



DEPARTMENT OF HEALTH

Puerto Rico Medicaid Program

PUBLICATION

Pursuant to 42 U.S.C. 1308(g)(7)(A)(v)(III), the Puerto Rico Medicaid Program publicizes the list of contracts issued during the period of July 1, 2024, thru September 30, 2024, that due to extenuating circumstances could not comply with the procurement standards identified under sections 75,327, 75,328 and 75,329 of title 45, Code of Federal Regulations. Contracts' descriptions and justifications are provided below.

Vendor	Contract number	Contract period	Amount	Note
Goldman Antonetti & Córdova, LLC	2025-000015	7//82024-6/30/2025	\$175,000	1
Premier Financial Services, PSC	2025-000018	7/1/2024-6/30/2025	\$1,500,000	2
Ad Astra Solutions, LLC	2025-000019	7/1/2024-6/30/2029	\$334,350	3
Mercer Health & Benefits, LLC	2025-000023	7/2/2024-6/30/2025	\$6,614,285	4
Citriom, LLC	2025-000024	7/2/2024-6/30/2025	\$1,946,160	5
Deloitte Consulting, LLP	2025-000029	7/1/2024-6/30/2025	\$2,008,800	6
Truenorth Corporation	2025-000038	8/1/2024-7/31/2025	\$1,989,344	7
Publicidad Tere Suárez, LLC	2025-000040	8/1/2024-6/30/2025	\$450,000	8
Telecontacto, Inc.	2023-DS1504C	8/26/2024-9/30/2024	\$350,000	9

Notes:

1. Refers to an ASES contract for legal services for which ASES did not procure it through a competitive process. The ASES provided the following explanation:

Under Canon 33 of the Puerto Rico Professional Code of Ethics, admission to the practice of law by the Puerto Rico Supreme Court is a mandatory requirement for providing legal services in Puerto Rico. The Puerto Rico Professional Code of Ethics, approved by the Supreme Court, is a state licensing law that governs the legal profession. Specifically, Canon 32 of said Code states that it is improper for a lawyer to participate in any auction or competitive bidding process for the provision of professional or notarial services to any public or private entity.

*A legal opinion received by the Puerto Rico Health Insurance Administration (PRHIA) has confirmed that Canon 32 conflicts with competitive processes designed to procure legal services. Violating Canon 32 may subject an attorney to disciplinary measures, as the Puerto Rico Supreme Court holds the inherent authority to regulate the legal profession, including the power to impose sanctions such as suspension from practice. See *In Re Gordon Menendez, I*, 171 DPR 210 (2007). Clearly,*

Canon 32 is part of Puerto Rico's state licensing law and is enforceable under its ethical guidelines.

Moreover, Section 75.328(b) of Title 45 of the Code of Federal Regulations (CFR) recognizes that federal procurement standards do not preempt state licensing laws. The section states:

"The non-Federal entity must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts state licensing laws."

In other words, while federal regulations prohibit the use of geographic preferences in competitive procurement processes, they do not preempt state licensing laws. Therefore, a selection criterion requiring that a lawyer be admitted to practice law in Puerto Rico by the Puerto Rico Supreme Court is not prohibited under federal procurement standards, as this criterion is grounded in state law.

Given this, it would be inconsistent to recognize that federal regulations do not preempt the application of Canon 33—regarding the requirement for admission to the Puerto Rico Bar as a procurement criterion—while ignoring the same exception for Canon 32. The potential consequences for violating Canon 32, including the risk of being debarred from practicing law in Puerto Rico, further support its applicability as an exception to federal procurement standards. Failing to recognize this exception for Canon 32 would place PRHIA, as a state agency, in the position of inadvertently encouraging violations of Puerto Rico's state licensing laws, putting attorneys at risk of breaching their ethical obligations.

Therefore, we respectfully reiterate our position that Canon 32 constitutes a valid exemption to federal procurement standards, which justifies PRHIA's contract with the Goldman Antonetti Law Firm without requiring a competitive procurement process.

Additionally, it is important to highlight that the contractor is a full-service law firm with over 15 attorneys specializing in various legal areas, including cybersecurity. Given the nature of the sensitive personal health information managed daily by PRHIA, particularly for the 1.2 million beneficiaries of Plan Vital, it is crucial that PRHIA secure legal counsel with

strong expertise in cybersecurity to ensure compliance with applicable federal regulations.

