

## AWARD NOTIFICATION

### Puerto Rico External Quality Review Organization (EQRO) Request for Proposal (RFP) (2021-PRMP-RFP-002)

Pursuant to the authority and responsibilities set forth in Act No. 81-1912, as amended, known as "Health Department Act," and Act No. 38-2017, as amended, known as the "Uniform Administrative Procedures Act of the Government of Puerto Rico," the Puerto Rico Department of Health (hereinafter, "PRDoH"), Puerto Rico Medicaid Program (hereinafter, "PRMP"), issued a Request for Proposal (hereinafter, "RFP") for the purpose of engaging in a contract with a highly qualified and experienced External Quality Review Organization (EQRO) to assist PRMP in reaching its goal of ensuring that each enrollee of the Puerto Rico Vital Program can access timely, high quality, medically necessary, covered healthcare services, as per 2021-PRMP-RFP-002.

In response to the RFP, the PRMP received proposals from two (2) vendors: Island Peer Review Organization, Inc. (hereinafter, "IPRO") and Mercer Health & Benefits LLC (hereinafter, "Mercer"). In accordance with Section 1.10: Evaluation Committee and Solicitation Coordinator, proposals were evaluated by a five (5) person committee (hereinafter, "Evaluation Committee"). Pursuant to Section 4.2: Evaluation Process and Section 4.3: Contract Award Process of the RFP, the Evaluation Committee's determinations and scores were submitted to the PRMP Executive Director.

Based on the scores of the evaluations of the technical proposals and cost proposals, the Evaluation Committee recommended to the PRMP Executive Director, who agreed with such recommendation, that the contract be awarded to Mercer, whose proposal scored a total of 90.50 points, compared to 88.33 points for IPRO.

In accordance with Act No. 38-2017, as amended, known as the "Uniform Administrative Procedures Act of the Government of Puerto Rico," and Section 4.3: Contract Award Process of the RFP, the PRDoH, PRMP, hereby notifies this Award Notification, announcing its contract award to Mercer.

This Notification of Award does not create rights, interests, or claims of entitlement in either the selected vendor or any other vendor. It does not constitute the formation of a contract between the PRDoH and Mercer. Mercer must submit all appropriate documentation to the PRDoH contract office and request approval from the federal partners before the contract is executed with the PRDoH.

#### I. PROCEDURAL BACKGROUND

1. On December 16, 2021, PRDoH, PRMP, published 2021-PRMP-RFP-002, to contract with a highly qualified and experienced EQRO to assist PRMP in reaching its goal of ensuring that each enrollee of the Puerto Rico Vital Program can access timely, high quality, medically necessary, covered healthcare services, as per Section 1.1: Statement of Purpose. Vendors were required to submit proposals in two distinct parts: technical and costs.

2. On January 13, 2022, PRMP responded to vendors' written questions.
3. On January 14, 2022, PRMP posted Amendment 1, which included updates to Appendix 2: Technical Response and Evaluation Guide and services defined under Appendix 10: Pro Forma Contract Draft.
4. On January 20, 2022, PRMP posted Amendment 1 Revision 1, which updated Section 1.3: RFP Schedule of Events. The Schedule of Events was updated to reflect adjustments to the dates of activities, including and subsequent to the Proposal Submission Due Date.
5. On February 1, 2022, PRMP posted Amendment 2, which updated Section 1.3: RFP Schedule of Events. The Schedule of Events was updated to reflect a one (1) month extension of the Proposal Submission Due Date from February 4, 2022, to March 4, 2022.
6. On March 3, 2022, both vendors submitted their respective proposals, in accordance with Section 2: Response Requirements of the RFP.
7. On March 7, 2022, PRMP opened the technical proposals submitted by IPRO and Mercer.
8. On March 7, 2022, the Solicitation Coordinator completed the Mandatory Requirements Review of the proposals in accordance with Section 4.2.1: Technical Response Evaluation. The Solicitation Coordinator determined that both proposals met all the mandatory requirements and the proposals were subsequently submitted to the Evaluation Committee to complete their technical evaluations, per Section 4.2.1: Technical Response Evaluation.
9. On March 15, 2022, the Evaluation Committee completed its evaluation of the technical proposals. The Evaluation Committee signed the Technical Score Summary and Attestation memorandum, which summarized consensus technical evaluation scores.
10. On March 15, 2022, subsequent to attesting to the results of the technical evaluation, PRMP opened the cost bid proposals submitted by IPRO and Mercer. Once opened, the cost proposals were evaluated and scored.
11. On March 15, 2022, the Solicitation Coordinator, on behalf of the Evaluation Committee, submitted clarification questions to both vendors regarding their technical and cost proposals.
12. On March 17, 2022, the Solicitation Coordinator received responses from both vendors regarding clarification questions.
13. On March 21, 2022, the Evaluation Committee validated the vendors' responses to clarification questions and subsequently signed Appendix 4: Scoring Summary Table.
14. Both the technical and cost evaluation results and their associated recommendations were then presented to PRMP for its review and approval.
15. On April 1, 2022, PRMP, by means of the Evaluation Committee, issued a Notice of Award Memorandum, announcing the results of the technical and cost evaluations and its recommendation for the award to be made to Mercer.

