ARTICLE 1 – SHORT TITLE

This Regulation will be known as the Regulation on Health Benefit Plans for Public Employees and Pensioners of the Retirement Systems of the Government of Puerto Rico.

ARTICLE 2 – LEGAL BASIS

Pursuant to Law No. 95 of June 29, 1963, as amended by Reorganization Plan No. 3 of 2010, known as the Public Employees Health Benefits Law -(hereinafter, Law 95), the Health Insurance Administration of Puerto Rico (hereinafter, ASES or the Administration) is the public corporation empowered to manage and contract the health benefits for public employees of the Government of Puerto Rico (including pensioners) and implement the provisions of the aforementioned Law.

Article 2, on Declaration of Public Policy, of the Reorganization Plan of 2010 expressly establishes that it transfers these faculties of negotiation and contracting to ASES so that "the Government of Puerto Rico as well as the public employee benefit from ASES' experience, capacity and expertise in negotiation [...]."

This Regulation is promulgated under the authority granted to ASES by Section 4 (Sub-section "g") and Section 9 (Sub-section "a") of Law 95, the Reorganization Plan No. 3 of 2010, Law No. 38-2017, as amended, known as the Uniform Administrative Procedure Act of the Government of Puerto Rico (hereinafter, LPAU), and the Administrative Bulletin OE 2013-010 of the Governor of the Government of Puerto Rico.

ARTICLE 3 – DEFINITIONS

A. For the purposes of this Regulation the following terms shall be expressed as follows. In the cases that apply, these definitions will also include plural and feminine:


2. INSURER: Entity authorized by the Insurance Commissioner to make health insurance business in Puerto Rico or created by any special law for these purposes.

3. BENEFICIARY: The employee who takes a health benefit plan.

4. ELIGIBILITY CERTIFICATE: Affidavit in accordance with the provisions of Article 13 of this Regulation, which accredits the circumstances of the cohabitation and the fulfillment of the cohabitants that compose it, with the requirements to avail themselves of the benefits of Law 95.
5. CENTERS FOR MEDICAID AND MEDICARE SERVICES or CMS: Federal agency, subscribed to the Federal Health Department, in charge of programs to subsidize health plans under Medicaid and Medicare.

6. MARRIAGE CERTIFICATE: Document issued by the Secretary of Health or his representative in the special form in which it is certified, according to the information in the Demographic Register of the Health Department, the celebration of a marriage. In cases of marriage contracted in the United States or in a foreign country, the document issued by the competent authority and duly certified by the County Clerk, in the case of a marriage contracted in the United States, or by diplomatic officials of the United States abroad.

7. COHABITATION: Action of living together with another person in the circumstances described in the definition of "COHABITING PERSON" of this article.

8. COMMISSIONER: Insurance Commissioner of the Government of Puerto Rico

9. SPOUSE: Married to each other.

10. DEPARTMENT: Health Department of the Government of Puerto Rico

11. AGENCY/DEPENDENCY: All departments, agencies, the political subdivisions of the Government of Puerto Rico, public corporations, the Retirement Systems of the Government of Puerto Rico and the municipalities for whose officials, employees and pensioners ASES contracts with Insurers, Health Services Organizations and Employee Organizations to provide medical-surgical and hospitalization services; the University of Puerto Rico in the event that its officers and employees decide to avail themselves of the plans that ASES contracts, provided that it complies with the provisions of Law 95.

12. DEPENDENT: The following may be considered as dependents of the employee:

(a) the spouse;

(b) a biological child, adopted child, or placed for adoption, under twenty-six (26) years of age;

(c) a biological child, adoptive child, or placed for adoption that, regardless of age, cannot sustain himself on the basis of an existing mental or physical disability prior to twenty-six (26) years of age, in accordance with the provisions of Public Law 111-148, known as the Patient Protection and Affordable Care Act, the Public Law 111-152, known as
the Health Care and Education Reconciliation Act and the regulations promulgated under them;

(d) stepchildren;

(e) foster children who have lived from childhood under the same roof with the principal insured, in a parent/child relationship, and who are and will continue to be wholly dependent on the family of the principal insured to receive food, as established in Article 16.330 of the Puerto Rico Insurance Code.

(f) non-emancipated minor whose custody has been awarded to the principal insured;

(g) a person of any age who has been judicially declared disabled and whose guardianship has been adjudicated to the principal insured;

(h) family member of the principal insured or his/her spouse or cohabiting person while living permanently under the same roof of the principal insured and substantially dependent on the principal insured for his/her livelihood, who may be classified in the category of optional or collateral dependents, as this term is commonly accepted and defined in the health insurance market;

(i) parent of the principal insured, or of his/her spouse or cohabitant, even if they do not live under the same roof, who may be classified under the optional or collateral dependents category, as this term is commonly accepted and defined in the health insurance market.

13. DEPENDENCE: Substantial real and direct economic dependence on the basis of which a person regularly depends on the economic contributions of another for their sustenance rather than mere financial aid. In cases of controversy over the existence of substantial dependence, as defined in this Regulation and for purposes of evidence thereof, the insurer, employee organization or health services organization may request the insured employee one or more of the following documents, among others, to be determined by ASES:

(a) Income tax returns from the alleged dependent;
(b) Employee income tax returns;
(c) Evidence of economic contributions from the employee to the alleged dependent;
(d) Status of benefits and requests for financial aid to the Government of Puerto Rico by the alleged dependent.

14. DIRECTOR: Refers to the Executive Director of the Puerto Rico Health Insurance Administration.
15. **EMPLOYEE**: Any person who works or worked, by appointment or election, in the active service or pensioner of any branch of the Government of Puerto Rico and its agencies, departments, public corporations and municipalities, as permitted by applicable laws and regulations.

It also includes officials and employees of the Police of Puerto Rico and the University of Puerto Rico, officials and employees of the Judiciary Branch and, of the Legislative Branch of the Government of Puerto Rico, officials and employees of the Office of the Comptroller, officials and employees of the Municipal Revenue Collection Center (CRIM) and officials and employees of the Office of the Advocate of the Citizen, who may opt to qualify for the plans selected by ASES if they so desire and if the government entity and such officials and employees comply with the provisions of Law 95. The term employee also includes those officials who are outside of Puerto Rico on active duty.

16. **ELIGIBLE EMPLOYEE**: An employee that ASES has determined may enter a health benefit plan.

17. **ENTITY OR ENTITIES**: Term that includes, in general, the Insurers, Health Services Organizations, Employees Organizations, or any entity authorized by law to negotiate and to contract with ASES for the offering of medical-hospital services.


19. **FAMILY MEMBER**: The spouse or cohabitant under a union of fact of an employee and any dependent of them, as defined.

20. **MODEL**: Model SC 1335, Certification to Receive the Benefits of Act 88 of 2011, or any other that officially replaces it in the future.

21. **INSURANCE COMMISSIONER OFFICE**: Entity that regulates health services insurers in Puerto Rico.

