

December 4, 2025

**VIA EMAIL AND CERTIFIED
MAIL RETURN RECEIPT**

TO: HEALTH DATA INTELLIGENCE, LLC

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MERCER HEALTH & BENEFITS, LLC

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NOTICE OF INTENT TO AWARD CONTRACT UNDER THE RFP #2025-004 (ACTUARIAL SERVICES)

I. REQUEST FOR PROPOSALS

PRHIA has a need for actuarial professional services that will allow the Puerto Rico Health Administration (PRHIA) to make financial projections for the contractual process of capitated payments of the Government Health Plan (GHP or Plan Vital Plan) and others. These projections must be evaluated by an actuarial firm to obtain the rates that will be established in a given contract year. In addition, federal regulation requires data reporting to the Centers for Medicare & Medicaid Services (CMS). The actuarial services sought include: a) actuarial analysis and certifications; b) assistance in determining per member per month (PMPM) rates for Plan Vital, Platino, Law No. 95 - Public Employees Health Benefits Act; c)



support in financial reporting to request federal funds and other fiscal reporting (e.g., report to the Puerto Rico Fiscal Oversight Board); d) assistance in the process of competitive contracting processes (Plan Vital); (e) analysis of the actuarial and fiscal impact of new or proposed federal or state laws and regulations; among other actuarial analyses.

In this Scope of Work the following duties are included: risk adjustment; Medical Loss Ratio actuarial analysis and corresponding filings on any of the following formats: population specific basis, contract-specific bases or aggregated cross multiple contracts, as the regulation allows Puerto Rico to use any of the mentioned formats; Diagnosis Related Groups (DRGs) in hospital billing practices; provide written responses to CMS requests and processes; must ensure that the methodologies developed, and rates calculated under all tasks meet all federal and Government of Puerto Rico requirements, including CMS guidance for actuarial soundness in accordance with 42 CFR 438.4; quarterly review of CMS-64 filings; Data Analysis regarding Pharmacy Benefit Manager (PBM) and Rebate Aggregator (RA) Contracts; and other actuarial analyses required by PRHIA.

II. PROCEDURAL BACKGROUND

RFP #2025-004 (Actuarial Services) was issued on August 18, 2025, and published on PRHIA's website. The Public Notice was also posted on the Sole Bids Registry ("Registro Único de Subastas") of the Government of Puerto Rico on the same date.

The previous competitive process for these services —RFP #2025-001 (Actuarial)— was formally cancelled by PRHIA's Board of Directors (BOD), as announced in the Notice of Cancellation dated August 6, 2025. Following this decision, the BOD directed PRHIA's Executive Director to revise the RFP documentation to promote broader competition and better alignment with PRHIA's current operational needs. Accordingly, RFP #2025-004 (Actuarial Services) reflected noteworthy updates to the Scope of Work, Experience Requirements, Terms and Conditions, among other key elements.

PRHIA sent invitations to eighteen (18) potential offerors established in Puerto Rico as well as in the continental United States. These invitations included additional companies not invited in the previous procurement, including a women-owned actuarial firm based in Minneapolis, Minnesota. The contact information for these potential offerors was obtained from PRHIA's records created in past competitive procedures and information from the Sole Providers Registry ("Registro Único de Proveedores") created by the Puerto Rico General Services Administration ("Administración de Servicios Generales" or "ASG" for its Spanish acronym) for all professional services providers to the Government of Puerto Rico, as well as through a broad internet search carried out by the Proposal Adjudication Area.

The deadline to submit proposals was set for September 4, 2025. PRHIA received three (3) Notices of Intent to Participate from interested offerors, which were the following companies: **Mercer Health & Benefits, LLC; Milliman, Inc.; and Health Data Intelligence, LLC.** During the Questions & Answers period, PRHIA also received queries from Deloitte Consulting, LLP, and from Integrum, LLC.

After the deadline for proposal submission, PRHIA received three (3) proposals from **Health Data Intelligence, LLC (hereinafter “HDI”)**; **Mercer Health & Benefits, LLC (hereinafter “Mercer”)**; and **Milliman, Inc. (hereinafter “Milliman”)**.

The evaluation of submitted proposals began on September 5, 2025, and concluded on November 10, 2025. Specifically, the Document Checklist and Legal Evaluations of the submitted proposals concluded on September 26, 2025. The financial evaluation phase concluded on October 30, 2025.

The members for the Executive Evaluation Committee were designated by PRHIA’s Executive Director as per Section III (b) of Administrative Order No. 2021-0701, as amended, titled *Procedure for the Analysis and Adjudication of Proposals for the Puerto Rico Government Health Plan and Other Competitive Procurement Procedures*, which vests upon the Executive Director discretion to determine the number of members for any evaluation committee and subcommittee.

