuarial Opinion on Benefit Offerings and Plan Selection:**

Benefit variation and formulary designs are important to enable insurers to offer products of value to customers at desired price points. Unfortunately, benefits and formulary differences can also create incentive for only healthy people to join a plan or dissuade sick people from selecting a given plan. This dynamic was understood in the creation of the ACA which led to rules on product standardization and risk adjustment. Based on our review of the PR market there was some evidence that members select products based on health status. In the recommendation section we make recommendations to monitor benefits and formularies to track and understand the level of selection in the markets with the long-term goal of maintaining a healthy balance of risk in the ACA markets.

**Recommendations for OCI**

**General and Data Collection Recommendations**

Our recommendations are addressed within the next two sections.

**Market Analysis Recommendations**

This ACA market study and its analytical approach is based on the essential benefits datasets developed by KonnektingDots considering several factors for each dataset. The process to develop such datasets started with data collection provided by the OCI. KonnektingDots programming team collected the raw data and transformed it into structured datasets able to perform the analytics required for the market analysis. The analysis entails the assessment of the Puerto Rico Health plans market after the approval of local law to implement the ACA federal ruling. The findings were identified in a previous section into two main categories, a statistical approach to the market data, and an analysis of the required essential benefits. The recommendations we are providing rely on the described analysis.

**(MA) Recommendation 1. Documents standardization**

Benefit description (benefit description as part of the health document policy) must provide a standardize description of the essential benefits, a section for the non-essential, and another section describing other optional benefits the consumer may buy for an additional premium.

- In addition, the form should expand its data collection structure so that the benefits, as currently structured, are clearly explained both in their categorization and in the description of coverage and amounts associated with each benefit. The benefit must be explained for both covered and non-covered items in the same line. As an example, if a benefit is covered by an insurer for an amount or percentage under a preferred network, it must be incorporated in a similar way, what is the cost of the same benefit under a non-preferred network. Likewise, the form must be accompanied by a guide that explains the correct use and a guide for recording data. This guide seeks to reduce the interpretation or clarification of possible ambiguities by the insurer that may hinder a clear definition of a benefit and facilitate the standardization or uniformity of the explanation of the benefit under standardized data collection parameters.
- The document must include the benefit name, description, frequency, limits, members cost shape, health plan cost share responsibility. The implantation of this recommendation by the OCI might need a standard data format and structured design required for the health plans participating in the market.
- Health plans must present supplementary documentation to validate EHB compliance, mandated benefit compliance, and cost share structure, that are aligned with the main benefit description. This might require a redesign of Attachment 6 and Attachment 8.

**(MA) Recommendation 2. Data management and monitoring**

- Design a process to gather all data elements and maintain a digital database as part of a data management cycle to perform an efficient oversight and monitoring of the market. This data repository will allow the improvement of data quality, literacy, and data use. OCI might implement standard data analysis for each reporting cycle, reducing the labor-intensive effort to produce these analyses manually, and improving its quality by reducing human error.

- This recommendation will enhance the range of evaluations and analyses on existing data and to associate complementary information from various sources, providing more comprehensive analyses. Although the information currently exists in Excel sheets or PDF documents, the normalization of the data and an automated system reduces human error and speeds up the tasks of analysis, interpretation, error detection and improves the evaluation process for the OCI regulatory agency.

**(MA) Recommendation 3. Minimize benefit communication errors that can impact member decisions**

- Findings found in the analysis must be addressed with the health plans for corrections. The aim is to identify them during the review process of data and documents filed by the insurers. The OCI might generate communications that guide the insurer to correct the language, data or presentation of information for greater clarity for the benefit of decision-making by the insured or member with clear and assertive information.

**(MA) Recommendation 4. Monitor closely member accessibility to care for those product plans where coinsurance levels are so high that there can be a barrier to access them.**

- Periodically generate reports that contemplate scenarios for the detection of patterns, trends, and impact on the potential access to care for members. These reports will help to flag plan designs needing to provide justification, corrective actions or opportunities for improvement.

