



Qualified Physician – Community Service Compliance Certificate

By: Edwin López-Hernández, CPA

On February 8, 2022, the Puerto Rico Department of Health (“Department Health”) and the Puerto Rico Department of Economic Development and Commerce (“DEDIC”) issued joint Circular Letters¹ with the guidelines for qualified physicians, with a tax grant under Act 14-2017, as amended (“Act 14-2017”), or Act 60-2019, as amended (“Act 60-2019”), to obtain the Community Service Compliance Certificate (the “Certificate”).

As established in Act 14-2017 and Act 60-2019, one of the requirements for qualified physicians to maintain their tax grant in compliance is that they must complete a minimum of 180 hours of community services annually, without compensation. However, there is an alternative to complete the 180 hours of community service.

What services qualify to complete the 180 hours of community service, without compensation?

1. Assist in teaching hospitals or medical schools educating medical students, resident physicians, and other health professionals. Please refer to the Circular Letters for a list of qualifying entities to provide this service.
2. Render medical services in regions where there is a shortage of certain specialized medical services, as determined by the Puerto Rico College of Physicians and the

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Department of Health. Please refer to the Circular Letters for a list of regions where there is a shortage of certain specialized medical services.

3. Provide on-call services in hospitals designated by the Puerto Rico College of Physicians and the Department of Health.
4. Serve as a resource in providing training or continuing education to medical students and health professionals in Puerto Rico.
5. Serve as a resource in conducting seminars related to prevention and other health matters.
6. Render professional medical services to disadvantaged populations through non-profit entities. Please refer to the Circular Letters for a list of the qualified non-profit entities.
7. Provide volunteer medical services in response to a health emergency or any other emergency declared by the Governor of Puerto Rico.
8. Provide volunteer medical services in Puerto Rico in response to a situation impacting public health in Puerto Rico, as declared by the Secretary of Health.

What is the alternative to complete the 180 hours of community service?

Qualified physicians, have an alternative to complete the 180 hours of community service by rendering services as part of a contract with Puerto Rico's Government Health Plan or Puerto Rico Veterans Administration health system. The qualified physician may receive compensation for the services provided, and may be rendered as an employee, independent contractor, or contracting entity.

When and where to file the Application for the Certificate?

The application must be completed and filed with the Office of Regulation and

Health Professional Certification of the Department of Health and with the Puerto Rico Board of Medical Licenses and Discipline, on or before February 15, 2023, and each subsequent year on or before February 15th.

There is also a filing fee of \$300 that must be accompanied with the application. This fee can be paid by either certified check or money order payable to the Secretary of Treasury of Puerto Rico, ATM, or credit card (VISA or Mastercard).

What documentation needs to be included with the Application for the Certificate?

The application must be completed in its entirety and accompanied by the following documents, as applicable:

1. Certification from the hospital or teaching center, or school of medicine that certifies the annual hours of community services offered by the qualified physician in the education of medical students, resident physicians, and other health professionals;
2. Certification issued by the corresponding entity that certifies the annual hours of specialized medical services offered by the qualified physician in in regions where there is a shortage of certain specialized medical services;
3. Certification from the hospital that certifies the annual hours for on-call services and certification of clinical privileges in said institution;
4. Certification from the provider of continuing education services that certifies the annual hours of community services offered by the qualified physician as a resource for training or continuing education for medical students and professionals in Puerto Rico;
5. Certification from the corresponding entity that certifies the annual hours of community services offered by the qualified physician as a resource for seminars on prevention and other health matters;
6. Certification from the nonprofit entity certifying the annual hours of community services offered by the qualified physician to disadvantaged

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populations. The qualified physician must ensure that the non-profit entity is duly registered with the Department of State of Puerto Rico and that it also has a valid "Good Standing"; and/or

7. Certification from the Government of Puerto Rico Health Plan that certifies the annual hours for medical services offered through it, as an employee or contractor.
8. Certification issued by the Puerto Rico Veterans Administration health system.
9. The qualified physician should complete a sworn statement certifying that its compliance with the 180 hours of community service. This sworn statement must include a table detailing the hours of community service. Furthermore, the certifications must be attached to the application in the same order as included in the table.

It is important to note that all certifications included in the application must contain the logo or

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seal of the entity, date, and signature of the officer or representative.

What if a qualified physician is participating in a residency or fellowship program?

Qualified physicians who are participating in a residency or fellowship program are exempt from completing the 180 hours of community service. However, they must request the Certificate by presenting evidence that they are currently participating in a residency or fellowship program.

How much time will it take to the Department of Health to issue the Certificate?

The Department of Health will evaluate the application within 20 days, and if it meets all the requirements established in the Circular Letters it will issue the Certificate that will be valid for one year. The Department of Health will also send the Certificate within 20 days to the Puerto Rico Treasury Department and the Office of Industrial Tax Exemption. If an application has been denied, the qualified physician may request a reconsideration within 30 days of the notification.

ATBA Comments:

It is important that qualified physicians make sure that they are in compliance with all the requirements established by their tax grant under Act 14-2017 or Act 60-2019. As a summary, qualified physicians must continuously comply with the following requirements: (1) maintain status as a qualified physician; (2) be a resident of Puerto Rico; (3) comply with all tax responsibilities; (4) any other requirements imposed by the Grant or Act 14-2017 or Act 60-2019; and (5) provide the required 180 hours of community service. Should you need assistance or if you have any questions, give us a call.

qualified physicians with a tax grant under Act 14-2017. The Department of Health and DEDC Circular Letter 2022-007 and Circular Letter 002-2022, respectively, is for qualified physicians with a tax grant under Act 60-2019.

- ² Any application that does not contain all the information required in the application and is not accompanied by the documents required in the Circular Letters, will not be considered and/or accepted by the Department of Health.

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Footnotes

¹ The Department of Health and DEDC Circular Letter 2022-006 and Circular Letter 001-2022, respectively, is for

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