

PUERTO RICO HEALTH INSURANCE ADMINISTRATION (PRHIA)



ADMINISTRACIÓN DE
SEGUROS DE SALUD

ASES

GOBIERNO DE PUERTO RICO

REQUEST FOR PROPOSALS

RFP #2025-004 (ACTUARIAL SERVICES)

ACTUARIAL PROFESSIONAL SERVICES FOR THE GOVERNMENT HEALTH PLAN

ISSUE DATE: AUGUST 18, 2025

**PROPOSAL DUE DATE: SEPTEMBER 4, 2025, ON OR
BEFORE 11:59 PM (AST)**

TABLE OF CONTENTS

1. GENERAL INFORMATION	3
2. CONDITIONS GOVERNING THIS REQUEST	7
3. EXPERIENCE & QUALIFICATION REQUIREMENTS	23
4. SUBMISSION FORMAT, ORGANIZATION, AND CONTENT.....	33
5. EVALUATION PROCESS	34
6. MANDATORY REQUIREMENTS.....	39
7. TECHNICAL PROPOSAL.....	49
8. COST PROPOSAL	52

1 GENERAL INFORMATION

1.1 Purpose

This document constitutes a request for submissions from qualified entities to provide actuarial services. The Contractor selected as a result of this Request for Proposals (RFP) will provide actuarial services support for the public health insurance programs administered by PRHIA. The requested services will include fiscal management, consulting, and technical assistance with: 1) actuarial analysis regarding the Centers for Medicare and Medicaid Services (CMS) requirements and requested certifications; 2) determine the Per Member Per Month (PMPM) rates for the Government Health Plan (GHP) (Plan Vital, Platino, Ley 95- Public Employees Health Benefits Act); 3) financial reporting support in order to apply for federal funding; 4) fiscal reporting on encounter data in order to optimize healthcare services; 5) actuarial and fiscal analysis for budget initiatives; 6) financial analysis on chronic health condition payments (risk adjustment); 7) financial and actuarial reports to be submitted for the Financial Oversight and Management Board for Puerto Rico (FOMB); 8) support in competitive procurement processes (i.e. Plan Vital, Act. No. 95- Public Employees Health Benefits Act contracts); 9) assessment of fiscal impact of federal law, state law, rules, etc.; 10) Diagnosis Related Groups (DRGs) analysis; 11) federal law waivers and budget neutrality requirements, among other actuarial analyses as needed upon request.

The intent is to award a contract, at a date to be determined, to an entity demonstrating its ability to meet all requirements, with experience in, and knowledge of, Medicaid managed care programs, and successfully operate in Puerto Rico. The effective date of this Agreement will be from **October 1st, 2025, through September 30, 2027** (base term of two (2) years) with one (1) option to renew for an additional fiscal year each, that is, from **October 1st, 2027, until September 30th, 2028**.

This Request for Proposals (RFP) defines the Puerto Rico Health Insurance Administration's (PRHIA or ASES, for its acronym in Spanish) minimum service requirements, solicits responses, and outlines the process for evaluating submissions and selecting Contractors.

The Offeror must agree, and quote costs based on the Total Ownership Cost Method. The Total Ownership Cost Method includes not only the direct costs of the specific deliverables required for the provision of the Contracted Services, but also all indirect costs that would be logically attributed to the provision of such Services. **It is an all-inclusive rate.**

PRHIA is seeking Offerors that:

1. Demonstrate a clear understanding of PRHIA's needs, the services sought, and the Offeror's responsibilities.
2. Demonstrate that the Offeror understands their role as partner and advisor to PRHIA.
3. Demonstrate the Offeror's capability to perform all services and meet all Contract

- requirements.
4. Demonstrate how the Offeror will contribute to the achievement and advancement of PRHIA's goals and objectives.
 5. Demonstrate financial capacity to perform the services of this RFP.
 6. Demonstrate operational capacity to support an October 1st, 2025, Effective Date.

1.2 Procurement Contact

The Procurement Contact is the sole point of contact regarding the RFP from the date of issuance until selection of the successful Offeror. Any inquiries or requests regarding this procurement shall be submitted in writing and by email.

The Offeror may only contact the Procurement Contact regarding this procurement. Other Government of Puerto Rico employees, consultants, and agents do not have the authority to respond on behalf of PRHIA. PRHIA shall not assume responsibility for any answers or clarifications provided by other PRHIA staff, or by any other Government of Puerto Rico employee or agent. An Offeror that contacts another Government of Puerto Rico employee or agent in violation of this requirement will be excluded and disqualified from further participation in this RFP. See Section 2.4.22 of this RFP.

The decisions notified by the Procurement Contact on any matter regarding this RFP shall be final.

Contact information for the Procurement Contact is as follows:

Mrs. Leilani Valle Donato, Esq.
Principal Proposal Adjudicator
1549 Calle Alda
San Juan, PR 00926-2712
asesprocurement@ases.pr.gov

1.3 Background

Pursuant to Title XIX of the Federal Social Security Act, 42 USC sec. 1396 *et seq.* ("the Social Security Act"), and Act No. 72 of September 7, 1993 of the Laws of Puerto Rico ("Act 72"), a comprehensive program of medical assistance for the medically needy persons that exists in Puerto Rico. The Puerto Rico Health Department ("the Health Department") is the Single State Agency designated to administer medical assistance in Puerto Rico under Title XIX of the Social Security Act of 1935, as amended, and is in charge of ensuring the appropriate delivery of health care services under Medicaid and the Children's Health Insurance Program ("CHIP") in Puerto Rico, and PRHIA manages these programs pursuant to a delegation of authority.

PRHIA is a public corporation with autonomy to develop and execute the terms of its organic law, Act Number 72 of September 7, 1993, as amended. PRHIA is responsible for health care policy, purchasing, planning, and regulation pursuant to Act 72, as amended, and other sources of law of Puerto Rico, and pursuant to this statutory provision. PRHIA has established a managed care program under the medical assistance program, known as “GHP,” “GHP Program,” “the Government Health Plan”, or “Vital”. As part of its responsibilities, PRHIA needs actuarial services in support of GHP contract, as well as other federal requirements for actuarial services.

Beneficiaries that participate in the Plan Vital are approximately 1,100,00 million beneficiaries. Currently, PRHIA holds contracts with four (4) MCOs to provide GHP services. PRHIA also has current contracts with four (4) MAOs to provide services for the Medicare Advantage under Platino coverage, as well as several contracts under Puerto Rico’s Act No. 95 of 1963, as amended, in order to provide a health plan for officials and employees of the government of Puerto Rico. In addition, PRHIA has a contract with a PBM to provide Pharmacy Benefit Management services and MDRP services to provide Rebate services, Maximum Allowable Cost (MAC) list services and Formulary Management services. The MCOs are obligated to accept the terms and conditions of the contract that PRHIA holds with these entities.

PRHIA is authorized to negotiate and enter into contracts with entities to perform required tasks under the laws of the federal Government and the Government of Puerto Rico, to support the Medicaid and other health services provided by the Federal Government. In this RFP, PRHIA seeks to contract with a qualified Actuarial Service Provider (Contractor) with expertise, financial resources, and experience to provide comprehensive actuarial services in support of the Government Health Program. Responses submitted must demonstrate the capacity and ability to conduct Actuarial Services functions for PRHIA.

1.4 Content of RFP

This RFP defines PRHIA’s minimum service requirements, solicits responses and outlines the process for evaluating proposals and selecting the Contractor. This RFP contains the following information:

1. Instructions to Offerors contained throughout this RFP.
2. Procedures, rules, and policies for the presentation and for the adjudication of the proposal.
3. Technical specifications & Scope of Work.
4. Appendices, including the Cost Proposal Template and Other Required Forms.

1.5 Definitions

This section contains definitions and abbreviations that are used throughout this document.

Actuarial Services - The use of mathematical and statistical models, probability, finance, economics, computer programming, and other resources to create actuarial models to evaluate and predict future payouts for insurance purposes.

Business Day – Monday to Friday, other than a national or state holiday as defined by Act No. 111-2014, which amended the “Código Político de 1902”, in relation to official holidays. The use of the term “day”, rather than “working day” or “business day”, shall mean a Calendar Day.

Conflict of Interests – Any group of acts, facts, or circumstances that according to PRHIA’s determination and judgment appears to bring into question the image, independence, objectivity, or fair treatment of the Contractor, as established in detail in Sections 2.4.26 and 2.4.27. This term also incorporates the requirements for conflict-of- interest safeguards at 2 CFR sec. 200.318.

CMS – Centers for Medicare & Medicaid Services, which is the federal agency responsible for administering Medicare and overseeing state administration of Medicaid.

Contract – A written agreement between PRHIA and the Actuarial Services Provider for the provision of specified tasks set forth in this RFP.

Contract Term – the period of time beginning with the commencement date or Effective Date of a Contract and ending when the Contract expires in accordance with its terms, or when it has been terminated.

Major Subcontractor – A subcontractor, as herein defined, who will perform twenty five percent (25%) or more of the tasks to be awarded to the Contractor, **or** that will receive twenty five percent (25%) or more of the budget assigned for this Contract as payment for services related to the SOW of this RFP, **or** who will perform core tasks under the Scope of Work.

Managed Care Organization (MCO) – An insurance company, health care organization, or any other approved health organization in Puerto Rico that meets the CMS definition of an MCO.

Medicaid – The joint Federal/state program of medical assistance established by Title XIX of the Social Security Act.

Offeror – Any person, corporation, or partnership that submits a response to this RFP. The terms “contractor(s)”, “offeror(s)”, “vendor(s)”, “supplier(s)”, and “proposer(s)”, “proponent(s)”, “bidder(s)” are also used interchangeably. For purposes of this RFP, the use

of the terms “shall”, “must”, and “will” are used interchangeably when describing the Offeror’s/Contractor’s/Offeror’s duties.

Procurement Contact – PRHIA’s Principal Proposal Adjudicator responsible of managing the RFP process.

Proposal – The document submitted as a response to this RFP, including all attachments.

Request for Proposals – Refers to this document and all documents used to solicit responses, including those attached or incorporated herein by reference.

Subcontract – The written contract between the Actuarial Services Provider and a Subcontractor to perform a specified part of the Actuarial Services Provider’s obligations under the Contract.

Subcontractor – Any organization or person, including the Actuarial Services Provider’s parent, subsidiary or affiliate, who has a subcontract with the Contractor to provide any function or service for the Contractor specifically related to securing or fulfilling the Actuarial Services Provider’s obligations to the Government of Puerto Rico under the terms of the Contract.

2 CONDITIONS GOVERNING THIS REQUEST

The following is the schedule and major events as currently defined, as well as the conditions governing this process.

2.1 Issuing Office and RFP Reference Number

PRHIA is the issuing office for this RFP and all subsequent related addenda. This RFP will be referenced as **RFP #2025-004 (Actuarial Services)**.

It is required to refer to and/or include this reference number on all proposals, correspondence, and documentation relating to the RFP.

