

(H.B. 3565)
(Conference)

(No. 463)

(Approved December 29, 2000)

AN ACT

To add a new subsection (q) and rename subsections (q), (r) and (s) as subsections (r), (s) and (t), respectively, of Section 1 of Article III, amend Sections 1 and 2 of Article VI; repeal Sections 3 and 4 of Article VI; renumber Sections 5 and 6 as Sections 3 and 4 of Article VI; amend Section 7 and renumber the same as Section 5 of Article VI; renumber Sections 8 and 9 as Sections 6 and 7 of Article VI; amend subsection (a) of Section 10 and rename the same as Section 8 of Article VI; and renumber Sections 11 and 12 as Sections 9 and 10 of Article VI of Act No. 72 of September 7, 1993, as amended, known as the “Puerto Rico Health Insurance Administration Act,” in order to give uniformity to the operations of the Health Insurance Plan of the Government of Puerto Rico.

STATEMENT OF MOTIVES

Act No. 72 of September 7, 1993, as amended, known as the “Puerto Rico Health Insurance Administration Act,” created the Health Services Administration, henceforth, ASES (Spanish acronym), as part of a radical reform of the health services of Puerto Rico. The Declaration of Legislative Intent stated that prior to 1993 Puerto Rico had two totally different health system based on the premise that the Government of Puerto Rico was responsible for rendering the services directly. After 1993 the public policy

changed. The Health Reform provides its beneficiaries with quality medical-hospital services through contracts with health insurance plans.

In 1993 the aforementioned Act No. 72 authorized ASES to establish health insurance plans for one or more geographic areas that, with the prior approval of the Department of Health, would meet the conditions needed to develop pilot health insurance models. The purpose of this measure is to give uniformity to the operations of the Health Insurance Plan of the Government of Puerto Rico. For this purpose it may be deemed that the territorial boundaries of Puerto Rico as a whole constitute a single area and that grouping two or more Municipalities may constitute an independent and separate area or region. The Department of Health shall identify and certify those persons who are eligible for receiving services according to their income level and their eligibility for receiving Commonwealth and Federal health benefits in harmony with the provisions of this Act.

BE IT ENACTED BY THE LEGISLATURE OF PUERTO RICO:

Section 1.-A new subsection (q) is hereby added and subsections (q), (r) and (s) renamed as subsections (r), (s) and (t), respectively, of Section 1 of Article III of Act No. 72 of September 7, 1993, as amended, to read as follows:

“ARTICLE III

Section 1.-Terms and phrases

(a) ...

(q) Base premium.-The lowest premium from among all those contracted with the insurers.

(r) ...

(s) ...

(t) ...”

Section 2.-Section 1 of Article VI of Act No. 72 of September 7, 1993, as amended, is hereby amended to read as follows:

“ARTICLE VI

Section 1.-Selection of insurance plans

The Administration shall negotiate health insurance plans for one or more geographic areas after determining that said geographic areas have the conditions needed to ensure access to quality health services within a cost-effective framework.

For this purpose it may be deemed that the territorial boundaries of Puerto Rico as a whole constitute a single area and that grouping two or more Municipalities may constitute an independent and separate area or region. Among the criteria the Administration shall consider for determining the territorial boundaries by areas or regions shall be the participation of a minimum number of insurers that the Administration has previously identified as qualified so as to guarantee the competition concerning the cost of the premium and the quality of the services. Before determining that Puerto Rico as a whole is a single area, the Administration must conduct a study to determine the feasibility of establishing a single area, as well as the advantages and disadvantages thereof for ensuring the stability and strengthening of the Health Insurance Plan so that the free selection process and the access to quality services for the insured may be truly enhanced. When determining whether the insurers are qualified, the Administration must take into consideration their solvency and administrative and operating resources. The Department shall identify and certify the persons eligible for receiving the services according to their income level and their eligibility for receiving Commonwealth and Federal health benefits in harmony with the provisions of Section 3 of this Article.

