

(Substitute to H. B. 2585
and 2659)
(Conference)

(No. 105)

(Approved July 19, 2002)

AN ACT

To amend Article II; amend subsection (b), (c), (d), (e), (f), (h), (o) and (r) of Section 1, Article III; renumber subsections (f), (g), (h), (i), (j), (k), (l), (m), (n), (o), (p), (q), (r), and (s) of Section 1, Article III as subsections (h), (i), (j), (k), (l), (n), (o), (s), (t), (v), (aa), (bb), (dd) and (gg) respectively; add a new subsection (f), (g), (m), (p), (q), (r), (u), (w), (x), (y), (z), (cc), (ee), (ff) and (hh) to Section 1, Article III; to amend subsections (c), (m), and (n) of Section 2, Article IV; renumber clauses (1) and (2) of subsection (m) of Section 2, Article IV; to renumber subsections (c), (d), (f), (g), (h), (i), (j), (k), (l), (m), (n), (o) and (p) of Section 2, Article IV as subsections (d), (e), (f), (g), (h), (i), (j), (k), (l), (m), (n), (o), (p) and (q) respectively; and add a new subsection (c) to Section 2, Article VI; amend Sections 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10 of Article VI; and to add a new Article IX to Act No. 72 of September 7, 1993, as amended, with the purpose of empowering the Health Insurance Administration to contract health services purveyors directly, release the health services organizations contracted by the Health Insurance Administration from the jurisdiction and regulations of the Insurance Commissioner, and for other purposes.

STATEMENT OF MOTIVES

The Health Insurance Administration was created in 1993 with the purpose of implementing, administering and negotiating a health insurance system, through contracts with insurance underwriters that would eventually provide all residents, of the Island access to quality medical and hospital care, regardless of the financial condition and capacity to pay, of those who require

them. Over eight years have passed since its implementation, and it is vital to analyze and evaluate the way health services are contracted.

The public policy established by the past Administration, minimized the role of Government as a purveyor of health services, delegating on the private sector the primary function of offering services, through the contracting of insurance underwriters, to provide medical and hospital insurance coverage. The cost of said coverage is estimated at 1.3 billion dollars a year to cover the health services of a population estimated at 1.8 million beneficiaries. In view of the accelerated cost of health insurance and the interest of this Administration to give the needy access to quality health services, it is indispensable to design new models for the rendering of services. They must be dynamic, flexible and cost-effective within the coordinated care model, adjusted to the existing fiscal and financial facts without adversely affecting the quality and access to the services. Furthermore, the Health Insurance Administration, assuming its ministerial obligation to watch over the proper functioning of the health insurance system requires innovation, and the establishing of mechanisms that will attend to, and correct the existing structural and operating deficiencies.

Some of the problems faced by the Health Insurance Administration, to a great measure respond to the accelerated process of its implementation, the insufficient supervision of insurance underwriters, the establishing of incongruent and incompatible models, the inadequate distribution of risk delegated on the primary physicians who have no control of their budgets, the increase of the population to be served, and the inadequate use of health insurance by many beneficiaries.

On the other hand, the present legislation limits the power of the Health Insurance Administration, to contract solely with insurers. This impedes and

restricts the flexibility needed to develop avant-guard programs or models for the offering of quality health services, that will allow the Government of the Commonwealth of Puerto Rico to improve the quality of services and reduce the cost of health insurance.

The experience obtained makes it necessary to design these or other models for the rendering of health services that will allow the evaluation of the necessity and convenience of modifying the present model of rendering health services.

Therefore, the Commonwealth of Puerto Rico has the purpose of initiating models for contracting purveyors of health services directly under a real model of coordinated care that will allow a more adequate distribution of the responsibility of primary physicians, a reduction of costs, a greater responsibility of the beneficiary on the use of health insurance, and better controls of the medical treatment received by the beneficiary.

