
Section 1: 8-K (8-K)

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15 (d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): September 21, 2018

TRIPLE-S MANAGEMENT CORPORATION

(Exact Name of Registrant as Specified in Charter)

Puerto Rico
(State or Other Jurisdiction of Incorporation)

001-33865
(Commission File Number)

66-0555678
(IRS Employer Identification No.)

Registrant's telephone number, including area code: 787-749-4949

1441 F.D. Roosevelt Avenue, San Juan, Puerto Rico 00920
(Address of Principal Executive Offices and Zip Code)

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry into a Material Definitive Agreement.

On September 21, 2018, Triple-S Salud, Inc., a Puerto Rico insurance company (“Triple-S”) and managed care subsidiary of Triple-S Management Corporation (the “Company”), entered into a contract with the Puerto Rico Health Insurance Administration (“ASES” by its Spanish acronym) (the “Contract”). Under the Contract, Triple-S will offer health care services to Medicaid and Child Health Insurance subscribers for the Government of Puerto Rico’s revised Medicaid health insurance program. The Contract requires managed care organizations to serve subscribers on an island-wide basis, rather than assigning each managed care organization specific regions (as was the case under the Government of Puerto Rico’s previous Medicaid health insurance program).

The Contract commences on November 1, 2018 and expires on September 30, 2021. Under the terms of the Contract, Triple-S is responsible for the provision of medical, mental, pharmacy and dental healthcare services on an at-risk basis to subscribers who enroll with Triple-S. ASES will pay Triple-S a rate per member per month that will vary depending on the particular clinical condition or category of the subscriber as set forth in Attachment 11 to the Contract, a copy of which is attached to this Current Report on Form 8-K as Exhibit 99.2. The Contract, which changes the manner in which subscribers will be offered health care services, initially assigned Triple-S approximately 280,000 subscribers. Once the term of the Contract commences, subscribers will have approximately three months to select their insurance carriers, during which time, managed care organizations will be able to compete for membership across Puerto Rico.

The Contract also provides for the payment of civil monetary penalties or liquidated damages by Triple-S to the extent it does not meet its obligations, which damages vary in amount depending on the nature of Triple-S’s default. In lieu of imposing any liquidated damages, penalties or sanctions against Triple-S, ASES may withhold an amount not to exceed 10% of the per member per month payment for certain limited events of non-compliance, until such event is cured. Moreover, the Contract contains representations and warranties and indemnity, termination and default provisions customary for these types of transactions with the Government of Puerto Rico. Finally, the Contract contains certain termination rights for both Triple-S and ASES, including the right to terminate the Contract as a result of insufficient government funds to pay ASES’s obligations under the Contract.

The foregoing summary of the terms and conditions of the Contract is subject to, and qualified in its entirety by, the full text of the Contract which will be filed with the Company’s next periodic filing under the Securities Exchange Act of 1934, as amended.

Item 8.01. Other Events.

On September 25, 2018, the Company issued a press release announcing that Triple-S Salud, Inc., managed care subsidiary of the Company, entered into a contract with the Puerto Rico Health Insurance Administration (ASES) to administer healthcare services for the Government’s revised Medicaid health insurance program. A copy of the press release is attached to this Current Report on Form 8-K as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits.

(d) The following items are filed as exhibits to this report:

[99.1](#) Press release of Triple-S Management Corporation, dated September 25, 2018.

[99.2](#) Attachment 11 to the Contract specifying the per member per month rates payable to Triple-S for particular subscribers.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TRIPLE-S MANAGEMENT CORPORATION

Date: September 27, 2018

By: /s/ Roberto García Rodríguez

Name: Roberto García Rodríguez

Title: President and CEO

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Section 2: EX-99.1 (EXHIBIT 99.1)

Exhibit 99.1



Triple-S Management Corporation
1441 F.D. Roosevelt Ave.
San Juan, PR 00920
www.triplesmanagement.com

FOR FURTHER INFORMATION:

AT THE COMPANY:

Juan José Román-Jiménez
EVP and Chief Financial Officer
(787) 749-4949

INVESTOR RELATIONS:

Mr. Garrett Edson
ICR
(787) 792-6488

Triple-S Management Corporation Finalizes Contract with Government of Puerto Rico to Participate in Revised Medicaid Health Plan

SAN JUAN, Puerto Rico, September 25, 2018 – Triple-S Management Corporation (NYSE: GTS), a leading managed care company in Puerto Rico, today announced that its managed care subsidiary, Triple-S Salud, Inc. (“Triple-S” or the “Company”), has entered into a contract with the Puerto Rico Health Insurance Administration (“ASES” by its Spanish acronym) to participate in the Government of Puerto Rico’s Revised Medicaid Health Plan, which is set to go into effect November 1, 2018. Triple-S will be one of the five managed care organizations (“MCOs”) serving the Island’s Medicaid Health population.

“We are very pleased to officially be participating in the Revised Medicaid Health Plan and to continue providing Medicaid services to Medicaid members island-wide,” said Roberto Garcia-Rodriguez, President and Chief Executive Officer of Triple-S Management Corporation. “We are excited to implement our innovative model focused on ensuring preventive care and improving the health outcomes of the chronically ill.”

Under the revised Medicaid program, MCOs have been initially assigned a preliminary number of members, but with participants allowed to select their insurance carriers, MCO’s will also be able to compete for membership across Puerto Rico, while bearing full risk. According to ASES, in assigning members across the five MCOs, it has initially distributed the total membership of the program equivalently among the five MCOs and then adjusted the numbers by taking into consideration a combination of other factors. Approximately 280,000 members have been preliminarily assigned to Triple-S.