This is a new contract, and PRHIA has verified that the rates charged by this contractor are reasonable within the legal industry. In fact, their rates are lower than those of two other law firms of similar size currently under contract with PRHIA, and they are competitive with those of two smaller firms also engaged by PRHIA.

The procurement oversight lead certified the Goldman Antonetti & Cordova, LLC, contract as noncompetitive due to extenuating circumstances. In our opinion, Section 75.328(b) of 45 CFR does not provide an exception to the competitive processes requirement stated throughout Sections 75.327 – 329. The allowed exceptions are stated in Section 75.329(f). Nonetheless, the Canon restriction could arguably be considered an extenuating circumstance that motivates a noncompetitive process.

2. Refers to an ASES contract for accounting and financial services, for which ASES did not procure it through a competitive process. The ASES provided the following narrative to explain why it considers the vendor as a sole source:

The previous contract for these services with said contractor was competitively procured through the #NNSP-2023-016-FIN. Under said contract, this contractor was assigned tasks to be performed for both the Finance and Budget Office and the Compliance Office.

Since late 2023 PRHIA has been working with Phase III of the Puerto Rico Medicaid Management Information System (PRMMIS), which consists of the implementation, development, and testing of the accounting and premium payment aspects of this project which is managed by the Medicaid program to comply with CMS requirements. Training on Phase III of the PRMMIS project started on January 2024. However, PRHIA encountered, and continues to encounter, a multitude of problems with the access provided to PRHIA's personnel and staff and the available data on said platform for PRHIA to operate properly. For instance, for the issuance of additional payments to the MCOs for claims that are not included in the premium payments, the data included in the PRMMIS that was available for PRHIA was not complete (lacked relevant data fields needed for PRHIA's functions) or was presented in a different way as that of the data provided by the MCOs (e.g. claims adjudicated vs. claims submitted) and hence, the discrepancies and inconsistencies with the data received directly from the MCOs and stored in the MedInsight platform and used in the ES. This required PRHIA to engage in a validation

and reconciliation process of the PRMMIS data and the mature data available on MedInsight to be able to complete their operations. Another situation encountered was that the utilization data received directly by PRHIA from the MCOs, which is used to evaluate their performance and compliance with the contractual terms of the Vital and Platino contracts, was not consistent with that received from PRMMIS. Sometimes the data received was not current, as was that of the MCOs or would present discrepancies in the classification of the beneficiary or in the eligibility period, among others. These discrepancies, inconsistencies and lack of access to relevant information impacts PRHIA's proper operations.

In addition, PRHIA's staff did not receive from PRMMIS the written guides for the corresponding processes and use of the platform.

In order to address these situations with the urgency and sensitivity that the same required given the timetable for the implementation of PHASE III and the dislocation on PRHIA's core operations, PRHIA was forced to appoint this contractor, under the functions included in the scope of work of the previous contract, to provide technical support to the Finance and Budget staff regarding the implementation of Phase III. As such it became a key collaborator in the validation and reconciliation of data received from PRMMIS and the data directly obtained from the MCOs and MAOs that allowed PRHIA to continue fulfilling its financial operations for Plan Vital and Platino. Phase III Go Live date was delayed from April to May 2024, thus causing that the usual services provided by this contractor for the Finance Office were needed to be completed during the first six months of fiscal year 24-25, provided that all the changes required by PRMMIS from Medicaid Puerto Rico were to be received in PRHIA.

As it pertains to the scope of work related to the operations of the Compliance Office, under the previous contract, this contractor was involved in the execution of several key compliance audits of the MCOs and MAOs which became necessary as a result of information that surfaced pursuant to meetings with the providers, the monitoring and oversight of the reports submitted by the MCOs and MAOs on the COMP and in the press. Through these additional audits, in which the contractor became an integral collaborator of the Compliance Office, PRHIA would validate whether the MCOs and MAOs were complying with the payment of claims and tariffs in accordance with federal and state laws and regulations and PRHIA's signed contracts with them. Out of the six audit projects, the

following three had to be stopped and postponed until the implementation of PRMMIS's concluded:

- *Audit of the payment of claims to Hospitals and Laboratories by MCOs.*
- *Review of payment to specialist providers of the MFS 75%, 80% and 100% for the year 2023 of the Vital Contract.*
- *Review of compliance with payment to specialist providers with the 70% MFS (Vital contracts from 2018-2022).*

This was due to the fact that they required extensive data collection, detailed data verification, and expert knowledge to interpret insurers' financial data. They required the development of work plans and follow-up based on the results of the analysis in order to achieve efficient and accurate verification. These projects, clearly, must be concluded so that PRHIA may fulfill its oversight functions as the fiscal agent of the federal and state funds disbursed to the MCOs and MAOs for the payment of claims to the providers of Plan Vital and Medicare Platino and in turn be in compliance with federal and state laws.

