

(S. B. 531)

(No. 20)

(Approved February 26, 2010)

AN ACT

To add clause number (4) to subsection (n) of Section 2 of Article 4 of Act No. 72 of September 7, 1993, as amended, better known as the “Puerto Rico Health Insurance Administration Act,” in order to establish that contracts undersigned by the Administration with participating purveyors or insurers shall contain a prohibition to bar service purveyors from billing patients directly for the balance that the insurance company did not pay out for services rendered in emergency rooms, which, as patients, they are not under the obligation to pay.

STATEMENT OF MOTIVES

Health is a top priority issue for Governments and for citizens as well. For this reason, among other practical matters to be considered, most employers in Puerto Rico provide financial contributions for their employees to engage the services of a health plan. The Government is one of those employers, which, as part of the fringe benefits it offers its employees, designates an item as contribution for a health plan.

At present, various medical purveyors have resorted to balance billing to charge the patient any balance owed by the health plan. This practice is mostly seen when patients receive services at emergency rooms in which various medical purveyors participate, such as anesthetists and other specialists. The practice consists in the billing of patients by medical purveyors for the balance owed by their health plan when it pays out an amount below that which is claimed or when the health plan is tardy to pay.

States such as California and New Jersey have approved legislation to prohibit this kind of billing beyond the co-payments required by health plans. Furthermore, the Federal law entitled “The Omnibus Budget Reconciliation Act of 1989 (OBRA 89)” prohibits this kind of billing regarding Medicare patients. These laws provide that medical purveyors may only bill the insurer for services covered under the health plan.

It is the responsibility of this Legislative Assembly to prevent patients insured under a health plan from falling victim to this kind of practice and also to ensure that medical service purveyors shall only be able to bill insurers and not patients for the payment of medical services covered under health plans.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF PUERTO RICO:

Section 1.—A clause number (4) is hereby added to subsection (n) of Section 2 of Article 4 of Act No. 72 of September 7, 1993, as amended, better known as the “Puerto Rico Health Insurance Administration Act,” to read as follows:

“Section 2.—Purposes, Functions, and Powers.—

(a) . . .

(n) Establish in the contracts undersigned with insurers or participating purveyors:

(1) . . .

(4) To bar service purveyors from billing patients directly for the balance that the insurance company did not pay out for services rendered in emergency rooms, which, as patients, they are not under the obligation to pay. Insurers shall be responsible to pay one hundred percent (100%) of the amount stipulated in their contract. This does not include deductibles.

(o) . . .”

Section 2.—This Act shall take effect immediately after its approval.

CERTIFICATION

I hereby certify to the Secretary of State that the following **Act No. 20 (S. B. 531)** of the **3rd Session of the 16th Legislature** of Puerto Rico:

AN ACT to add clause number (4) to subsection (n) of Section 2 of Article 4 of Act No. 72 of September 7, 1993, as amended, better known as the "Puerto Rico Health Insurance Administration Act," in order to establish that contracts undersigned by the Administration with participating purveyors or insurers shall contain a prohibition to bar service purveyors from billing patients directly for the balance that the insurance company did not pay out for services rendered in emergency rooms, which, as patients, they are not under the obligation to pay.

has been translated from Spanish to English and that the English version is correct.

In San Juan, Puerto Rico, on the 8th day of June, 2011.

María del Mar Ortiz Rivera, Esq.
Director