## II. PROPOSAL SUMMARY

Summaries of each proposal are included below. Summaries were directly extracted from vendors' technical and cost proposals. The narrative summaries were extracted from the section

of their proposals detailing evidence of the respondent's ability to deliver the goods and services sought under this RFP.

1. **IPRO:** With more than 30 years of experience conducting managed care assessment and improvement activities, currently working with more than 150 managed care entities across the US, IPRO successfully performs all the activities detailed in the request for proposals (RFP). Our multistate experience, combined with our in-depth knowledge of the Medicaid program, ensures the high quality of services IPRO will continue to bring to Puerto Rico's Medicaid program.

IPRO's detailed management approach includes an organizational model with clear lines of authority and responsibility, a comprehensive work plan, and a robust Quality Management System (QMS), ensuring timely performance of contract activities and deliverables. IPRO's QMS is a collection of business processes focused on rigorously meeting customer requirements and surpassing expectations, reflecting IPRO's mission and values. The QMS applies to all IPRO offices and business units and includes ISO (International Organization for Standardization) certification; Lean implementation; satisfaction surveys (employee, customer, collaborator, and board); reporting, tracking, and mitigating potential and actual business risks; and employee engagement workgroup and motivational award for excellence in quality management.

Our internal quality controls (IQC) incorporate ongoing review of operational activities, internal auditing, and corrective actions to ensure service quality, accuracy, completeness, and timeliness; and we monitor cost variances as well as customer and collaborator satisfaction.

IPRO's success and steady growth derive largely from our core value of commitment to our customers. This is borne out by our customer satisfaction ratings, which, since 2002, have consistently exceeded the national average for same-sector businesses. IPRO uses the customer feedback generated from its annual survey as a performance benchmark and implements strategic actions to continually improve business processes. IPRO has served as an EQRO continually for more than 30 years. Our experience predates the issuance of the federal EQR protocols by 15 years, making us the most experienced and qualified EQRO in the nation. We are currently the EQRO for 11 states and territories (and serve as a subcontractor in one additional state).

- a. Cost of all deliverables and scopes of services required in the RFP for year one of quality evaluation: **\$599,090.83**
- b. Cost of all deliverables and scopes of services required in the RFP for year two of quality evaluation: **\$327,298.52**
- c. Cost of all deliverables and scopes of services required in the RFP for year three (optional Year 1): **\$336,247.93**
- d. Cost of all deliverables and scopes of services required in the RFP for year four (optional Year 2): **\$574,324.11**
- e. Cost of all deliverables and scopes of services required in the RFP for year five (optional Year 3): **\$356,906.17**

2. **Mercer:** Mercer can meet the qualification as an External Quality Review Organization (EQRO) with capabilities that extend beyond the standard competence and independence requirements outlined in 42 CFR 438.354 and Puerto Rico-specific managed care organization (MCO) contract requirements. We can provide Medicaid program design, policy guidance, and quality improvement support not typical of other EQROs. Throughout our RFP response, we describe and highlight our breadth and depth of experience in Puerto Rico Medicaid and demonstrate how Mercer offers the competency and expertise to be your EQRO. We are eager and excited about the opportunity to support the Puerto Rico Government Health Plan with new perspectives and lessons learned from other state Medicaid programs.

