

(S. B. 1337)

(No. 132)

(Approved July 21, 2006)

AN ACT

To amend Section 3, subsections (e), (h) and (m) and add a new subsection (r) to Section 8 and to amend Section 11 of Act No. 66 of June 22, 1978, as amended, known as the “Puerto Rico Medical Services Administration Act,” in order to provide for the scope of the exemptions granted to the entity, clarify the power of the Authority to receive donations and to increase from five thousand (5,000) dollars to forty thousand (40,000) the amount which the Administration may use to acquire goods and services without having to undergo a bidding procedure, among other matters.

STATEMENT OF MOTIVES

The Puerto Rico Medical Services Administration (ASEM, Spanish acronym) was created through Act No. 66 of June 22, 1978, to substitute the former Puerto Rico Medical Center Services Corporation which had been created by virtue of Act No. 106 of June 26, 1962. The main function of the Administration thus created, just like that which was originally entrusted to the former Medical Center Services Corporation, was to be in charge of the organization, operation and administration of centralized services provided in common to the various institutions members or components of the Medical Center. However, an evaluation of the Organic Act of ASEM shows the need for adjusting certain normative provisions to ensure that the citizens who arrive at the Medical Center are provided with the best services.

In an effort to expedite the rendering of services to the Medical Center components, ASEM enjoys an exemption for the estimated cost of acquiring or rendering a service. Actually, Section 11 of Act No. 106 provides that the requirement of a bidding process shall not be needed when the estimated amount for acquiring or rendering a service does not exceed five thousand (5,000) dollars. The five thousand (5,000) dollar limit was established in 1978, twenty-seven (27) years ago, and in that time the purchasing power of this amount has substantially decreased. The levels of inflation and the considerable decrease in the dollar value have had the negative effect of lowering the amount of goods and services that may be acquired pursuant to the exemption presently provided by Section 11.

The bidding process at a public corporation, such as the Puerto Rico Medical Services Administration is undeniably greatly complex. This means that the acquisition of goods and services in smaller amounts, seen as part of the acquisitive macrocosm of that entity, must be more expeditious and efficient. It is necessary that a government entity such as the Puerto Rico Medical Services Administration, that handles very complex and complicated matters related to the health services provided to the people, be able to acquire certain less costly goods and services through an expeditious and simple process. This would be achieved by using internal procedures of the Administration that expedite the purchasing and contracting process while at the same time guaranteeing the purity of the whole goods and services acquisition procedure. This would mean saving time, efforts and resources while at the same time allowing the Puerto Rico Medical Services Administration to broaden the limits and resources of its acquisition capability.

Because of all of the above, Section 11 of Act No. 66 of June 22, 1978 is amended in order to increase to forty thousand (40,000) dollars the limit within which goods and services may be acquired without having to recur to the bidding process by adjusting the statute to the realities and needs of our times. This public corporation is also given the flexibility it needs to operate expeditiously and efficiently in the acquisition of goods and services in smaller amounts, an indispensable factor for its proper functioning and for ensuring the quality of the medical-hospital attention provided by the components of the Medical Center.

This legislative measure also amends Section 3 of Act No. 66 of June 22, 1978, for the purpose of clarifying the scope of the exemption granted to the Puerto Rico Medical Services Administration from the payment of taxes, duties, fees and charges so that said institution may acquire materials, goods and equipment at a lower cost. The exemption herein granted is similar to the exemption granted to the Puerto Rico Cardiovascular Center Corporation by virtue of Section 6 of Act No. 51 of June 30, 1986. Section 8 is also amended with the objective of clarifying the power of ASEM to receive and administer donations of real and personal property from public entities as well as from natural or juridical persons from the private sector that promote and further the ends and purposes of this government entity.

This legislative initiative seeks to provide the Puerto Rico Medical Services Administration with mechanisms that would allow it to maximize the use of its limited resources for the benefit of the components of the Medical Center as well as of the citizens who visit these hospital facilities to receive medical services.

