

(H. B. 1211)

(No. 227)

(Approved December 30, 2010)

## **AN ACT**

To add a new Section 4 to Article VIII of Act No. 72 of September 7, 1993, as amended, known as the “Puerto Rico Health Insurance Administration Act”; to require that insurers and third parties shall share eligibility data with the Health Insurance Administrator or its duly authorized Subcontractor; to authorize recovery for services paid by the Administration; and for other purposes.

### **STATEMENT OF MOTIVES**

Under certain circumstances, some beneficiaries of the federally funded Medicaid Program in Puerto Rico may be entitled to obtain benefits from private health plans or other health insurance plans financed by the Government of Puerto Rico. In accordance with the applicable federal laws and guidelines, Medicaid is the payer of last resort; all other sources shall pay for services before resorting to Medicaid funds for payment thereof.

As provided in Public Law 190-171, the Federal Government requires state and territories governments that benefit from Medicaid funds to authorize health insurers to share certain information with the State Agency charged with administering Medicaid Program. The collection of such information facilitates service coordination and a sound administration of the funds received and avoids Medicare payments when other health insurance carriers should pay for a service.

The approval of this Act would allow the Health Insurance Administration (hereinafter, "ASES") to better use its resources and prevent it from making service payments pertaining to others. Furthermore, with the information that the health insurance providers are required to furnish to ASES, it may, if deemed pertinent, take any payment recovery action against third parties for services that should have been paid by other private health insurance plans or health plans financed by the Government.

***BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF PUERTO RICO:***

Section 1.- A new Section 4 is hereby added to Article VIII of Act No. 72 of September 7, 1993, as amended, to read as follows:

“Article VIII.-

Section 1.-

...

Section 4.-Exchange of Information.-

Every insurer, health service organization or any other entity that renders health services in Puerto Rico, contracting with the Administration and other entities of the Government of Puerto Rico, shall be bound to provide the latter with any information requested, and in the event of noncompliance, it shall be subject to the penalties provided under Section 2.250 of Act No. 77 of June 19, 1957, as amended, known as the ‘Insurance Code of Puerto Rico.’

If, after the Administration has verified the information furnished, it arises that a Medicaid Program beneficiary is also a private health plan beneficiary or that the services rendered should have been paid by a third party or health plan financed by the Government, other than the Medicaid Program, the Administration or its duly authorized Subcontractor, shall initiate a payment recovery action against the beneficiary’s primary plan and such information shall be sent to the Medicaid

Office. The beneficiary shall not be responsible for such payment. None of the provisions of this Act shall be construed as a waiver of confidentiality under the 'Health Insurance Portability and Accountability Act (HIPAA).' Provided, that a payment recovery action shall be initiated within two (2) years as of the rendering of services to the beneficiary.”

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. 227 (H. B. 1211)** of the **4<sup>th</sup> Session of the 16<sup>th</sup> Legislature** of Puerto Rico:

**AN ACT** to add a new Section 4 to Article VIII of Act No. 72 of September 7, 1993, as amended, known as the "Puerto Rico Health Insurance Administration Act"; to require that insurers and third parties shall share eligibility data with the Health Insurance Administrator or its duly authorized Subcontractor; to authorize recovery for services paid by the Administration; and for other purposes.

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

In San Juan, Puerto Rico, on the 18<sup>th</sup> day of February, 2011.

María del Mar Ortiz Rivera, Esq.  
Director