This contractor's prior work with PRHIA since 2021 included conducting evaluations of the MCOs internal controls, measurement of compliance and the revision of their adjudication of claims and payment of claims. Due to this prior experience and acquired knowledge, and its involvement during the prior contract (2023-2024) in the audits pertaining to the MCOs and MAOs compliance with the contractual terms and conditions of the contracts signed with PRHIA, this contractor is uniquely positioned to complete these required audits, as well as other related functions like providing support to PRHIA with the creation of guidelines for the providers and its multiple layers to ensure adherence with CMS regulations and best practice in the industry.

Likewise, due to its vast expertise in the areas of government finances and accounting, its knowledge of PRHIA's and Plan Vital's financial operations and its involvement in the implementation process of Phase III of the PRMMIS project, this contractor is uniquely positioned to engage in the required tests of the PRMMIS Phase III implementation process and continue assisting PRHIA in the validation and reconciliation process of the financial data, as well to perform the following tasks:

- *Perform an analysis to determine the impact on the payment of premiums to insurers due to differences between PRMMIS and the current ES, including:*

- *Logic (formulas) for determining the payment of premiums according to all its components.*
- *Analysis and evaluation of adjustment mechanisms.*
- *Evaluation of any other differences considered by PRMMIS and/or ES. Validate the functioning of the premium payments obtained by PRMMIS, in case of differences, be able to identify and prepare action plans to address them.*
- *Support the functions of PRHIA's Finance team during and after the implementation of PRMMIS.*
- *Become "Trainers" of PRMMIS modules.*
- *Identify the impact PRMMIS would have on the roles and functions of PRHIA's Finance team.*
- *Identify potential reports needed for PRHIA's Finance functions*

The possibility of incorporating another contractor as a result of a competitive process to provide these necessary and sensitive services for PRHIA's proper operation, would not only delay the PRMMIS project but would also hinder PRHIA's capacity to have the operational intelligence needed to generate the required changes to the ES programming and to properly train its employees. On the same vein, the introduction of a less experienced, less knowledgeable contractor would necessarily have resulted in increased delays and escalation of costs given the additional time the contractor would need to become acquainted with critical financial operations of PRHIA, related to both the ES and PRMMIS and the intricacies of both, amidst the transition of the premium payments to the PRMMIS platform, that is, in a moment of operational vulnerability.

For these reasons, this contract is justified under the exemption of single source under Section 75.329(f)(1) of Title 45 of the Code of Federal Regulations.

Please note that the service rate of this contractor has not changed since FY 21-22. PRHIA has also been able to corroborate that they are reasonable as compared with the rates of other contractors currently engaged with PRHIA for other financial and accounting services.

For the reasons presented by ASES the procurement oversight lead certified the Premier Financial Services, PSC, as noncompetitive due to extenuating circumstances. In our opinion, the circumstances expressed by ASES provide a reasonable motive to extend the contract to the incumbent vendor; nevertheless, it does not necessarily represent that those services could only be provided by this vendor.

- 3 Refers to an ASES contract for accounting and financial services for which ASES did not procure it through a competitive process. The ASES provided the following explanation:

Previous contract for these services with said contractor was competitively procured through the #NNSP-2023-016-FIN.

During the previous contract this contractor was engaged in the debt reconciliation process with all the municipalities of Puerto Rico for the Employer's Contribution to the municipal employee's health plan. This is a large-scale project that encompasses a ten-year period, from the year 2013 to the present, and includes all 78 municipalities of Puerto Rico. It is a major project in PRHIA for it represents the collection of monies owed to the agency and represents another source of revenues. Failure to complete this project affects PRHIA's revenues. The FOMB has required PRHIA to complete the recoupment process promptly.