**(MA) Recommendation 5. Promote health plans participation in all markets.**

- Commercial insurer health plans are participating in the ACA market, but some participate in one of the two segments. OCI might explore barriers impacting these players seeking their willingness to participate. There might be several factors impacting insurers participation, such as lack of capital, level of reserves, certain risks avoidance, administrative capacity, among others. The recommendation entails maintaining an open dialogue with the insurers to understand these barriers and support them in finding solutions from the OCI role.

**Actuarial Recommendations**

**(Cited from Horman document in Addendum B, Recommendations 1-12)**

Based on this review this section outlines some of the recommendations we believe could improve the PR OCI's ability to monitor ACA rating and product pricing practices. Insurance markets are complex, and for any change we recommend involving the market insurers and taking a patient and methodological approach. We did not perform a review of OCI staffing or resources available for external actuarial review and recognize that in some cases OCI may need to balance these recommendations based on available staffing and resources.

**Recommendations on Data Collection and Tracking**

**Recommendation 1:** PR OCI should develop annual processes and databases to track and store key information supplied during rate filings. Section 2 outlines some of the core data sources and during this review we have communicated to the OCI some data elements that should be tracked. Further, tracking benefit information is essential to effective rate review but unfortunately burdensome due to carrier specific formats and terminology. Creating standardized forms and language around the benefits covered and cost share level will enable OCI to streamline this process of tracking benefits and in turn improve the ability to monitor products and prices.

**Recommendation 2:** PR OCI should attempt to collect information on the ASO and transitional markets. This will give a comprehensive picture on how the markets are truly running and provide a way to monitor if the ACA markets are being impacted by the risk profile of the other markets that are related to it. We recommend reviewing the ACA and transitional markets on a combined basis and working towards understanding key differences in products and pricing.

**Recommendation 3:** APCD data sets add significant value in assessing health costs and use. This is a big operational lift to both insurers and regulators. We simply recommend PR evaluate the feasibility of implementing an APCD data collection process. Just relying on URRT data limits a review to aggregated statistics at the high-level medical cost category. The benefit of an APCD is the ability to generate detailed statistics, for example which benefits an insured use and how often. This type of information can help guide detailed benefit design questions. We recognize it is a cost/benefit tradeoff.

**Recommendations on Actuarial Review**

**Recommendation 4:** in our historical review we identified that rates were set by actuaries using actuarial principles. That said we found some items that would have been flagged and questioned. Given the inability to change the past we recommend focusing on future rates and leveraging these findings to design future reviews.

**Recommendation 5:** We did not review the OCI existing concurrent review process but recommend they continue their annual actuarial rate review before filed rates are approved. Rate review dependent on staffing available but we suggest it include:

1. Review of actuarial memo to ensure assumptions are justified and reasonably consistent over time and across insurers
2. Perform data validations using the information in the URRTs and Health Supplement Reports
3. If available use detail claims or enrollment data or actuarial models to replicate calculations in the rate filings and evaluate market wide medical and Rx trends
4. Ensure base experience period is using appropriate runout and possibly requiring a minimum of 3 months runout
5. Follow up with insurers on any items flagged in the review and work with them to either understand why items are reasonable or if items are not reasonable request the insurer remediate

rates. Areas that could be flagged include inconsistent application of trend, arbitrary pricing assumptions, or material changes to admin or profit margin.

**Recommendation 6:** there was evidence that companies tend to set prices at the MLR target of 80%. In a competitive market we would expect some companies would be able to provide products at a lower retention level. The PR OCI should track actual administrative expenses then evaluate over time if the market is all converging to the 80% target pricing level. In this case some states have put limitations on the increase in administrative expenses over the most recent year's actual results. That said we would recommend monitoring the loss ratios over a few years before determining if more stringent regulation is needed.

**Recommendations on Product Relativities and Compliance**

Based on our review and KonnektingDots market review it appeared that the Benchmark plan covers reasonable benefits.