2.2 Schedule

The delivery schedule set forth herein represents PRHIA’s best estimate of the schedule that will be followed. Unless stated otherwise, **items will be due at 11:59 p.m. (Atlantic Standard Time) on the dates specified below**. If a component of this schedule —such as *Submission of Proposals*— is delayed, the rest of the schedule will likely be shifted by the same number of days. PRHIA will make every effort to adhere to the following schedule:

Action	Responsible Party	Date
1. Issuance of RFP	PRHIA	August 18, 2025
2. Deadline for questions	Potential Offerors	August 25, 2025
3. Publication of Questions & Answers document	PRHIA	August 27, 2025
4. Submission of Proposals	Offerors	On or before September 4, 2025
5. Notice of intent to award Contract	PRHIA	No later than September 22, 2025
6. Reconsideration/Request for Administrative and Judicial Review	Offerors	Ten (10) days after the notification of the Notice of Intent to Award
7. Contract Execution	PRHIA and Awarded Actuarial Services Provider	No later than October 1 st , 2025
8. Go-Live Date	PRHIA	October 1 st , 2025
<p>NOTE: Dates are subject to change based on number of Proposals to evaluate and final approval from federal partners.</p> <p>PRHIA reserves the right to request additional/clarification from Offeror at any time during the process.</p>		

2.3 Details of the Schedule

2.3.1 Notice of Intent to Participate

Potential Offerors are encouraged to promptly return by email the Notice of Intent to Participate that accompanies this document (Appendix A) and preferably not later than **August 29, 2025**, to have their organization placed on the procurement distribution list and receive the username and password to access the secure site where Proposals will be uploaded. **FAILURE TO SUBMIT THIS FORM AT LEAST ONE BUSINESS DAY BEFORE THE DATE OF SUBMISSION OF THE PROPOSAL WILL BE INTERPRETED AS A DECLINATION TO PARTICIPATE IN THIS PROCESS.**

The form must be signed by the Offeror's representative authorized to legally bind the Offeror, dated, and returned to asesprocurement@ases.pr.gov. If an Offeror does not receive a username and password within three (3) business days from the date of submission of Appendix A, the Offeror may contact the Procurement Contact.

At a minimum, the procurement distribution list will be used to distribute:

- Written responses to questions*; and
- Any RFP amendments*.

***THESE DOCUMENTS WILL ALSO BE POSTED IN PRHIA’S WEB PAGE UNDER “CONTRATACIÓN GUBERNAMENTAL/ACTIVE RFPs”.**

2.3.2 Deadline to submit written questions regarding RFP

Offerors that fail to report a known or suspected problem with the RFP and/or its accompanying materials or fail to seek clarification and/or correction of the RFP and/or its accompanying materials shall submit a Proposal at their own risk. In addition, if awarded the Contract, the Contractor shall not be entitled to additional compensation for any additional work caused by such problem, including any ambiguity, conflict, discrepancy, omission, or error.

Potential Offerors may submit to the Procurement Contact a maximum of **twenty (20)** written questions as to the intent or clarity of this RFP and its appendices. The Offeror shall submit all questions by a non-encrypted email that must contain the following as the subject line:

RFP #2025-004 Actuarial Services - Questions/Clarifications

Questions shall be clearly labeled and shall cite the Section(s) in this RFP or other document that forms the basis of the question. For example, if the Offeror has a question related to this procurement schedule, the Offeror must cite to Section 2.1 of this RFP.

No compound or multi-part questions are allowed. If submitted, each part of the compound or multi-part question will count as one (1) of the twenty (20) questions allowed. PRHIA will not answer more than twenty (20) questions per Offeror.

Questions must be received by **August 25, 2025. See Appendix I of this RFP.**

2.3.3 Publishing Responses to Written Questions/RFP Amendments

Written responses to questions and any RFP amendments will be distributed to all potential Offerors appearing on the procurement distribution list. They will also be published on PRHIA’s Web Page under “CONTRATACIÓN GUBERNAMENTAL/ACTIVE RFPs”.

PRHIA shall make every effort to provide answers as close to the deadline as possible. PRHIA reserves the right to determine, at its sole discretion, appropriate and adequate responses to written comments, questions, and requests for clarification. To the extent practical, inquiries shall remain as submitted. However, PRHIA may consolidate and/or paraphrase similar or related inquiries.

PRHIA’s official responses and other official communications pursuant to this RFP shall constitute an amendment or supplement of this RFP.

PRHIA reserves the right to amend this RFP (including all appendices) any time before the closing date for submitting proposals, excluding changes to the schedule of events.

Amendments shall be sent to all Offerors appearing on the procurement distribution list pursuant to Section 2.3.1 of this RFP and shall be published on PRHIA's web page.

2.3.4 Deadline for the Submission of Proposal

Proposals are due on or before 11:59 PM (AST) on **September 4, 2025**. Any Proposal received after this deadline **will be rejected and will cause the Proposal to be disqualified**.

Offerors are required to submit only one (1) Proposal in response to this RFP. One (1) copy of the entire Proposal must be uploaded onto the secure site with the unique password and username given to the Offeror. The Offeror must also place the Proposal sections in the appropriate folders with the Offeror's name.

The Offeror shall not distribute the Proposal to any entity not specified in this RFP, nor shall the Offeror share its Proposal with other potential Offerors.

The contents of any Proposal shall be maintained in strict confidentiality by PRHIA according to **Section 2.4.7 of this RFP** and shall not be disclosed to competing Offerors or the general public during the procurement process and only may be disclosed after the Contract is awarded.

2.3.5 Notice of Intent to Award Contract

The Executive Director of PRHIA shall send the awarded Offeror a written Notice of Intent to Award. A copy of this document shall be notified to all other participating Offerors.

2.3.6 Reconsideration/Request for Administrative and Judicial Review

Any Offeror who understands that they have been affected by the final determination of PRHIA in the adjudication of this RFP may submit a written Petition for Reconsideration within **ten (10) Calendar Days** from the date of the notification by email of the Notice of Award of this RFP.

This is a jurisdictional term, not subject to a time extension. Failure to timely present the petition will preclude PRHIA from considering the Petition for Reconsideration.

The Petition for Reconsideration must be addressed to the attention of PRHIA's Board of Directors and sent by mail or by email to the following addresses:

Urb. Caribe Sector El Cinco
1549 Calle Alda
San Juan, PR 00926-2712
Tel. (787) 474-3300 ext. 3006
asesprocurement@ases.pr.gov

If the Petition for Reconsideration is submitted by postal mail, the envelope must clearly and

prominently state the name and number of this RFP and be titled “PETITION FOR RECONSIDERATION”. If the Petition is submitted by email, the email’s subject must be titled “Petition for Reconsideration”.

2.3.6.1 Notification to other Offerors

The petitioner must notify all other Offerors who participated in this RFP with a copy of the Petition of Reconsideration within the same term mentioned in Section 2.3.6 of this RFP. This is a requirement of strict compliance.

The petition must contain the following essential requirements:

1. Be signed by a duly Authorized Representative of the petitioner;
2. Clearly establish the relevant facts, reasons, and arguments on which it is based;
3. Include the necessary documentary evidence to sustain the veracity of the facts alleged;
4. Clearly state the remedy(ies) sought;
5. Certify that all parties have been duly notified of the petition, as stated in this RFP.

Failure to duly comply with these requirements may be sufficient cause to dismiss the petition.

2.3.6.2 Ruling on the Petition for Reconsideration

PRHIA’s Board of Directors (BOD) shall consider the Petition for Reconsideration within ten (10) calendar days of the filing of the petition. If the Board does not consider the Petition within ten (10) calendar days, the Petition for Reconsideration shall be deemed rejected outright. If the Petition is considered, the BOD will notify this determination by email. After this notification, the BOD will have thirty (30) calendar days to issue 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.

If 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 day’s term to request a judicial review before the Court of Appeals will commence upon the expiration of the initial ten (10) day period.

2.3.7 Contract Execution

The Offerors shall not have a right to open negotiations of the Contract with PRHIA. Any Offeror who places conditions on its Proposal to negotiate the terms and conditions of the Contract, excluding pricing, will be disqualified from the process. The contents of this RFP, as revised and/or supplemented, and the successful Offeror's Proposal will be incorporated into and become part of the Contract.

PRHIA assumes no liability for any work performed by the selected Offeror in anticipation of a binding Contract prior to the approval date and the Effective Date of the Contract.

2.3.8 Contract Effective Date

The Contract Effective Date is the date on which the Offeror would initiate Actuarial Services. As of the date of this RFP, the Effective Date is expected to be **October 1st, 2025**.

2.4 General Requirements

2.4.1 This RFP is open to any Offeror capable of performing the Scope of Work, subject to the following stipulations:

- A) The Offeror is authorized by the Department of State of Puerto Rico to do business in Puerto Rico prior to Contract Award.
- B) The burden is on the Offeror to present sufficient assurances to PRHIA that awarding the Contract to the Offeror shall not create a conflict of interest.
- C) The Offeror is in compliance with other applicable legal requirements to become a government service provider. (See Section 6.7.11 regarding the Single Registry of Professional Services Provider)
- D) PRHIA may carry out investigations as it may deem necessary and/or convenient to determine the Offeror's ability to adhere to the requirements specified in this RFP.
- E) PRHIA will reject the Proposal of any Offeror that is not a responsive Offeror or that fails to submit a responsive offer.

2.4.2 Acceptance of Conditions Governing this RFP and Other Factors

The submission of a response constitutes an acceptance of the evaluation process contained in Section 5 of this RFP. PRHIA assumes no liability for any work performed by the selected Offeror in anticipation of a binding Contract prior to the approval date and the Go-Live Date of the Contract.

2.4.3 Incurring Costs

Any costs or expenses incurred by the Offeror in preparing, transmitting, or presenting any Submission in response to this RFP, and/or related to the preparation for Contract effectiveness shall be borne solely by the Offeror.

Any Contract that may result from this RFP shall specify that the successful Offeror is solely responsible for fulfillment of the Contract with PRHIA.

2.4.4 Subcontractors and Delegation

The proposed use of Major Subcontractors must be clearly identified and explained in the Proposal, and all Subcontractors must be identified by name. The Contractor shall be wholly responsible for the entire performance under the terms of the Contract, whether Subcontractors are involved. Offerors awarded a Contract must submit Subcontract(s) to PRHIA for review in accordance with the timeframes outlined in the Contract.

PRHIA reserves the right to audit Subcontractor(s) at the Actuarial Services Provider's expense. See Section 2.4.17.

2.4.5 Amended Proposals

Proposals may be amended prior to the deadline for receipt of proposals. If amended, Proposals shall be resubmitted by the Offeror in its entirety. Any previous proposal will be discarded and PRHIA will only evaluate the amended/revised Proposal.

2.4.6 Offer Period

The Proposal shall be binding for a period of one hundred and eighty (180) days after the submission due date. Upon Contract execution, prices agreed upon by the successful Offeror are an irrevocable offer for the term of the Contract and any Contract extension(s). No other costs, rates, or fees shall be payable to the successful Offeror unless expressly agreed upon in writing by PRHIA.

2.4.7 Disclosure of Proposal Contents; Confidentiality of Proposals

Proposals will be kept confidential until the Contract is awarded. At that time, all Proposals and documents pertaining to the Proposals will be open to the public, except for the material that has been duly marked as proprietary or confidential by the Offeror. The Procurement Contract will not disclose or make public any pages of a Proposal on which the Offeror has stamped or imprinted in a conspicuous way "proprietary" or "confidential," subject to the requirements herein below mentioned.

Blanket labeling of the entire document as "confidential" or "proprietary," however,

shall result in the bid not being evaluated.

Proprietary or confidential data shall be readily separable from the Proposal to facilitate eventual public inspection of the non-confidential portion of the Proposal. If the Offeror requests confidential treatment, it must submit one (1) copy of the full Proposal with proposed confidential information redacted. Mere labeling of a document as confidential or proprietary will not suffice and will not be considered a redacted document. This redacted copy must disclose the general nature of the material removed and shall retain as much of the Proposal as possible.

In a separate attachment, Offerors shall supply a listing of the provisions identified by Section/Subsection number for which they seek confidential treatment and identify the statutory basis or bases under federal law and/or Puerto Rico Law, including a detailed justification for exempting the information from public disclosure.