Members of the Puerto Rico EQR team have over 90 years of combined managed care operations experience; we have been “in the trenches” and have intimate knowledge and understanding of all managed care functions. Our knowledge of MCO operations allows us to quickly identify activities and processes that are inefficient, ineffective, or inconsistent with the Puerto Rico Medicaid Program’s (PRMP’s) desired goals, objectives, and outcomes so we can develop strong and enforceable recommendations for improvements to close gaps.

Mercer offers an interdisciplinary team of consultants with broad knowledge and experience in Medicaid and CHIP waiver design, rules for Medicaid managed care, and understanding of how states and managed care plans design high-quality programs within these expectations. This team complements the EQR consultants to address issues of federal compliance and opportunities to leverage EQR to inform and drive state policy and ensures the EQR team stays up to date on the federal landscape as the federal rules for Medicaid managed care and quality oversight continue to evolve. Specifically, Mercer has conducted in-depth studies of Network Adequacy and Program Integrity and has performed multiple readiness reviews in Puerto Rico. Mercer supported PRMP during a formal audit by the Centers for Medicare & Medicaid Services (CMS) Medicaid Integrity Group and negotiated and managed corrective action plans (CAPs) with the MCOs.

We have experience providing comprehensive compliance support to ensure compliance with Medicaid and CHIP Managed Care Final Rule (Managed Care Final Rule). We have also provided technical support on Medicaid claims rules and regulations for BH and substance use disorder (SUD) services provided to Medicaid-eligible populations, including a recent Mental Health Parity review for PRMP. Our team has provided timely and comprehensive responses to ad hoc questions, Affordable Care Act expansion populations, 1115 waivers, 1915(c) waivers, and summaries of other state Medicaid initiatives.

Mercer’s expertise as a full-service consulting firm highlights the sophistication of our knowledge related to Medicaid data and data systems. Our knowledge includes specialized expertise in the operation of state Medicaid Management Information

Systems (MMIS), the integration of vendor systems (for example, managed care, dental, pharmacy benefit managers, and transportation), and the impact delegated relationships, benefit coordination, and third-party liability have on the capture and control of critical claims and encounter information. This end-to-end knowledge is critical to performing key EQR activities, including conducting Information Systems Capabilities Assessments (ISCAs), performance measure validation (PMV), and encounter data validation. This experience can be leveraged in fee-for-service (FFS) delivery models as well.

As an experienced EQRO, Mercer has extensive knowledge and experience in the application of quality assessment and performance improvement (QAPI) methods. We use the CMS' Quality Framework, which incorporates QAPI activities, and we recognize the primacy of the Quality Management Strategy (QMS) in establishing the structure through which these QAPI activities occur.

Mercer brings years of research design, analysis, and reporting experience to benefit of our clients. Mercer's experience ranges from sampling and tool development, including data mining algorithms and medical record abstraction databases, to performing statistical analysis, such as descriptive, inferential, and multivariate statistics. Our expertise includes clinical and non-clinical areas and covers selecting, calculating, and validating Healthcare Effectiveness Data and Information Set (HEDIS®) and non-HEDIS outcomes and performance measures (PMs); performing medical record abstraction; conducting geospatial mapping to detect utilization and referral patterns; analyzing the impact of pay-for-performance and other value-based payment (VBP) strategies, and conducting a host of other quality of care and service studies.

Our experience also includes the collection of qualitative data for analysis. This type of research methodology allows us to explore data not amenable to quantification, answering questions about members' perceptions, and why certain behaviors persist. We use qualitative methods to uncover and understand what lies behind the data, with findings used to clarify and illustrate quantitative findings, build survey instruments, guide practices, and support policy development. This expertise allows us to include data collection methods such as case studies, focus groups, stakeholder groups, and interviews. Our EQR team includes doctoral-level biostatisticians, healthcare researchers, licensed clinicians and pharmacists, healthcare data analysts, and informatics specialists with expertise in all aspects of research design, data validation, measure calculation, statistical analysis, and report writing.

