

Doctors threaten Medicaid cutoff in Puerto Rico

July 14 2011, By DANICA COTO , Associated Press

(AP) -- Physicians are threatening to stop serving nearly a million Puerto Ricans as a result of a dispute between the island's government and an insurance company over reimbursements for treating poor people.

Gov. Luis Fortuno on Wednesday appealed to the doctors to avoid cutting off patients, saying it would be illegal. In an interview with WAPA, a local TV station, he also said the government would withhold two months of payments to the insurance company unless it settled with doctors, hospitals, laboratories and others.

Just hours after Fortuno spoke, the island's [health secretary](#) announced the government paid \$57 million of the \$87 million it owed Medical Card System Inc. for June. Secretary Lorenzo Gonzalez initially said the remainder would be paid only when MCS settled its bills with medical providers, but he later said it would be paid in upcoming days.

"The money is and has always been available," he said. "Our concern has been to address the complaints of providers."

Physicians say MCS owes them as much as \$60 million. They plan to decide soon if they will stop seeing [Medicaid patients](#) until they get paid, said Dr. Joaquin Vargas, president of the Independent Practice Association, which represents 38 medical groups.

"If this payment does not occur, the services will be threatened," he said. "It is a painful situation for us."

MCS president Jose Duran said in a statement that the company will start paying providers starting Friday, but he did not specify how much of the pending debt would be paid.

The standoff began shortly after the government launched a revamped [Medicaid](#) program in October, promising patients extended hours, more access to [mental health services](#) and fewer pre-approvals required to see specialists. The program caters to those who make less than \$800 a month and to the disabled.

But complaints about delayed payments began to surface in December and have increased in recent months. As a result, the government announced last week it was terminating an \$810 million contract with MCS, the largest insurance provider under the revamped program.

Hospitals claim MSC owes them \$91 million and pharmacies say it owes them \$6 million, said Frank Diaz-Gines, executive director of the territorial Health Insurance Administration.

MCS blames the government, saying it is owed nearly \$243 million for services it has provided.

The government said it owes MCS only \$87.5 million for services provided before June, and most of that was for services unrelated to the new Medicaid program.

Diaz-Gines said the government will pay its \$15.3 million government debt to MCS for the Medicaid program once MCS improves its services.

No problems have been reported with two other smaller health [insurance companies](#) that also provide services under the new [Medicaid program](#).

As the standoff continues, legislators are debating a proposal to make the

Health Insurance Administration or another government agency the sole payer to medical providers, eliminating involvement by insurance companies.

"We wanted to do something different after seeing that health insurance companies were having trouble," said Sen. Margarita Nolasco, the bill's co-author. "The doctors were complaining, the hospitals were complaining, the laboratories were complaining."

The Senate has approved the bill, which is now being debated by the House of Representatives.

Nolasco said eliminating the role of [health insurance](#) companies might be the solution.

"They are a business, and that is legitimate," she said. "But it cannot be done at the cost of people's health."

Fortuno, however, told reporters late Wednesday that he did not support the bill. He said the U.S. [government](#), which provides 30 percent of the program's budget, would not allow such a change.

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