**Recommendation 7:** as part of the OCI annual concurrent review continue to replicate a sample of the AV compliance tests using the appropriate AV calculator. Also, for any benefit components not conforming to the AV calculator OCI might consider requesting additional calculation support information or require a certification from an independent 3rd party. Both conforming and non-conforming benefits can be validated using the historic data collected from the URRT, this means ensuring emerging data is reflective of the pricing relativities (can be tracked by comparing ratio of member cost share to total allowed costs).

**Recommendations on AV Calculator and MOOPs**

**Recommendation 8:** we recommend an AV calculator approach that creates stable products and does not require arbitrary changes from one year to the next. By freezing the AV calculator, the OCI has accomplished this so there is no immediate need for change. That said, ideally in the long term the AV calculator would reflect PR's actual medical and Rx cost profile. Possible options the PR OCI could explore:

- Keep status quo but instead focus resources on ensuring all market plan designs are truly reflective of that metal level (see recommendation 7)
- Ideal Long-Term Solution: Creating a custom PR AV calculator using actual PR claims data which can handle current benefits which do not conform to the federal calculator
- Other viable solutions:
    - Using the Federal AV calculator available when a plan is introduced and only requiring retesting after a certain time (say 3-5 years)

- Some states create standardized plan designs within each metal level and then have a 3rd party perform the testing on behalf of the market
- Expanding the range of the metal AVs: This approach could help stabilize plan designs. To keep with the intent of regulation the expansion could be asymmetric – for example -2% to +3%; this would protect insured from plans that have too high-cost sharing but enable older plans to stay compliant for a longer period
- Keep status quo but instead focus on ensuring all market plan designs are truly reflective of that metal level

**Recommendation 9**: decision on MOOPs is a tradeoff of reducing premium against higher member liability levels. That said, if a change is made most of the impact will be seen on the Silver and Bronze plans. We further recommend developing a cost impact calculator based on actual PR detail claims data or surveying the insurers for their estimates of MOOP cost impact before making any decisions related to new MOOP levels. It may be worthwhile to start tracking the number of insured who hit the MOOP level each year by product (this would require extra data reporting by carriers). Consider gradually indexing the MOOP each year MOOP at a prespecified level (for example PR average claims trend, anticipated unit cost increases, published changes in CPI/PR GDP, or target MOOP to maintain a fixed percent of members hitting the MOOP) to avoid major one-time changes.

**Recommendations on benefit variations and product innovation**

**Recommendation 10:** We reviewed the benefits covered under EHB and they seemed to be in line with products we see across other ACA markets. Increasing any benefits would increase costs and possibly disrupt markets, thus we do not recommend immediate changes. Ensuring appropriate benefits requires protocols to cover new or changing benefits balancing both cost and quality issues. That said, some specific we recommend tracking nonstandard benefits and identifying ones that may seem targeted to healthy members or drive away sicker members. Specific areas to monitor:

- OCI should review plans with high brand drug coinsurance levels (example any over 50%) and determine if this is truly meeting the intent of a covered essential benefit. However, we do not see an immediate need to change these plans as currently they are popular plans due to low premiums and insureds with significant brand drug usage are protected by the MOOP
- We did see evidence in the data of variation in the formularies and we recommend performing regular studies on Rx usage that include clinical feedback to ensure formularies are not penalizing or driving away members with certain health conditions. It may be beneficial to start with a common chronic condition like diabetes or asthma
- Before making any changes OCI should create a multi-disciplinary team of clinicians and actuaries to determine medical need and costs

**Recommendation 11**: encourage product innovation such as high efficiency networks or value-based design. If done correctly, these plans can offer additional benefits with less onerous cost sharing. That said, as these products are considered innovative and new there is no consensus on the best way to approach this. The PR OCI may want to make requests of insurers as to innovative products they have in other markets and explore including those in the PR ACA markets. Examples we have seen in other markets include, products which vary cost share to incentivize use of low cost high quality physicians or plans which waive copays on Rx scripts associated with chronic diseases (with the goal of improving adherence and lowering complications).