This project has been divided into several phases, which include the reconciliation phase where the municipalities need to accept or challenge the payable debts. After identifying the accounts receivable, agreements must be put in place to settle the municipalities' debts with PRHIA.

These tasks require experience and expertise in government and municipality financial matters, which the contractor well possesses. During the previous contract, this contractor engaged in the provision of these services by providing technical assistance to the municipalities to validate and reconcile the receivable invoices sent by PRHIA. This included visits to municipalities, evaluation of records and identification of employees during the billing period by PRHIA, among others. For these purposes, the contractor created a Call Center to provide customer services and support to the majors and personnel from the municipalities. It has also served as PRHIA's liaison with the municipalities and represented PRHIA in the diverse meetings with the Association and Federation of Majors to further explain the reconciliation and collection process in which they are engaged.

On the other hand, although PRHIA is the government entity that manages the second largest budget in the Government of Puerto Rico, for many years it has been operating with an extremely reduced workforce. After finally having in place its new Classification and Retribution Plan, approved by the FOMB on January 14, 2024, it embarked in an intense recruiting process to reinvigorate its human resources base. The same came to a

halt on September 5, 2024, due to the electoral ban but will be reconvened in January 2025 and it is expected to provide PRHIA with a total of more than 40 new employees. As part of the procedural requirements and the merit principle that govern the administration of the human resources in government, these new career positions have probationary periods during which, the performance of the employees occupying these positions must undergo several periodic and timely objective evaluations, before the employee may become entitled to the employment position.

As part of FOMB's requirements, PRHIA must develop an entire employee performance appraisal system, staffing analysis of PRHIA and draft the Salary Administration Policy System in accordance with the Classification and Retribution Plan approved by the FOMB. Due to the complexity of these tasks, the same were delegated to this contractor during the prior contract term. All these tasks must be completed promptly during the fiscal year 2024-2025.

The risk of a change in contractor if a competitive proposal was held, and hence the introduction of a less knowledgeable contractor, would have position PRHIA in the predicament of facing delays, and in an increase of costs resulting in the unnecessary expenditure of public funds given the additional time the new contractor would need to become acquainted with projects of the magnitude and relevance as these. Therefore, it would have exposed PRHIA to the risk of failing to timely comply with FOMB's requirements. In sum, it was in the best interest of PRHIA to allow the contractor to finish these tasks in order to facilitate PRHIA's compliance with the FOMB's requirements, as above described, securing the collection of monies owed and assuring having the needed tools to perform the evaluations of its new personnel in order to guarantee the retention of the best human resources for the proper operation of PRHIA.

These are the extenuating circumstances that prevented PRHIA from procuring these services through a competitive process.

It should be noted that the contractor maintained the same fees offered for the previous contract, which underwent a procurement process.

- 4 Refers to an ASES contract for actuarial services for which ASES did not procure it through a competitive process. The ASES provided the following explanation:

The previous contract of said contractor was procured through RFP #Acturial 2022. Since the inception of the new contract with the MCOs, the contractor has been involved in all matters pertaining to the negotiation of

the applicable capitation payment rates or PMPM rates of the Vital Plan and the DRG's (Diagnosis Related Group) initiative.

The unwinding period that began in December 2023 and was scheduled to end on April 30, 2024, was extended until June 30, 2024, for all those beneficiaries who had not gone to the corresponding local Medicaid office to process their recertification. Said delay in turn caused several delays to the actuarial process for the establishment of the PMPM rates for the second contract term (October 1, 2023 – September 30, 2024) of the MCOs contract to the point that the corresponding contract amendment was signed by the MCOs two months after the previous contract with the actuary firm concluded, that is, on August 30, 2024. This situation also delayed the negotiation process of the PMPM rates for the third contract term (October 1, 2024 – September 30, 2025) of the MCO's contract, which as of this moment is still on going.

In addition, since this contractor started providing actuarial services to PRHIA in May 2022, it has been working on the development of the All Patient Refined Diagnosis Related Groups (APR-DRG). This is a key project because this new methodology for the payment of hospital services under Plan Vital is aimed at standardizing said payments while adding economic efficiency to the program without leaving the providers unprotected from receiving proper and adequate compensation for their services. Complete and accurate coding supports program oversight efforts and the ability of the PRHIA to monitor services provided. This is such an important government project that PRHIA has to provide the FOMB monthly progress reports, for which this contractor is a key player.