22. **BONA FIDE PENSIONERS ORGANIZATIONS OR BFPO**: It means a grouping of former public servants who have accepted the benefits of the Retirement System of the Government of Puerto Rico, that belong to the government agencies, public corporations, dependencies and instrumentalities of Puerto Rico or any of its municipalities.

23. **EMPLOYEE ORGANIZATIONS** or **EO**: An association or organization of state employees in Puerto Rico, whose enrollment is open to all employees of the Government of Puerto Rico, its agencies, departments, municipalities and public corporations that eligible to enter a health benefit plan. This definition
also includes the so-called Bona Fide Employees Organizations (BFEO), as provided in Law 134 from 1960 and certified in compliance with Regulation No. 3594 of April 6, 1988 promulgated by the Department of Labor and Human Resources of the Government of Puerto Rico.

24. HEALTH SERVICES ORGANIZATIONS OR OSS: Means any person who offers or is bound to provide one or more health plans, as defined in Act No. 113 of June 2, 1976, as amended, known as the "Health Services Organizations Act", incorporated in the Puerto Rico Insurance Code, ART. 19,020 et. Seq., (26 L.P.R.A. § 1902).

25. COHABITANTS: Two single persons, adults, with full legal capacity, who are not related by family ties within the fourth degree of consanguinity and second of affinity, subject to sustained and affective coexistence in a voluntary, stable, public and continuous manner for a period of not less than one (1) year, which coexist in a common residence without being married to each other and which intend to continue to do so indefinitely.

26. PLAN: The health plan selected by the official or employee insured under Law 95.

27. GOVERNMENT HEALTH PLAN OR GHP: Health insurance offered by the state to medical-indigent persons in accordance with the medical-hospital model approved by the Center for Medicaid and Medicare Services (hereinafter, "CMS").

28. HEALTH PLAN: A contract of insurance, policy, certificate, or subscription contract with a health insurance organization, health services organization or any other insurer, provided in consideration or in exchange for payment of a premium, or on a propagated basis, whereby the health insurance organization, health services organization or any other insurer is obligated to provide or pay for the provision of certain medical services or health care benefits.

29. JOINT PLAN: The policy that is issued in cases of officials or employees whose spouses and cohabitants work in the public service and will receive the benefits of a couple or family group contract for themselves and their family for which each of them will receive the government's employer contribution to the maximum of such contribution.

30. PROPOSPONENT: Every person, corporation, organization submitting a proposal.

31. SERVICE PROVIDER: Means any physician, hospital or any other person authorized in Puerto Rico to provide health care services.

32. SECRETARY: The Secretary of Internal Revenue Service of the Government of Puerto Rico.
33. TRADE UNIONS: An organization of any kind or any agency or commission representing employees or any group of employees, as provided by Law No. 45 of 1998 known as the Law of Public Employees Syndication, which exists for the purpose, in all or part, of dealing with an employer with respect to complaints and grievances, disputes, wages, types of pay, work hours and/or conditions of employment.

ARTICLE 4 – PROPOSALS

A. Convocation

ASES will send in writing to the Entities, as defined in Article 3 of this Regulation, those convocations that are applicable to them, inviting them to submit proposals to offer health benefits plans for the employees and pensioners of the agencies of the Government of Puerto Rico. Convocations shall be notified at least fifteen (15) days prior to the date set for submission of the relevant proposals.

B. General Requirements

1. All proponents must voluntarily submit themselves to the selection criteria of the Administration and shall be subject to the procedural requirements that ASES establishes for the selection.

2. Proposals submitted by an employee organization shall include a certified copy of the contract or contracts signed with the insurer or health services organization, as the case may be, through whom the services will be provided. The fee of an employee organization shall not include as part of the fee the monthly fee that the official or employee pays as a member of the organization.

3. Any proposal will be accompanied by an actuarial study duly certified, which justifies the fee applicable for each coverage.

4. Each proposal will explain in detail the benefits it offers, specifying the fee to be charged for such benefits. Proposals submitted which refer to fees filed in the Office of the Insurance Commissioner, or quotes based on a percentage of such fees, shall not be considered.

5. Any amendment, strikethrough or erasure in the proposal shall be initialized by the proponent.

6. Any proposal must be submitted on behalf of the proponent and must be signed by its authorized representative and initialized on each of its pages.
7. In cases where the proposal is submitted through an employee organization (ODE), a Bona Fide Employee Organization (OBFE), a Bona Fide Pensioners Organization (OBFP), a trade union or any other group or organization, it will come with the resolution of the Board of Directors, authorizing the contracting of the plans. In the case of OBFE, they shall also include the certification of OBFE issued by the Secretary of the Department of Labor and Human Resources.

8. Any entity that submits a proposal shall accompany it with two (2) copies of the financial statements certified by a Certified Public Accountant for the last two (2) years of operation. It shall also submit the names of the members of its Board of Directors. This information shall include the name of the President, Secretary and Treasurer, as well as their respective addresses, office and residence telephone. It must also submit its organization chart with a description of the role and responsibilities of each unit or member. In the case of ODE who contract third parties to provide services, they must identify the third parties and include a description of the functions of which they are responsible.

9. Insurers, commercial or private, and insurance associations or cooperatives, shall submit with their proposal a certification of the Insurance Commissioner certifying their economic solvency; that they have been active for at least three (3) years prior to the date of the proposal; and that they are not under an order of impairment. In addition, the proponent must be available to provide documentation to clarify any questions during the evaluation process, for a better appreciation of the financial capacity of the entity, so as to safeguard the funds of the state.

10. The Health Services Organizations (HSO) will accompany with their proposal a certification of the Commissioner certifying their economic solvency, that they are not under an order of impairment and that they have complied with the provisions of Article 19.140 of the Insurance Code of Puerto Rico, relative to the deposit of assets eligible for the protection against insolvency.

11. All proposals will include a copy of all advertisements alluding to the benefits that are projected to offer, as well as other advertising material for magazines, newspapers and television that are directed to public employees.

12. No entity may begin advertising plans through radio, press, television or distribution of printed material among employees and/or pensioners, until ASES so authorizes in writing, so that all proponents start advertising at the same time. This authorization shall be issued in conjunction with the notification of ASES approving the submitted proposal.

13. Any entity that starts advertising without the authorization of ASES will be subject to disqualification to offer the health plan proposed by it. Any publicity through the radio, press, television or printed material of the plans shall include
the phrase "Announcement authorized by the Health Insurance Administration of the Government of Puerto Rico".

14. The proposal must specify the name of the person or entity to whom the monthly payments for premiums will be made.

15. Any entity shall record in the proposal the name, address, electronic mail address and telephone number of the person or official authorized to represent, sign, endorse or certify the documents sent to it, and the duty to inform ASES of any change that arises on such data.

16. The proposal will include a description of the procedure to be used for the attention of the complaints, of which a record will be kept in the office of each insurer. The procedure must comply with the provisions of the Puerto Rico Health Insurance Code.

17. Each proposal shall include a statistical report, as described in Section D of this Article.

18. ASES may require that the proponent submits, as part of the proposal, a plan containing those specific provisions which it is best understood to benefit employees.

