

# Stark Medicare Advantage disparities present in Puerto Rico

April 25 2016

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As Puerto Rico suffers through an ongoing financial crisis and recent credit default, and its Medicare Advantage (MA) plans receive 40% lower payment rates than those in the mainland U.S., a new study in *JAMA Internal Medicine* reports substantial disparities in health care quality experienced by Hispanic Puerto Rican residents in MA plans.

More than 75 percent of Medicare-eligible residents in the U.S. territory enroll in Medicare Advantage [plans](#), making it a vital source of health care coverage for the island's seniors. The new study finds that on a majority of quality indicators tracked by the plans in 2011, Puerto Ricans experienced significantly worse care than either white or Hispanic MA plan holders in the 50 [states](#).

"Enrollees in Puerto Rico receive substantially worse quality of care than their counterparts in the U.S. states," said senior author Dr. Amal Trivedi, associate professor of health policy, practice and services in the Brown University School of Public Health. "What surprised us is not the fact that there was a difference, but just how enormous the gap was."

The 17 quality indicators track whether or not patients received the recommended treatment and achieved desired outcomes in diabetes care, cardiovascular disease, and cancer screening and whether they received any inappropriate medications.

Lead author Maricruz Rivera-Hernandez, Trivedi and co-authors tracked differences in the indicators among 267,000 Hispanic Puerto Rican

residents with MA plans and 795,000 Hispanics and 6.2 million non-Hispanic whites with MA plans living in the states. They looked at the differences alone and also statistically adjusted them to account for differences in age, sex, and average income by zip code.

In the unadjusted analysis, on 15 of the 17 measures Puerto Ricans experienced significantly worse care and outcomes than Hispanics in the states. On 13 indicators the percentage of Puerto Ricans who received recommended care was 5 percentage points lower than among people in the states. One of the bigger examples was that among sufferers of chronic obstructive pulmonary disease, 67.4 percent of whites and 61.5 percent of Hispanics in the states received systemic corticosteroids, but only 37.7 percent Hispanics in Puerto Rico did. Similarly, among people with rheumatoid arthritis, 76.9 percent of whites and 71.2 percent of Hispanics in the states received disease-modifying drug therapy, but only 39.9 percent of Hispanics in Puerto Rico did.

Even after adjusting for age, sex and neighborhood income, significant disparities between the states and Puerto Rico remained on 10 of the 17 indicators and all of the gaps were greater than 5 percentage points. After adjustment, the gaps were 21.3 percentage points for corticosteroids in COPD and 23.8 percentage points for arthritis drugs.

## **High poverty, low payments**

Puerto Rico's economy is stressed. In addition to the government's financial troubles, poverty is common. In the study, the median zip-code-level rate of poverty was 10.7 percent among whites and 16.3 percent among Hispanics in the states, but 47.9 percent among Hispanics in Puerto Rico.

In addition, for a variety of reasons Medicare pays 40 percent less per capita to Puerto Rican MA plans than to MA plans in the states. That gap

widened in 2016 when the Center for Medicare and Medicare Services cut performance-linked payments to the island's plans by 11 percent, while raising payments by 3 percent for plans in the states. On April 4, CMS announced changes to the Medicare Advantage program that are expected to increase payments to Puerto Rican MA plans by 1.25% and revise quality scores to account for socioeconomic status. These changes are set to take place in 2017.

"There is a history of lower payment rates for Puerto Rico," Rivera-Hernandez said.

The combination of high poverty rates and low payments to Medicare sets up conditions under which medicines may be less subsidized for Puerto Rican residents who have lower purchasing power, Trivedi said. He noted that some of the biggest disparities were in indicators involving drug therapies. It's possible a common contributor to the measured disparities was that many Puerto Rican patients couldn't afford to fill prescriptions.

"The combination of strained economic circumstances and reduced health care funding may have deleterious effects on the quality of care in Puerto Rico and undermine the federal goal of promoting equity in health care delivery in the Medicare program," the authors wrote.

Rivera-Hernandez noted that few studies of MA care quality have included Puerto Rico, meaning that a large portion of the nation's Hispanics have been left out of the studies of disparities or other [health care](#) delivery issues. In the new study, she and her co-authors note that 1 in 4 Hispanics enrolled in MA plans nationally lives in Puerto Rico.

"Most studies focus on the mainland," she said.

The new study therefore provides officials with rare insight into the

degree of disparity in Puerto Rico, Trivedi said.

"No matter how you look at the data, Hispanic enrollees in Puerto Rico receive substantially worse quality," he said. "Policy makers should be aware of that and take action to improve care on the island."

**More information:** *JAMA Intern Med.* Published online April 25, 2016. [DOI: 10.1001/jamainternmed.2016.0267](https://doi.org/10.1001/jamainternmed.2016.0267)

*JAMA Intern Med.* Published online April 25, 2016. [DOI: 10.1001/jamainternmed.2016.1144](https://doi.org/10.1001/jamainternmed.2016.1144)

Provided by Brown University

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