Confidential Data is normally restricted to confidential financial information concerning the Offeror's organization and Data that qualifies as a trade secret in accordance with Act No. 80-2011, known as the "Industrial and Commercial Secrets Protection Act of Puerto Rico"). **The price of products offered or the cost of services proposed shall not be designated nor considered as proprietary or confidential information. Hence, it will be fully disclosed to the public.**

If a request is received for disclosure of data for which an Offeror has made a written request for confidentiality, the Procurement Contact shall examine the Offeror's request and make a written determination that specifies which portions of the Proposal should be disclosed. This written determination must be approved by PRHIA's Executive Director. The Offeror will be provided with five (5) business days to object to the ruling. Unless there is an objection which has not been resolved, the Proposal will be so disclosed. The Proposal shall be open to public inspection subject to any continuing prohibition on the disclosure of confidential data.

By submitting a Proposal, the Offeror acknowledges that they are responsible for defending the confidential nature of the portions of their Proposal marked as such and agrees to hold harmless and indemnify the Government of Puerto Rico, PRHIA, and the Federal Government for all costs or damages associated with PRHIA or other governmental entities defending Offeror's request for confidential treatment. Offeror also agrees that PRHIA may copy the Proposal to facilitate evaluation, or to respond to requests for public records. Offeror warrants that such copying will not violate the rights of any Third Party.

The Government of Puerto Rico maintains the right to use all ideas, or adaptations of those ideas contained in any Proposal received in response to this RFP. Selection or rejection of the Proposal shall not affect this right.

2.4.8 No Obligation

This procurement in no manner obligates the Government of Puerto Rico or any of its agencies to use any proposed professional services until a valid written Contract is executed and approved by the appropriate authorities.

If within a reasonable time after the Notice of Intent to Award is issued a Contract is not finally executed between PRHIA and the selected Offeror, PRHIA reserves the right to cancel said award, and award the Contract to the next best Offeror.

Upon submitting its Proposal, the Offeror acknowledges and accepts that even if it is selected, if there is a breakdown in the Contract negotiation that prevents its execution, PRHIA may proceed as herein stated.

2.4.9 Cancellation

This RFP may be cancelled at any time, and any and all Proposals may be rejected, in whole or in part, when PRHIA determines in its sole discretion that the termination serves the best interest of the Government of Puerto Rico.

2.4.10 Sufficient Appropriation

Any Contract awarded as a result of this RFP process may be terminated if there are insufficient appropriations or authorizations from the Government of Puerto Rico, from the federal government and/or from the FOMB, if applicable. Such termination will be made by written notice to the Contractor. PRHIA's decision as to whether sufficient appropriations and authorizations are available will be accepted by the Contractor as final.

2.4.11 Legal Review

PRHIA requires that all Offerors agree to be bound by the General Requirements contained in this RFP. Any concerns from Offerors regarding the General Requirements must be promptly brought to the attention of the Procurement Contact for clarification.

2.4.12 Governing Law

This process and ensuing Contract and any agreement with Offerors that may result shall be governed by the laws of the Government of Puerto Rico and, where appropriate, the body of laws applicable to federal grants.

2.4.13 Basis for Proposal

Only information included in this RFP and the information supplied by PRHIA in writing through the Procurement Contact in the form of questions and answers should be used as the basis for the preparation of Offerors' Proposals.

2.4.14 Contract Terms and Conditions

The Contract between PRHIA and the Offeror selected will be provided by PRHIA. The contents of this RFP, as revised and/or supplemented, and the successful Offeror's Proposal will be incorporated into and become part of the Contract.

2.4.15 Notice

Offerors are advised that any violation of Federal or Puerto Rico law and regulation regarding attempts to improperly influence this process may result in criminal and/or civil penalties.

2.4.16 Right to Publish

Throughout this process and Contract term, the potential Offerors, Offerors, and the selected Actuarial Services Provider must secure from PRHIA written approval prior to the release of any information that pertains to the potential work or activities covered by this process or a subsequent Contract. Failure to adhere to this requirement may result in disqualification of the Offeror's Proposal or termination of the Contract.

2.4.17 Ownership of Proposals; Subcontract Clauses and requirements

PRHIA is the sole and exclusive owner of all the information related to, or generated, or in connection with this RFP, including, but not limited to, the use and costs of the services provided, health information, etc. PRHIA is the sole and exclusive owner of the property rights over all the data and information related to the GHP Contract, including this RFP and the Proposals not otherwise withdrawn.

All the documents related to the Contract will be subject to evaluation and audits, and shall be made available, within a reasonable period of time and without modifications, for evaluation by PRHIA's personnel and their Authorized Representatives. Additionally, PRHIA will have the right to request these documents at no cost.

If the Offeror who is awarded the Contract for the Actuarial services will be subcontracting services under this RFP, they shall include a clause in their subcontracts stating that the personal and utilization information or data pertaining to the GHP Enrollees belongs exclusively to PRHIA. This clause must also state that the Contractor and the Subcontractor will not give access, assign, or sell the information and data to third parties, without PRHIA's prior consent, and all private information must be managed in accordance with HIPAA requirements. The Offeror who is awarded the Contract is required to include penalty clauses in Subcontractor contracts to discourage this practice. The penalty clauses shall state that the applicable fines will be payable to PRHIA.

2.4.18 Rights over the Information

The Offeror recognizes and accepts that PRHIA is the exclusive owner and has all ownership rights over any and all information related to or generated or in connection to the RFP and awarded Contract, except for the Offeror's proprietary data that has been identified as so in the Proposal. PRHIA has exclusive rights over all the information and data, including but not limited to, the Enrollees' personal and health information and the data related to utilization, costs, and fees.

The selected Offeror and their Subcontractor shall not transfer, assign, dispose, or sell this information to third parties or use it for commercial purposes or in their own private businesses. Engaging in such a practice constitutes a violation of HIPAA and PRHIA's property rights and shall result in penalties, fines or the rescission and termination of the Contract.

All documents related to the Contract, including, but not limited to, policies, procedures, analysis, protocols, and communications, shall be made available and filed with PRHIA, without changes to their original format (not PDF), whenever requested. In the event that PRHIA requests copies of these, the Contractor shall deliver them without alterations and/or omissions. The Contractor shall not refuse to these requests. Refusal to provide requested documents will constitute an obstruction to the efforts of PRHIA's auditors and a breach of Contract subject to penalties and sanctions, including termination of the Contract.

In addition to the intellectual property ownership rights in the Contract, the following subsection describes the intellectual property ownership requirements that the Contractor shall meet during the term of the Contract in relation to federal financial participation.

2.4.18.1 Rights over software data

To facilitate obtaining the desired amount of federal financial participation under 42 CFR sec. 433.112, PRHIA shall have all ownership rights, not superseded by other licensing restrictions, in all materials, programs, procedures, etc., designed, purchased, or developed by the Contractor and funded by PRHIA. The Contractor shall use contract funds to develop all necessary materials, programs, products, procedures, etc., and data and software to fulfill its obligations under the Contract. PRHIA's funding used in the development of these materials, programs, procedures, etc., shall be documented by the Contractor(s). PRHIA shall have all ownership rights in data and software, or modifications thereof and associated documentation and procedures designed and developed to produce any systems, programs report and documentation and all other work products or documents created under the Contract. PRHIA shall have these ownership rights, regardless of whether the work product was developed by the Contractor or any Subcontractor for work product created in the performance of this Contract. PRHIA reserves, on behalf of itself, the U.S. Department of

Health and Human Services and its contractors, a royalty-free, non-exclusive and irrevocable license to produce, publish or otherwise use such software, modifications, documentation and procedures. Such resolved data and software include, but is not limited to, the following:

- A. All computer software and programs, which have been designed or developed for PRHIA, or acquired by the Contractor on behalf of PRHIA, which are used in the performance of the Contract.
- B. All internal system software and programs developed by the Contractor or Subcontractor(s), including all source codes, which result from the performance of the Contract;
- C. All necessary data files;
- D. User and operation manuals and other documentation;
- E. System and program documentation in the form specified by PRHIA;
- F. Training materials developed for PRHIA's staff, agents or designated representatives in the operation and maintenance of this software and other programs.

2.4.19 Availability of Funds

Any Contract resulting from this RFP will be subject to the availability of funds by the Government of Puerto Rico, subject to the transfer of federal, local, and/or municipal funds being made available to PRHIA.

2.4.20 Relations with Government Entities

In the event that the Offeror is awarded a Contract, the Offeror will be required and obligated to establish a close cooperative and working relationship with PRHIA and with the awarded Contractor in the future.

The Offeror awarded a Contract will have a continuous obligation to establish a close and cooperative relationship with PRHIA, and the concerned Government of Puerto Rico and federal agencies, including, but not limited to:

- CMS;
- Comptroller of the Government of Puerto Rico and Federal Government;
- The Office of the Inspector General;
- The Department of Justice and the Medicaid Fraud Control Unit (MFCU)
- The United States Department of Health and Human Services;
- The Puerto Rico Health Department and its Office for the Medicaid Program, among others.

2.4.21 Statements by the Offeror

An Offeror's Proposal constitutes the instrument through which the Offeror manifests its interest, offers, commitments and representations and agrees to be legally bound by the contents thereof.

Statements included in the Offeror's Proposal will be accepted in good faith by PRHIA's officials during the evaluation and adjudication process. The Offeror's Proposal constitutes material evidence of the Offeror's commitments and representations and will be incorporated into the Contract to the extent the Offeror is awarded such Contract.

2.4.22 Prohibition Regarding Interference in the Evaluation and Adjudication Process

During this procurement process, Offerors shall not be allowed to obtain information, interfere, influence, exert pressure or communicate with individuals named to this RFP evaluation committee nor any other employee, consultant, or Agent of PRHIA. One exception is for instances in which such communication is unrelated to this procurement and limited to the normal operations of current Contracts with PRHIA. As explained on matters related to this RFP, Offerors may only communicate directly with the Procurement Contact.

FAILURE TO STRICTLY ABIDE BY THIS RULE WILL CAUSE THE DISQUALIFICATION OF THE OFFEROR FROM THIS PROCESS.

2.4.23 Access to contract materials

The Contract awarded by PRHIA will include a provision to the effect that PRHIA, the Department of Health, the U.S. Comptroller General, or any of their duly Authorized Representatives, must have access to any books, documents, papers and records, and staff of the Contractor which are directly pertinent to the Actuarial Services for the purpose of making evaluations, examinations, excerpts and transcriptions.

2.4.24 Contractual Clauses pursuant to OSG No. 2025-002 from the Office of the Government of Puerto Rico Chief of Staff and Circular Letter No. 006-2025 from the Office of Management and Budget of the Government of Puerto Rico.

The mandatory contract clauses required under the above referenced rules and regulations will be included in the Contract awarded to the selected Offeror. See Appendix H – Model Contract of this RFP. The Offeror, upon submission of a Proposal, agrees to comply with these clauses.

2.4.25 Lobbying

No appropriated funds supporting this Contract may be expended by the Contractor for payment of any person for influencing or attempting to influence an employee of PRHIA, a Member or employee of the Puerto Rico Legislature, a member or employee of Congress in connection with the award of this Contract, the making of any federal funding grant award connected to this Contract, the making of any Federal loan connected to this Contract, the entering into any cooperative agreement connected to this Contract, and the extension, continuation, or modification of this Contract.

If any funds other than federally appropriated funds have been paid or will be paid to any person influencing or attempting to influence an officer or employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the Contractor shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. See Appendix J of this RFP.