BE IT ENACTED BY THE LEGISLATURE OF PUERTO RICO:

Section 1.- Article II of Act No. 72 of September 7, 1993, as amended, is hereby amended to read as follows:

ARTICLE II

STATEMENT OF LEGISLATIVE INTENT

As part of a radical reform of the health services in Puerto Rico, this Act is established to create the Puerto Rico Health Insurance Administration. It is a public corporation with full authority to develop the functions entrusted by this Act.

The Administration shall have the responsibility to implement, administer, and negotiate a health insurance system by means of contracts with insurers, entities and health service purveyors, which will eventually give all the residents of the island access to quality medical and hospital care,

regardless of the financial condition and capacity to pay of those who require them.

From the turn of this century, the public health policy of Puerto Rico has revolved around the viewpoint that the government has the responsibility of rendering direct health services.

Pursuant to this policy, two health systems have evolved which are notably unequal. In general terms, we can affirm that the quality of health care in Puerto Rico has come to depend predominantly on the financial capacity of the person to cover the cost thereof with his/her own resources.

Within this scheme, the care of the medically-indigent sector of our population has fallen upon the Department of Health. The good intentions of its officials have not been sufficient to counteract the adverse effects on the quality of the Department, factors such as: budget insufficiency; rising cost of technology and medical supplies; bureaucratic growth and, centralism; and the interference of party politics with departmental efforts.

Since 1967, there have been several attempts in Puerto Rico to reform the medical and hospital services of the Department. However it has not been possible to narrow the ever-widening gap between the quality of public and private services.

This experience provides the background of the public policy set forth by this Act. This public policy is the following: The Administration shall approach, negotiate and contract health services insurance companies and providers to provide quality medical and hospital services, particularly to those who are medically-indigent.

The Administration also shall establish control mechanisms addressed to prevent an unjustified rise in the costs of health services and insurance premiums”.

Section 2.- To amend subsection (b), (c), (d), (e), (f), (h), (o) and (r) of Section 1, Article III; to renumber subsections (f), (g), (h), (i), (j), (k), (l), (m), (n), (o), (p), (q), (r), and (s) of Section 1 Article III as subsections (h), (i), (j), (k), (l), (n), (o), (s), (t), (v), (aa), (bb), (dd) and (gg) respectively; to add new subsections (f), (g), (m), (p), (q), (r), (u), (w), (x), (y), (z), (cc), (ee), (ff) and (hh) to Section 1 Article III of Act No. 72 of September 7, 1993, as amended, to read as follows:

ARTICLE III
DEFINITIONS

Section 1.- Terms and phrases

For the purposes of this Act, the following terms and phrases shall have the meaning set forth below:

- (a) Administration – Puerto Rico Health Insurance Administration.
- (b) Beneficiary Alliances – groups of beneficiaries represented by the Administration in the negotiation of the Health Plan coverage benefits they need. These groups are composed of the beneficiaries of the Department of Health, or other groups that may avail themselves of the activities of the Administration in the future.
- (c) Employer Contribution – portion of the cost of the premium paid by the employer of the beneficiary.
- (d) Personal Contribution – portion of the cost of the premium paid by the beneficiary.
- (e) Insurer – the entity that assumes the contractual risk by being a paid a premium, duly-authorized by the Insurance Commissioner to do business in Puerto Rico; or the entity on which the Administration delegates through a contract the adjudication of the processing of

the payment for services, in contracts between the Administration and participating purveyors.

- (f) Internal Fiscal Audit – the procedure established by the Administration to compile the information needed to corroborate that the services rendered to the beneficiaries were provided on the basis criteria of necessity and the same were billed correctly.
- (g) Medicare Beneficiary – a person eligible for the Federal Medicare Program who also meets the requirements to be a beneficiary of the Administration.
- (h) Co-insurance - percentage-based share of the beneficiary for each loss or portion of the cost of receiving a service.
- (i) Commissioner – Insurance Commissioner of Puerto Rico.
- (j) Health Benefit Coverage – all benefits for the beneficiaries included in a health plan.
- (k) Department – Department of Health of the Commonwealth of Puerto Rico.
- (l) Executive Director – The Executive Director of the Puerto Rico Health Insurance Administration.
- (m) Emergency – refers to a medical condition this manifested by sufficiently severe, acute symptoms, including severe pain, which a reasonable prudent layperson, having average knowledge of medicine and health, may expect that the lack of immediate medical assistance could place the health of the person in grave danger, or would result in a serious dysfunction of any organ or member of the body; or with regard to pregnant women having contractions, the lack of sufficient time to transfer her to other facilities before the

delivery, or that her transfer would represent a threat to the health of the woman or the unborn baby.

