## (No. 267)

(Approved August 13, 2008)

# **AN ACT**

To amend Section 1 of Article VI of Act No. 72 of 1993, as amended, known as the "Puerto Rico Health Insurance Administration Act," in order to compel that timely notice be given on the changes in eligibility criteria.

#### STATEMENT OF MOTIVES

The Puerto Rico Health Insurance Administration is a public corporation fully capable of discharging the functions entrusted by this Act. The Act imposes on the Administration the responsibility to implement, administer, and negotiate a health insurance system by means of contracts with insurers, entities and health service providers, which will eventually give all the residents of the Island access to quality medical and hospital care regardless of the financial condition and ability to pay of those who required such care.

The approval of the Health Reform, created through Act No. 72 of September 7, 1993, *supra*, accorded a large sector of our population the opportunity to enjoy health services, which until then were inaccessible. The Act contemplated the rendering of standard services based upon mandatory coverage as defined in Section 6 of Article VI.

The intention of this bill is to clarify that the changes in criteria to determine the eligibility of beneficiaries shall be timely notified so that they may have enough time to make the necessary adjustments should their eligibility be affected. In recent years, criteria have been adopted which have resulted in the exclusion of participants, thus depriving them from obtaining health services. In recent days, the new proposal relative to beneficiaries' eligibility criteria for the health insurance of the government of Puerto Rico has been discussed publicly.

According to information that has come to public knowledge, the value of the real property of the beneficiary shall be taken into account. We deem that new eligibility criteria should not be imposed without timely notice.

The purpose of the Health Reform is to address the special needs of a sector of the population that, at present, is bereft of certain medical services. We refer to those patients who, due to a special health condition, must rely almost twenty four hours a day on technological equipment in order to stay alive.

### BE IT ENACTED BY THE LEGISLATURE OF PUERTO RICO:

Section 1.- Section 1 of Article VI 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 geographical areas upon determining that such geographical 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.

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 <u>Act No. 267</u> (<u>H. B. 4193</u>) of the 7<sup>th</sup> Session of the 15<sup>th</sup> Legislature of Puerto Rico:

**AN ACT** to amend Section 1 of Article VI of Act No. 72 of 1993, as amended, known as the "Puerto Rico Health Insurance Administration Act," in order to compel that timely notice be given on the changes in eligibility criteria.

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

In San Juan, Puerto Rico, today 30<sup>th</sup> of September of 2009.

Solange I. De Lahongrais, Esq. Director