C. Delivery of Proposals

1. The proposals will be delivered in the manner in which ASES timely determines and reports in the corresponding convocation. Upon receipt of the proposals, in the manner determined, ASES will verify that it was presented according to the instructions given. The Director of ASES, or an official appointed by him/her, will confirm each proposal as received, with an expression of the time and date.

2. Any proposal submitted to ASES after the date and time indicated in the convocation will be rejected and returned to the proposer, without opening the same or the electronic message containing it.

3. After receipt of the proposals, the official appointed by the Director shall certify compliance with their presentation, as established in the convocation.

D. Statistical Report

1. Any proposal, including the proposals of the ODE, will be accompanied by a statistical report, by contracting group, showing the experience of the proponent with respect to the plans contracted by ASES for the previous financial year, including the first semester of the economic year of the current contract. The
contents of the report, such as the specifications as to its form, will be detailed in the notices of convocation and/or invitations.

2. This report will only apply to insurers or HSO who have contracted in previous years with ASES. The entities submitting a proposal for the first time, or who have not previously been contracted by ASES, will submit a document to express it.

ARTICLE 5 – MINIMUM REQUIREMENTS OF PROONENTS

A. ASES will take into consideration the proponents' financial capacity to respond to the risks and facilities they offer to provide, pay or reimburse the costs and services to be contracted, their record of the settlement of claims and the fulfillment of contracts with the Government of Puerto Rico, its agencies, instrumentalities, dependencies, municipalities and public corporations. It shall also take into consideration any other requirement specified in law 95. Therefore, each insurer must:

1. Be authorized by the Insurance Commissioner to contract health insurance in Puerto Rico.

2. Have economic solvency in accordance with the provisions of the Puerto Rico Insurance Code. This, in turn, will be subject to assessment to determine compliance with fiscal requirements, as set forth in the proposal.

3. Have been active in the insurance business for at least three (3) years prior to the date of contracting with ASES.

4. Maintain the necessary statistical and financial records related to the plan and provide those reports that ASES deems necessary and may request.

ARTICLE 6 – REQUIREMENTS FOR EMPLOYEE ORGANIZATIONS (EO)

A. The EO wishing to submit proposals for health benefit plans in accordance with the provisions of Law 95, shall comply with the following requirements:

1. Be duly registered as such in the Department of Labor and Human Resources.

2. Its registration must be of state scope and must be open for the enrollment of all the employees and pensioners of the Government of Puerto Rico and its municipalities.
3. If it uses a health care organization or an insurer, it must be duly authorized by the Insurance Commissioner to contract health insurance in Puerto Rico, in accordance with the provisions of the Puerto Rico Insurance Code. The proponent organization shall include a certification for these purposes, as well as the financial statements of the last two (2) years, certified by a Certified Public Accountant. In addition, the employee organization will submit supporting documentation, as described below, that the insurer or health services organization to contract:

(a) It has an economic solvency in accordance with the provisions of the Puerto Rico Insurance Code. This in turn will be subject to assessment to determine compliance with fiscal requirements, as set forth in the proposal.

(b) It has been active in the insurance business for at least three (3) years prior to the date of contracting with ASES.

(c) It maintains the necessary statistical and financial records related to the plan and will supply those reports that ASES deems necessary and may request.

4. Allow the continuation of the coverage without the requirement of affiliation, to any employee who receives the retirement benefits.

B. At the time of granting the contract with ASES, the organization will accompany copies of any contract that it maintains with other insurers or HSO, as the case may be, and shall be responsible for notifying the changes arising during the validity of such contracts by the term of the fiscal year.

C. The EO will not be able to make unilateral changes for the members to receive services through another insurer or health services organization without being notified previously and obtaining the authorization of ASES. This notice shall be accompanied by a certification under oath of the insurer or health services organization certifying that it is not owed any amount of premiums for medical-surgical and hospitalization services provided to members of the employee organization.

D. The EO will not be able to contract the services with HSO and/or insurers for a term that exceeds the validity of the contract signed by ASES and the employee organization.

E. The EO or its authorized representatives will follow the subscription calendar and administrative processes that ASES establishes.
ARTICLE 7 – EVALUATION OF PROPOSALS

A. ASES will evaluate all proposals on health benefit plans submitted by entities that are in the selection process to provide the health service benefit to the population under Law 95.

B. The proposed fees must reflect, reasonably and equitably, the cost of the benefits provided. While fees should ensure proper use of public funds, this should not affect the quality of services offered to beneficiaries. To carry out the analysis of the fees, the following criteria will be used, among others:

1. The statistics compiled by the Secretary of Health and the Commissioner. These statistics will reflect the operating costs of the different plans by group contracted by ASES, as well as the revenues obtained by each of the insured under contract.

2. The volume of complaints filed against the entities, the management and response thereto, as well as the available provider network will be assessed.

3. It will also take into account that the entities do not have debts with the Government of Puerto Rico, or with the State entities that provide or are related to the provision of health services.

C. If ASES considers that the fee, or proposed fees, are excessive, and do not reflect reasonably and equitably the cost of the benefits provided, it may cite any insurer to discuss its proposal, discard its proposal, or recommend that the convocation be left without effect. As a result of the foregoing, another convocation may be issued to receive new proposals. In the case of the EO seeking to be certified under Article 5 (c) of Law 95, the proposal must be accompanied by the corresponding actuarial certification.

D. Once the proposals have been opened, ASES will request from the agencies, instrumentalities, dependencies, municipalities and public corporations of the Government of Puerto Rico including, but not limited to, the Government entities that provide or are related to the provision of health services, to submit to ASES a certification indicating the existence or non-existence of debts by the proponents with each of these government agencies.

In those cases in which the agencies, instrumentalities, municipalities, public corporations or other dependencies of the Government of Puerto Rico certify to ASES that the proponents maintain debts of more than sixty (60) days with such Government organizations, ASES will require evidence of payment of such debt, or the establishment of a payment plan with the agency, instrumentalities, municipality, public corporation or other government dependency as a requirement for consideration of its proposal.
E. ASES will issue a determination on the selected Insurers, EO and HSO to contract with ASES for the health benefit plan for public employees. However, ASES will not award a contract for the health benefits plan of public employees in which only one proponent has submitted a proposal in which case it must close the process and convene, again, potential proponents or renew existing contracts.

ARTICLE 8 – REQUIREMENTS APPLICABLES TO THE bona fide employee organizations (BFEO)

A. The BFEO of the Government, its agencies, public corporations, dependencies and instrumentalities may summon its members in assembly, so that they, by the express vote of the majority constituting the quorum convened for those purposes, reach a determination to negotiate the benefits of the health plan.

B. Once the members of the organization determine that the benefits of the health plan will be negotiated, the BFEO will appoint a Health Plans Evaluating Committee, which is representative of the different sectors and interests of the members. This Committee will be responsible for analyzing and evaluating all health plans on the market to select those that offer the lowest or most reasonable premiums, the best coverages and benefits of health services, and the best medication coverage.