According to Section 5.2.1 of the RFP, the scoring criteria to be used were the following:

5.2.1: Scoring Summary of the Proposal

Section Title	Section Weighting
Mandatory Requirements (Section 6)	Pass/ Fail
Technical Proposal (Section 7)	70%
Cost Proposal (Section 8)	30%

To score the questions in the Technical Proposal, the following point value system was used:

Point Value	Descriptions	Criteria for Point Assignment
0	Does Not Meet Requirement	A particular RFP requirement was not addressed in the Offeror’s proposal. Proposal response is missing or is non-responsive for it does not addresses any of the requirements.
1	Partially Meets Requirement	Offeror’s Proposal demonstrates some attempt at meeting a particular RFP requirement, but that attempt falls below acceptable level. The Offeror failed to provide a fully compliant response to the requirements in the RFP and the omission(s), or defect(s), are significant. The quality of the proposal response is considered to be less than average for a qualified Offeror.

Point Value	Descriptions	Criteria for Point Assignment
2	Meets Requirement	Offeror's Proposal fulfills a particular RFP requirement in all material respects, potentially with only minor, non-substantial deviation Proposal response comply with the requirements and provided an adequate description of how the requirements would be met. The proposal response is considered to be of average quality for a qualified Offeror
3	Exceeds Requirement	Offeror's Proposal fulfills a particular RFP requirement in all material respects and offers some additional level of quality in excess of PRHIA's expectations (e.g. Additional Preferred Experience, will be scored as exceeds). The proposal response complies with the requirements and provided a good and complete description of how the requirements would be met, is above the average quality that is expected from a qualified Offeror.

The points allotted by the Executive Evaluation Committee to the Technical Proposal questions represent the following percentages, which in turn are used to calculate the total points given:

Point Value	% of Possible Points
3	100%
2	80%
1	50%
0	0%

The Mandatory Requirements Evaluation began on October 30, 2025. Upon reviewing the Mandatory Requirements of the submitted proposals, the Committee determined that **Mercer** and **Milliman** complied with the requirements of this stage and received a "PASS" score. The Committee determined that both Offerors generally complied with the Mandatory Requirements of the RFP.

In contrast, the Committee noted that **HDI**, a company that commenced operations in 2024, was unable to provide audited financial statements and instead submitted unaudited financial information. The financial documentation revealed a moderate to high risk of severe financial stress and moderate to high risk of severe payment delinquency. Furthermore, the limited financial information available prevented the calculation of most key financial ratios and the identification of meaningful trends. Additionally, the **HDI** reported a limited staff, including one actuary, which raised concerns regarding the company's current capacity to fulfill the Scope of Work outlined in this RFP. The limited staffing could pose a

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potential risk to PRHIA, particularly if the sole actuary becomes unavailable. Therefore, it was considered that **HDI** did not meet the operational and financial capacity requirements under the RFP.

Based on these observations, the Committee concluded that **HDI** lacked the financial capacity and operational resources necessary to meet the requirements of this RFP. As provided by Sections 5.4 and 6.10 of the RFP, **HDI** received a “FAIL” score in this evaluation stage.

The Committee then proceeded with the Technical Evaluation of **Mercer’s** and **Milliman’s** proposals, which represents 70% of the RFP scoring criteria. After carefully evaluating the answers to all the questions in the Technical Proposal for both Offerors, the Committee gave the following total scores:

Technical RFP Section	Description of Section	Section Weighing	Maximum Total Points	Offeror B	Offeror C	Point Difference
7.1	Service Proposal and Scope of Work Requirements	45%	90	79.5	67.5	12
7.2	Readiness and Operational Capacity	10%	20	18	8	10
7.3	Qualifications and Experience	45%	90	72	72	0
Total		100%	200	169.5	147.5	22

After concluding the Technical Proposal Evaluation, the Committee examined the Offerors’ Cost Proposals. According to Section 5.6.6 of the RFP, the Cost Proposal to be scored is the sum of the Total Annual Costs proposed for the contract term, which consists of a base term of two (2) years and one (1) optional extension year, for a total of three (3) years.

In their examination, the Committee considered that the Cost Proposal Template, as per Section 8.5 of the RFP, states that for evaluation and scoring purposes, Offerors must calculate their hourly blended rate using 20,000 annual hours as reference. The RFP states that this is only for evaluation purposes and is not a guarantee of the final award. However, the RFP allows Offerors to calculate their blended rate based on a different number of hours if they deem that a different number of hours is required for the Scope of Work of the RFP. **Milliman** submitted an updated Cost Proposal on November 7, 2025, as was requested.

According to Section 5.6.7 of the RFP, the total maximum number available points for the Cost Proposal is **85 points** and the scoring is based on the sum of the total annual costs proposed for the contract term. After evaluating the Cost Proposals, **Milliman** was awarded **85 points** and **Mercer** was given a score of **79 points**.

In summary, total overall scores obtained by Offerors are as follows:

Offeror	Total Tech Points	Percent of Total Tech Pts	Total Cost Proposal Points	Percent of CP Points	Total Points	Percent of Total Points	Ranking
Mercer	169.5	85%	79	93%	248.5	87%	1st
Milliman	147.5	74%	85	100%	232.5	82%	2nd
Difference	22	11%	6	7%	16	5%	

As reflected by the table above, the Committee deemed that both **Mercer** and **Milliman** presented responsive proposals, with a difference of 5% scoring between them. Thus, the resulting ranking was set in correlation to the total scores given to each Offeror.