2.4.26 Conflicts of Interests

PRHIA is required by federal and Government of Puerto Rico law to assure the integrity and equal, fair, and impartial treatment of the Offerors who elect to participate in this RFP procurement process. This duty and principle apply throughout this procurement process, including the evaluation, selection, negotiation, adjudication and execution of the Contract. To maintain among the Offerors in this RFP open and free competition, PRHIA maintains an aggressive policy towards actual or potential conflicting interests.

For purposes of this RFP, PRHIA reserves the right to disqualify any offeror with a conflict of interest or lack of independence. PRHIA will investigate any charge or allegation to this effect, prior to the disqualification, if any. PRHIA reserves the right, during the term of the Contract, at any time after concluding the due process of law required, to amend, cancel, rescind, or terminate the Contract awarded to an Offeror, if PRHIA becomes aware of the existence of a Conflict of Interest or any situation which may affect the Offeror's independence.

Offerors who participate in this RFP procurement process shall not have any interest that may or could represent an actual, potential or future Conflict of Interest, in relation to the award, execution and performance of the Contract to be signed with PRHIA, nor with the grantors, personnel and PRHIA's public service officials, its Board of Directors, or any other personnel responsible for the evaluation or adjudication of the Contract, their family members or persons with whom they live, up to a fourth-degree of consanguinity or a second-degree of affinity. Neither can the Offeror be awarded a Contract that, in PRHIA's sole discretion, creates the appearance of impropriety.

2.4.27 Independence and Conflict of Interest Safeguards

A. The Offeror/Contractor and any Subcontractor(s) which may be engaged by the Offeror/Contractor(s) to perform any part of the Scope of Work (SOW) of this RFP shall be independent from the influence of any: (a) Contracted MCOs; (b) healthcare provider of the GHP, herein after collectively referred to as “GHP Participant”. This includes Medicare Advantage Plans, contracted health plans or entities, such as PBMs, that provide services and/or that operate, directly or through an agreement, arrangement, contract, corporate operational scheme or through an executive or employee, or are owned or controlled by, or own or control a contracted MCO or GHP Participant.

IMPORTANT: If such a lack of independence exists at the time of the submission of the Proposal for this RFP, the Offeror shall be required to submit with its Proposal other (i) an action plan to divest of the property, control or financial interest that causes the lack of independence (hereinafter referred to as “Divestiture Action Plan”), and correct or eliminate the lack of independence; or (ii) a detailed explanation as to why a conflict of interest is eligible to be waived and should be waived in PRHIA’ sole discretion prior to the awarding of the RFP, and/or the actions that Offeror proposes and shall take in order to further eliminate the conflict of interest (both hereinafter referred to as “Conflict Avoidance Plan”). PRHIA retains sole discretion to determine whether a Divestiture Action Plan or Conflict Avoidance Plan sufficiently addresses an apparent conflict of interest to PRHIA’ satisfaction in order for the Offeror to be awarded the RFP. The Offeror shall also submit Appendix C of this RFP accepting that, if awarded a Contract, the Divestiture Action Plan or Conflict Avoidance Plan, as approved in writing by PRHIA, will be expeditiously implemented before the signature of the Contract. **Failure to provide a divestiture action plan or Conflict Avoidance Plan where required, and Appendix C, will be sufficient cause for the disqualification of the offeror.**

B. Conflict of Interest Safeguards. The Offeror/Contractor and any Subcontractor that may be engaged by the Offeror/Contractor to perform any part of the Scope of Work (SOW) of this RFP shall be free from conflict of interest. This includes but is not limited to situations where the Offeror/Contractor or any proposed Subcontractor has an ongoing contract with a GHP Participant.

If a conflict of interest exists at the time of the submission of the Proposal or is reasonably expected to occur during the term of the Contract, the Offeror and proposed subcontractor must fully divulge the circumstances creating or expected to create the conflict of interest and submit with the Proposal a Conflict Avoidance Plan with the corrective measures that will be taken to eliminate such conflict(s).

Therefore, at the time of the signature of the Contract, the Contractor and any Subcontractor(s) which may be engaged by the Contractor to perform any part of the SOW of this RFP shall not: (a) operate, directly or through an agreement, arrangement, contract, corporate operational scheme or through an executive or employee of the Contractor/Subcontractor, or family member within the fourth- degree of consanguinity or second degree of affinity, a GHP Participant; and/or (b) be owned or controlled by, or own or control a contracted MCO, or GHP Participant; unless PRHIA in its sole discretion waives these independence

and conflict of interest safeguards.

IMPORTANT: If a conflict of interest is determined to exist that cannot be resolved to the satisfaction of PRHIA before the signature of the Contract, the conflict will be grounds for deeming a Proposal non-responsive and the disqualification of the Offeror will ensue.

2.4.28 Criminal Background Check

PRHIA is prohibited by law to enter into contracts with any Offeror, its affiliates or subsidiary companies, or if any of its officers, directors, agents, members, partners, ruling bodies or other persons that perform equivalent functions for the Offeror, that has been convicted or pleaded guilty in Puerto Rico, the United States of America, or any other country, of criminal acts or constituting corruption, fraud, embezzlement, or unlawful appropriation of public funds, pursuant to Act No. 2-2018, as amended, and crimes stated in Articles 4.2, 4.3 or 5.7 of Act No. 1-2012, as amended; Articles 250-266 of Act No. 146-2012, as amended; or any of the crimes stated in Article 6.8 of Act No. 8-2017, as amended.

In addition, PRHIA may refuse to contract with any Offeror if any person who has an ownership or Control interest in the entity or is an agent or managing employee of the Offeror, has been convicted of a criminal offense related to the person's involvement in any program established under Medicare, Medicaid, or the Title XX services programs Taking into consideration the public policy for careful oversight in the adequate use of public funds, as well as the rules for proper public administration in Government contracts, PRHIA is required to adopt, in all of their contracts and amendments, the following safeguards:

- In the case of a legal person, to require a certification to the effect that neither it nor any of its shareholders, members, partners, Agents, officers, principals, employees, subsidiaries, or Parent Companies has been convicted or pleaded guilty for any crimes involving corruption, fraud, embezzlement, or unlawful appropriation of public funds or property, in the Government of Puerto Rico or federal jurisdictions. (Refer to Appendix E).
- To include a contractual clause to the effect that the Contract will be terminated and rescinded if the Contractor is convicted for the commission of any crimes involving corruption, fraud, embezzlement, or unlawful appropriation of public funds or property, in the Government of Puerto Rico or federal jurisdictions.

- To require that the Contractor recognize its obligation to report, in a continuous manner, during the term of the Contract, any fact or event related to the conviction for crimes involving corruption, fraud, embezzlement, or unlawful appropriation of public funds or property, in the Government of Puerto Rico or federal jurisdictions. This duty shall be of a continuous nature during all the stages of this procurement and term of the Contract.
- To require the Contractor that in the event it knows that it or one of its Subcontractors is under investigation for, or accused of, in Puerto Rico or any other jurisdiction, a crime involving corruption, fraud, embezzlement, or unlawful appropriation of public funds, pursuant to Act No. 2 of 2018, it must affirmatively disclose this information to PRHIA in writing immediately upon acquiring such knowledge. Refer also to Appendix E of this RFP.
- To include a contractual clause to the effect that before the Effective Date of the Contract, pursuant to 42 CFR sec. 455.104, the Contractor shall disclose to PRHIA the identity of any person who has an ownership or control interest in the entity or is an agent or managing employee of the entity, who has been convicted of a criminal offense related to the Medicare, Medicaid, or Title XX services programs.

3 EXPERIENCE & QUALIFICATION REQUIREMENTS & SCOPE OF WORK

This Section describes the actuarial, financial, and consulting services that are required to be provided by the selected Offeror, herein after under this section as “the Contractor”. The Contractor must be able to provide all of these services throughout the contract term.

PRHIA seeks to contract with a qualified entity that can provide actuarial related expertise to certify actuarial soundness of MCO and MAO capitation rates, and that has demonstrated experience in, and knowledge of, the Medicaid managed care programs and Medicaid Advantage programs, among other related actuarial services.

PLEASE NOTE: Offerors will be requested to provide responses that address all of the requirements of this RFP as part of its Technical Proposal. Due to the dynamic nature of the GHP program, resource constraints, changes in federal regulations, and the changing legal environment, not all components are known at this time. PRHIA reserves the right to make any necessary amendments to this RFP process to adequately reflect changes in applicable regulations, in budget policies, in PRHIA’s operations and creation of new departments, among others.

Failure to meet the Minimum Qualifications herein below stated will result in a proposal being found non-responsive and eliminated from consideration.

3.1 Offeror's Qualification and Experience Requirements:

3.1.1 The Actuarial Services Provider or Contractor shall have the operational capacity to provide all actuarial services sought in this RFP by October 1st, 2025. The Offeror must have available sufficient resources to perform the tasks described in this RFP in a time sensitive manner.

3.1.2 The Contractor, as an entity, must have been in business for a minimum of five (5) years, or the principal/owners must have at least five (5) years of recent ownership/executive management experience with actuarial services supporting Medicaid Managed Care/CHIP programs and actuarial experience certifying Medicaid Managed Care capitation premiums.* Experience acquired concurrently is considered acceptable.

*For the purposes of this RFP, the Contractor has full responsibility for the completion of the contractual obligations and tasks. The Contractor undertakes to perform a complete contract and may employ (and manage) one or more subcontractors to carry out specific parts of the contract. **However, the Contractor may not leverage a proposed subcontractor's experience in order to meet the minimum qualifications noted above.**

3.1.3 The Actuarial Services Provider shall have sufficient experienced and knowledgeable staff to efficiently administer program requirements, as described in this RFP. The Contractor shall provide staff who possess strong attributes to the appropriate tasks outlined in this RFP.

3.1.3.1 Specifically, the Contractor must provide staff with:

- a. Extensive experience related to various healthcare risk adjustment methodologies and models;
- b. Vast and strong experience leading Medicaid Management Information Systems (MMIS) implementation processes and supporting operations, data extraction, code development and data analysis;
- c. Vast and strong experience developing and implementing risk adjustment strategies, applying and designing methods for Medicaid services and utilization such as prospective or retrospective models and methodology for risk corridors.
- d. Vast and strong experience interacting directly with CMS on behalf of state agencies.
- e. Vast and strong experience in forecasting costs and capitation payments in programs with populations with high rates of costly conditions including but not limited to cancer, diabetes, End-Stage Renal Disease (ESRD), Alzheimer's disease, Hepatitis C, hypertension, cerebrovascular disease, cardiovascular

disease.

- f. Experience and knowledge related to MCO risk mitigation strategies;
- g. Extensive knowledge of federal and State public healthcare programs and policy which include but are not limited to proficiency in the programmatic aspects of federal Medicaid funding and federal waivers;
- h. Experience in pharmacy utilization trends, new drug therapies and strategies on pharmacy benefit management, Medicaid Drug Rebate Program (MDRP);
- i. Extensive knowledge and background of CMS laws and regulations;
- j. Actuarial backgrounds and certifications and knowledge of actuarial SOPs;
- k. Experience with data analytics, including experience with large datasets, Managed Care encounter data, knowledge of the State's Medicaid data systems, Medicaid programs;
- l. Experience with implementing and maintaining efficiency and quality-based payment methodologies in a Medicare and Medicaid MCO environment.

3.1.3.2. The Contractor shall provide sufficient additional management and administrative support staff necessary to organize, prepare and carry out all administrative tasks associated with conducting the described tasks in this RFP and submitting resultant reports.

