



Governor of Puerto Rico  
WANDA VÁZQUEZ GARCED

December 18, 2020

The Honorable Charles E. Grassley  
Chairman  
Committee on Finance  
U.S. Senate  
219 Dirksen Senate Office Building  
Washington, D.C. 20510

The Honorable Frank Pallone  
Chairman  
Committee on Energy and Commerce  
U.S. House of Representatives  
2125 Rayburn House Office Building  
Washington, D.C. 20510

The Honorable Ron Wyden  
Ranking Member  
Committee on Finance  
U.S. Senate  
219 Dirksen Senate Office Building  
Washington, D.C. 20510

The Honorable Greg Walden  
Ranking Member  
Committee on Energy and Commerce  
U.S. House of Representatives  
2125 Rayburn House Office Building  
Washington, D.C. 20510

Dear Chairman Grassley, Chairman Pallone, Ranking Member Wyden, and Ranking Member Walden,

In coordination with the Secretary of the Puerto Rico Department of Health, Lorenzo Gonzalez Feliciano, MD, and in accordance with requirements set forth by the *Further Consolidated Appropriations Act 2020, P.L. 116-94*, I submit Puerto Rico's responses to the following five requirements:

- **Contracting Reform Plan:** In accordance with Division N, Title I, Subtitle B, §202(a)(7)(A)(iii) of P.L.116-94, Puerto Rico complies with the mandate of the law by publishing a contracting reform plan to combat fraudulent, wasteful, or abusive contracts under Puerto Rico's Medicaid program. We establish our vision to be recognized as a leader in ethics and transparency in procurement and contracting by identifying opportunities for our improvement, as well as implementation plans to help Puerto Rico achieve our vision and reform the contracting processes of our Medicaid Program;
- **Report on Contract Oversight and Approval:** In accordance with Division N, Title I, Subtitle B, §202(f)(2) of P.L.116-94, relating to responding to "any changes that the Comptroller General determines necessary to improve the program integrity of such plan

(or waiver)”, as of December 20, 2020, the deadline for the submission of this report to Congress, the Government Accountability Office (GAO), led by the Comptroller General, has only provided Puerto Rico with some questions related to our contracting processes, which we responded on November 13, 2020. Upon receipt of the final assessment report from the GAO, we will provide an updated response to this report which will address any changes that Comptroller General deems necessary to improve the program integrity of our contracting processes. However, in order to ensure compliance with your mandate, we conducted our own assessment of our contracting and oversight processes and are pleased to present this report which provides an overview of our competitive and non-competitive contracting processes and identifies opportunities to help enhance our contract oversight processes;

- **Audits of Managed Care Payments:** In accordance with Division N, Title I, Subtitle B, §202(f)(3) of P.L.116-94, we outline a summary of our response to the U.S. Department of Health and Human Services (HHS), Office of the Inspector General (OIG) Risk Assessment of Puerto Rico’s Medicaid Program (December 10, 2020)<sup>1</sup>, and highlight the upcoming planned enhancements to our program that will address the high risk areas identified by OIG and will be implemented to strengthen our processes for the evaluation of Managed Care Payments;
- **Reporting on Medicaid and CHIP Scorecard Measures:** In accordance with Division N, Title I, Subtitle B, §202(f)(4) of P.L.116-94, Puerto Rico is reporting to the Administrator of the Centers for Medicare and Medicaid Services on selected measures included in the Medicaid and CHIP (MAC) scorecard. As evidenced by the attached report, Puerto Rico is on track to achieve compliance through the submission of the MAC Scorecard measures. The report further provides a status of our current state regarding our Scorecard Reporting and provides details on the opportunities we have identified to enhance our reporting activities to enable continuous improvement in both the short and long term;
- **Implementation of Medicaid and CHIP Scorecard Measures:** In accordance with Division N, Title I, Subtitle B, §202(f)(4) of P.L.116-94, we have identified eight initiatives to enhance data management and reporting operations for MAC Scorecard reporting for 2022 and beyond, through greater alignment of our people, processes, and technologies. This implementation plan provides a guide for how plan to realize each opportunity through the implementation of the eight initiatives described in the report.

Medicaid is designed to treat our nation’s most vulnerable populations, including low-income families, the elderly, children, and individuals with disabilities. Even prior to the

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<sup>1</sup> Office of the Inspector General, Department of Health and Human Services. (December 10, 2020). A-02-20-01011 Risk Assessment Puerto Rico Medicaid Program. Retrieved from <https://oig.hhs.gov/oas/reports/region2/22001011.asp>

Coronavirus (COVID-19) pandemic, the U.S. citizens of Puerto Rico suffered from serious health conditions that require urgent care, including mental health issues and chronic diseases such as cancer, diabetes, Hepatitis C and HIV. The increased federal Medicaid funding enacted by P.L. 116-94 secured life-saving services to the approximately 1.6 million beneficiaries that depend on Medicaid to meet their most basic physical and behavioral health needs.

Puerto Rico remains committed to meeting all the Congressional requirements included in P.L. 116-94. However, as further detailed in our reports, there is disparity between Puerto Rico and comparable state Medicaid programs on administrative spending per member per year (PMPY) and per member per month (PMPM). We have serious concerns that without parity in our Medicaid program or, at a minimum, additional administrative funding, the full and permanent implementation of these changes will be challenging. As such, as Congress considers the long-term funding of Puerto Rico's Medicaid Program, I urge you to provide Puerto Rico with the same FMAP as used with the states and remove Puerto Rico's Medicaid Cap on federal Medicaid funds provided under section 1108(g). Medicaid funding parity would allow Puerto Rico to plan for long term structural changes and implement real transformational changes to our Medicaid program.

If you require additional information or have any questions, please contact Jennifer M. Storipan, Esq., Executive Director of the Puerto Rico Federal Affairs Administration at (202) 778-0710 or via email at [jstoripan@prfaa.pr.gov](mailto:jstoripan@prfaa.pr.gov).

Sincerely,



Wanda Vázquez Garced  
Governor of Puerto Rico

cc: Representative Jennifer González-Colón (PR – At – Large)  
The Honorable Lorenzo González Feliciano, Secretary, Puerto Rico Department of Health  
Jorge E. Galva, Executive Director, Health Insurance Administration, Puerto Rico  
Jennifer M. Storipan, Esq., Executive Director, Puerto Rico Federal Affairs Administration  
Luz E. Cruz Romero, Executive Director, Puerto Rico Medicaid Program