**Recommendation 12:** be cautious if considering risk adjustment. It would have dramatic impacts to current pricing levels and national risk adjustment models are unlikely to predict PR risk levels due to unique claims variation. Before any decision is made a full feasibility study with insurer input and simulation modeling should be performed. That said it may be worthwhile to monitor loss ratios by metal level and make sure companies comply with existing regulations requiring offering multiple plans at different metal levels.

These recommendations are based on the information outlined in the report including data accumulation, rate review, and product review. Any findings or recommendations reflect our actuarial opinion based on the data reviewed and relied upon and our experience and training as actuaries. Each of the recommendations should be implemented only after careful evaluation and inclusion of feedback from all stakeholders in the market.

**Actuarial Study Conclusion and Insights (HAS)**

The findings (Sections 3 through 6) and recommendations (see Section 7) in this review are intended to help OCI improve their understanding of the PR ACA Individual and Small Group markets and improve their ability to monitor this market in the future. Based on items in our review and KonnectingDots market survey we felt the PR ACA markets are avoiding some of the pitfalls that other markets in the US states are experiencing in part due to OCI and regulations maintaining a competitive marketplace and protecting lower costs product options. Evidence this is successful has been relatively low rate increases and increasing ACA membership. Any changes to regulations or benefit requirements risks disrupting the market. As such we do not recommend any immediate changes to regulations, modifications to the benchmark, changes in benefit design rules, or changes to permitted actuarial values.

As part of this project, we did work with KonnectingDots and OCI on collecting and accumulating a significant amount of data (as outlined in Section 2). We make recommendations related to collecting and organizing data which is key to ongoing streamlined review. In some cases, this is organizing existing data (for example need for product data standardization) and in other cases collecting new data. We did not have access to detailed member or claim level transaction data (such as would be found in a state APCD). Access to such data would have enabled the ability to analyze detailed statistics and use

patterns by benefit plan but would also represent significant additional cost and effort on OCI and the carriers. We recognize this may not be feasible and leave it to OCI to determine where resources are best spent.

Further in general we found that rates were set and set in line with actuarial standards and in line with the benefits offered. That said we did make recommendations which primarily deal with ensuring existing rules and regulations are followed. Recommendations 4-6 relate to areas OCI should consider in their concurrent actuarial review, and importance of comparing the loss ratios used in pricing to those emerging through the data experience (which are available in the URRTs). This includes monitoring to ensure that all carriers do not just price at the 80% MLR level, which may require tracking of actual administrative cost levels.

Based on the market review product popularity seems to relate to (a) price point, (b) expanded network access, (c) and brand in market. For example, we see low cost limited network plans with lower cost sharing, but their enrollment is much lower than the PPO plans with higher price and cost share. In recommendations 7-12 we provide recommendations related to cost sharing levels and covered services. It is important to note that there are tradeoffs to any changes, the key being that most improvement to benefits offered will increase price. In these recommendations we provide a longer-term roadmap to improve accuracy of and stabilize the AV calculator, index the MOOP to align with changes in the actual out of pocket costs members are seeing, and ways to standardize and track covered benefits (including ensuring that Rx formularies are designed fairly). Further we recommend outreaching to insurance carriers to understand any product innovations they are making in other markets and to determine if they are relevant to PR.

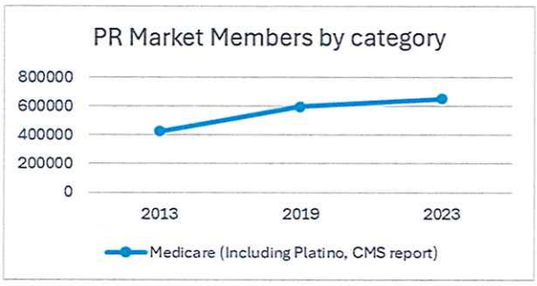
We further stress that because any change can have unintended consequences that OCI take a measured approach before implementation of any changes and to include feedback of insurance carriers, clinicians, and other stakeholders early in the process.

