

To: Puerto Rico Economic Development Task Force

I write the task force to offer my point of a view as a highly sub-specialized physician with a significant amount of surgical training within a deficient system. I am an Otolaryngologist trained in Puerto Rico with double fellowship in Head and Neck Cancer surgery from Mount Sinai Medical School in New York City and another Fellowship in Voice and Swallowing Disorders from the Emory University Voice Center. I have seen both ends of the system and I have worked with Medicare/Medicaid patients in two states and our commonwealth. 6,000 physicians have left the island in the past five years the main reason being that we have no protection against government and big insurance companies. Medical institutions subsist from a combination of reimbursement from private insurance companies and Medicare/Medicaid patients. In the US mainland private insurance companies pay 200% to 300% of the Medicare rate while in Puerto Rico insurance companies pay physicians from 85% to 100% of Medicare rates. The same applies to hospitals. This creates a problem because as everyone knows private and public systems in the mainland rely on a mix of private reimbursement as well as CMS reimbursement for hospitals and physicians to reimburse adequately and survive.

It is not a mystery that the corrupt government of Puerto Rico has defended the equally corrupt healthcare industry in Puerto Rico that produces millions and millions of dollars in profits with money that originates in the Federal Government (CMS) and from the pockets of patients in this impoverished island. The healthcare insurance sector has conveniently been profitable all throughout ten years of this economic crisis. There has been WIDESPREAD misuse of CMS dollars by Medicare Advantage plans in Puerto Rico severely limiting access to care of Medicare patients.

As an example, in a complex reconstructive surgery as some of the ones I perform as a surgeon, Insurance companies in the mainland would reimburse a head and neck surgery service from 10,000 to 15,000 dollars whereas in Puerto Rico insurance companies try to pay less than \$1500 for surgeries that last 10 to 15 hours. Likewise, average DRG reimbursement for a big head and neck cancer reconstruction case would pay a hospital an average of \$44,000 whereas here they would try to pay the hospital less than \$8,000 in Puerto Rico.

In terms of primary care, these same insurance companies have created a system of captivity where patients cannot escape primary physicians to receive specialist care based on the following simplified model. The government assigns \$1,000,000 to a population and a group of 1ry care physicians has to take care of 25,000 for a year with X amount of dollars. This means that the less you do with this amount of money the more the group of physicians will garner.

Puerto Rico is completely unattractive for the new breed of physicians for the following reasons:

- 1) Low reimbursement rates for clinical evaluation of patients and surgery (in the US medicare is the lowest paying insurance, in Puerto Rico private insurance companies charge high monthly tariffs to patients but pay physicians much less than medicare for many procedures and for clinic visits, hospitals have increasing issues with denied payments for hospitalizations whereas private insurance companies in Puerto Rico continue to make profits:

<http://sincomillas.com/58170-2/>

<http://www.noticel.com/noticia/107330/duenos-de-mcs-se-las-echan-de-listos.html>

2) High incidence of frivolous medical lawsuits because of the local law, local law permits that anyone can act as an expert witness despite the fact

3) Disorganization of the healthcare system because of lack of adequate funding by private insurances in Puerto Rico.

I can assure you that you can address many of the issues that have led to this economic crisis, but the real issue in healthcare in Puerto Rico is that large portions of the physicians have much better training than anywhere else in Latin America. We have been abused by the insurance system to the point that patient care has been severely compromised and unfortunately this has led to the exodus of 6,000 specialists to the mainland. I can further discuss the gamma of problems that we face and possible solutions for hospitals and providers to step back from this vertiginous precipice. I am at the service of the task force, Congress and the President of the United States of America for further discussion of these issues.

Sincerely,

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