Under the prior model, MCOs were awarded one or more of eight regions through a bid process and managed all beneficiaries in the awarded regions on an exclusive basis while bearing full risk for medical, dental and pharmacy benefits.

The Revised Medicaid Health Plan is expected to be for a three-year term through September 30, 2021, with an additional one-year term at ASES’ option. Premium rates will be negotiated for each contract year.

[About Triple-S Management Corporation](#)

Triple-S Management Corporation is an independent licensee of the Blue Cross Blue Shield Association. It is one of the leading players in the managed care industry in Puerto Rico. Triple-S Management has the exclusive right to use the Blue Cross Blue Shield name and mark throughout Puerto Rico, the U.S. Virgin Islands, and Costa Rica. With almost 60 years of experience in the industry, Triple-S Management offers a broad portfolio of managed care and related products in the Commercial, Medicare Advantage, and Medicaid markets under the Blue Cross Blue Shield marks. It also provides non-Blue Cross Blue Shield branded life and property and casualty insurance in Puerto Rico. For more information about Triple-S Management, visit www.triplesmanagement.com or contact investorrelations@ssspr.com.

Forward-Looking Statements

This document contains forward-looking statements, as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements include information about possible or assumed future sales, results of operations, developments, regulatory approvals or other circumstances. Sentences that include “believe”, “expect”, “plan”, “intend”, “estimate”, “anticipate”, “project”, “may”, “will”, “shall”, “should” and similar expressions, whether in the positive or negative, are intended to identify forward-looking statements.

All forward-looking statements in this news release reflect management’s current views about future events and are based on assumptions and subject to risks and uncertainties. Consequently, actual results may differ materially from those expressed here as a result of various factors, including all the risks discussed and identified in public filings with the U.S. Securities and Exchange Commission (SEC).

In addition, the Company operates in a highly competitive, constantly changing environment, influenced by very large organizations that have resulted from business combinations, aggressive marketing and pricing practices of competitors, and regulatory oversight. The following factors, if markedly different from the Company’s planning assumptions (either individually or in combination), could cause Triple-S Management’s results to differ materially from those expressed in any forward-looking statements shared here:

- Trends in health care costs and utilization rates
- Ability to secure sufficient premium rate increases
- Competitor pricing below market trends of increasing costs
- Re-estimates of policy and contract liabilities
- Changes in government laws and regulations of managed care, life insurance or property and casualty insurance
- Significant acquisitions or divestitures by major competitors
- Introduction and use of new prescription drugs and technologies
- A downgrade in the Company’s financial strength ratings
- A downgrade in the Government of Puerto Rico’s debt
- Litigation or legislation targeted at managed care, life insurance or property and casualty insurance companies
- Ability to contract with providers consistent with past practice
- Ability to successfully implement the Company’s disease management, utilization management and Star ratings programs
- Ability to maintain Federal Employees, Medicare and Medicaid contracts
- Volatility in the securities markets and investment losses and defaults
- General economic downturns, major disasters, and epidemics

This list is not exhaustive. Management believes the forward-looking statements in this release are reasonable. However, there is no assurance that the actions, events or results anticipated by the forward-looking statements will occur or, if any of them do, what impact they will have on the Company’s results of operations or financial condition. In view of these uncertainties, investors should not place undue reliance on any forward-looking statements, which are based on current expectations. In addition, forward-looking statements are based on information available the day they are made, and (other than as required by applicable law, including the securities laws of the United States) the Company does not intend to update or revise any of them in light of new information or future events.

Readers are advised to carefully review and consider the various disclosures in the Company’s SEC reports.

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Section 3: EX-99.2 (EXHIBIT 99.2)

Exhibit 99.2

Administracion de Seguros de Salud November 1, 2018 to September 30, 2019 PSG (MI Salud) PMPM Premium Rates Rate Cell		PMPM Premium Rate
Medicaid Pulmonary	\$	208.27
Medicaid Diabetes or Low Cardio	\$	322.97
Medicaid High Cardio	\$	704.54
Medicaid Renal	\$	1,471.71
Medicaid Cancer	\$	1,688.77
Medicaid Male 45+	\$	120.77
Medicaid Male 19-44	\$	87.44
Medicaid Male 14-18	\$	72.98
Medicaid Female 45+	\$	157.42
Medicaid Female 19-44	\$	108.21
Medicaid Female 14-18	\$	83.30

Medicaid Age 7-13	\$	75.25
Medicaid Age 1-6	\$	87.48
Medicaid Under 1	\$	249.25
Commonwealth Pulmonary	\$	137.49
Commonwealth Diabetes or Low Cardio	\$	173.79
Commonwealth High Cardio	\$	375.75
Commonwealth Renal	\$	607.43
Commonwealth Cancer	\$	1,250.44
Commonwealth Male 45+	\$	66.88
Commonwealth Male 19-44	\$	47.59
Commonwealth Male 14-18	\$	45.49
Commonwealth Female 45+	\$	94.63
Commonwealth Female 19-44	\$	76.24
Commonwealth Female 14-18	\$	56.54
Commonwealth Age 7-13	\$	61.58
Commonwealth Age 1-6	\$	69.21
Commonwealth Under 1	\$	260.25
CHIP Pulmonary	\$	191.68
CHIP Diabetes	\$	503.89
CHIP Age 7-13	\$	68.46
CHIP Age 14+	\$	63.08
CHIP Age 1-6	\$	91.16
CHIP Under 1	\$	256.09
Dual Eligible Part A and B	\$	740.27
Dual Eligible Part A Only	\$	299.62
Maternity Delivery Kick Payment	\$	4,641.59

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