The implementation date of this special project was extended by the FOMB from October 2024 to October 2025. Accordingly in fiscal year 24-25, PRHIA will continue working with this contractor in all implementation sessions with the hospital providers, through the Association of Hospitals of Puerto Rico, and the MCOs.

Given this contractor's experience, highly specialized expertise as well as its profound knowledge on the development of Plan Vital's PMPM rates under the current MCOs' contract and related operation of Plan Vital, it is uniquely positioned to provide the business intelligence analysis required to properly, promptly and timely discharge the actuarial services needed by PRHIA for the establishment and negotiation of the PMPM rates for the current MCO contract as well as for the implementation of the DRGs. Clearly, a change in actuary, amidst the completion of these critical tasks

and projects, was not viable because an adequate transition of an actuarial firm would have greatly disrupted them causing a severe negative impact on critical aspects of Plan Vital. For these reasons, this contract is justified under the exemption of single source under Section 75.329(f)(1) of Title 45 of the Code of Federal Regulations.

For the reasons presented by ASES the procurement oversight lead certified the Premier Financial Services, PSC, as noncompetitive due to extenuating circumstances. In our opinion, the circumstances expressed by ASES provide a reasonable motive to extend the contract to the incumbent vendor; nevertheless, it does not necessarily represent that those services could only be provided by this vendor. Additionally, as stated in the certification, since it could be foreseen that the extenuating circumstances will be present as a yearly recurrent event, a competitive procurement process with the feasibility to provide a contract duration on par with the length of the MCOs contracts should be considered.

- 5 Refers to an ASES contract for IT services, for which ASES did not procure it through a competitive process. The ASES provided the following narrative to explain why it considers the vendor as a sole source:

Previous contract for these services with said contractor was competitively procured through the #NNSP-2023-011-IT. The Enterprise System (ES) S is a custom-made technological platform designed, developed, implemented and maintained since its creation by this contractor. The ES is the technological platform that PRHIA uses to manage and operate Plan Vital and the Medicare Platino program. It is a highly complex platform that houses enrollment, demographic, utilization, medical history, and premium payment data, among other data used in PRHIA, for the over 1 million beneficiaries of the Government Health Plan. It contains various modules to address PRHIA's operational needs, including claims processing, provider management, data analytics and reporting, financial management, quality assurance and customer services. As part of the migration process to the PRMMIS, where certain functions of the ES are being replaced by PRMMIS, PRHIA needs a contractor to reorganize and temper the current structure of the ES, its data base and current reports, with that needed for those functions not to be replaced and which shall continue to be used under the ES.

During the course of the previous contract with this contractor, multiple situations ensued with the implementation phase of different components of the PRMMIS, which required major changes to be made to the ES in an expedited yet efficient and accurate manner so as to guarantee minimal

impact upon PRHIA's daily operations. This contractor was actively involved in this process and was a key player in PRHIA achieving said goal. Therefore, the only contractor suited to implement the changes and modifications that the ES needs and will continue to suffer due to the ongoing implementation and maturation of the PRMMIS, is its creator. It is the only contractor who, at this crucial stage of the process, possess the expertise and in-depth knowledge of both the ES and the intricacies of the PRMMIS project, who can promptly detect, provide PRHIA and implement the necessary and prompt solutions to reduce at a minimum any impact on its operations during the critical phase at which the PRMMIS project is.

Incorporating another contractor would not only delay the PRMMIS project but will generate programming difficulties in the changes required in the ES, which would ultimately hinder the data validation and payment efforts to the MCOs that provide health services to the beneficiaries of the Government Health Plan (Plan Vital). The introduction of a less experienced, less knowledgeable contractor would necessarily have resulted in increased delays and escalation of costs given the additional time the contractor would need to become acquainted not only with the ES but also with the PRMMIS and the intricacies of both.

On the other hand, this contractor has also been involved in the programming of the Comprehensive Oversight Monitoring Plan (COMP) on the ES since the inception of the COMP. Consistent with program oversight efforts, PRHIA implemented a COMP and a tracking tool to oversee the operation of Medicaid services. The COMP and tracking tool allow PRHIA to monitor on an ongoing basis to track performance according to contract and program requirements such as: Member and Provider Call Center Service Level, Provider Claims Payment, Network Access & Availability, Program Integrity, Quality and Clinical Management, Pharmacy Expenditure, and Financial Execution. The COMP tool has enabled PRHIA to execute the MCO Compliance Program in a standardized and systematic way, recording all actions taken, from reporting and analysis to corrective actions requested and recommendations for sanctions. In sum, this oversight tool allows PRHIA to comply with federal regulation 42 CFR 438.66. Certain modules and work being done on the COMP, which were expected to be completed by June 30, 2024, experienced delays because part of the resources allocated for this purpose were used to collaborate and assist in the implementation of the PRMMIS.