- (n) Entity – any organization with its own legal status, organized or authorized to do business under to the laws of Puerto Rico.
- (o) Health Facilities – those defined in Act No. 101 of June 26, 1965, as amended.
- (p) Primary Medical Group – profitable or non-profitable entity that groups or associates primary physicians.
- (q) Supporting Medical Group – either a profitable or non-profitable entity which groups or associates supporting physicians.
- (r) Group of Primary Purveyors – a profitable or non-profitable entity which groups or associates primary purveyors.
- (s) Board of Directors- Board of Directors of the Puerto Rico Health Insurance Administration.
- (t) Act – “Puerto Rico Health Insurance Administration Act”.
- (u) Supporting Physician – the participating professional, purveyor who provides complementary and support services to primary physicians. In order to obtain these benefits, the beneficiary must be referred by the primary physician. The following are considered to be support physicians: cardiologists, endocrinologists, neurologists, psychiatrists, ophthalmologists, radiologists, nephrologists, physiotherapists, orthopedists, general surgeons and other physicians not included in the definition of primary physician.
- (v) Primary Physician – the participating professional purveyor who evaluates and initially treats the beneficiaries. He/she is responsible for determining the services needed, by the beneficiary provide continuity, and to refer the beneficiaries for special services. The

following: are considered to be Primary Physicians: internists, family doctors, pediatricians, gynecologists and obstetricians.

- (w) Health Services Organizations – groups of primary physicians, medical support groups and primary purveyors who meet the contracting requirements established by the Administration to offer health services through the coordinate care model.
- (x) Capitation- the part of the premium paid to the insurer that is transferred to the purveyor in payment of the benefits provided under health benefit coverage's to the beneficiary represented by the Administration or such fixed payment made by the Administration to the participating purveyor for each beneficiary.
- (y) Health Plan – means any contract through which a person is committed to provide to a beneficiary or group of beneficiaries, specific health care services, whether directly or through a health care purveyor; or to pay all or part, of the cost of said services, in consideration of the payment of an amount prefixed in said contract, which is considered to be due regardless of whether the beneficiary uses or not, the health care services provided by the plan.
- (z) Pre-authorization – a written authorization of the insurer to the beneficiary granting authorization to obtain a benefit. The beneficiary shall be responsible for obtaining such pre-authorization from the insurer in order to obtain the benefits it requires. Failure to obtain the pre-authorization when required shall prevent the beneficiary from obtaining the benefit, and the granting of the pre-authorization binds the issuer to pay the service thus authorized.

- (aa) Premium – remuneration granted to an insurer for assuming a risk through an insurance contract.
- (bb) Basic Premium – the lowest premium from among all those contracted with the insurers.
- (cc) Health Services Purveyor – shall consist of primary physicians, support physicians, primary services, primary purveyors and health service organizations.
- (dd) Participating Purveyor – a health service purveyor contracted by the insurers by or the Administration to provide health services to the population represented by the Administration.
- (ee) Primary Purveyors – shall consist of participating purveyors that are clinical laboratories, radiology facilities pharmacies and hospitals, without including emergency rooms.
- (ff) Referral – written authorization issued by the selected primary physician that allows the beneficiary to receive a service from another participating purveyor within a specific period of time.
- (gg) Secretary – Secretary of the Department of Health.
- (hh) Primary Services – the emergency rooms of the participating purveyors.