The health insurance plans provided in this Act shall be subject to evaluation by the Administration in order to determine their success and the need to modify them so as to achieve the purposes of this Act.”

Section 3.-Section 2 of Article VI of Act No. 72 of September 7, 1993, as amended, is hereby amended to read as follows:

“Section 2.-Contracts

The Administration shall contract health insurance plans for the area or areas established with one or more insurers authorized to conduct health insurance business in Puerto Rico by the Insurance Commissioner, or by special laws approved for such purposes.”

Section 4.-Sections 3 and 4 of Article VI of Act No. 72 of September 7, 1993, as amended, are hereby repealed.

Section 5.-Sections 5 and 6 of Article VI of Act No. 72 of September 7, 1993, as amended, are hereby renumbered as Sections 3 and 4.

Section 6.-Section 7 of Article VI of Act No. 72 of September 7, 1993, as amended, is hereby amended and renumbered as Section 5, to read as follows:

“Section 5.-Deductibles; co-insurance and premiums; prohibited practices

The Administration shall establish in the contracts with the insurers the premium agreed to with them. It shall also establish in the aforementioned contracts the amount corresponding to the payment of deductibles and co-insurance, according to the income level and ability to pay of the beneficiary. All other insurers may agree with the Administration as to a premium higher than the base premium and the difference shall be paid by the beneficiary. No provider may collect from the insured an amount

that exceeds the amount agreed to as deductible, co-insurance or premiums stipulated in the contract subscribed with the insurers.

The insurers which contract with the Administration to provide health insurance plans may never increase the premiums or reduce the benefits in any other policies they provide so as subsidize the premium, reduce the cost and compensate the loss experienced by the insurance plan authorized in this Act. The premium agreed to must be validated as reasonable by the insurance actuaries of the Administration that are duly qualified according to the standards of the American Academy of Actuaries. For the purpose of structuring and fixing the cost or premium, insurers shall regard the group of beneficiaries of these health insurance plans as a unit independent from their other groups of insured and shall maintain a separate accounting system for them.

The failure to comply with the provisions of this Section shall be sanctioned by the Insurance Commissioner according to the provisions of Act No. 77 of June 19, 1957, as amended, known as the ‘Puerto Rico Insurance Code.’”

Section 7.-Sections 8 and 9 of Article VI of Act No. 72 of September 7, 1993, as amended, are hereby renumbered as Sections 6 and 7.

Section 8.-Subsection (a) of Section 10 of Article VI of Act No. 72 of September 7, 1993, as amended, is hereby amended and, said Section 10 renumbered as Section 8, to read as follows:

“Section 8.-Regionalization System

Services shall be rendered following the regionalization system of the Department, by establishing a network of participating providers throughout the Island and thus ensuring the closest possible service to the patient.

(a) The insurer shall provide the beneficiaries with all the tertiary services as defined by the Department.

(b) ...”

Section 9.-Sections 11 and 12 of Article VI of Act No. 72 of September 7, 1993, as amended, are hereby renumbered as Sections 9 and 10.

Section 10.-This Act shall take effect July 1, 2002, except for Section 4, which shall take effect immediately after its approval.

CERTIFICATION

I hereby certify to the Secretary of State that the following Act No. 463 (H.B. 3565) (Conference) of the 6th Session of the 13th Legislature of Puerto Rico:

AN ACT to add a new subsection (q) and rename subsections (q), (r) and (s) as subsections (r), (s) and (t), respectively, of Section 1 of Article III, amend Sections 1 and 2 of Article VI; repeal Sections 3 and 4 of Article VI; renumber Sections 5 and 6 as Sections 3 and 4 of Article VI; amend Section 7 and renumber the same as Section 5 of Article VI; renumber Sections 8 and 9 as Sections 6 and 7 of Article VI; etc.,

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

In San Juan, Puerto Rico, today 1st of April of 2005.

Luis Fusté-Lacourt
Director