C. The BFEO or representative group will summon the members of the organization to an assembly, in which it will present the plans selected by the Committee, so that the Assembly, by the express vote of the majority that constitutes the quorum summoned for those effects, be the one that selects the Health Plan that best suits their needs.

D. Once the Health Plan is selected, the benefits will apply to all members of the BFEO who voluntarily choose to receive the selected health insurance. Government agencies, dependencies, or instrumentalities will collaborate with the BFEO to enable members to have the opportunity to receive adequate guidance to enable them to benefit from the negotiated health coverages.

E. The BFEO, or its authorized representatives, will follow the subscription calendar and administrative processes that ASES establishes.

F. Once the BFEO have completed their negotiating and contracting process, they must present documentary evidence to ASES that they fulfilled all the regulatory requirements of the agency and with the law.
ARTICLE 9 – REQUIREMENTS APPLICABLE TO TRADE UNIONS

A. Employees who have opted for syndication, in accordance with the provisions of Law 45 of 1998, as amended, shall have the right to have the exclusive representative negotiate directly on their behalf, all matters relating to health benefits and contracting a medical plan. The exclusive representative shall appoint a Health Plans Evaluating Committee, which is representative of the different sectors and interests of the members. This Committee will be responsible for analyzing and evaluating all health plans on the market to select those that offer the lowest or most reasonable premiums, the best coverages, health services benefits and the best medications coverage.

B. The exclusive representative shall convene the members to an Assembly, in which he/she will present the plans selected by the Committee, so that, by the express vote of the majority which constitutes the quorum convened for those purposes, they select the Health Plan that best suits their needs.

C. Once the Health Plan is selected, in a legally convened Assembly, it will be compulsory for all members, with the following exceptions:

1. The employee presents evidence of union disaffiliation.

2. If the employee is a beneficiary of the Government's Health Plan, through Medicaid Program certification. However, if he/she loses eligibility sometime in the contract year for excess income, he/she will have thirty (30) calendar days from the expiration date on Medicaid eligibility, to process subscription to the negotiated services coverage and contracted by the exclusive representative for the members of the union. The employee will contact ASES to apply for a letter of cancellation of employer's contribution (presenting form MA-10 issued by Medicaid certifying loss of eligibility for excess income). With this letter the insured may subscribe to the insurance entity selected by the union within the period of thirty (30) calendar days previously stipulated.

3. When the employee maintains a joint health plan with the spouse, as provided in Law 88 of 2011.

4. The employee does not wish to choose the selected insurance company.

D. Except for the specific exceptions listed in this article, the insured will not be able to make changes to the medical plan during the effective year.

E. If during the validity of the contract the insured is reclassified and becomes managerial, he/she will cease to be eligible for the medical plan negotiated under Law 158 of August 26, 2006 (hereinafter Law 158). In such cases, the employee shall have thirty (30) calendar days from the date on which he/she is aware of the change to choose any of the insurance entities contracted by ASES under Law 95.
The employee will present to the insurer the certification of the agency showing that he/she is no longer in the union and the evidence of the cancellation of the health services coverage that he/she had under Law 158.

F. The employee who starts the contract year as managerial and then is reclassified as member of the union shall have thirty (30) calendar days from the date on which he/she is aware of the change to benefit from the insurance entity selected by the union to which he/she now belongs. The employee shall submit to the union certification of the agency stating that he is no longer managerial and the evidence of the cancellation of the coverage he/she had under Law 95.

G. The trade unions, or their authorized representatives, will follow the subscription calendar and administrative processes that ASES establishes.

H. Once the trade unions have completed their negotiating and contracting process, they must present to ASES documentary evidence that they complied with all the regulatory requirements of the agency and with the Law.

ARTICLE 10 – DUTIES AND OBLIGATIONS OF THE ENTITIES

A. The contracting entities shall:

1. Comply with the provisions of Law 95 and this Regulation.

2. Accept the entry to the plan of any eligible employee or pensioner without excluding any for reasons of race, sex, health status, marital status, sexual orientation, gender identity, age at the time of entry for the first time, or the dangerous nature of their work.

3. Offer to each employee, whose subscription to the plan has finished for any reason other than voluntary cancellation of his/her coverage or by fraud, a provisional extension of his/her coverage that shall not exceed thirty (30) days during which such employee may make use of his right of conversion.

4. Provide an identification card to the beneficiary (insured) and the family members and dependents covered by the plan in accordance with the contractual provisions agreed with ASES.

5. Maintain and provide statistical data related to the plan and any other data or information that ASES requests.

6. Keep all employees and pensioners properly oriented who choose the plan of their selection.
7. To give each employee or pensioner in the plan a "Beneficiary Handbook" in which the benefits, terms and conditions of the plan will be recorded. In addition, the conditions relating to the provision of services and reimbursements for claims shall be included. This "Beneficiary Handbook" shall be filed in conjunction with the contract granted in ASES and copies thereof shall be settled in the Office of the Commissioner, in accordance with the provisions of the Puerto Rico Insurance Code, Act 77 of 1957, as amended.

8. Notify in writing to ASES, or the person in which it delegates, a list of the hospitals, medical clinics, laboratories, radiological centers and any other contracted services that serve the program, with their respective addresses, telephones and the changes that arise during the contract period.

9. In the case of an employee organization, provide any information that, at the request of the Commissioner, the Secretary of Health or ASES, has been submitted by the providers to evaluate the operating costs and fees of the plans.

10. In cases where the payment of an employee's premium, including the employer's contribution, has not been received by the insurer, health services organization, EO, BFE0 or BFPO, as the case may be, before requesting the employee or the pensioner the total payment of the premium, communicate with the agency where the employee provides services — or the appropriate retirement system, if it is a pensioner — to verify the reason for which the premium has not been remitted.

If the employee has continued to serve in the same agency or has been transferred to another agency, or the retirement system, as the case may be, and the corresponding deduction of the salary or pension has not been made, the insurer will proceed to bill the agency or retirement system concerned for the employer's contribution and that of the employee or pensioner.

If a reasonable term has elapsed — which shall not exceed thirty (30) days — from the date of receipt of the invoice without receiving the premium, then the employee or pensioner may be required to pay that premium, having the right to apply for the corresponding reimbursement.

11. Provide ASES, within thirty (30) days following the termination of each month, a "Monthly Health Plans Report" certifying under oath that no money that is liquid, due, and payable is owed to providers for medical-surgical services and of hospitalization, in connection to the services provided under contracts granted pursuant to this Regulation or Law 95, on which the Secretary has disbursed the corresponding premium and that the statistics provided are correct. If a debt is subject to a repayment plan that is being met, that shall be certified and evidence shall be provided. This Monthly Health Plans Report will be an indispensable requirement for the Secretary to make the disbursement of any outstanding monthly payment.
12. To notify ASES at least thirty (30) days in advance of any situation or action that is proposed to take place that affects or may affect the due provision of the medical-surgical and hospitalization services to officials, employees and public pensioners.