Section 3.- Subsections (c), (m), and (n) of Section 2, Article IV; to renumber clauses (1) and (2) of subsection (m) of Section 2, Article IV; to renumber subsections (c), (d), (f), (g), (h), (i), (j), (k), (l), (m), (n), (o) and (p) of Section 2, Article IV as subsections (d), (e), (f), (g), (h), (i), (j), (k), (l), (m), (n), (o), (p) and (q), respectively; and to add a new subsection (c) to Section 2 of Article IV of Act No. 72 of September 7, 1993, as amended, are hereby amended to read as follows:

“ARTICLE IV

PUERTO RICO HEALTH INSURANCE ADMINISTRATION

...

Section 2.- Purposes, Functions and Powers

The Administration shall be the government body in charge of implementing the provisions of this Act. To such purposes, it shall have the following powers and functions which shall rest on its Board of Directors:

- (a) ...
- (b) ...
- (c) Directly negotiate and contract with health service purveyors, those health services that the Administration deems convenient, considering the capacity and structure thereof.
- (d) Organize alliances and conglomerates of beneficiaries with the purpose of representing them in the negotiation and contracting of their health plans.
- (e) ...
- (f) ...
- (g) ...
- (h) ...
- (i) ...
- (j) ...
- (k) ...
- (l) ...
- (m) ...
- (n) Establish in the contracts subscribed with the insurers or the participating purveyors:

- 1) A guarantee of the payment of the medical-hospital care received by its beneficiaries, even though it is rendered outside of the health area where the beneficiaries reside, due to an emergency or urgent need.
 - 2) The evaluation mechanisms and those of any other nature which will guarantee all aspects, that directly or indirectly, affect the accessibility, quality, costs control and use of services, as well as the protection of the rights of the beneficiaries and the participating purveyors.
 - 3) ...
- (o) Direct to the insurers and participating purveyors to furnish the information that the Administration deems is necessary to follow up on the strict compliance of this Act, to keep a record of the services rendered in categorical programs subsidized by the Federal government, and document the relationship of their beneficiaries, payment claims and the pertinent financial statistical reports. In case of non-compliance, the Administration may go before the Court of First Instance of Puerto Rico, San Juan Division, to request it to order the delivery of the required information.
- (p) ...
- (q) ...

Section 4.- To amend Sections 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10 of Article VI of Act No. 72 of September 7, 1993, as amended, to read as follows:

“ARTICLE VI
HEALTH PLAN

Section 1.- Selection of health plans

The Administration shall negotiate health plans for one or more geographic areas upon determining that such geographic areas meet the necessary conditions to ensure access to quality health services within a cost effective scheme.

To such purposes, we may consider that the territorial delimitation of Puerto Rico as a whole, constitutes one single area, as well as the grouping of one or more Municipalities, may constitute one independent and separate area or region. Among the criteria that the Administration shall use to determine the territorial boundary by areas or regions, shall be the participation of a minimum number of insurers, that the Administration has previously qualified to guarantee competition in the cost of the premiums and quality of services. Prior to determining that Puerto Rico as a whole is one single area, the Administration shall carry out a study to determine the viability of establishing one single area, as well as the advantages and disadvantages for the stability and strengthening of the Health Plan, so that it may truly support free selection and access to quality services for the beneficiaries. The Administration shall take into consideration the solvency, and administrative and operational resources when evaluating the insurers. The Department shall identify and certify the persons that are eligible for the services pursuant to their level of income and their eligibility to receive state and Federal health benefits, in harmony with the provisions of Section 3 of this Article.

The Health Plan provided by this Act shall be subject to evaluation by the Administration, in order to determine its success and the need to modify it in order to achieve the purposes of this Act.

Section 2.- Contracting

The Administration shall contract health insurance for the established area or areas, with one or more licensed insurers authorized to do health insurance business in Puerto Rico by the Insurance Commissioner, or by special laws approved for such purposes. It may likewise, contract with health service purveyors as defined in this Act. Provided, that the health service organizations that contract with the Administration for the services they render to the beneficiaries represented by the Administration, shall not be subject to the jurisdiction nor to regulation of the Commissioner pursuant to Article 19.031 of the Insurance Code. The Administration shall be responsible for supervising and seeing to the capacity and effectiveness for compliance of these organizations, and may contract the services of third parties to such ends.

