



COMMONWEALTH OF PUERTO RICO
OFFICE OF THE COMMISSIONER OF INSURANCE

Fermín M. Contreras Gómez
Commissioner of Insurance

December 4, 2002

CIRCULAR LETTER NUMBER: C-L-12-1669-2002

**TO ALL HEALTH MAINTENANCE ORGANIZATIONS AND TO ALL
DISABILITY INSURERS THAT SUBSCRIBE HEALTH CARE PLANS IN
PUERTO RICO**

**RE: Enactment of Act Number 104 of July 19, 2002, Known as the "Act for the
Prompt Payment of Claims to Health Care Providers"**

Ladies and Gentlemen:

Act Number 104 of July 19, 2002, hereinafter referred to as "Act 104", amended the Puerto Rico Insurance Code in order to add a new Chapter 30, with the purpose of establishing periods for the prompt payment of claims by insurers and health maintenance organizations to health care providers and, also, to establish a procedure for the denial of claims and to establish penalties.

The implementation of Act 104 requires that all persons to whom its provisions are applicable take all necessary measures in order to comply with its requirements. In general, Act 104 establishes, among others, the following:

- ❖ A period for the payment of clean claims.
- ❖ A period to deny payment of deficient claims.

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- ❖ A term for the presentation of claims for health services rendered.
- ❖ What constitutes a clean claim.
- ❖ Which claims will not be considered clean claims.
- ❖ Which claims are excluded from the provisions of the Act.
- ❖ Penalties for late payment of a clean claim.
- ❖ Restrictions as to amendments to contracts with health care providers.

Act 104 granted the Office of the Insurance Commissioner a period of 180 days, from the date of its approval, to adopt regulation necessary for its proper implementation. Said period is due next January 15, 2003 and on said date the provisions of the Act and of the regulation adopted by the Office will become effective.

The proposed rule provides, among others, more specific guidelines for due compliance with Act 104. Specifically, it provides for the elements that a clean claim must contain, when the periods established by the act begin to apply and the mechanism to resolve controversies that result between health care providers and the insurers and health maintenance organizations.

Any person interested in obtaining a copy of Act 104 may do so by visiting our web page at: www.ocs.gobierno.pr, under the *Reglamentación y Expresiones Públicas* section.

All insurers and health maintenance organizations must take notice of Act 104 and make the necessary arrangements in order to duly comply with its provisions.

Cordially,


Fermín M. Contreras Gómez
Insurance Commissioner