- a. Cost of all deliverables and scopes of services required in the RFP for year one of quality evaluation: **\$1,786,655.00**
- b. Cost of all deliverables and scopes of services required in the RFP for year two of quality evaluation: **\$1,078,280.00**
- c. Cost of all deliverables and scopes of services required in the RFP for year three (optional Year 1): **\$772,210.00**

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- d. Cost of all deliverables and scopes of services required in the RFP for year four (optional Year 2): **\$772,210.00**
- e. Cost of all deliverables and scopes of services required in the RFP for year five (optional Year 3): **\$1,135,755.00**

### III. PROPOSAL EVALUATION

Section 4.2: Evaluation Process of the RFP states that proposals would be evaluated in two (2) parts. The first part is the Technical Response Evaluation, inclusive of the Mandatory Requirements Review, followed by the Cost Proposal Evaluation. Per RFP Section 4.3: Contract Award Process, the PRMP Executive Director will review the apparent best-ranked evaluated response. If the PRMP director determines that PRMP will award the contract to a respondent other than the one receiving the highest evaluation process score, then they will provide written justification and obtain the written approval of the Puerto Rico Secretary of Health.

#### A. MANDATORY REQUIREMENTS REVIEW

First, the Solicitation Coordinator conducted the Mandatory Requirements Review, which consisted of reviewing each vendor's mandatory requirements. Each proposal was evaluated for compliance with:

1. Thirteen (13) mandatory requirements per Appendix 2: Technical Response and Evaluation Guide, Section A: Mandatory Requirements

The Solicitation Coordinator determined that both proposals met all the mandatory requirements and the proposals were subsequently submitted to the Evaluation Committee to complete their evaluations, per Section 4.2.1: Technical Response Evaluation.

#### B. TECHNICAL REVIEW AND COST REVIEW

Section 4.2.1: Technical Response Evaluation and Section 4.2.2: Cost Proposal Evaluation of the RFP states that proposals passing the Mandatory Requirements Review would be evaluated and scored across three (3) evaluation categories, with each receiving a percentage of the overall total 100 points.<sup>1</sup> The technical evaluation was based upon the point allocation designated in Table 2: Evaluation Categories & Maximum Points of the RFP for a total of 80 points of the 100 points. Cost represented 20 points of the 100 points. The Evaluation Committee referred to Appendix A: EQRO Scoring Rubric to support the evaluation of technical proposals. The Appendix A: EQRO Scoring Rubric was developed using the point scale specified in Appendix 2: Technical Response and Evaluation Guide, Section B: General Qualification and Experience of the RFP.

Section 4.1: Evaluation Categories & Maximum Points indicates the evaluation review criteria and point structure. This is also detailed in the table below:

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<sup>1</sup> Additional bonus points are available, which would increase the maximum response points to 21.21 points for General Qualifications & Experience, for a total of 101.21 points.

**Table 1: Evaluation Categories and Maximum Points**

<b>Evaluation Category</b>	<b>Maximum Score Possible</b>
*General Qualifications and Experience	20 (20% of total)
Technical Qualifications, Experience, and Approach	60 (60% of total)
Cost Proposal	20 (20% of total)
<b>Total</b>	<b>100</b>

\*Additional bonus points were available, which could have increased the maximum response points to 21.21 points for General Qualifications and Experience, for a total of 101.21 points.

The formula used to score the cost proposals is described in Appendix 2: Technical Response and Evaluation Guide, Section D: Cost Proposal and Scoring Guide of the RFP:

Cost proposal points

\_\_\_\_\_ x 20% x 100 = Cost proposal response points

150 section points

Cost proposal points were calculated by evaluating and ranking cost proposals from each vendor across five (5) contract years, including two (2) base contract years and three (3) one (1) year option years.