Section 3.- Health Insurance Beneficiaries

All residents of Puerto Rico may be beneficiaries of the Health Plan established upon the implementation of this Act, provided that they meet the following requirements, as pertinent:

- (a) ...
- (b) Members of the Puerto Rico Police, their spouses and children, pursuant to the provisions of Act No. 53 of June 10, 1996, as amended. When the member of the Puerto Rico Police dies under any circumstance, this benefit shall remain in force for the surviving spouse, as long as the spouse does not re-marry, and the children are younger than 21 years of age or those who are older,

that are taking post-secondary studies, until they are 25 years of age. The Puerto Rico Police shall consign the funds in its budget of expenses, to keep the health insurance plan for these beneficiaries, in effect by means of a contribution equivalent to the health benefits contribution received by the member of the Police force from his employer, at the moment of his/her death.

The Secretary of the Treasury shall transfer to the Administration the amount of the employer's contribution consigned in the General Budget of Expenses for medical and hospital benefit coverage, pursuant to Act No. 95 of June 29, 1963, as amended, and the corresponding contribution to maintain the benefits of the health insurance plan in effect for the spouses and children, when the member of the Police force dies.

The members of the Puerto Rico Police force who choose to use the employer contribution to acquire another health plan in the market, shall not participate of the plan established in this Act.

- (c) Those public employees and their direct dependents, who, due to their financial condition, qualify as beneficiaries of the Government of Puerto Rico Health Insurance Plan, shall be entitled to receive this benefit. The corresponding difference to cover the total cost of the individual and family medical and hospital coverage insurance premium, shall arise from the funds appropriated by the Management and Budget Office.

Those public employees whose level of income makes them ineligible for the Plan, may choose coverage under the Government Health Services Plan, or may continue coverage under the private plan of their preference. In the event the employees chooses the Government Health Plan, the difference

between the Government contribution and the total cost of the insurance premium shall be defrayed by the employees.

In the case of a public employees married to each other, they may avail themselves of the Government Health Plan, combining their contributions and acting jointly for their eligibility. In all cases the Secretary of the Treasury shall transfer to the Administration the amount that corresponds to the contribution of the employer to the public employees under the Health Plan. Public employees who choose to use the employer contribution to acquire another medical plan on the market, and have, in turn, been identified and certified by the Department, as provided in Section 1 of Article VI of this Act, shall not participate in the Health Plan of the Government of Puerto Rico. Public employees shall have the option of extending the medical and hospital coverage to their optional dependents, and, the employee shall have to pay the total cost of the coverage.

(d) ...

...

Section 4.- Provisions Against Discrimination

An insurer under this Act shall not issue identification cards that are different to those provided to others who are insured under plans with similar coverage, unless the Administration so authorizes or requires it.

No participating purveyor or its agent shall make any sort of inquiry on the source of the health insurance plan coverage, to determine if a person is the beneficiary of the plan created by this Act.

Section 5.- Deductibles; Co-insurance and Premiums; Prohibited Practices

The Administration shall establish the premium agreed to in the contracts underwritten with the insurers. It shall also establish in said

contracts, the corresponding amount as payment of deductibles and, co-insurance pursuant to the level of income and ability to pay of the beneficiary. All other insurers may come to an agreement with the Administration to pay a premium that is higher than the basic premium, the difference shall be paid by the beneficiary. No participating purveyor may charge the beneficiary an amount that exceeds the amount agreed upon as a deductible; co-insurance or premium in the contract subscribed with the insurers or the Administration.

The insurers that contract with the Administration to provide health plans shall not, at any time, increase the premium or reduce benefits in any other policies they provide, in order to subsidize the premium, reduce the cost, or compensate for the loss experienced by the insurance plan that is authorized in this Act. The premium agreed upon must be actuarially validated as reasonable by the duly-qualified actuaries of the Administration, according to the standards of the American Academy of Actuaries. For the purpose of structuring and fixing the cost or premium, the insurers shall consider the group of beneficiaries of these health insurance plans, as a unit that is independent of its other groups of beneficiaries, and shall maintain a separate accounting system for them. Likewise, the health service purveyors that contract with the Administration shall not be able to reduce the benefits nor affect the quality thereof to accommodate patients that are not covered by the Health Plan authorized by this Act.

