

INSURANCE ALERT

**PROPOSED RULE 91 OF THE REGULATIONS
OF THE INSURANCE CODE OF PUERTO RICO**

**COLLECTIVE NEGOTIATION BETWEEN HEALTH SERVICE PROVIDERS AND
HEALTH MAINTENANCE ORGANIZATIONS AND INSURERS**

Three agencies of the Government of the Commonwealth of Puerto Rico: the Office of the Commissioner of Insurance, the Department of Health, and the Department of Justice, have issued a joint proposal to approve new Rule 91 of the Regulations of the Insurance Code of Puerto Rico, with the intention of implementing the provisions of the newly adopted Chapter XXXI of Insurance Code of Puerto Rico, added by Act 203 of August 8, 2008.

Act No. 203 of August 8, 2008, provides health service providers with the right and the mechanisms to collectively negotiate with insurers the terms and conditions of the contracts for services, including the fees and rates to be charged. The Act requires prior notification to the Antitrust Affairs' Office of the Justice Department before any negotiations are conducted, and provides that the Office of the Commissioner of Insurance will supervise said negotiations. Any impasse or conflict arising on the negotiations will be subject to arbitration before an "Arbitration Commission" to be appointed by the Department of Health. The Act also provides for review and approval by various agencies of any increase in premiums.

Proposed Rule 91 is being adopted to regulate the collective negotiation process on rates that insurers and health maintenance organizations (HMO's) will charge health service providers for services rendered to insureds, the proceedings of the Arbitration Commission, and the resolution of controversies that are generated by the collective negotiation process. Rule 91 will also regulate the operations of the "Advisory Board on Medical Plan Tariffs and Insurance" in the evaluation, approval, and supervision of rates, as a result of premiums that will be charged by insurers and health maintenance organizations for health insurance and health care plans for policyholders.

Any person interested in submitting comments with respect to proposed Rule 91 must do so in writing, on or before November 21, 2008, to the Office of the Commissioner of Insurance. In addition to filing these comments, any person interested in participating in the administrative hearing that will be held on December 2, 3 and 4 of 2008, must request so in writing on or before November 21, 2008.

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If you have any questions or comments, or wish additional information regarding this matter, please contact any of the attorneys listed below, members of our Insurance Practice Area.

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