3.1.4 The following additional experience and/or resources is preferable:

- a. Experience in social determinants of health, cost estimation for budget formulation activities and public health initiatives Behavioral Health, actuarial planning and strategy for use and allocation of federal funds through managed care.
- b. Experience analyzing healthcare data and actuarial models in the Puerto Rico market, in Medicaid, and the GHP.
- c. Have an available office, liaisons, and/or actuarial resources located in Puerto Rico who are fluent in Spanish.

NOTE: The absence of the additional preferred experience mentioned in Section 3.1.4 will not be the basis for disqualification of the Offeror but will be considered when scoring applicable answers.

3.2 Key Personnel:

3.2.1 The Contractor shall provide, at a minimum, the following Key Personnel during the term of the Contract. Other key personnel proposed by the Offeror shall be duly justified.

- a. At least one (1) Lead Actuary
- b. At least one (1) Account Executive

3.2.2 If Key Personnel is terminated or becomes unavailable for any reason **during the term of the Contract**, the Actuarial Services Provider shall submit to **PRHIA** the resume of the proposed replacement(s) and offer **PRHIA** the opportunity to review the qualifications of the proposed replacement(s). Key Personnel must be replaced within thirty (30) Calendar Days of the position's vacancy. **PRHIA** shall also approve the adequacy of all staffing levels.

3.2.3 Lead Actuary minimum qualifications and experience requirements:

3.2.3.1 Must have at least fifteen (15) years of experience in actuarial services and be qualified to sign statements of actuarial opinions and other certifications to CMS for managed care capitation rates in accordance with the AAA qualification standards for such documents, and at least ten (10) years of recent experience in Medicaid Managed Care rate development and Medicaid management.

3.2.3.2 This person must have vast and strong experience in designing and applying risk adjustment methodologies in Medicaid, such as retrospective and prospective models. Experience in providing support and implementation services relating to MMIS is also required. Must be a member in good standing of the American Academy of Actuaries (AAA) with active credentials as a Fellow of the Society of Actuaries (FSA).

3.2.3.3 Must have experience and knowledge of CMS regulations applicable to Medicaid and CHIP capitation rates.

3.2.3.4 Must have firsthand experience of pricing or valuing life/health insurance or reinsurance business and in preparing actuarial analysis, certification and state exhibits for healthcare insurance, preferably Medicaid, and government funded programs.

3.2.3.5 Must have experience performing forecasts to provide recommendations on the strategic use of federal funds.

3.2.3.6 Must have experience in the calculation, development and management of DRG-based payment system

3.2.3.7 Must be proficient in both the English and Spanish language, both written and oral.

3.2.4 Account Executive - The Contractor must assign an Account Executive who will be the point of contact or liaison between PRHIA and the Contractor for this Contract. The Account Executive shall be responsible for the logistics of transmitting data and project deliverables

and communication with parties for the entire project and be responsible for all coordination of services.

3.2.4.1 The Account Executive must have at least three (3) years of combined experience in the last five (5) years in the overall areas required to perform the tasks of this RFP. Specifically, this person must be capable of managing all program requests, be experienced in planning and ensuring compliance with deadlines, per program requirements, must possess decision-making authority and skills, must have experience in working with and reporting directly to the executive management along with the Lead Actuary, and must be able to communicate actuarial subject matter in a managerial or business perspective.

3.2.4.2 Must possess at least three (3) years of recent experience interacting with CMS on behalf of state agencies, and at least three (3) years of experience as an Account Manager, within the last five (5) years, or related managerial functions.

3.2.4.3 Must be proficient in both the English and Spanish language, both written and oral.

3.3 Scope of Work

Actuarial services are currently offered by Mercer Health & Benefits, LLC. Due to the status of certain critical current projects, for a period during FY 2025-2026 to be determined, some tasks are envisioned to be continued to be performed by said Contractor while the awarded Contractor performs other duties and cross trains. Accordingly, in case of a change in contractor, there must be a smooth and transparent transition between the current Contractor and the awarded Offeror. The tasks expected to be performed by the awarded Contractor during the first year of the Contract are detailed under Section 3.3.10 of this RFP. The other responsibilities, deliverables, and tasks mentioned under this section, describe the general scope of work to be performed after the transition period.

3.3.1 Rate Setting Tasks for MCOs and Plan Vital

3.3.1.1 Managed Care rates are delivered through actuarial reports which provide certification that (1) the rates were developed using the CMS approved rating methodology and assumptions, and (2) that the rates meet actuarial soundness in accordance with 42 CFR sec. 438.4. Accordingly, Contractor will be an essential asset in the development of the PMPM rates for Plan Vital of the fixed monthly amount, that PRHIA will pay to the GHP contracted MCOs for each Enrollee, to ensure that Benefits under GHP are provided. These rates are to be developed on an annual basis.

3.3.1.2 PRHIA and the Contractor will apply generally accepted actuarial methods and follow CMS approved processes to develop and document the rates in compliance with federal rules, establish baseline costs, define rate cells, project future costs, make appropriate adjustments, estimate non-benefit costs, and address special Contract provisions.

3.3.1.3 Contractor shall develop and support rate setting methodologies for PRHIA's existing managed care programs, with the possibility that additional programs or populations may be added. Support for the rate setting methodologies shall include a written report of the methodology (narrative) used for the MCOs. The methodologies must be acceptable to CMS and PRHIA. Rates are to be changed each federal fiscal year, and as may be required due to changes in coverage.

3.3.1.4 Contractor shall develop and submit draft rates and methodologies to PRHIA every one-hundred and twenty (120) calendar days prior to the date the rates are to become effective. CMS has final approval of all rates and methodologies.

3.3.1.5 Contractor shall submit additional rate settings, actuarial opinions, and impacts to PRHIA for approval within sixty (60) calendar days of request.

3.3.2 Medicare Advantage (Platino Contract) and Act No. 95 Rate Development

3.3.2.1 The Contractor shall develop the Platino rates in accordance with applicable federal regulation. Accordingly, they shall develop, evaluate and provide PRHIA an actuarial certification to CMS for the Platino members. The historical experience must be evaluated and projected to the rates developed that must be actuarially sound and submitted to CMS.

3.3.2.2 Under the Act No. 95 Contract, PRHIA extends the GHP coverage for those government employees who are not eligible under Medicaid. Contractor must be able to develop actuarial reports for the rates under this contract.

3.3.3 Training and Transfer of Knowledge

The Contractor must provide training and technical assistance concerning rate setting methodology to PRHIA personnel, as needed. This includes training agenda and materials for specific sessions, delivery of training related to use of rate setting methodologies, and statistical data analysis.

3.3.4 Risk Adjustment

The Contractor's duties shall include, but are not necessarily limited, to the following:

A. Risk Scoring Methodology. The Contractor shall develop and provide detailed documentation on risk scoring methodology to PRHIA that will be applied to rebalance Capitation Rates.

B. Risk Score Calculations. The Contractor must calculate individual risk scores, adjustments, and rebalancing factors. The Contractor shall calculate new member level risk scores with updated base data every six months during the rating period from October 1, through September 30 of each rate year.

C. Risk Adjustment Reconciliations and Capitation Adjustments. The Contractor must reconcile total capitation amounts paid to the health plans with the rebalanced results after risk adjustment has been applied.

D. Performance Measures. The Contractor shall provide to PRHIA the risk score adjustments and rebalancing at the time the draft capitation rates are submitted to PRHIA.

3.3.5 Medical Loss Ratio (MLR)

The Contractor must perform the 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.

3.3.6 Diagnosis Related Groups (DRGs) in hospital billing practices

The Contractor must have the capacity to calculate the DRG-based payment system using the GHP historical data on this area. Payments for inpatient hospital services in the GHP have been based on *per diem* rates and sub-capitation payments, with accurate and complete reporting of diagnosis and procedure codes not being a requirement for hospitals to be paid appropriately.

3.3.7 CMS reports

3.3.7.1 The Contractor will work with PRHIA to provide written responses to CMS requests and processes. The Contractor 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 sec. 438.4.

3.3.7.2 The Contractor will provide support and respond to inquiries from PRHIA, CMS, and stakeholders regarding the capitation rate development and the related contract with the MCOs and MAOs.

3.3.7.3 The Contractor shall review CMS-64 filings every quarter to assess the accuracy of

the reported figures against PRHIA financial reports, and other relevant sources of data.

3.3.8 Data Analysis regarding Pharmacy Benefit Manager (PBM) and Rebate Aggregator (RA) Contracts

3.3.8.1 Contractor must provide actuarial analysis regarding pharmacy data for the PBM and RA actual contracts.

3.3.8.2 The Contractor shall provide analyses to support PRHIA's management of the prescription drug program for Plan Vital and the Platino program, including, but not limited to providing preferred drug list change impacts, as requested.

3.3.9 Other Actuarial analysis and tasks

3.3.9.1 As part of the general Scope of Work, Contractor shall provide PRHIA with strategic planning over federal funds in advance, as a part of the actuarial analysis per fiscal year and report status overestimates vs funds utilization on a monthly basis or any other agreed frequency, if necessary, in order for PRHIA's Executive Office to forecast and evaluate the strategic use of federal funds assigned to the program.

3.3.9.2 Contractor must have the capacity to work as an auditor for the financial data that MCOs submit to PRHIA. The MCOs contracts for the GHP allow for possible audits for those data and information.

3.3.9.3 The Contractor shall perform the Short-term Acute Care (STAC) Payment Reconciliation, starting with the years 2025-2026/2026-2027. This is contingent upon the successful implementation of the APR-DRG Program.

3.3.9.4 The Contractor shall provide PRHIA assistance developing the SFY budget projections.

3.3.9.5 The Contractor shall prepare the Quarterly budget to actual report to the FOMB - Review budgeted expenditures against actual expenditures to produce report for the FOMB.

3.3.9.6 As part of the Scope of Work, the Contractor shall address any *ad hoc* requests from PRHIA. These requests will be deemed included within the Scope of Work and shall not incur any additional costs beyond those outlined in the submitted Cost Proposal.

3.3.9.7 Data analysis for litigations and appeals.

The Contractor shall provide all necessary assistance in all stages of the appeal process or other litigation concerning rate settings and actuarial services, including but not limited to providing expert testimony where appropriate to defend the actuarial determinations made.

3.3.9.8 The Contractor shall provide technical assistance and actuarial support as defined and approved in advance by PRHIA for any services not associated with the current scope of work within the timeline agreed to between PRHIA and the Contractor. This includes assisting PRHIA with program changes, new waiver development, and exploring options and strategies to include requirements and oversight of the Surplus and/or Reinsurance requirement in contract form the actuarial perspective.

3.3.10 Transition with current actuaries includes, but is not limited to, the following tasks:

- a. Data calibration and implementation with IT via PRHIA Data modelling system for analysis with support of current actuaries.
- b. Actuarial certification for next MCO RFP with Risk Adjustment process-Contractor shall be engaged in understanding the corresponding actuarial certification, databook and all RFP materials in order to lead the next MCO RFP actuarial component of said procurement process, which is expected to be issued during the last quarter of 2025. It is most likely that the actuarial certification for said process will be developed by the current actuary, and it is expected for the awarded Offeror to take over the RFP process, subject to operational priority.
- c. Budget model and analysis for forecasting and State Fiscal Year (SFY) budget projections-Understanding the budgeting model, analyzing and pricing program cost for budgeting process with government dependencies for next SFY (2026- 2027).
- d. Transition on *budget quarterly to actual* report to FOBM and issuing report to FOMB of SFY when onboarding.
- e. Actuarial certification for next Federal Fiscal Year (FFY) and Risk Adjustment-preparing next FFY actuarial certification (2026-2027)
- f. Utilization mid-year review for Actuarial Certification 2025-2026. (NOTE: The Actuarial Certification for FFY 25-26 is being prepared by the current actuary).
- g. Daily analysis and actuarial support for all PRHIA operations, including but not limited to:
 - i. Legislative and regulatory measures and program service expansion
 - ii. Assistance and advisement in the use of federal funds and reconciliation of CMS-64 with Medicaid Program
 - iii. Pharmacy analysis and forecast
 - iv. Rx analysis and operations support for MDRP rebates and reporting at budget level.
 - v. Other actuarial related tasks, as required by PRHIA.
- h. Actuarial analysis and monitoring support for compliance purposes (See Articles 10; 16; 21-22 of Plan Vital Contract)
- i. Medical Loss Ratio analysis and monitoring for remittance to state or other as determined by PRHIA.