Failure to comply with the provisions of this Section shall be penalized by the Insurance Commissioner pursuant to the provisions of Act No. 77 of June 19, 1957, as amended, denominated the "Insurance Code of Puerto Rico" or by the provisions of the contract with the Administration, as applicable.

Section 6.- Coverage and Minimum Benefits

The Health Plans shall have a broad coverage, with a minimum of exclusions. There shall be no exclusions for pre-existing conditions, nor waiting periods, at the time coverage is granted to the beneficiary.

A. The Administration shall establish a coverage of benefits to be offered by the contracted insurers or participating purveyors. The coverage shall include the following, among other benefits: out-patient services, hospitalization, dental health, mental health, laboratory, X-rays, as well as medically prescribed medications which shall be dispensed at a participating pharmacy, freely selected by the beneficiary, and licensed under the laws of Puerto Rico. The coverage shall provide for each beneficiary to have laboratory tests and immunizations appropriate to his/her age, sex and physical condition available, annually.

B. ...

...

C. In its out-patient coverage, the plans shall include the following without being a limitation:

1. Preventive health services

a) ...

2. Evaluation and treatment of beneficiaries with known diseases:

...

Primary physicians shall have the responsibility of the out-patient management of the beneficiaries under their care, providing them with continuity of services. Likewise, they shall be the only ones authorized to refer the beneficiary to the supporting physicians and primary purveyors.

Section 7.- Models for Rendering Services

The Administration shall establish through regulations, the different models for rendering services, which may be used to offer the health plans created by this Act.

The models for the rendering of services that are used, shall have the following in common:

- (a) Primary care shall be fortified by groups of primary physicians and by primary purveyors, as defined in the applicable legislation, and Federal and local regulations, that are authorized to practice in Puerto Rico.

...

- (d) The Administration shall not contract with health service organizations that have direct or indirect financial interests, with other health services organizations, except with those primary medical or medical-support groups that have radiological resources in their facilities.

(e) ...

(f) ...

(g) ...

Section 8.- Regionalization System

The rendering of services shall be carried out following the regionalization system established by the Administration in coordination with the Department, by progressively establishing a network of participating purveyors throughout the Island, thus insuring the closest possible service to the patient.

- (a) The insurer shall provide all secondary and tertiary services in each region as defined by the Department, but only those secondary and

tertiary services not provided by the State, in such region or area. The participating purveyors shall coordinate with the Administration the extent of the secondary and tertiary services they will provide as provided in the contract, but only those secondary and tertiary services not provided by the State, in such region or area.

...

- (e) In those municipal governments, which have opted to operate or continue to operate the facilities to render health services, shall be subject to the contracting of those health plans executed by the Administration.
- (f) Those municipalities in which Community Health Services operate or may operate in the future, may continue rendering services, and contract additional services with the corresponding insurers, or the Administration.

...

Section 9.- Financing of the Administration and the Health Plan; Other revenues.

The Health Insurance Plan established by this Act, and the operating expenses of the Administration, shall be defrayed as follows:

- (a) Health Insurance Plan – for the 1993-94 fiscal year the sum of eighteen million (18,000,000) dollars is hereby appropriated to the Administration from unencumbered funds in the Commonwealth Treasury. For subsequent years, a special self-renewable appropriation shall be consigned in the budget of expenses of the Administration, according to the needs of the health insurance plan. In addition, for the 1993-94 and subsequent fiscal years, the

Administration shall be appropriated the savings generated by the Department by establishing of Act No. 103 of June 12, 1985, as amended.

...

- (d) The budget appropriation of the municipal governments for direct health services in areas covered by the health plans shall be based on the percentages contained in the following table of the Current Funds Budget of the municipalities excluding the Special Additional Contribution, and Federal funds, (C.A.E. Spanish acronym) using as a base the regular funds budget of the previous fiscal year, as of July 1, 1997.