After discussing individual scores for all evaluation categories and associated requirements, the Evaluation Committee developed the following consensus in each category of the technical response and proceeded to score the cost proposals.

**Table 2: Evaluation Points Summary**

<b>Global Criteria</b>	<b>Maximum Points</b>	<b>IPRO</b>	<b>Mercer</b>
<b>General Qualifications and Experience</b>	<b>21.21</b>	20.00	20.00
<b>Technical Qualifications, Experience, and Approach</b>	<b>60.00</b>	48.33	52.50
<b>Cost Proposal</b>	<b>20.00</b>	20.00	18.00
<b>TOTAL POINTS</b>	<b>101.21</b>	<b>88.33</b>	<b>90.50</b>

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#### IV. AWARD DETERMINATION

Per Section 4.3: Contract Award Process, the Solicitation Coordinator submitted the Evaluation Committee's determinations and scores to the PRMP Executive Director for consideration along with any other relevant information that might be available and pertinent to contract award. The PRMP Executive Director reviewed the apparent best-ranked evaluated response and subsequently issued a Notice of Award identifying the apparent best-ranked response and made the RFP files available for public inspection.

Mercer met the mandatory requirements, attained 72.50 technical points, and attained 18.00 cost points, for an **overall score of 90.50 points**.

IPRO met the mandatory requirements, attained 68.33 technical points, and attained 20.00 cost points, for an **overall score of 88.33 points**.

The differences in scoring in the responses to the Technical Qualifications, Experience, and Approach requirements are exemplified by comments made by evaluation committee members during the evaluation as shown below:

#### MERCER

*"Vast experience with readiness reviews, with over 90 years of combined managed care operations. Stays up to date on the federal landscape as the federal rules for Medicaid managed care and quality oversight. Experience with Mental Health Parity, MMIS, Affordable Care Act Expansion Populations, QAPI methods, HEDIS, CAHPS, among others."*

*"Team member [sic] include licensed clinical consultants and non-clinical health industry professionals who have worked with PRMP. The team has decades of not just EQR experience, but quality improvement, managed care operations and oversight, and clinical and non-clinical healthcare expertise. Team is qualified to conduct all EQR activities, including those that may require licensure, such as medical record reviews."*

*"Many of their team member were previous managed care executives, state Medicaid staff, and CMS staff. Their key staff understands the linkage between healthcare, financing, and delivery of helathcare [sic] quality. Works with states to develop value-base payment (VBP) models at both the provider and MCO levels."*

*The references offers [sic] the highest qualification in the execution of the tasks and satisfaction with the work done. The knowledge and collaboration to PR Medicaid with the Quality Managment [sic] Strategy served as foundation to build the EQR, MCO compliance, and quality improvement framework.*

*"Experience with research projects range in scope from small to large focus studies and very complex evaluations. Performed statistical anlyses [sic] using*



descriptive, inferential, and multivariate statistics. Calculates and validates HEDIS and Non-HEDIS outcomes. The team includes doctoral-level statisticians [sic] and healthcare researchers, licensed clinicians and pharmacists, healthcare data analysts, and informatics specialists with expertise in research design, data validation, measure calculation, statistical analysis, and report writing. Examples of research and analytical projects conducted was mentioned.”

“Capability to grow with PRMP into a fully integrated EQR as desired by PRMP through encompass three different levels of service and integration: Classic EQR, Value-Based EQR and Integrated Purchaser EQR.”

“Is mentioned that clients found reports of great value and the information is used to inform the legislature and public MCO performance. “

“Reviewing the submitted report it was very complete and very well constructed.”

“The respond [sic] to this section manifest their complete knowledge in the proceesses [sic] that must be perform [sic] for the validations of PIPs and how important is the oversight, evaluation and TA in the development of PIPs. Steps to be followed on the PIP validation approach was very well defined.”

“A very well step by step explanation was provided demostrating [sic] a robust process to evaluate, validate and report the information regarding MCOs performance measures.”