**Final comments from KonnektingDots, LLC**

After the implementation of a partial version of the federal health reform, where elements such as a formal marketplace (Exchange), financial incentives to participate in the market (financial subsidies), and enrollment mandates are absent, it is of OCI's interest to review the marketplace dynamics in light of an appropriate health benefit coverage, market competitiveness, and rates affordability. Back in 2013 the OCI approved 91 health plans in the individual segment and 235 plans in the small group in compliance with the new ruling, able to start enrollment in January 2014. The marketplace evolved to a new set of covered health benefits, rate development requirements, and market rules. The OCI assigned KonnektingDots this study to assess the conditions and actuarial reasonableness of the ACA market after ten years of its implementation. Based on the described findings the market maintains critical elements aligned to the objectives of the reforms.

The uninsured population seems to be impacted by the market dynamics. The ACA individual and small group segments show a moderate member growth from 2019 (244,501) to 2023 (247,500). The weight of this growth relies in the individual segment, while the small group shows a slight decline (Appendix A, Exhibit 1, p.2-3). When we look at the total number of insureds from 2013 to 2023, there is a decline. Demographics and migration may be impacting this trend, since total population is also declining (p. 8-10). Nevertheless, based on published data and the OCI's reports, our estimate of uninsured population is less in 2023 (410,000) than the estimated in 2013 (512,000). The decline might be the result of multiple elements.

Demographic changes and socioeconomic conditions in Puerto Rico play an important role when evaluating market growth and affordability in the ACA marketplace. A much older population explains most of the increase in the Medicare Advantage category of insureds.




On the other hand, poverty levels in the island are the highest among all US. There are several studies approaching PR's particular conditions. The availability of government assisted health coverage, mostly funded by federal assignments, impacts the total market enrollment dynamics. From a study on PR's poverty to the US Congress performed by "Centro":

*"Puerto Rico's poverty and overall economic conditions have fluctuated over the decades, taking a clear turn for the worse beginning in 2006 with an enduring economic crisis made worse with the natural disasters that struck Puerto Rico in 2017 and 2020; and hampered even further by the SARS-CoV-2 pandemic beginning in 2020."*

Reported poverty level in 2021 was 42.7%. Enrollment changes in the government health plan, 1,270,011 in 2023, is impacted by both, population below poverty levels and availability of government funds (both local and federal).

The commercial markets are stressed by these dynamics, increasing mobility among all market segments. Particularly for ACA plans, the actuarial review demonstrated availability of plans at different price points, and alignment with the actuarial values (Actuarial Opinion in Product Pricing. P. 68): *"Based on analytical and theoretical modeling of benefits most of the reviewed seemed in line with their appropriate pricing range."* It was also noted that the rate development rules include rate adjustments by age, promoting a fair and standard price for younger populations to stay in ACA plans.

One of the concerns promoting this analysis is the adequacy of the benefits covered. As explained in different sections of this report, PR mandated coverage is based on the federal definition of the essential health benefits (EHB). The PR "benchmark" coverage includes all EHB, preventive federal coverage, and other local and federal mandates. As seen in HAS' Findings in section 6 and Recommendation 10, PR ACA benefits coverage's compares with other jurisdictions designs. PR's offerings include a vast array of products and prices allowing members to choose the best fit to their health needs and financial budgets. There are some elements identified that might be of further evaluation, such as some outlier high-cost share in low price plans, and details on included medications in the drug formularies. Recommendation 10 from HAS study, "*We reviewed the benefits covered under EHB and they seemed to be in line with products we see across other ACA markets. Increasing any benefits would increase costs and possibly disrupt markets, thus we do not recommend immediate changes. Ensuring appropriate benefits requires protocols to cover new or changing benefits balancing both cost and quality issues. That said, some specific we recommend tracking nonstandard benefits and identifying ones that may seem targeted to healthy members or drive away sicker members.*"

As discussed with OCI, some recommendations from HAS are of special interest, in terms of feasible changes to the ACA current status in Puerto Rico. Given the concurrent review was in good shape, HAS identified 3 core recommendations that they felt are feasible to implement by OCI and add value to the market. As noted in our report, for any change we recommend including insurers early in the process to understand any of their concerns or constraints.

