



COMMONWEALTH OF PUERTO RICO
OFFICE OF THE COMMISSIONER OF INSURANCE

December 21, 2007

RULING LETTER NO.: 2007-85-PP

TO ALL HEALTH SERVICES ORGANIZATIONS AND ALL DISABILITY INSURERS
UNDERWRITING HEALTH CARE PLANS IN PUERTO RICO

**DISCLOSURE OF PROCEDURES RELATED TO THE POLICY ON PAYMENT OF
CLAIMS TO PARTICIPATING PROVIDERS FOR HEALTH SERVICES RENDERED**

Dear Sirs and Madams:

As you are aware, Public Law No. 104, enacted on July 19, 2002, implemented the "Timely Payment of Claims to Health Services Providers Act," by adding Chapter 30 to the Puerto Rico Insurance Code, 26 L.P.R.A., section 3001 et seq. The purpose of said law is to set the deadliness for Insurers and Health Services Organizations for the payment of claims for services rendered by participating providers, and to regulate the procedures and applicable exclusions, among other matters.

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Rule No. 73 of the Puerto Rico Insurance Code, which was subsequently promulgated by the Office of the Insurance Commissioner (OIC), established the necessary guidelines for ensuring and regulating the timely payment of Claims made by Participating providers. The aforementioned Public Law 104 as well as Rule 73 seek to guarantee better health services for consumers. Therefore, it is our responsibility to effectively regulate compliance with the provisions of said Law and Rule, through a responsible billing and payment processing system for providers, in which all parties cooperate.

It is our view that the notice and disclosure requirements contained in the aforementioned Rule 73 ensure the legislative purpose of said Public Law 104, enacted on July 19, 2002. The transparent and timely disclosure of the Payment Policy that has been established to evaluate and make payment for services rendered by service providers is essential for the fulfillment of the objectives of the law, particularly under the provisions of Article 3, sections 4 and 6 of Rule 73.

As you are aware, Article 3, section 4 - Appendixes to Rule No. 73, among other things, provides the following:

“Insurers or Health Services Organizations shall provide notice in writing to all affected Participating Providers that such additional enclosures are required. The notice shall specifically identify the required enclosures and shall be received by the Participating Provider at least sixty (60) calendar days before such additional enclosure may be required to process a Claim for payment.”

In addition, Article 6 of Rule 73 on the Disclosure of Claims-Processing Procedures, among other things, provides:

“Insurers or Health Services Organizations shall notify any change of address or change in the assignment of payment functions for Claims by mailing a written notice to each Participating Provider with which they have a contract, no fewer than sixty (60) calendar days in advance, including any change of address for filing claims or any change in the delegation of claim payment functions.”

Pursuant to the provision of these Articles and in order to achieve a more effective control of the drafting and implementation of internal administrative policies and processes related to the handling and evaluation of claims made by the Health Care Providers, the Health Services Organization and Disability Insurers that underwrite health care plans in Puerto Rico shall disclose to the Participating Providers the payment policy that has been established for evaluating and making payment for services rendered to the insured. This notice shall be made on or before January 31, 2008, and subsequently, annually on the 31st of January.

For the purpose of updating our records, we also require that within the period of time established above, all Health Services Organizations and Disability Insurers that underwrite health care plans in Puerto Rico, provide us with a copy of the Payment Policy, as established for evaluating and making payment for health care services offered by the Participating Providers.

All Health Services Organizations and all Disability Insurers that underwrite Health Care Plans in Puerto Rico, are required to take note of the content of this Ruling Letter and to strictly comply with the provisions herein.

Cordially yours,


Dorelisse Juarbe Jiménez
Insurance Commissioner