“An example of a focus study to identify differences in treatment outcomes among Medicaid MCOs for members prescribed in Buprenorphine was included in Appendix E”

## IPRO

“Response was too vague, there is no specifications on what are the CMS requirements [sic]. They just mentioned that the established measure technical specifications are in accordance [sic] with 24 CFR 438 but what is included in such regulation is not specified.”

“They demonstrated a vast knowledge in matter of state and federal requirements, but I will like to find what they know about how requirements differ from federal vs. U.S. territories like Puerto Rico, and what they can offer to help us find an equal treatment based on their experience with our Island.”

“There is not mentioned of the interaction [sic] with ASES as the Government Agency in charge of contracting MCOs to provide the health benefits plan to the Medicaid and CHIP population, and who also monitored the compliance with those contracts.”

The Evaluation Committee determined that as a result of a fair and objective evaluation process, Mercer's proposal was the highest scoring proposal and is the best value decision for PRMP.

In accordance with Section 4.3: Contract Award Process, the Evaluation Committee, per the Solicitation Coordinator, recommended that the contract be awarded to Mercer, who attained the highest overall score. The PRMP Executive Director has evaluated the recommendation and found it is in the best interest of the Government of Puerto Rico, the PRDoH, and PRMP, to award the contract to Mercer. The PRMP concludes that Mercer's proposal meets the RFP's requirements, contains superior staffing approaches, and demonstrates more of an ability to fulfill compliance with the requirements of the RFP. Based on the aforementioned facts, the PRMP agrees with the Evaluation Committee, and awards the contract to Mercer.

#### V. STATEMENT OF APPEALS

Award revisions will be governed by Act No. 38-2017, as amended, known as the "Uniform Administrative Procedures Act of the Government of Puerto Rico," Sections 3.19 and 4.2.

A copy of the Award Notification will be sent by certified mail to all vendors. Any party adversely affected by the PRDoH's decision may file a request for reconsideration before the PRDoH within twenty (20) days of the date the PRDoH's decision was notified. The date of notification will be determined by the official United States Postal Service postmark on the envelope containing the Award Notification.

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An original of the request for reconsideration must be filed with the PRDoH at the following location: Oficina de Asesores Legales, Edificio A, Calle Periferical Interior, Barrio Monacillos, Rio Piedras P.R. The party requesting reconsideration must notify all other vendors, including awardees, with a copy of its request. A digitalized copy must be sent on the same date to Elizabeth Otero Martinez, elizabeth.otero@salud.pr.gov (PRMP). The PRDoH must consider the request for reconsideration within thirty (30) days of its filing date. If the PRDoH does not answer the request for reconsideration within such period, it will be deemed to have been rejected.

The vendor may file a petition for judicial review of PRDoH's final decision before the Puerto Rico Appellate Court within twenty (20) days from the earlier of:

- (i) The notification of PRDoH's final decision regarding the vendor's request for reconsideration. The date of notification will be determined by the official United States Postal Service postmark on the envelope containing the final decision regarding the request for reconsideration; or
- (ii) The date that the request for reconsideration is deemed to have been rejected

Vendors who fail to file a request for reconsideration or for judicial review within the periods indicated herein waive their right to contest an award.

On April 1, 2022, in San Juan, Puerto Rico.



Edna Y. Marin Ramos  
Executive Director  
Puerto Rico Medicaid Program

I HEREBY CERTIFY that on April 1, 2022, copy of this Award Notification has been sent via certified email to all vendors to the address provided for legal notices in the submitted proposals:

**Aimee Staats**  
**Island Peer Review Organization (IPRO)**  
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Solicitation Coordinator

**Appendix A: EQRO Scoring Rubric**

Rating	Relation to Requirements	Strengths	Weaknesses	Likelihood of Success
<b>Poor</b> 0	Fails to address the requirements	None or some that are far outweighed by weaknesses	Extreme	None
<b>Fair</b> 1	Partially addresses the requirements or is very limited	Some that are outweighed by weaknesses	Significant	Low
<b>Satisfactory</b> 2	Fully addresses the requirements	Some and significant in key areas	Minor, but far outweighed by strengths	High
<b>Excellent</b> 3	Excellent	Numerous and significant in key areas	None	Very High

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