- j. Medicaid Platino actuarial certification for wraparound for year 2027 while cross-training with current actuary.
- k. DRG transition-post-go live monitoring

3.4 General Obligations and Actuarial Soundness

3.4.1 With regard to the duties and tasks of this RFP, the Contractor shall:

- a. 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.
- b. Certify all applicable work products as actuarially sound by a Member of the American Academy of Actuaries (MAAA).
- c. All deliverables submitted to PRHIA shall be compliant with applicable actuarial standards of practice.
- d. All deliverables submitted to PRHIA in final form shall be free from material, statistical, mathematical, and reference error.
- e. Participate in and contribute to all PRHIA meetings related to the Contract. The meetings will include reviewing Contract status, planning for future action, and other aspects as necessary.

3.5 Turnover services

3.5.1 Turnover is defined as those activities required to transition Contract operations to PRHIA or a subsequent contractor upon termination, cancellation, or expiration of the Contract.

3.5.2 Contractor will complete the following turnover services:

- a. Three (3) months from the Effective Date of Contract, Contractor must develop and submit a turnover plan covering the transition of the Contract Deliverables/requirements to PRHIA for approval.
- b. The turnover plan must be supplied in the manner and format required by PRHIA and must contain comprehensive information detailing the proposed schedule, activities, operational support, and resource requirements associated with the turnover tasks outlined below. PRHIA reserves the right to have Contractor submit an updated turnover plan one (1) month prior to the end of the initial term of the Contract or as deemed necessary by PRHIA to ensure that the Turnover plan is current. PRHIA

reserves the right to request additional information or modify the turnover schedule, as necessary.

- c. As part of the turnover plan, Contractor must provide PRHIA with copies of all relevant data and documentation related to the Contract.
- d. Contractor will provide PRHIA or its designee(s), with all updated documentation/records that are not included in the turnover plan or that require additional details beyond the turnover plan within fifteen (15) Business Days of the request.
- e. Contractor will not reduce operational staffing levels during the turnover period without prior PRHIA approval. Note: The duration of the turnover period will be provided by PRHIA at the time of turnover.
- f. Contractor may be required to provide the turnover services of a Lead Actuary to assist in answering questions from PRHIA regarding applicable rate certifications provided by Contractor to ensure accurate representation of information. The Lead Actuary provided must be the Lead Actuary responsible for the rate certification in question or have access to the information necessary.

4 PROPOSAL FORMAT, ORGANIZATION AND CONTENT

This section describes the format, organization, and content of the Offeror's Proposal. Failure to conform to these specifications will result in disqualification of the response. **Offeror shall submit only one (1) Proposal and Cost Proposal Template.** Alternative proposals will not be accepted.

4.1 Format Requirements

All proposals must address the following requirements.

- a. The Proposal should be prepared simply and economically, providing a straightforward, concise description of the Offeror's qualifications to meet the requirements of this RFP.
- b. Offerors shall submit only one (1) Proposal. Alternative Proposals will not be accepted.
- c. Must be typewritten on standard 8 ½" x 11" paper. The pages should have one-inch margins, and the font shall be 12-point Times New Roman. The Proposal must be set at a one and one-half (1.5) line spacing. Larger paper (up to 11" x 17") and smaller fonts are permissible for charts, diagrams, spreadsheets, etc.
- d. All pages of the proposal shall include the RFP title "RFP #2025-004 (Actuarial Services)" consistently in either the footer or header on each page.
- e. Proposals must use consecutively numbered pages, using consistent numbering format.
- f. The proposal (including attachments) must be drafted in the English language, excluding certifications and/or documents issued by the Government of Puerto Rico.

- g. The proposal (including attachments) shall not be password protected or locked.
- h. The Proposals must be in Microsoft Word or a searchable PDF format.
- i. Limit responses to Technical Proposal to no more than 50 one-sided pages

4.2 Signature

The person authorized to legally bind the Offeror must sign each RFP appendix that requires a signature and/or initials.

5 EVALUATION PROCESS

5.1 General Evaluation Process

PRHIA's Evaluation Committee, designated by the Executive Director of PRHIA, shall conduct a comprehensive, fair, and impartial evaluation of proposals received in response to this RFP. PRHIA's Board of Directors shall be the sole judge in the selection of the successful Offerors.

PRHIA seeks to award the Contract to the Offeror who best meet the requirements affordably and that will be the most advantageous to PRHIA. This may result in an award to a higher rated, higher priced Offeror where the decision is consistent with the evaluation factors and PRHIA reasonably determines that the technical superiority and/or overall business approach of the higher priced Offeror outweighs the price difference.

PRHIA reserves the right to ask clarifying questions and request additional information from the Offeror at any stage of the process. If the Offeror fails to answer and/or respond to any clarifying questions or requests for additional information, the Offeror's Proposal may be disqualified. PRHIA reserves the right to waive minor irregularities and minor instances of non-compliance.

5.2 Scoring Summary for the Proposal

Proposals will be **weighted** using the following Table:

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%

NOTE: The additional desirable experience mentioned in this RFP will not be basis for disqualification of the Offeror.

5.3 Scoring Criteria for the Technical and Costs evaluation

The following table shows the scoring criteria PRHIA will use to assign points for the Technical and Cost Evaluation:

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.
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' expectations 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.

In assigning points, evaluators shall consider issues including, but not limited to, the extent to which a Proposal response:

- a. Is lacking the required information (e.g. whether it is lacking depth or breadth or significant facts and/or details).
- b. Is fully developed.
- c. Demonstrates that the Offeror understands PRHIA's needs, the services sought,

- and/or the Offeror's responsibilities.
- d. Illustrates the Offeror's capability to perform all services and meet all requirements.
 - e. Demonstrates the Offeror's capacity, capability and/or commitment to exceed regular service needs, that is, whether it offers enhanced features, approaches, or methods, or creative or innovative business solutions.

5.4 Mandatory Requirements Evaluation

Each Proposal shall be evaluated to determine whether the requirements, as specified in this RFP, including Qualifications and Experience as specified in this RFP, have been met. Failure to adequately meet any Mandatory submission requirement may cause the entire Proposal to be deemed non-responsive and be rejected from further consideration. However, PRHIA reserves the right to waive minor irregularities and minor instances of non-compliance.

Each proposal will be scored as either "Pass" or "Fail" for each Mandatory Criteria set forth in Section 6.

5.5 Technical Proposal Evaluation

Each Proposal that passed the Mandatory Requirements evaluation shall be evaluated to determine whether the technical requirements have been met. The Evaluation Committee will review, evaluate, and score the sections of each Technical Proposal based on the Proposal's completeness, thoroughness, and how it demonstrates that it meets or exceeds the RFP requirements. The total maximum amount of points for Technical Proposal is **200 points**.

5.5.1 Table of Maximum Points by Technical Proposal Section.

Maximum points for each Technical category to be scored as follows:

Technical RFP Section	RFP Section	Section % Weighting	Total Points for Section
Service Proposal and Scope of Work	7.1	45%	90
Readiness and Operational Capacity	7.2	10%	20
Qualifications and Experience Requirements	7.3	45%	90
Total Technical Points		100%	200

5.5.2 Points to each question will be awarded as follows:

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

5.6 Cost Proposal Evaluation

- 5.6.1** Each Proposal that passed the Mandatory Requirements evaluation shall have its Technical Proposal evaluated. Only the first three Offerors with the highest technical scores will move forward to cost proposal evaluations. If the difference in scores between the third and fourth place is less than 10%, the fourth place will also move to cost proposal evaluation.
- 5.6.2** Those proposals that are not moved forward from technical evaluations will not have their cost proposals scored.
- 5.6.3** The Evaluation Committee reserves the right to revisit proposals if a technical and/or cost deficiency is discovered during the evaluation. If the Evaluation Committee determines that a proposal is non-responsive and rejects it after opening cost proposals, the Procurement Contact will recalculate scores for each remaining responsive cost proposal to determine (or redetermine) the apparent best-ranked proposal.
- 5.6.4** The Cost Proposal may be determined non-responsive if the Offeror fails to comply with the Cost Proposal instructions and requirements.
- 5.6.5** The Sum of the Total Annual Costs must be based on the blended rate proposed by the Offeror for the provision of all services included in Section 3 of this RFP on an estimated annual hour basis to be provided by PRHIA in the Cost Proposal Template.
- 5.6.6** The sum of the Total Annual Costs proposed for the contract term —spanning from October 1st, 2025, to September 30, 2027, and one (1) optional extension of one (1) year— will be evaluated in the Cost Proposal Evaluation for scoring purposes. Nonetheless, the Offeror must provide all the required information in the designated template. See Section 8 of this RFP.
- 5.6.7** The total maximum amount of points for Cost Proposal is 85 points. Points will be given for the sum of the Total Annual Costs proposed for the base contract term

and optional years. The Offeror's cost proposal with the lowest total price will receive the highest available points allocated to cost. The points allocated to higher-priced proposals will be equal to the lowest proposal price (LPP), multiplied by the maximum points available for cost, divided by the cost proposal being evaluated.

$$\text{LPP} \times 85 / (\text{Offeror's X Cost Proposal})$$

For example:

Offeror	Years	Optional Year	Sum of Total Annual Costs	Cost Points
A	\$250,000	\$155,000	\$405,000	82
B	\$240,000	\$150,000	\$390,000	85
C	\$400,000	\$350,000	\$750,000	44

5.7 Best and Final Offer (BAFO):

5.7.1 PRHIA may, at its sole discretion, request BAFOs from the top three ranked Offerors. The request for a BAFO will allow an Offeror the opportunity to revise its original Cost Proposal or leave it as originally submitted.

5.7.2 Revisions must be submitted in the manner and form prescribed by the BAFO request. PRHIA is not responsible for an Offeror's failure to timely receive the BAFO request.

5.7.3 PRHIA reserves the right to request more than one BAFO from each of the selected Offerors. A request for a BAFO does not guarantee an award or further negotiations.

5.7.4 If BAFOs are requested by PRHIA and submitted by the Offeror, they will be evaluated using the criteria stated in the BAFO invitation, scored, and ranked by the evaluation committee. However, an Offeror should provide its best offer in its original Cost Proposal. Offerors should not expect or assume that PRHIA will request a BAFO.

5.8 Intent to Award Contract

5.8.1 Upon careful consideration of the final recommendations of the Evaluation Committee, PRHIA's Board of Directors will make a final determination as to the Offeror that will receive a Contract from the Government of Puerto Rico.

5.8.2 PRHIA reserves the right to select a Proposal with a higher Cost Proposal, if the quality of the service or if it is in the best interest of the Government of Puerto Rico in this regard, so warrants it. Such determination must be fully justified in the record.

