

(H.B. 439)

**(No. 22)**

(Approved January 23, 2006)

**AN ACT**

To amend Section 5 of Act No. 95 of June 29, 1963, as amended, known as the “Public Employees Health Benefits Act,” in order to require the Insurance Commissioner to accredit the financial solvency of the health plans authorized to be offered to public employees.

**STATEMENT OF MOTIVES**

In recent times, the financial problems of some health plans have become a topic of public discussion. This has caused a series of claims regarding the solvency of the health plans and if they are prepared to face the demand that coverage at this level should provide. However, in a related search, it was found that in order to carry out the function of overseeing health plans, the Secretary of the Treasury annually issues a circular letter to all parties interested in being certified as eligible for contracting medical insurance benefits for officers, employees, and pensioners of the Commonwealth of Puerto Rico, its municipalities and instrumentalities. Through these circular letters the Uniform Contract, to which all interested parties shall adjust their proposals, is disclosed.

At present, Insurance Companies and Health Service Organizations interested in participating in health care plans of public employees must present, as part of their proposals, evidence of their financial solvency so that the Secretary of the Treasury may certify them as eligible participants.

This shows the need for the Insurance Commissioner of Puerto Rico to play a more active role in the accreditation process of health plans doing business with public employees. As a preventive mechanism, at the time the health plan requests to offer its services to the Government, the Insurance Commissioner shall accredit the financial solvency thereof. Experience has shown that in this field, compliance with the minimum requirements by the health insurance plan is not sufficient for it to qualify, on the contrary, the accreditation of the financial solvency of the Health Insurance Plan by the Office of the Insurance Commissioner should be included among the qualification requirements.

It is imperative for the Legislature to assess this need for the benefit of public employees.

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

Section 1.- Section 5 of Act No. 95 of June 29, 1963, as amended, known as the “Public Employees Health Benefits Act,” is hereby amended to read as follows:

“Section 5.- Health Insurance Plans

...

Health Plans contracted under subsections (a) and (b) of this Section shall be offered by entities that have been authorized by the Insurance Commissioner to do business in Puerto Rico, and whose financial solvency shall be accredited each year, and which have been active for at least three (3) years prior to the date of contracting with the Secretary of the Treasury. It shall be the continuous obligation of these entities to report to the Office of the Insurance Commissioner any change that affects their financial solvency.”

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. 22 (H.B. 439) of the 3<sup>rd</sup> Session of the 15<sup>th</sup> Legislature of Puerto Rico:

**AN ACT** to amend Section 5 of Act No. 95 of June 29, 1963, as amended, known as the “Public Employees Health Benefits Act,” in order to require the Insurance Commissioner to accredit the financial solvency of the health plans authorized to be offered to public employees,

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

In San Juan, Puerto Rico, today 13<sup>th</sup> of July of 2006.

Francisco J. Domenech  
Director