During 2023, PRHIA expanded the development of this tool to the operation and services administered by MAOs that provide Medicaid services to Dual-Special Need Plan beneficiaries enrolled in the Platino benefit plan under Medicaid in Puerto Rico, which is approximately 280,000 individuals. By the end of 2025, PRHIA expects all operations and services to be systematically monitored on an ongoing basis while conducting annual reviews and adapting program operations as new regulatory requirements arise. In order to accomplish this goal, the programming of the COMP on the ES must be completed.

Once again, this contractor has the unique knowledge, because of its involvement in the previous stages of the COMP, to conclude these tasks within the time and with the accuracy and efficiency required. Making a change of contractor at this stage of the process would have a significant impact on the operation of PRHIA, its compliance with federal regulations, as well as its budget.

In sum, for the reasons herein stated, we respectfully maintain that this contract falls within the exceptions of section 75.329(f)(1) of Title 45 of the C.F.R.

The procurement oversight lead certified this contract as noncompetitive due to extenuating circumstances. Shortly after the certification submittal, the Human and Health Services' Office of Inspector General presented its final report number A-02-24-01002 which included a finding related to a previous but similar ASES contracting process with this vendor. Referencing the PRDOH response, the OIG stated: "Based on our review of the Health Department's comments, we agree that the covered contract described in the report could have been identified as not meeting Federal procurement standards due to extenuating circumstances (an allowed exception) in the Health Department's certification to the HHS Secretary." Therefore, the procurement oversight lead reaffirms the determination that for the reasons presented by ASES, Citriom's contract was noncompetitive due to extenuating circumstances. In our opinion, the circumstances expressed by ASES provide a reasonable motive to extend the contract to the incumbent vendor; nevertheless, it does not necessarily represent that those services could only be provided by this vendor.

- 6 Refers to an ASES contract for managerial and administrative services for which ASES did not procure it through a competitive process. The ASES provided the following explanation:

Previous contract with this contractor was procured through competitive process #NNSP-2023-014-GP. Under said contract, the contractor assisted PRHIA in multiple tasks in connection to the requirements established by Public Law 116-94 which mandated that Puerto Rico define its strategy and roadmap to comply with initiatives related to Contract Reform, Contract Oversight, Program Integrity, and Financial Reporting. In the same vein, the contractor started working with PRHIA's initiatives under its Strategic Plan, which is required by the Puerto Rico Office of Management and Budget (Oficina de Gerencia y Presupuesto or OGP for its Spanish acronym). The contractor also assisted PRHIA in providing the corresponding progress reports to Congress, required by Public Law. No. 117-328, which reinstated the annual reporting for FY 2023 and each subsequent year before FFY 2028.

PRHIA's current Strategic Plan contains more than seventy (70) multifunctional projects under development for five (5) PRHIA departments. The contractor supports PRHIA in the implementation and progress of twelve (12) priority projects within the Strategic Plan that need to be concluded and whose progress needs to be reported as well to Congress, as required under P.L. 116-94 and the Consolidated Appropriations Act (133 STAT 3109), Division N, Title 1, Subtitle B, §202, together with the Medicaid Office.

A shift in contractors at the critical stage in which these priority projects are will delay their completion and require the investment of additional public funds for a new contractor to get acquainted with PRHIA's operations, needs, objectives of each of the priority projects and their intricacies to bring them to a successful completion. The monthly cost of the services (fixed fee) remained the same as the prior contract and the project leadership hours included in the fixed fee increased from 700 to 720, to PRHIA's benefit.

- 7 Refers to an ASES contract for IT services for which ASES did not procure it through a competitive process. The ASES provided the following explanation:

The Medicaid Program's unwinding process prevented PRHIA from issuing a new RFP process for the selection of the new Enrollment Counselor prior to the termination of the previous contract. This was due to the delay in obtaining the population data of the Vital Plan necessary for offerors to be able to make appropriate cost calculations to present their quotes for a period of 3-5 years.