13. Notify ASES of any changes, cancellations or terminations of a contract with service providers such as dispensaries, physicians, hospitals, etc., as soon as possible and no later than five (5) business days from the date of the change, cancellation or termination. Each beneficiary of the plan shall also be notified within a reasonable term. Provided that, in the case of a cancellation originated by the provider, ASES and the organization of employees shall be notified, in the event that this type of organization is involved, before the effective date of termination. Furthermore, the beneficiary shall be notified of the new provider prior to the effective date of cancellation.

14. Ensure that the plan coverage will be the same for all dependents or members of the family group included in the policy.

15. Reimburse any beneficiary who uses the services of a hospital that to the date ASES contracted with the insurer was listed as a service provider and subsequently cancelled as such, an amount equal to the Per-Diem that was being paid to the hospital at the date of cancellation or the average Per-Diem that is established for non-associated hospitals, whichever is greater. When this situation occurs with other service providers such as physicians, laboratories and dispensaries, the beneficiary shall be reimbursed an amount equal to that paid to a contracted provider for the provision of services. This provision is subject to the transition period established in Article 7 of Law 94-2000, as amended, known as the Bill of Rights and Responsibilities of the Patient.

**ARTICLE 11 – SUBSCRIPTION, CHANGES AND CANCELLATION**

A. Annually, ASES will notify, by an official letter, the names of the qualified entities to offer health services contracts under Law 95. ASES will also notify the assigned keys to identify those entities, the deadline to file enrollment requests, or request changes and withdrawals to health service plans and the effective date for enrolling the plans.

B. Any employee of appointment or election in active duty, whose appointment is six (6) months or more and all pensioners of any of the retirement systems sponsored by the Government of Puerto Rico, without considering the age, may be eligible, on the date and under the eligibility conditions established in this Regulation, with absolute freedom of selection, to one of the plans contracted by ASES.
C. Any newly appointed employee or eligible to enter into one of ASES's contracted plans must file an enrollment application within sixty (60) days following the date of entry into the public service.

D. Contract employees, irregular or per-wage personnel whose appointment is less than six (6) months are not eligible to enter a health service plan under Law 95. However, transient employees whose appointment is less than six (6) months may enter the health service plans contracted by ASES, but without any right to the employer's contribution. However, in cases where the remuneration of irregular or per-wage personnel is paid with federal funds and the federal government, in allocating these funds, provides for the payment of marginal benefits and medical services, such personnel may receive benefits of Law 95.

E. Any employee or pensioner may appeal to ASES, the refusal of a dependency to enter a plan, make changes to their coverage, change plans, or any other change that the insured wishes to make in accordance with this Regulation. Any person adversely affected by a decision of ASES under this Regulation and the provision of law to which it relates may appeal this decision to the Court of Appeals pursuant to the LPAU.

F. When an employee is approved for an unpaid leave, the agency and the employee will communicate in writing with the insurer or health services organization with which he/she has his/her health services contract to indicate the date on which the license begins and ends.

Any employee who completes a year of unpaid leave and does not reinstall to his/her work, but wishes to continue with the plan, will pay his/her plan completely, until his/her resignation, severance or reinstatement. The employee shall notify his agency and the insurer or health care organization immediately of reinstatement for the corresponding procedure with the latter.

In the event that the employee is not reinstalled to his position, he/she shall be responsible for reimbursement of the employer's contributions paid by his/her agency during the corresponding twelve (12) month period, unless by medical recommendation he/she may not return to his/her duties. The coverage of any employee who meets one (1) year of being on a non-paid leave will be cancelled at that date.

G. In case of severance, the coverage will be cancelled within five (5) days. The effective date of cancellation or termination shall be subject to the terms set forth in Law 194 of 2000, as amended, better known as the Patient's Bill of Rights and Responsibilities. If the employee re-enters the public service after the end of the coverage for one of these reasons, he/she must process his/her reentry into the insurance within the term set out in subparagraph (C) of this article.
H. Any insured may change his/her individual coverage to that of a couple or family group and vice versa, within sixty (60) days following the date of change in the marital or family status.

I. Any employee or employee dependent who ceases to be eligible for another medical plan, may apply for access to the health plan provided by Law 95 within thirty (30) days of notification of non-eligibility to continue insured under another plan. The employee will present evidence of the effective date of non-eligibility.

J. Any Puerto Rican Government police officer who chooses the health benefit plan provided by Law 95 shall be entitled to one (1) change of insurer or health coverage during the contract year provided that at least six (6) months have elapsed from the plan's effective date. No more than one (1) change will be processed during the contract year, except in the circumstances set forth in this Article.

K. The employee receiving a health plan will not be able to unsubscribe and enter another plan of the contracted by ASES, after the effective date to enter the plan, except in the circumstances set forth in this Article.

L. The employee who receives the retirement benefits of any of the Retirement Systems and is interested in entering one of the health services plans contracted by ASES under Law 95 will deliver a new application to the selected insurance company within the sixty (60) calendar days following the date he/she receives his/her first payment from the Retirement System. In these cases, the enrollment will be effective on the first day of the following month if submitted before day 10. If the enrollment application is made after day 10, the enrollment will be effective on the first day of the following month after the application is submitted.

M. The employee who accepts the retirement benefits of any of the Retirement Systems and is interested to continue without interruption of services must communicate directly with the insurance company with which he/she has his/her medical plan within thirty (30) calendars days previous of the date of separation of the governmental instrumentality to notify of the date he/she will begin the retirement. In addition, he/she will send a copy of the resignation already accepted by the governmental instrumentality. The pensioner will not be able to make changes of insurance entity, nor of coverage at that time. The pensioner will pay directly to the insurance company the total cost of the premium, including the employer's contribution.

As soon as he/she receives his/her first payment as a pensioner he/she may request, with certified evidence of payment, to the Retirement System that he/she belongs, the reimbursement of the paid employer contributions and notify the insurance company so that it begins billing the Retirement System.

N. Staff who choose to receive retirement benefits from any of the Retirement Systems and decide not to continue with their medical plan must contact the
insurance company with which they have their medical plan within thirty (30) calendar days prior to the date of separation from government instrumentality to notify of the date of the retirement. They will also send a copy of the resignation already accepted by the government instrumentality, along with the medical plan cards. If the retired employee does not to deliver the cards, he/she will be responsible for the payment of the premium and the services used.

O. Any change that the pensioner can make under the provisions of this Regulation after the effective date of enrolling in the plan must be processed directly with the appropriate Retirement System.

P. The spouse or cohabitant of the employee and the dependents as defined in Article 3 of this Regulation will be considered members of the family group contract for the purposes of the health benefits provided by Law 95.

Q. Any employee covered by a plan sponsored by an employee organization that terminates membership in that organization may enter another of the ASES contracted plans during the sixty (60) days following the date of termination of the coverage under the plan sponsored by the employee organization.

Any application for enrollment or changes received by the insurer on or before the tenth day of any month will be effective on the first day of the following month. Income requests received after the tenth day of any month will be effective on the first day of the subsequent month.

