

(H.B. 1744)

(No. 120)

(Approved October 7, 2009)

AN ACT

To amend Article VI, Section 1 of Act No. 72 of 1993, as amended, known as the “Puerto Rico Health Insurance Administration Act,” in order to establish among the rules for determining beneficiary’s eligibility the assessment criteria regarding rustic farms that are not generating any income and to establish penalties for furnishing false information with respect thereto.

STATEMENT OF MOTIVES

The Regulations of the Medical Assistance Program (PAM, Spanish acronym) establishes the eligibility criteria for participants of the Health Program of the Government of Puerto Rico. The past administration, together with the former directors of the Health Insurance Administration (ASES, Spanish acronym), established an assessment criteria for *cuerdas* of land that are not in proportion to the assessment of *cuerdas* of land according made by the Department of Agriculture of Puerto Rico. Furthermore, rustic lands, which were formerly used for agricultural purposes, were not taken into account, even though these are not classified as such.

Last quadrennial, we attempted unsuccessfully to make the Department of Health under the past administration change such eligibility criteria, particularly that pertaining to the assessment of *cuerdas* of land. The result of said eligibility criteria was that many persons, who were actually in need for medical services and who lacked the necessary resources to pay for a

private health plan, be excluded from the Health Plan of the Government of Puerto Rico.

The eligibility criteria for the Health Plan of the Government of Puerto Rico are fixed locally, according to the general guidelines established by the Federal Government. The assessment of *cuerdas* of land responds to criteria that have been fixed locally; thus, nothing prevents the revision thereof. The approval of this bill is a means to serve justice to thousands of persons who were excluded from the Health Plan of the Government of Puerto Rico by the last administration, without taking into account the actual needs for health services of these persons.

BE IT ENACTED BY THE LEGISLATURE OF PUERTO RICO:

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

“Article VI.-

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, through the Medical Assistance Office (PAM, Spanish acronym), 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 5 of Article VI of this Act. Provided, that when determining eligibility, beneficiaries shall be notified in a timely manner of the adoption of new standards of eligibility within a term of not less than six (6) months before the same take effect, except in the case of a federal regulation requiring immediate compliance.

Among the rules of eligibility, regarding rustic farms, when assessing real property under the process for determining beneficiary's eligibility, the value per *cuerda* shall be one thousand (1,000) dollars; provided, that such farm is not producing or generating any income whatsoever. There shall be determined that this assessment designation shall be exclusively for the purposes of this Act. In such case, the beneficiary shall be required to show the beneficiary's proof of ownership and a sworn statement, which shall attest to the fact that the farm is not generating any income whatsoever. If after extending the benefit, it is determined that such person furnished false information, he/she shall be bound to reimburse twice the amount paid as a result of using the Health Plan of the Government of Puerto Rico, without prejudice of any other penal sanctions that may apply as provided in the laws

in effect on presenting false information or documents or illegally obtaining government services.

The health plans provided by this Chapter shall be subject to evaluation by the Administration, in order to determine their success and the need to modify the same in order to achieve the purposes of this Chapter.”

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. 120 (H. B. 1744)** of the **2nd Session of the 16th Legislature** of Puerto Rico:

AN ACT to amend Article VI, Section 1 of Act No. 72 of 1993, as amended, known as the “Puerto Rico Health Insurance Administration Act,” in order to establish among the rules for determining beneficiary’s eligibility the assessment criteria regarding rustic farms that are not generating any income and to establish penalties for furnishing false information with respect thereto.

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

In San Juan, Puerto Rico, today 13th of November of 2009.

Solange I. De Lahongrais, Esq.
Director