5.8.3 Based on PRHIA's selection of the successful Offeror, the Executive Director of PRHIA shall send such Offeror a written Notice of Intent to Award.

5.8.4 In case that only one Proposal is received or that only one Offeror is a responsive offeror, PRHIA reserves the right, in its best interest and in its sole discretion, to award the RFP to said Offeror with or without a prior negotiation or cancel the RFP.

5.8.5 Upon selection of the Offeror that will receive a Contract, PRHIA shall initiate the contracting process. The selected Offeror shall be notified in writing that the response has been accepted and that PRHIA intends to engage the Offeror under the terms of the Contract.

6 MANDATORY REQUIREMENTS

The following documents must be included in the order stated below. These documents will not count towards the page limit noted in Section 4.1 of this RFP.

6.1 Letter of Transmittal

Include as the Cover Page of the Proposal a signed Letter of Transmittal. See Appendix B of this RFP.

6.2 Company Description

Provide a detailed description of the company, its operations, and ownership, addressing the following:

- i. Describe the Offeror's form of business (e.g., individual, sole proprietor, corporation, nonprofit corporation, partnership, Limited Liability Company) and detail the names, addresses, telephone numbers, and email addresses of its officers and directors and any partners, if applicable. General description of primary business of the organization and its client base.
- ii. Organization's areas of specialization.
- iii. Any current or recent, within the last two (2) consecutive years, experience working with state Medicaid agencies.
- iv. Size of organization, including structure. The organizational chart or diagram should present information clearly and concisely and include, at a minimum, the lines of authority and reporting and roles and functions for each position. Include a narrative description to supplement the chart or diagram.
- v. Describe the Offeror's experience in providing services similar to those included in the scope of this RFP, with emphasis on clients of similar size as Plan Vital and details on the number of years of providing services. Do not include PRHIA as one of your clients.

- vi. The length of time the organization has been in business, as well as how long the organization has been providing the type of professional services sought in this RFP.
- vii. What attributes make your company an ideal partner for PRHIA.

6.3 Experience and Qualification Requirements

6.3.1 Offeror's Experience – Provide evidence of the Offeror's experience, as required under Section 3.2.7, of and at least two (2) consecutive years of experience in competitive procurement processes.

6.3.2 Provide proof of the following qualifications for the Company:

6.3.3 **Key Personnel:** Describe the experience and expertise of the specific individuals within the Offeror's organizational structure who would perform the services outlined in this RFP and that have been identified as the Key Personnel. Provide a copy of their *curriculum vitae* demonstrating all the required experience and expertise, as stated in Section 3 of this RFP. Include all Certifications per key personnel.

6.3.4 Evidence of experience.

6.3.5 Language: Identify the personnel fluent (written and orally) in both Spanish and English to support operations when required by PRHIA. Include their resumes. Proof of fluency must be submitted as established in Section 7.3.2 of the RFP and Appendix L.

6.4 Conflict of Interest

The Offeror must provide the following documentation for PRHIA to evaluate any current or potential Conflict of Interest:

1. Independence and Conflict of Interest Certification (Appendix C).
2. Conflict-of-Interest Affidavit (Appendix C-1).
3. Provide any relevant documentation regarding your organization's relationship to parent, affiliated and/or related business entities, including, but not limited to subcontractors, subsidiaries, joint ventures, or sister companies.

6.5 Suspension and Debarment Form

The Offeror must complete the Suspension and Debarment Certification to attest compliance with federal regulations. See Appendix D of this RFP.

6.6 Financial and Legal Documentation

6.6.1 Dun & Bradstreet Reports:

Offerors with a Dun and Bradstreet number must include a Comprehensive Insight Plus Report, Business Information Report, or Credit eValuator Report (collectively referred to as “Dunn and Bradstreet Reports”).

6.6.2 Financial Statements and Financial Solvency

6.6.2.1 Offerors must submit an annual report for the entity submitting the Proposal which must include:

- a. Audited financial statements for 2022, 2023, and 2024, that include all supplements, management discussion and analysis, and audited opinions;
- b. If applicable, for years 2022, 2023, and 2024, consolidated statements for any holding companies or affiliates; and
- c. A full disclosure of any events, liabilities, or contingent liabilities that could affect Offeror’s financial ability to perform this Contract. At a minimum, financial statements must include:
 - i. Balance sheet;
 - ii. Income statement;
 - iii. Statement of changes in financial position; and
 - iv. Statement of cash flows.

6.6.2.2 If the Offeror is a corporation that is required to report to the Securities and Exchange Commission (SEC), Offeror must submit its three (3) most recent SEC Form 10K, Annual Reports, pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, Title 15 of the United States Code Chapter 2B, Sections 78m or 78o(d).

6.6.2.3 If audited financial statements are not available, Offeror must submit unaudited financial information and any other information of the entity submitting the Proposal that the Offeror believes meets the requirements of this section. Reference Section 6.6.3 (Alternate Report). If the submitted documents do not provide adequate assurance of financial stability or solvency, PRHIA reserves the right to request additional information or to disqualify the Offeror.

6.6.2.4 If the Offeror is either substantially or wholly owned by another corporate (or legal) entity, the Offeror must include the information required in this section for each such entity, including the most recent detailed financial report for each such entity.

6.6.2.5 If PRHIA determines that an entity does not have sufficient financial resources to guarantee the Offeror's performance, PRHIA may require the Offeror to obtain another acceptable financial instrument or resource from such entity, or to obtain an acceptable guarantee from another entity with sufficient financial resources to guarantee Offeror's performance.

NOTE: Financial materials must be submitted as a word searchable PDF.

6.6.3 Alternate Report

If the Proposal does not contain the annual report specified in Section 6.6.2 above, the Offeror must provide the following within the Proposal:

- (1) A signed statement that the Offeror does not have an audited annual report for the specified time frame(s); and
- (2) An alternate which contains the following:
 - a. For years 2022, 2023 & 2024, Offeror's unaudited financial statements, including all supplements, management discussion and analysis;
 - b. Respondent's unaudited financial statement of the most recent quarter of operation; and
 - c. A full disclosure of any events, liabilities, or contingent liabilities that could affect Offeror's financial ability to perform this Contract.
- d. At a minimum, such financial statements must include:
 - i. Balance sheet;
 - ii. Income statement;
 - iii. Statement of changes in financial position; and
 - iv. Statement of cash flows.

6.6.3.1 Corporate Guarantee: If the Offeror is substantially or wholly owned by another corporate (or other) entity, PRHIA reserves the right to request that such parent entity unconditionally guarantee performance by the Offeror in each and every obligation, warranty, term, covenant, and condition of the Contract.

6.6.4 Provide the current Month-End Balance Sheet and Year-to-Date Income Statement at the time of Proposal submission.

6.6.5 Provide a current month-end detail of any significant outstanding account receivable and payable balances that represent, alone or when added to other accounts of the same category, more

than seventy-five percent (75%) of account receivable and payables, respectively.

6.6.6 Provide sworn statement that indicates any litigations or sanctions that have been applied under any current or former services contract in the last three (3) years. State the status, outcome, and findings in said process, particularly any findings of noncompliance under federal or state law. See Appendix K.

6.6.7 Provide a sworn statement of whether there is any pending or recent (within the past five (5) years) litigation against the Offeror. The Offeror does not need to report workers' compensation cases. If there is a pending or recent litigation against the Offeror, the Offeror shall:

A. Describe the damages being sought or awarded or the extent to which the adverse judgment is/would be covered by insurance or reserves set aside for this purpose. Include an opinion of counsel as to the degree of risk presented by any pending litigation and whether the pending or recent litigation will impair the Offeror's performance in a Contract under this RFP.

B. If there has been a judgment against the Offeror, please provide the details of the judgment and an opinion of counsel as to the degree of risk presented by the judgment and whether the judgment will affect the Offeror's solvency and/or impair the Offeror's ability to perform under the Contract. If applicable, include any Securities Exchange Commission (SEC) filings discussing any pending or recent litigation. The Offeror shall include its parent organization, affiliates, and subsidiaries.

See Appendix K.

6.6.8 Provide a sworn statement that specifies all terminated contracts for the type of services required in this RFP, including expired or non-renewed Contracts, in the last five (5) years and the reasons/circumstances pertaining to the termination. See Appendix K.

6.6.9 Provide a sworn statement acknowledging that the Offeror will adhere in good faith to the requirements of this RFP and the expectations of PRHIA as stated in the RFP. See Appendix K.

6.6.10 Provide a sworn statement on whether, in the last ten (10) years, the Offeror, a predecessor company, the Offeror's parent organization, affiliates, and/or subsidiaries has filed (or had filed against it) any bankruptcy or insolvency proceeding, whether voluntary or involuntary, or undergone the appointment of a receiver, trustee, or assignee for the benefit of creditors. If so, provide an explanation detailing relevant facts, including the date on which the Offeror emerged from bankruptcy or expects to emerge. If still in bankruptcy, provide a summary of and anticipated timeframe for approval of a plan of reorganization. See Appendix K.

6.6.11 Provide a corporate resolution identifying the person authorized to represent and legally bind the entity. In case of a Limited Liability Company, the Offeror must submit evidence of the designation as Administrator or as authorized voting member. See Letter of Transmittal,

Appendix B of this RFP.

6.6.12 Provide a sworn statement certifying that the Offeror has no debts with the government of Puerto Rico, or with any state agencies, corporations or instrumentalities that provide or are related to the provision of health services. If a debt exists, the statement must attest that such debt is subject to a payment plan with which the Offeror is in compliance, a work plan to reconcile amounts in controversy with which the Offeror is in compliance or pending administrative review under applicable law or regulations. In such case, the Offeror must submit recent evidence of said payment plan, debt reconciliation agreement or pending administrative review. See Appendix K.

6.6.13 Submit a sworn statement that indicates the agencies or government agencies with which the Offeror has or is in contract negotiation process. See Appendix K.

6.6.14 Provide evidence of active registration in the System for Award Management (SAM) <https://www.sam.gov/SAM/>. If not currently registered, provide evidence of current status of registration process. **IMPORTANT: The Offeror must be registered at the time of the Award.**

6.6.15 Provide a sworn statement to the effect that all current personnel who would be providing services under the RFP and eventual contract are trained in the administrative, physical and technical aspects of HIPAA Law as established in 45 CFR secs. 164.308, 164.310, 164.312, 164.316. If said personnel is not currently trained, explain why and submit a Certification to the effect that, if awarded a contract, will fully comply with this requirement. See Appendix K.

6.6.16 Submit the Sworn Statement on Fraud and Misappropriation duly filled in and signed before a Notary Public. See Appendix E of this RFP.

6.6.17 Provide a current Certification of the Single Registry of Professional Service Providers (RUP).

NOTE: For the contracting of professional services in the Government of Puerto Rico, it is a mandatory requirement that the professional service provider be registered in the Single Registry of Professional Service Providers (RUP for its Spanish acronym), under the corresponding category and its corresponding certification of registry issued by the Puerto Rico General Services Administration (“Administración de Servicios Generales” or “ASG” for its Spanish acronym). In order to promote the most participation in the process, which redounds in fostering the most competition possible to obtain the best quality and prices for the benefit of the Government of Puerto Rico, if at the time of the submission of the proposal the Offeror cannot fully comply with the mandatory requirement of submission of the RUP certification, the following rules will be strictly applied.

6.6.17.1 If the Offeror has completed the registry process and is awaiting issuance of the certification by ASG at the time of submitting the Proposal, the Offeror must submit:

1. evidence of payment of the certification process;
2. an explanation of the current status of said process;
3. all the certifications and documentation submitted to the RUP with evidence of submission; and
4. within five (5) business days of having submitted the Proposal, it must either submit the RUP certification or inform its current status.