ARTICLE 12 – SPECIFICATIONS RELEVANT TO COHABITANTS

A. Under the Health Plan of Law 95, cohabitants will have the same benefits and obligations as the spouse of the insured employee.

B. For the enrollment of a cohabitant of an employee, his/her children or family members to the health plan, the entity will require the employee an affidavit with each enrollment or renewal of the contract, which is known as "Certificate of Eligibility". The "Certificate of Eligibility" shall state the following:

1. that cohabitation exists for one (1) year or more;
2. that cohabitants comply with the definition set out in Article 3 of this Regulation;
3. that the declarants understand that any false information provided in that declaration entails the commission of the offence of perjury and offence of fraud against the Government of Puerto Rico;
4. that the declarants understand that any false information provided in that declaration entails disciplinary penalties and the recovery of the amounts
disbursed under the health services received, including attorney's fees, on the part of the Department of the Treasury, the insurer, organization of employees or organization of health services. The certificate shall also establish that at the discretion of ASES, a 10% interest may be charged on the amounts to be recovered for false information.

C. In cases of controversy over the existence of the situation of cohabitation, as defined in this Regulation and for purposes of evidencing it, the Entity may request the insured employee one or more of the following documents, among others to be determined by ASES:

1. mortgage or purchase deeds;

2. rental contracts granted jointly by the employee and his/her cohabitant;

3. contract on joint ownership;

4. joint bank accounts;

5. life insurance policy with the designation of the cohabitant as principal beneficiary;

6. retirement plans with the designation of the cohabitant as principal beneficiary;

7. public service invoices of the place of residence of the cohabitants.

D. In the case of the dissolution of the cohabitation, as defined in Article 3, irrespective of the reasons for this, the insured employee shall submit to the insurer within thirty (30) days of the occurrence of the dissolution, an affidavit to record this situation or, in the event of the death of the cohabitant, a death certificate issued by the Government of Puerto Rico.

E. In the case of the dissolution of the cohabitation, the cohabitants may exercise the right to conversion under the Health Plan of the Employees of the Government of Puerto Rico.

F. The employee who cohabits with a person and complies with the definitions of Article 3 of this Regulation as of the date on which it becomes effective and wishes to receive a couple or family group coverage shall have sixty (60) days from the effective date of this Regulation to make the change.

G. The false representation on the part of any insured employee, with the purpose of trying to establish the existence of the cohabitation fraudulently, will entail the refund to the Government of Puerto Rico of any money contributed by it to the health plan. The employee may be referred by ASES, or the Department of the Treasury, to the Department of Justice for the investigation of the criminal charges.
that proceed and the corresponding filing. Similarly, the employee shall be subject to the application of disciplinary measures provided for any insured that incurs in the conduct described in Article 24 of this Regulation.

ARTICLE 13 – PROCEDURE TO BE FOLLOWED TO PROCESS THE ENROLLMENT APPLICATIONS

A. Each agency shall process the enrollment applications in accordance with the provisions herein and with the instructions to be issued by ASES. The enrollment applications of the pensioners will be processed by each of the Retirement Systems in accordance with the provisions herein and with the instructions that can be issued by ASES.

B. When an employee is interested in applying for coverage under one of ASES’s qualified and/or contracted plans, he/she will proceed to fill out an enrollment application in the formularies to be provided to the Personnel Unit of each agency or to the appropriate Retirement System for the insurer, employee organization or health services organization.

C. Any enrollment application will be processed from the date that ASES establishes and must be presented to the Personnel Unit of the employee’s agency or in the Retirement System that corresponds to the pensioner on or before the deadline established by ASES. After this date no enrollment application will be processed except in the cases specified in this Article.

Under no circumstances will the employee or pensioner file an enrollment application directly with the insurer or health services organization. In cases where the selected plan is offered through an employee organization, the enrollment application will be sent first to the employee organization. The organization, after doing the appropriate verifications, will submit the applications to the Personnel Unit of the corresponding unit or to the Retirement System, depending on the case.

D. The Personnel Unit of the dependency or the Retirement System, when receiving the enrollment applications will verify that they are duly completed and that they indicate the employee number or social security correctly, as it appears in his/her paycheck. The Personnel Unit or the Retirement System will prepare a list by insurer, employee organization, or health services organization of the employees that decide to accept the plan of their selection and will sends applications to the insurance entities or corresponding organization, for their approval.

E. Once the Entities approve the applications, they must send to the units whose payrolls are prepared in the Electronic Systems Bureau of the Department of the Treasury, an invoice, in original and four (4) copies, for all those employees that will remain insured with the dependents included in the application.
F. The dependency or the Retirement System will verify the invoice or invoices against the lists of applications previously referred to, in accordance with the provisions of this Article, to verify that all those employees or pensioners who requested their enrollment in a plan were included in them.

Upon receipt of the invoice, the Personnel Unit of each dependency or the Retirement System, as appropriate, will verify that it complies with this Regulation and that the fee, including the employer's contribution or the retirement contribution, is correct. Any omission made on such information shall be indicated on each invoice. Similarly, the adjustments to invoices will be made, as a result of any change in employee status such as transfers, unpaid leave, suspensions or waivers.

G. ASES may require, upon notification of a circular letter, that any enrollment application is processed through an electronic system or other technology that may be adopted in the future.

H. The Personnel Unit of the dependency or the Retirement System will not process any enrollment application into a health plan filed after the deadline for applications that ASES establishes. This does not apply to applications for:

1. newly appointed employees, as provided for in Article 11 of this Regulation;

2. employees who are disenrolled in a plan to enter another as provided for in Article 11;

3. applications filed by those employees that after the date indicated enroll in any of the EO with which ASES has contracted and decide to enroll in the health plans offered by them;

4. employees who have decided to receive the retirement benefits as provided in Article 11.

I. Any enrollment application received by the insurer before the tenth day of any month will be effective on the first day of the following month. Enrollment applications received after the tenth day of any month will be effective on the first day of the subsequent month.

**ARTICLE 14 – TERMINATION OF COVERAGE**

A. Employee health plan coverage will terminate:

1. At the expiration date of the contract signed between ASES and the Entities;

2. In the case of separation of the service, the last payday;
3. Upon completion of one (1) year from the date on which the leave without pay is granted or the date of termination of that license, the period which is shorter, except that the employee is reinstated in the public service immediately after the termination of that period. Provided that, if the employee is not reintegrated into his work in the public service immediately after such period, having enjoyed the payment of the Government's contribution to the health benefit plan, he shall be obliged to reimburse the Government of Puerto Rico for the expenses incurred through employer's contributions to his/her health plan during that period of leave without pay. ASES may exclude from the obligation to reimburse the contributions mentioned to any employee who accepts the benefits of retirement or disability for a health condition;

4. In the case of a pensioner, the last payday to which he/she is entitled as pensioner. In the case where the pensioner is reinstalled or re-enters the public service, his/her coverage will continue without interruption;

5. When the employee incurs in fraud in the use of his/her service card under the medical plan, including, among other things, allowing other people to misuse or fraudulently use it.