...

Section 10.- Complaint - Procedure

The Administration shall require the insurers and purveyors with whom it contracts to establish the procedures, to handle and resolve complaints from the participating purveyors and the beneficiaries.

The Administration shall establish guidelines for the solution of complaints which will guarantee due process of law. The findings made regarding these complaints, shall be appealable before the Administration, as provided by Regulations or written contract. The final findings of the Administration shall be reviewable by the Circuit Court of Appeals.”

Article 5.- A new Article IX is hereby added to Act No. 72 of September 7. 1993, as amended, to read as follows:

“ARTICLE IX

CONTRACTING WITH HEALTH PURVEYORS

Section 1.- Contracts

In those contracts executed by the Administration when contracting health service purveyors directly, the Administration may contract with the insurers for them to adjudicate in the processing of payments for services in those contracts between the Administration and the participating purveyors.

Section 2.- Demonstrative Model; Authorization

Complemented by, and without impairing the provisions of this Act, the Administration is hereby authorized to execute pilot plans for direct contracting with health purveyors, within the year counting from the effective date of the Act that creates this Article IX, with the purpose of allowing the negotiation and contracting of health insurance plans by the Administration with purveyors of the health services as defined by this Act. Every six (6) months from the approval of this Act, the Administration shall inform the Legislature of Puerto Rico on the evaluation, viability and the possibility of extending it to other areas or regions of the Island.

Section 3.- Payment

The Administration shall consider transferring to the health services purveyor, the percentage of the premium dollar assigned to the medical sub-fund without impairing it by invoices and/or charges related to the other items of the medical fund such as the ancillary consultation services of emergency rooms and, hospitals, laboratories, X-rays, pharmacies, support physicians and other health services purveyors.

In addition, the Administration shall consider taking charge of the Catastrophic Fund, the Institutional Fund and the abovementioned ancillary services.

Likewise, the Administration shall consider the negotiation of rates with different supporting physicians based on the methods of paying for services

rendered or per capita payment, having to its credit, the administration and reserves funds in order to mitigate the fluctuations of payments.

Section 6.- Severability and Interpretation

Should any Article, Section, paragraph, sentence, phrase or provision of this Act be found unconstitutional by a court with competent jurisdiction, the remaining provisions shall remain in full force and effect.

Every contract awarded as of the effective date of this Act, may be rescinded, terminated or amended by the Administration, upon prior notice thereof, sixty (60) days prior to the effective date of the rescission, termination or amendment, as a part of the process of extending the models or pilot contracting programs with health service purveyors, pursuant to Article IX, which is added by this Act, or as part of a complete transition of the Health Plan to a model for contracting with health service purveyors. The Administration shall include a warning to such effect in all contracts to be granted.

The provisions of this Act shall not be interpreted nor applied in any way that limits or curtails any of the contractual obligations granted prior to the effectiveness of this Act.

Section 7.- Effectiveness

This Act shall take effect July 1, 2002.

CERTIFICATION

I hereby certify to the Secretary of State that the following Act No. 105 (Substitute to H.B. 2585 and 2659) (Conference) of the 3rd Session of the 14th Legislature of Puerto Rico:

AN ACT to amend Article II; amend subsection (b), (c), (d), (e), (f), (h), (o) and (r) of Section 1, Article III; renumber subsections (f), (g), (h), (i), (j), (k), (l), (m), (n), (o), (p), (q), (r), and (s) of Section 1, Article III as subsections (h), (i), (j), (k), (l), (n), (o), (s), (t), (v), (aa), (bb), (dd) and (gg) respectively; add a new subsection (f), (g), (m), (p), (q), (r), (u), (w), (x), (y), (z), (cc), (ee), (ff) and (hh) to Section 1, Article III; to amend subsections (c), (m), and (n) of Section 2, Article IV, etc.,

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

In San Juan, Puerto Rico, today 30th of September of 2004.

Elba Rosa Rodríguez-Fuentes
Director

