

PAYMENTS TO HEALTH CARE PROVIDERS UNDER GOVERNMENT'S "VITAL" PROGRAM DURING THE COVID-19 EMERGENCY TO BE MADE BY "ASES" INSTEAD OF BY CONTRACTED HEALTH PLANS

Senate Joint Resolution 501 was introduced in the Puerto Rico Senate on March 28, 2020 ("SJR 501"). It was approved on the Senate Floor on March 31, 2020 and referred to the House Health Committee on that same day. It proposes to appoint ASES, --the Puerto Rico Health Insurance Administration responsible for overseeing the government's health insurance plan known as "Vital"--, as the sole payor for health care providers under contract with private managed care organizations providing health care coverage to the Vital plan's beneficiaries. This appointment of ASES as the single payor under Vital would last only while the Governor's emergency associated to the COVID-19 pandemic is in place.

Currently, payments to health care providers under contract with the MCO's providing coverage under the Vital plan (i.e., First Medical, MMM Multi Health, Molina Healthcare, Plan de Salud Menonita and Triple S Salud) are made by such MCOs directly to their contracted providers. SJR 501 would order MCO's to deliver health care provider service claims to ASES for payment. The joint resolution, further, contemplates that ASES is authorized to charge MCO's an administrative fee for processing payment of such invoices.

SJR 501 states that the purpose behind the same is to address health care provider grievances regarding delays in the payment of their claims by the MCO's. In the past, persons publicly favoring ASES as the single payor under the Government's Vital Plan have been confronted



by the absence of an administrative structure within ASES capable of managing the essential function of paying claims to contracted providers. SJR 501, further, does not address the impact that the joint resolution would have, if approved, on the written agreements currently in force between ASES and the MCO's and, in turn, the MCO's and their provider network.

Should you or your company have any questions or interest with respect to the SJR 501, you may contact the attorneys at Vidal, Nieves & Bauzá, LLC, a corporate law firm with special emphasis in energy and environmental matters, corporate, tax, transactional, real estate and insurance practices.

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