

(S. B. 1333)
(Conference)

(No. 158)

(Approved August 10, 2006)

AN ACT

To add a new subsection (h) to Section 4 of Act No. 95 of June 29, 1963, as amended, known as the “Public Employees Health Benefits Act,” to provide that those employees of Government agencies who opted for syndication pursuant to the provisions of Act No. 45 of February 25, 1998, as amended, known as the “Puerto Rico Public Service Labor Relation Act,” shall be entitled to have the exclusive representative negotiate directly on their behalf regarding all matters concerning insurance benefits.

STATEMENT OF MOTIVES

Through Act No. 95 of June 29, 1963, as amended, the responsibility to negotiate with the health plans all matters concerning benefits for public employees is delegated on the heads of the different Government agencies, even when the employees are covered by a collective bargaining agreement. Among them, the aforementioned responsibility has been delegated on the Secretary of the Treasury, the Insurance Commissioner, the Director of the Central Personnel Administration Office, the Secretary of Health and an officer or member of the Puerto Rico Commonwealth Employees Association. This delegation of powers is based on the premise that by negotiating on behalf of all the employees, the Secretary of the Treasury shall be in a better position to negotiate better terms. The Act that grants public employees the right to syndication was not in effect when Act No. 95, *supra*, was approved.

Act No. 45 of February 25, 1998, as amended, known as the “Puerto Rico Public Service Labor Relations Act,” recognizes the right of public employees to organize and to collective bargain. Section 2 of Act No. 45, *supra*, provides the following:

Act No. 45 of February 25, 1998, as amended, known as the “Puerto Rico Public Service Labor Relation Act,” recognizes the right of public employees to organize into unions and to collective bargain. Section 2 of Act No. 45, *supra*, provides the following:

“The public policy of the Government of Puerto Rico regarding the right to organize into unions and to bargain collectively in the public service, is that which is stated below:

The organization of public sector employees into unions and collective bargaining, shall be guided by criteria of productivity and the improvement of services to the people at the lowest possible cost.

The organization of public sector employees in unions and collective bargaining shall be conducted in consonance with the merit principle stated in this Act.

The organization of public sector employees in unions and collective bargaining shall be compatible with the responsibility of the agencies to serve the people which can not be delegated, and the power that this Act grants to public employees in the determination of wages, fringe benefits and terms and conditions of employment.”

One of the main reasons for syndication is the power of the entities that represent the employees to negotiate on behalf of one or several groups. Such negotiations include aspects such as working conditions, work hours, leaves of absence, salaries, health plans and other fringe benefits.

As a general rule, entities that represent public employees have vast experience in the aspects of negotiations and have experts to assist them in such processes. We understand that the entities that represent public employees who have opted for syndication are qualified to negotiate the contracting of health plans on behalf of those they represent.

BE IT ENACTED BY THE LEGISLATURE OF PUERTO RICO:

Section 1.- A new subsection (h) is hereby added to Section 4 of Act No. 95 of June 29, 1963, as amended, to read as follows:

“Section 4.- Contracting Authority

- (a)
- (b)
- (c)
- (d)
- (e)
- (f)
- (g)

(h) Those employees who opted for syndication pursuant to the provisions set forth in Act No. 45 of February 25, 1998, as amended, shall be entitled to have the exclusive representative negotiate directly on their behalf regarding all matters concerning health benefits and the contracting of a health plan. The exclusive representative shall designate a Health Plans Evaluating Committee to represent the different sectors and interests of the members. This Committee shall be responsible for the analysis and evaluation of all health plans in the market in order to select those that offer the lowest or most reasonable premiums, the best coverage and health services benefits, and the best medication coverage.

The exclusive representative shall call the members to an Assembly in which he/she shall present the health plans selected by the Committee, so that the Assembly, by the express vote of the majority constituting quorum to such effects, selects the Health Plan that better suits its needs. Once the Health Plan has been selected in a legally convened Assembly, it shall be compulsory for all the members represented by said exclusive representative.

The present and future members of the teaching profession and the present and future members of the Puerto Rico Teacher's Association covered by the provisions of Act No. 23 of June 3, 1960, as amended, and the public employees and pensioners members of the Teacher's Association who voluntarily prefer to continue to be covered by the provisions of Act No. 72 of September 7, 1993, as amended, are hereby excluded from the application of this Act.

The agencies, dependencies, and municipalities whose employees, at present or in the future opt for the right to negotiate collective bargaining agreements shall be obligated to negotiate the terms and conditions that allow for the herein provided.

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. 158 (S.B. 1333) (Conference) of the 5th Session of the 15th Legislature of Puerto Rico:

AN ACT to add a new subsection (h) to Section 4 of Act No. 95 of June 29, 1963, as amended, known as the “Public Employees Health Benefits Act,” to provide that those employees of Government agencies opted for syndication pursuant to the provisions of Act No. 45 of February 25, 1998, as amended, known as the “Puerto Rico Public Service Labor Relation Act,” shall be entitled to have the exclusive representative negotiate directly on their behalf regarding all matters concerning insurance benefits,

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

In San Juan, Puerto Rico, today 30th of April of 2007.

Francisco J. Domenech
Director