III. CRITERIA TAKEN INTO CONSIDERATION FOR THE ADJUDICATION

On November 25, 2025, PRHIA's Board of Directors (BOD) received the submitted Committee Report and Recommendation of this RFP. Although the BOD acknowledged that the Committee's recommendation was based on the total scoring of the presented proposals, after careful consideration the BOD deemed that **Milliman's** proposal provided the best overall value for PRHIA, since it was more aligned to PRHIA's projected need of actuarial services, which was also considered to be cost-efficient.

It is the BOD's understanding that **Mercer's** proposal did not meet the expectations for PRHIA's evolving operational needs and its strategic direction for managing this service moving forward. Also, the BOD did not consider that this proposal was in the Government of Puerto Rico's best interests. In the case of **HDI**, the BOD did not disregard the Committee's recommendation that this offeror failed the Mandatory Requirements evaluation stage, given that this entity failed to comply with the Mandatory Requirements of the RFP.

As authorized by PRHIA's enabling statute, Law No. 72-1993, as amended, which in Article IV, Section 2 (k) gives the BOD authority to execute contracts on behalf of PRHIA, and as authorized by PRHIA's Contracting and Transparency, Competitive & Non-Competitive Procurement Process Standard Operating Procedure, which recognizes the BOD's discretion to approve, modify, or decline Executive Evaluation Committee recommendations in procurements for professional services, the BOD has concluded that **Milliman's** proposal constitutes the best overall value for PRHIA's operational needs and future strategic management of actuarial services. This determination is also based on the Government of Puerto Rico's best interests.

IV. NOTICE OF FINAL DETERMINATION

Pursuant to Section 5.8 of the RFP, the successful Offeror of the RFP #2025-004 (Actuarial Services) is **Milliman, Inc.**

Accordingly, you are hereby notified of said selection and PRHIA's intent to award a contract for an initial term of two (2) years, with one (1) option to renew for an additional contract year, subject to the availability of funds, for a total amount of **\$16,500,000.00**.

RECONSIDERATION AND JUDICIAL REVIEW

Any Offeror who understands that they have been affected by PRHIA's final determination regarding this RFP may submit a Petition for Reconsideration within ten (10) calendar days from the date of the notification of this Notice. This deadline is jurisdictional and cannot be extended. Failure to timely present the petition will preclude PRHIA from considering the Petition for Reconsideration.

In compliance with Section 2.3.6 of the RFP, the Petition for Reconsideration must be addressed to the attention of PRHIA's Board of Directors and sent by postal mail or by email to the following addresses:

**Urb. Caribe Sector El Cinco
1549 Calle Alda
San Juan, PR 00926-2712
asesprocurement@ases.pr.gov**

The Offeror seeking reconsideration of this decision must notify all other Offerors who participated in the RFP with a copy of the Petition of Reconsideration within the same ten (10) day term to file the Petition. This is a requirement of strict compliance.

PRHIA's BOD shall determine if it will consider the Petition for Reconsideration within ten (10) calendar days of the filing of the petition. If the BOD does not make this determination within the ten (10) calendar days, the Petition shall be deemed rejected outright. If the BOD decides to consider the Petition, the Offeror will be notified via email. The BOD will then have thirty (30) calendar days to issue and notify its final determination on the Petition. PRHIA may extend said term only once, for an additional term of fifteen (15) calendar days.

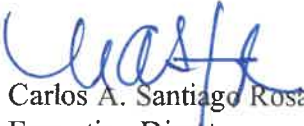
If a ruling on the Petition is made, the twenty (20) calendar days for requesting judicial review will begin from the date on which a copy of the notification of the decision of the BOD was notified by email.

In the case that the BOD does not consider the Petition within the initial ten (10) day period and the Petition for Reconsideration is deemed rejected outright, the twenty (20) calendar days term to request judicial review before the Court of Appeals will initiate after the expiration of the initial ten (10) day period.

This Notice of Intent to Award is contingent upon the signature of the final contract. No work may begin until the contract is fully executed.

REGISTER AND NOTIFY.

Signed on December 4, 2025, in San Juan, Puerto Rico.



Carlos A. Santiago Rosario, Esq., JD, LL.M., MSHA, FACHE, CHC
Executive Director
Puerto Rico Health Insurance Administration

CERTIFICATION OF NOTIFICATION BY EMAIL

This Notice was registered and filed in the administrative file of this process and a true and exact copy was sent and notified **by email** to all parties in this process, as noted below:

HEALTH DATA INTELLIGENCE, LLC
An Danh
President
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MERCER HEALTH & BENEFITS, LLC
F. Ron Ogborne III
Partner
Ron.Ogborne@mercer.com

MILLIMAN, INC.
Susan Pantely
Principal and Consulting Actuary
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In San Juan, Puerto Rico, on December 4, 2025.