These include:

1) Indexing of the MOOP – As outlined in the actuarial report the current PR guidance freezing the MOOP at 2014 levels ($6,350 Individual/$12,700 Family) leads to erosion of the relative costs savings between the high and low-cost plans (for example a Bronze plans price gets closer to the Gold plan). We suggested indexing MOOP for the rising cost of medical care. As 2025 products are filed and designed, the earliest MOOP guidelines could be changed would be for 2026 product filings but given that is a tight timeline 2027 might be more realistic. Possible approaches to this include:
    a. Simple Approach – Index the current MOOP based on the changes in the federal MOOP – Examples assuming 2027 implementation:
        i. PR 2027 MOOP would be the 2014 MOOP x [2027 MOOP / 2026 MOOP]
        ii. Subsequent years would follow a similar approach
            1. PR 2028 MOOP would be the 2014 MOOP x [2028 MOOP / 2026 MOOP]
            2. PR 2029 MOOP would be the 2014 MOOP x [2029 MOOP / 2026 MOOP]
    b. Complex Approach – The problem with the simple approach is changes in Federal costs levels may not correlate with the changing PR cost levels. If resources and time are available, we would recommend a complex study of available indexes that track PR specific costs better than the federal change. This would require surveying available data

sources and performing a correlation study. Further if PR develops a PR specific Actuarial calculator MOOP indexing could be done through a modeling exercise by adding trend assumption to the calculator and calculating the change in MOOP which holds the most common Silver plans AV constant.

2) AV Range: PR OCI expressed a desire to stabilize the benefit offerings. We felt that the best way to maintain the consumer protection aspect of the Metal ranges and expand the range would be to have an asymmetric metal range: -2% to +3%. Similar to the MOOP there was a simple and complex way to implement:
    a. Simple: Keeping the current calculator – which while having gaps it is directionally reasonable and a feasible low-cost solution as it is currently in place. The OCI would require screen shots from carriers demonstrating the range of -2% to + 3% around current metal targets. Note OCI would need to review the calculated metal values as the error messages would no longer be relevant to the new range. As time passes this calculator may become more out of date and OCI would need to reevaluate the applicability every 2 or 3 years. For this simple approach and given recommendation one above, OCI might consider allowing a rule that if a plan fails the metal range with the indexed MOOP, they can retest using the original 2014 MOOP before indexing (this ensures that the formula index change to the MOOP will not force a plan design out of compliance).
    b. Develop a PR specific Actuarial Value calculator – This would be the best practice but requires a large actuarial project and an extensive data request to carriers. The benefit is it would be the most accurate and could be customized to benefits in PR.
3) Benefit Formulary – Comparing rates across carriers and effective rate review are dependent on being able to compare benefits across carriers. Unfortunately, interpreting benefit information is currently burdensome due to carrier specific formats and terminology. Creating standardized forms and language around the benefits covered and cost share level will enable OCI to streamline this process of tracking benefits and in turn improve the ability to monitor products and prices. We recommend improving the standardization of the benefit parameters. This could involve requiring carriers to submit benefit data through a form which controls how the inputs are made.

This report describes findings and recommendations based on the market analysis and actuarial review of the ACA market in Puerto Rico, after its approval, for the period between 2019 and 2023. KonnektingDots,LLC recommendations must serve the OCI as a tool to develop strategies supporting the ACA plans market compliance and growth by implementing modifications to current market guidance, new processes, and efficiencies.

Cordially,

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President
KonnektingDots, LLC