The unwinding period that began in December 2023 and was scheduled to end on April 30, 2024, was extended until June 30, 2024, for all those beneficiaries who had not gone to the corresponding local Medicaid office to process their recertification. In addition, Medicaid had asked CMS for an additional two-month extension of eligibility for another significant population segment, namely, the specially covered patients, certified bedridden, certified homeless individuals, Medicare Platinum covered patients, and children under the age of 19 whose parents have lost eligibility. This segment could then be eligible until August 30, 2024. Also, the Medicaid Program was in a process of redetermining eligibility based on the new federal poverty level where people who were ineligible for the Program due to excess income could be recertified.

Due to all the above situations, the process to have accurate and reliable data on the Vital population was significantly delayed, so an additional period of at least 4-5 months after June 30, 2024, was needed to make better projections upon which offerors could prepare their quotes. This population data is necessary to make the corresponding multi-year projection of the population to be served by the Enrollment Counselor upon which the cost (Per Member Per Month or PMPM) of the Contact Center service component of the Program is directly based.

In the formulation of a responsible calendar for the celebration of the RFP and that minimizes the impact on the Plan Vital program due to a possible transition due to a change of provider, PRHIA also considered the annual open enrollment period which runs from January 1 to February 14 of each calendar year. Said period is the only annual period that Vital enrollees have to change their MCO, PMG and/or PCP without just cause. That is why it is important for the Enrollment Counselor to be an entity with proficiency in this task and that it can do all the programming, data transfer, knowledge transfer and have all the systems that apply online and fully operational to ensure that the open subscription process is carried out normally and without adversely affecting the beneficiaries.

Considering all the above, the RFP is scheduled to be published in December 2024, proposals were to be received by the beginning of February 2025, the award was scheduled to be made by the end of March 2025, the "Readiness Review Process" will take between 45 to 60 days from the signing of the contract, leading to a "Go Live" on August 1, 2025. By extending the contract by one year, the next two open enrollment periods will be conducted by providers with experience in the process, the

2025 by the current contractor and the 2026 by a provider with at least five (5) months of experience managing the Enrollment Counselor Program. In short, by being able to have, if needed, a broad transition period between the outgoing and incoming provider, PRHIA will have the opportunity to provide a transparent transition without major obstacles for the beneficiaries.

- 8 Refers to an ASES contract for publicity services for which ASES did not procure it through a competitive process. The ASES provided the following explanation:

Previous contract of said contractor was procured through a competitive process, NNSP #2023-013-PU. During the unwinding period and recertification process held by the Medicaid Office, PRHIA provided much needed support to the Medicaid Office by launching an informative campaign to keep the Vital beneficiaries well informed about the process. Due to the extension of the unwinding and recertification period up and until June 30, 2024, this contractor's fundamental role in this key endeavor lasted for approximately 6 months. For this reason, part of the tasks previously started by the contractor had to be stopped, thus inevitably impacting on the schedule of projects assigned to the firm, which remained to be completed, as they are needed by PRHIA.

It was in the best interest of PRHIA to allow the contractor to finish these tasks. The introduction of a less knowledgeable contractor would necessarily have resulted in increased delays and in an increase of costs given the additional time the new contractor would need to become acquainted with the pending projects. Hence, this course of action represented the most cost-effective route because it assured PRHIA the best use of the monies previously invested in the tasks that were stopped. Likewise, the contractor had already acquired the necessary knowledge to perform important tasks like the education campaign for the upcoming Annual Open Enrollment Period, among other related educational campaigns needed.

These services have been scheduled for procurement through a competitive process starting later November 2024.

- 9 Contract 2023-DS1504C refers to an amendment to a PRMP contract with the same number for which PRMP did not procure it through a competitive process. It was preceded by RFP 2022-PRMP-MES-Contact Center-004 awarded on June 16, 2022. The RFP provided for a two (2) year base-contract with three (3) optional one (1) year extensions. Amendment C refers to the addition of \$350,000 to complete the tasks

during the final month of the base two-year contract. Budget assigned to initial contract was depleted due to the increment of demand for services during the “unwinding” process. Only \$103,503 of the added funds were used.

Given today December 18, 2024, in San Juan, Puerto Rico.



Jorge L. Sánchez, ESQ
Procurement Oversight Lead
PRMP