**ARTICLE 15 – GOVERNMENT CONTRIBUTION AND DEDUCTIONS**

A. The Secretary shall disburse the amount set by law or executive order as an employer's contribution to each employee who decides to adopt the benefits of Law 95.

B. The employer's contribution of the Government with regards to employees in active service will be fixed in the budget of each of the agencies, dependencies and municipalities of the Government of Puerto Rico. Similarly, the contribution of pensioners shall be recorded in a special item in the budget of the Retirement System that he/she belongs to.

C. Employees or pensioners who voluntarily take advantage of the benefits provided by Law 95, shall be deducted from the salaries or pensions of the employees, the amount of money necessary to satisfy the premium for the selected plan, after deducting the employer's contribution.

D. The employer's contribution to employees who enjoy unpaid leave and those who take advantage of the retirement, during the period from the date that they cease until their pension is approved, will be in accordance with the instructions issued by ASES.
E. Where an employee has ceased or provided services for a period of less than fifteen (15) days during any month, except for the reason of an authorized license, such service shall not be counted for the purposes of the employer's contribution. The entire premium will be paid by the employee.

F. Contributions when both spouses are government employees:

1. When a public employee, whose spouse or cohabitant works in the public service, is interested in applying the government contribution of both to the family or partner plan of his/her selection, he/she will add to the enrollment application, in a place visible at the top, the phrase "Joint Plan", indicating the social security number of his/her spouse or cohabitant.

2. The spouse or cohabitant of the employee who takes advantage of the plan will fill out the original model and two copies. This model will be submitted to the Personnel Unit of the agency where he/she provides services so that it certifies the original and the copies in the corresponding part.

3. Along with the model, the spouse or cohabitant will accompany the original and a copy of the Marriage Certificate or Certificate of Eligibility, as applicable.

4. Once the Personnel Unit of the spouse or cohabitant of the employee who accepts the Plan certifies the original and a copy of the Model, the spouse or cohabitant shall retain the copy thereof together with the Marriage Certificate or Certificate of Eligibility and deliver the original and copy of the model to the spouse who will be receiving the family or partner plan as principal insured to give it to the Personnel Unit of the dependency where he/she provides services along with his/her enrollment application to the partner or family plan of his/her selection.

5. When both spouses or cohabitants provide services for the same agency, the employee requesting a joint plan shall submit, together with the enrollment application, only the Marriage Certificate or Certificate of Eligibility, as applicable.

G. Contributions for joint plans:

1. In cases of spouses or cohabitants providing services in different agencies for which ASES has contracted the health plans, the Department of the Treasury or each agency, as the case may be, will forward to the insurer or organization of employees or services the payment of the corresponding employer contribution based on the invoices received from them after verifying them.

2. When the employer's contribution of both spouses or cohabitants does not cover the entire premium to be paid, the difference in the premium payable will
be discounted to the employee who is the principal insured. In case the premium
to be paid is less than the total of both contributions, the premium payable will
be covered to the maximum of the contributions of each one.

ARTICLE 16 – ADMINISTRATIVE PROCEDURE FOR JOINT PLANS

A. The Personnel Unit of the agency, when receiving the Model, will verify that it is
accompanied with the Marriage Certificate of the Certificate of Eligibility and that
the information indicated in the Model is correct.

B. The Personnel Unit of the agency where the spouse or cohabitant of the employee
who is receiving the family plan renders services will retain a certified copy of the
Model along with the Marriage Certificate or Certificate of Eligibility and will give
the employee the original and copy of the duly certified model. With the certified
copy retained, it will prepare a list of the certificates issued, which will use to
corroborate these with the invoices that the insurer or employee organization
submits.

C. The Personnel Unit of each agency in which there are employees who filed an
application for a couple or family plan under a joint plan, whose spouses or
cohabitants work in different dependencies, will prepare a relation indicating the
name of the spouse or cohabitant and the dependency where he/she provides the
services, as is expressed in the Model. This relationship will be submitted to the
Insurers or EO, along with the applications for the family or partner plan, identified
as joint plans. It will be used by these to bill the employer’s contribution to the
dependency of the spouse or cohabitant of the insured where he/she serves.

D. Each agency will process the enrollment applications and changes to the plan in
accordance with this Regulation and the instructions to be issued by the ASES and
will retain the originals of the Model and/or copies of the Marriage or Eligibility
certificates, as the case may be, for their records.

E. The dependencies, when receiving the invoice of the Entities, in addition to
verifying that it complies with this Regulation and with any guideline issued by
ASES, will verify that the premium or any employer contribution that is being
charged in the cases of joint plans is correct. The agency where services are
provided by the spouse or cohabitant of the employee who is receiving the family
plan will verify that the payment of the contribution proceeds using the relation
referred to in Article 15 of this Regulation.
ARTICLE 17 – RESIGNATION, TRANSFER, REMOVAL OR SUSPENSION OF EMPLOYEES COVERED BY A PLAN

A. When an employee ceases in his/her functions on grounds of resignation or removal confirmed by the Public Service Appeals Commission (PSAC) or by the appeals entity for actions of personnel corresponding to the agency for which he/she works, as the case may be, he/she will be required to provide, along with the property he/she is in charge of, the health plan identification card issued by the entity that insures him/her. The agency will be obliged to remit it to the insurer or organization, as appropriate, within the next five (5) days.

B. The Personnel Unit of each agency shall notify the corresponding insurer or organization of any change in the status of the employee by reason of transfer, resignation, removal or suspension no later than (5) five days following the date of such change.

C. Employees who are transferred to work outside Puerto Rico, as well as those who are dismissed or suspended from their jobs and who appeal such action to the PSAC, or to the appeals entity for actions of personnel corresponding to the agency for which he/she works, can continue to benefit from the plan paying the total of the premium directly to the insurer, which will include the amount corresponding to the employer's contribution.

D. In those cases, in which the PSAC, or the appeals entity for actions of personnel corresponding to the unit for which he/she works, revoke the determination of the agency to dismiss or suspend an employee, the agency will proceed in accordance with the provisions of Section 9 of Law 95.

E. In the case of joint plans, when one of the spouses or cohabitants resigns or is transferred to an agency in which the medical services are not contracted by ASES under the provisions of Law 95, he/she will be responsible for notifying the Entity through the dependency on which he/she works. In these cases, the payment of the employer's contribution that corresponds to the spouse or cohabitant who renounces or is transferred will be discontinued.

ARTICLE 18 – DISCIPLINARY MEASURES

The employee who, in order to benefit from government contributions under a joint plan or to enter a plan, submits any fraudulent documents or information; or the official or employee who knowingly allows an employee to submit fraudulent documents or information to qualify for a health benefit plan or to allow persons not covered by the plan, for the purpose of receiving the services covered by the Plan, use the card provided to the employee as evidence of coverage, will be subject to disciplinary measures, including the dismissal of employment established by Law 8 of 2017, as amended, known as the
"Law of Administration and Transformation of Human Resources of the Government of Puerto Rico" (hereinafter, "Law 8").