BE IT ENACTED BY THE LEGISLATURE OF PUERTO RICO:

Section 1.-Section 3 of Act No. 66 of June 22, 1978, as amended, known as the “Puerto Rico Medical Services Administration Act,” is hereby amended to read as follows:

“Section 3.-Creation; exemption from taxes and duties.

The Puerto Rico Medical Services Administration is hereby created as an instrumentality of the Government of the Commonwealth of Puerto Rico, attached to the Department of Health of the Commonwealth of Puerto Rico, independent and separate from any other administration or body created or to be created in the future in the Department of Health and which shall be under the direction and supervision of the Secretary of Health. Said Administration shall have a separate juridical personality apart from every official thereof as well as from the Government of the Commonwealth of Puerto Rico and its agencies, instrumentalities, public corporations and political subdivisions. The powers of the Administration shall be conferred on and be exercised by the Secretary with the advice of the Board of Participating Entities and with its consent on matters specified in Section 5 of this Act.

The Administration shall be exempted from the payment of any kind of taxes, duties, fees, tariffs or charges, including those for licenses, taxes or those imposed by the Commonwealth of Puerto Rico or any of its political subdivisions or its municipalities, including all its operations, real and personal properties, its capital, revenues and surpluses.

The Administration is also exempted from the payment of any kind of fees or taxes required by law for the prosecution of judiciary proceedings, the issue of certifications in all offices and dependencies of the Government

of the Commonwealth of Puerto Rico and the execution and registration of public documents in any public registry of Puerto Rico.”

Section 2.-Subsections (e), (h) and (m) are hereby amended and a new subsection (r) added to Section 8 of Act No. 66 of June 22, 1978, as amended, known as the “Puerto Rico Medical Services Administration Act,” to read as follows:

“Section 8.-Powers and duties.

The Administration shall have all the powers necessary and convenient to carry out and achieve the purposes of this Section, including all those described in Section 4 of this Act, and without it being construed as a limitation, the powers described below:

(a) ...

(e) To negotiate and execute all kinds of contracts, documents and other public instruments with persons, firms, corporations, government agencies and other entities to achieve the purposes of this Section, including the sale of services to private persons or entities, commercial insurance companies, labor unions, public as well as private prepaid health plans and societies with health plans, for the health services rendered.

(h) To appoint, contract and designate medical personnel to provide direct treatment to patients through centralized auxiliary medical services and through any medical services that the Secretary of Health may require from the Administration, for an emergency or as needed.

(m) To receive, accept and administer donations of money, subsidies and real and personal property from natural or juridical persons, as well as execute contracts or agreements with any federal agency, entity or political subdivision of the Commonwealth of Puerto Rico for any purpose that promotes or advances the goals of the Administration.

(r) To participate with other public and private entities in a Corporation, Partnership, Joint Enterprise or Association, in any transaction, business, arrangement or agreement for which the participating Corporation is empowered to carry out by itself.”

Section 3.-Section 11 of Act No. 66 of June 22, 1978, as amended, known as the “Puerto Rico Medical Services Administration,” is hereby amended to read as follows:

“Section 11.-Any purchases and supply and service contracts executed by the Administration shall be made through a bidding process; provided, that when the estimated cost for acquiring or rendering the service does not exceed forty thousand (40,000) dollars, the same may be conducted without the bidding process. Neither shall competitive bidding be necessary when:

- (1) ...
- (2) ...
- (3) ...
-”

Section 4.-This Act shall take effect immediately after its approval.

CERTIFICATION

I hereby certify to the Secretary of State that the following Act No. 132 (S.B. 1337) of the 3rd Session of the 15th Legislature of Puerto Rico:

AN ACT to amend Section 3, subsections (e), (h) and (m) and add a new subsection (r) to Section 8 and to amend Section 11 of Act No. 66 of June 22, 1978, as amended, known as the “Puerto Rico Medical Services Administration Act,” in order to provide for the scope of the exemptions granted to the entity, clarify the power of the Authority to receive donations and to increase from five thousand (5,000) dollars to forty thousand (40,000) the amount which the Administration may use to acquire goods and services without having to undergo a bidding procedure, among other matters,

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

In San Juan, Puerto Rico, today 3rd of October of 2006.

Francisco J. Domenech
Director