



DEPARTMENT OF HEALTH

Puerto Rico Medicaid Program

CERTIFICATION

Pursuant to 42 U.S.C. 1308(g)(7)(A)(v)(II) and (III), the Puerto Rico Medicaid Program¹ (PRMP) and the Puerto Rico Health Insurance Administration (PRHIA) publicizes the list of contracts issued during the period of October 1, 2024 thru December 31, 2024, that due to extenuating circumstances² could not comply with the procurement standards set forth in sections 75.327, 75.328 and 75.329 of title 45, Code of Federal Regulations. Contracts' descriptions and justifications are provided below.

Puerto Rico Health Insurance Administration (PRHIA)/ ASES				
Vendor	Contract number	Contract period	Amount	Note
Mercer Health & Benefits LLC	2025-000049	October 18, 2024 to June 30, 2025	\$1,500,000.00	1

Notes:

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

“The previous contract for these services with this contractor was competitively procured through the NNSP #2023-015-FRC.

In 2020, with the collaboration and highly specialized experience of Mercer Health & Benefits LLC, PRHIA created the Comprehensive Oversight & Monitoring Plan (COMP) as an essential tool for PRHIA's Compliance Office. The COMP enables the Compliance Office to carry out continuous supervision and follow-up over health insurance

¹ The contracting and procurement oversight lead is to certify to the HHS Secretary that the contracts with an annual value exceeding \$150,000 (1) have met the federal general procurement standards (45 C.F.R. §75.327), competition requirements (45 C.F.R. §75.328), and procurement procedures (45 C.F.R. §75.329) or (2) that extenuating circumstances (including a lack of multiple entities competing for such contract) prevented the compliance of such contract with such standards. The certification is to be completed no later than 60 days after the end of each fiscal quarter.

² The contracting and procurement oversight lead is to make certifications containing extenuating circumstances public no later than 30 days after the certification is made, including a description and justification of such extenuating circumstances.

companies and serves as a data repository of all health insurance companies contracted by PRHIA. The COMP is also used by PRHIA's analysts as a supervision and statistical tool on multiple levels, including the rendering of high-level statistics and generating Key Performance Indicators (KPI). Health insurance companies report into the COMP essential data that PRHIA, as a monitoring entity, requires to ensure compliance with contractual obligations and obtain vital information to establish utilization tendencies. This tool also enables PRHIA's Compliance Office to implement Corrective Action Plans based on accurate data. The COMP also allows PRHIA to comply with state monitoring requirements under 42 CFR § 238.66.

d
This contractor has been a key part of the design, development, and implementation of the COMP modules for the Government Health Plan (GHP) and Medicare Advantage (Platino). Given this contractor's experience, highly specialized expertise, as well as its profound knowledge of the COMP, its services are still needed for the design, development, and implementation of the Pharmacy Benefit Manager (PBM) module, which is necessary to guarantee reliable monitoring metrics and ensure the PBM's accountability in efficiency and quality control in its services. It should be noted that the GHP's PBM component is comprised of approximately 1 billion dollars in federal and state funding.

Furthermore, PRHIA's Clinical Operations Office is charged with updating the GHP's service coverage for beneficiaries certified by Medicaid. This Office is continually monitoring Managed Care Regulations and introducing all necessary updates and is also charged with the Quality Rating System (QRS), the use of MACPRO for metrics reporting, among other responsibilities. Given that the implementation of the supplemental rebates program is currently ongoing, and that it must consider new services like cellular or genetic therapy, the contractor's expertise is crucial in the development of the Scope of Work of the Request for Proposal (RFP) for the GHP, which is due in summer of 2025. Aside, this contractor provides crucial support to the Clinical Operations Office in data management and interpretation of current federal regulations.

The Clinical Operations Office lacks sufficient human resources to manage all the data, analysis, reports, documentation, and interpretation of federal regulations. For this reason, the contractor's expertise and support is essential for this area's operation and until

PRHIA can hire new personnel and provide adequate training and transfer of knowledge.

Under the 2023-2024 contract, Mercer Health & Benefits LLC has been advising and assisting PRHIA on the previously described tasks, which must be continued until completion, particularly the Scope of Work draft for the GHP RFP, which must be submitted in summer 2025. This contractor is also in the process of analyzing the mental health services needs of the GHP in light of the Centers for Medicare & Medicaid Services (CMS) initiatives related to behavioral health strategies. This requires the development of a strategic plan and effective coordination of all ongoing projects or PRHIA operations that may be impacted by these initiatives. This must be carried out by a contractor with vast experience and knowledge in federal regulations and in the Puerto Rico GHP. The only resource that is able to carry out these responsibilities is Mercer Health & Benefits LLC, given its unique knowledge and experience with the GHP and PRHIA's operations.

For these reasons, PRHIA determined that the renewal of this contract was necessary given that Mercer Health & Benefits LLC is the provider with the particular expertise and experience to meet PRHIA's then present needs and ensure its adequate operations in relation to all the undertakings mentioned above. The selection of another contractor at that crucial moment would have resulted in a higher cost to PRHIA due to the additional period that would have been required for the new contractor to get fully acquainted to PRHIA's operations and would pose a significant delay in the preparation process for the GHP RFP, affecting thousands of beneficiaries.

In conclusion, this contract is justified under the exemption of single source as per Section 75.329(f)(1) of Title 45 of the Code of Federal Regulations.

It should be noted that PRHIA has an active RFP (RFP #2025-002 (FR)) for the provision of healthcare federal regulation and public policy consultive professional services."

ASES certified that the contract was justified under the single source exemption as per Section 75.329 (f) (1) of Title 45 of the Code of Federal Regulations, and informed that it has an active Request for Proposals process for the provision of healthcare federal regulation and public policy consultive professional services.

For the reasons presented by ASES the procurement oversight lead certified the contract as noncompetitive due to extenuating circumstances. In our opinion, the circumstances expressed by ASES provided a reasonable motive to execute the contract with the current vendor. Nevertheless, it does not necessarily mean that those services could only be provided by a single source. Furthermore, due to the highly technical and complex services been provided a competitive procurement process with the feasibility of providing a contract duration on a multiyear basis should be considered.

Given today March 17, 2025, in San Juan, Puerto Rico.



Esdras Vélez, Esq.
Procurement Oversight Lead
PRMP