ARTICLE 19 – GRIEVANCES PROCEDURE

A. In accordance with the LPAU and the applicable rules of adjudication or regulation, the administrative procedure will be followed for the resolution and adjudication of any controversy arising on the services covered by this Regulation depending on the type of complaint and the agency responsible for adjudicating it and taking the corresponding administrative determination.

B. The administrative procedure shall be exhausted until the final adjudication of the dispute.

C. Under no circumstances will the insured's contract be cancelled until the dispute is finalized.

D. The grievances will be presented in the following manner:

1. To the Commissioner when the grievance arises from problems with the coverage.

2. To ASES when the grievance relates to the quality of the services offered by the providers, enrollment to the plan, changes in the type of coverage or with payments and discounts to employees. ASES will also handle grievances between EO and Insurers, or HSO for breach of the conditions contained in the contract signed with ASES.

E. Regardless of whether it is an HSO or an Insurer, they must observe the processes established for the handling of grievances established in Chapter 19 and 22 of the Insurance Code.

F. The administrative forums to deal with complaints or grievances must be exhausted before requesting assistance for review from the Commissioner or ASES.

G. Upon completion of the grievance filed with the Insurer or HSO, the beneficiary may submit a grievance, request for investigation or an independent external review request to ASES or the Commissioner. Whatever the requested resource, it must be accompanied by a copy of the decision issued in the lower forum, the evidence given and must also comply with any other requirement from ASES or the Commissioner.

H. Once the resolution or order that awards the grievance has been issued and notified in the Office of the Commissioner or in ASES, as the case may be, the party adversely affected by it, if it is not satisfied, can request reconsideration
and/or judicial review of it before the Court of Appeals, in accordance with the LPAU and the applicable adjudication rules.

I. When an Insurer or HSO receives an adverse determination of an investigation before the Commissioner, it will resort to the administrative process referred to in the Insurance Code.

J. The determinations on "independent external reviews" will be governed by the provisions of Chapter 28 of the Insurance Code.

ARTICLE 20 – COVERAGE EXTENSION AND RIGHT OF CONVERSION

Any employee, pensioner or member of the family group whose coverage has been terminated for any reason other than voluntary cancellation or fraud will be entitled to an extension for a period not less than thirty (30) days following the date of termination of his/her coverage. During such extension, the person may make use of the option to convert, without proof of good health, to a non-group plan that provides health benefits. The person who makes use of this option must pay the full amount of all periodic charges of the non-group contract.

ARTICLE 21 – GENERAL PROVISIONS

A. ASES is empowered to establish the procedures for the implementation of this Regulation, and to make or promote the necessary amendments to any Circular Letter, Norms or Rules in force, to align them with these provisions.

B. No Entity may make changes in the premiums or insurance plans of public employees by reason of the Regulation here adopted without the prior authorization of ASES.

ARTICLE 22 – RELATION WITH OTHER LAWS

A. For the Entity that has overdue debts, liquid and payable with the Government of Puerto Rico for any concepts, the provisions of Section (j) of Article 9 of Law 230 of July 23, 1974, "Accounting Law of the Government of Puerto Rico "(hereinafter, "Law 230") will apply. The Secretary will retain from the employer's contribution the amounts that correspond, to remit the sums necessary to be applied to the debt.

B. When the beneficiaries of an Entity use the services of the public charitable facilities of the Government of Puerto Rico and they owe monies to them for a liquid and enforceable claim established by it, the provisions of Law 230 and Law 56 of June 21, 1969, as amended, known as the "Medical-Hospital Care Act" shall apply.
ARTICLE 23 – APPLICABILITY

A. The provisions of this Regulation will apply to employees who provide services in government agencies, public corporations, and municipalities. It will also apply to employees who serve in the Judicial Branch, the Legislative Branch, the Comptroller's Office and at the University of Puerto Rico, if they opt in. For them, ASES will contract health benefit plans under Law 95.

B. The Judicial Branch, the Legislative Branch, the Comptroller's Office and the University of Puerto Rico will be able to manage their health benefit plans without the intervention of ASES. In cases where the employees of the Judicial Branch, the Legislative Branch, the Office of the Comptroller and the University of Puerto Rico, as the case may be, opt in for receiving the plans contracted by ASES, the employer's contribution to them will be that which is fixed in the budget of the Judicial Branch, the Legislative Branch, the Office of the Comptroller or the University of Puerto Rico.

C. The Municipalities are entitled to contract the health plans of their employees directly with the insurers, subject to what is provided by Law 63 of 2010 (hereinafter, "Law 63"), which amended the Law of Autonomous Municipalities. In the event that the Municipalities decide to make use of this faculty, they must notify ASES of the Resolution or Municipal Ordinance stating the determination to directly contract the health coverage of their employees in accordance with Law 63. The determination of the Municipality will be effective for the following contract year to the date on which it is notified to ASES. Municipalities that do not wish to make use of the faculty conferred by Law 63 will continue to offer health insurance to their employees through ASES.

D. Employees who have opted for unionization pursuant to Law 45-1998, as amended, may negotiate directly with regard to health benefits and contracting a medical plan through their exclusive representative and in accordance with the provisions of Law 158 of 2006 and this Regulation.

E. The employer's contribution in the case of the employees of the other agencies, dependencies, public corporations and municipalities will be the one included in the corresponding general budget of expenses or the one fixed by law or executive order.

F. The BFPO that represent government pensioners, their agencies, public corporations, dependencies and instrumentalities may negotiate health benefits under the provisions of Law 117 of 2016 and this Regulation. The OBFP or its authorized representatives will follow the subscription calendar and administrative processes that ASES establishes, including, but not limited to certifying that OBFP appointed a Healthcare Plan Evaluation Committee, summoned its members in an assembly, that quorum was met and its members voted for the selected healthcare plan.
ARTICLE 24 – SEVERABILITY CLAUSE

If any Article or part of this Regulation is declared unconstitutional or null by a Court of competent jurisdiction, the judgment issued for such purposes will not affect, impair, limit or invalidate the other provisions of this Regulation.

ARTICLE 25 – ADITIONAL DISPOSITION

In order to give effectiveness and implement the provisions of Law 95, the provisions of this Regulation will be supplemented by circular letters, norms, rules and procedures of an administrative nature that from time to time ASES issues, whose compliance is obligatory.

ARTICLE 26 – REPEAL CLAUSE

The Regulation entitled "Regulation No. 8398 for the Contracting of Health Benefit Plans for Public Employees", approved on October 31, 2013, as amended, is repealed.

ARTICLE 27 – EFFECTIVE DATE

This Regulation, promulgated pursuant to Law 95, as amended, shall commence within thirty (30) days following its submission to the Office of the Secretary of State of the Government of Puerto Rico in accordance with the provisions of the LPAU.

I certify that this Regulation was approved by the Board of Directors of ASES in the meeting of February 3rd, 2020.

In San Juan, Puerto Rico, today March 11th, 2020.

Jorge E. Galván Rodríguez
Executive Director