If the status remains as pending, it will be the sole responsibility of the Offeror to submit the RUP certification as soon as it is issued by ASG. In such a case, the Offeror must then submit a certification attesting that it recognizes that, if a Contract is awarded to the Offeror under this RFP:

- i. The Offeror must provide, before the signature of the Contract, a Current Certification of the Single Registry of Professional Service Providers (RUP Certification); and
- ii. that failure to provide the RUP Certification will cause the disqualification of the Offeror, PRHIA will cancel the Award and issue an Award in favor of the next best Offeror, and the Offeror will have no legal recourse against PRHIA.

IMPORTANT: PRHIA reserves the right to award the RFP, even if at the time of the Award the winning Offeror does not have the RUP Certification, provided that PRHIA has been given sufficient reliable and convincing proof that there is no impediment for the ASG to issue the RUP Certification before the Contract is signed.

6.6.17.2 If the Offeror is not registered in the RUP at the time of submission of the Proposal, the Offeror must submit with the Proposal all the certifications required by the RUP. The Offeror will be given an automatic term of five (5) business days, from the date of the deadline for the submission of the Proposal, to submit the RUP Certification. If at that time the Offeror is registered but ASG has still not issued the certification, the Offeror must then comply with Section 6.6.17.1.

NOTE: Failure to fully comply with the terms of this Section is cause for the disqualification of the Offeror.

6.6.18 Include a signed Lobbying Certification (See Appendix J). See Section 2.4.25 of this RFP.

6.7 Insurance Policies

Provide a copy of all liability insurance policies including at a minimum, its liability insurance policy, workers' compensation policy, if different from the "Fondo del Seguro del Estado" policy, and Professional Responsibility Insurance. If you do not possess any, please explain

why. The Offeror must also provide a sworn statement attesting that they will provide all required insurance policies if awarded a contract. See Appendix K.

6.8 Subcontractor

6.8.1 Identify each subcontractor, specify the tasks in which each subcontractor will intervene and disclose the remuneration that the subcontractor will receive for the work to be carried out, and the profit margin, if any, that the Offeror will have in relation to the subcontractor's paid fees.

6.8.2 If the Offeror will be using a major subcontractor(s) for tasks and responsibilities under the Scope of Work of this RFP, it must provide the following documents, signed and submitted by the Major Subcontractor:

- a) Attestation of Independence and Freedom from Conflict of Interests and Conflict of Interest Affidavit (Appendices C and C-1).
- b) Suspension and Debarment Certification (Appendix D of this RFP)
- c) Sworn Statement on Fraud and Misappropriation (Appendix E).
- d) Certification of the Single Registry of Professional Service Providers ("RUP" for its Spanish acronym) issued by the Puerto Rico General Services Administration ("Administración de Servicios Generales de Puerto Rico" or "ASG" for its Spanish acronym). See Section 6.6.17. Same rules of said section will apply here.
- e) Provide evidence of registration in the System for Award Management (SAM) <https://www.sam.gov/SAM/>. If not currently registered, provide evidence of current status of registration process. **NOTE: The Major Subcontractor must be registered at the time of the Award.**
- f) Provide a detailed description of the company, its operations, and ownership, addressing the following:
 - i. General description of primary business of the organization and its client base;
 - ii. Organization's areas of specialization;
 - iii. Describe the Offeror's experience in providing the services to be subcontracted, with emphasis on clients of similar size as Plan Vital and details on the number of years of providing services. Do not include PRHIA as one of your clients;
 - iv. Length of time organization has been in business.
- g) Sworn statement attesting that Offeror possesses and will provide at the time of the signing of the contract between PRHIA and the selected offeror a copy of the

insurance policies mentioned in Section 6.7 of this RFP that apply to the services to be provided.

- h) Provide a list of any litigations or sanctions that have been applied under any current or former services contract in the last three (3) years. State the status, final outcome and findings in said process, particularly any findings of noncompliance under federal or state law.
- i) Provide at least three (3) specific business references with at least one (1) for a state Medicaid program or other large similar government or large private industry project within the last (5) years, or similar engagement or project of similar size and scope to those functions and responsibilities that it would be performing under this RFP, within the last two consecutive (2) years. Do not use PRHIA as one of the references to fulfill this requirement. Each reference must include the contact's name, phone number, email address, a brief description of the services provided, and the period of service. Include with the above required information a letter addressed to the Executive Director of PRHIA authorizing PRHIA to contact said business references.
- j) Provide a signed certification that all current personnel who would be providing services under the RFP and eventual contract are trained in the administrative, physical and technical aspects of HIPAA Law. If said personnel is not currently trained, submit a Certification to the effect that, if awarded a contract, the Subcontractor would fully comply with this requirement.
- k) Include a signed Lobbying Certification (Appendix J). See Section 2.4.22 of this RFP.
- l) All documents and certifications required under Sections 6.6.10, 6.6.12 & 6.6.13.
- m) Dun and Bradstreet Reports: If the Major Subcontractor has a Dun and Bradstreet number, they must include a Comprehensive Insight Plus Report, Business Information Report, or Credit eValuator Report (collectively referred to as "Dun and Bradstreet Reports"). PRHIA reserves the right to request additional information and documentation on the Major Subcontractor, including, but not limited, to certain financial information requested from the Offeror.
- n) Provide Appendix K – Mandatory Requirements Sworn Statement.

6.9 Redacted Proposals

6.9.1 If the Offeror requests confidential treatment, submit one (1) copy of the full Proposal (including the Cost Proposal) with proposed confidential information redacted according to Section 2.4.7 of this RFP. The redacted copy must tell the general nature of the material removed and shall retain as much of the Proposal as possible.

6.9.2 Supply a listing of the provisions identified by Section/subsection number for which the Offeror sought confidential treatment and the statutory basis or bases under federal law,

Puerto Rico Law, including a detailed justification for exempting the information from public disclosure.

6.9.3 If the Offeror does not request confidential treatment of any portion of its proposal, it must submit a sworn statement to that effect agreeing to release and hold harmless PRHIA, the Government of Puerto Rico and the Federal Government, as stated in Section 2.4.7 of this RFP. See Appendix K.

6.10 PRHIA reserves the right to reject an Offeror's Proposal or to disqualify any Offeror for noncompliance with the requirements of this RFP at any time during the presentation, evaluation or adjudication process. Also, any and all Proposals may be rejected, in whole or in part, when PRHIA determines in its sole discretion that it serves the best interests of PRHIA and/or the Government of Puerto Rico.

6.11 The Offeror will provide, at PRHIA's request during the RFP process, an actuarial peer review. This peer review will be prepared by an actuary or actuarial firm of PRHIA's choice and at the Offeror's cost. **FAILURE TO PROVIDE THIS DOCUMENT MAY RESULT IN DISQUALIFICATION**

7 TECHNICAL PROPOSAL

The Offeror shall complete all requirements, including the narratives and required appendices, in this section. In responding to each question, the Offeror shall explicitly state whether a subcontractor will be utilized. If the Offeror intends to utilize a subcontractor(s), the Offeror must provide the name of the subcontractor in the response.

Offeror must demonstrate the necessary experience and capacity to assume all applicable functions as demonstrated by providing detailed responses to the following questions. This includes providing a detailed narrative, diagrams, exhibits, examples, sketches, descriptive literature and/or detailed information specifically tailored for the services required under this RFP to demonstrate its ability to meet requirements

Offerors should understand that all items in the Contract in Appendix H constitute the complete list of Contractor requirements, with the exception of *ad hoc* requests.

Refer to Section 5.5.1 for total points allotted for each following section.

7.1. Service Proposal and Scope of Work Requirements (Total maximum points – 90 points)

Offerors shall provide, in relation to the responsibilities set forth in the Scope of Work

(Section 3) of this RFP, the following information:

- 7.1.1 Describe the Offeror's understanding and experience in conducting and certifying the rate setting functions described in this RFP. Explain how the Offeror intends to develop or assist PRHIA in the development of the rate methodology and determine, certify, update, and defend, when necessary, actuarially sound rates for PRHIA's programs. Address Plan Vital's and Medicaid Platino's processes independently. In the response, describe the proposed processes and methodologies for providing all components of the tasks described in Sections 3.3.1 & 3.3.2 in an efficient and time sensitive manner. (20 points)
- 7.1.2 Describe how the Offeror intends to comply with the tasks required under Section 3.3.3 of the Scope of Work regarding training and knowledge. (5 points)
- 7.1.3 Describe how the Offeror intends to comply with the scope of work requirements to support, certify and/or modify a risk adjustment methodology, DRGs payments and MLR as Specified in Sections 3.3.4, 3.3.5 and 3.3.6. (15 points)
- 7.1.4 Describe how the Offeror will provide technical resources to support the CMS requirements and reports on the GHP, Platino, and PBM/RA, as established in this RFP and how it intends to perform the tasks described under Sections 3.3.7.1 & 3.3.7.2. (10 points)
- 7.1.5 Describe the steps to be taken to review CMS-64 filings every quarter to assess the accuracy of the reported figures against PRHIA financial reports, and other relevant resources of data. (5 points)
- 7.1.6 Describe the Offeror's experience in performing the tasks described in Section 3.3.8 for data analysis regarding PBM/RA contracts, what resources will be provided to PRHIA for these tasks and how the Offeror intends to provide such services. (5 points).
- 7.1.7 Describe the Offeror's proposed approach to comply with the tasks described in Section 3.3.10 to be performed during the first contract year in an efficient and time sensitive manner. (10 points).
- 7.1.8 Describe the steps the Offeror regularly takes in the provision of actuarial services to comply with each of the general obligations and actuarial soundness requirements stated in Section 3.4. (15 points).

- 7.1.9 Provide information on the Offeror's most recent experience preparing a transition plan and providing the type of turnover services described in Section 3.5. (5 points).

7.2. Readiness and Operational Capacity (Total maximum points – 20 points)

- 7.2.1 Provide a detailed description on how your company intends to have full operational capacity to perform all required scope of work services under this RFP and support by October 1st, 2025, Contract Effective Date. Include your staffing plan to comply with all duties and responsibilities of the Contractor as stated in the Scope of Work, in a time sensitive manner. (10 points)
- 7.2.2 Describe the methods utilized to maintain the level of cooperation with PRHIA necessary for the proper performance of all contractual responsibilities and to apprise PRHIA of any issues and status. (10 points)

7.3. Qualifications and Experience Requirements (Total maximum points – 90 points)

7.3.1 Offeror's Experience:

Provide evidence of the Offeror's experience, as required under Section 3.1.2, of having been in business for a minimum of five (5) years, or the principal/owners must have at least five (5) years of recent ownership/executive management experience with actuarial services supporting Medicaid Managed Care/CHIP programs and at least two consecutive (2) years of actuarial experience certifying Medicaid Managed Care capitation premiums. Include in your answer evidence of any of the preferred experience and/or resources detailed in Section 3.1.4, if applicable. (15 points)

7.3.2 Key Personnel:

Describe the experience and expertise of the specific individuals within the Offeror's organizational structure who would perform the services outlined in this RFP and that have been identified as the Key Personnel. Provide a copy of their *curriculum vitae* demonstrating all the required experience and expertise, as stated in this RFP. Include in your answer evidence of any of the preferred experience and/or resources detailed in Section 3.1.4, if applicable. To validate fluency and/or proficiency in the Spanish language, as mentioned in Sections 3.1.4 and 3.2 of the RFP, the Offeror must include a video submission required by Appendix L. In addition to the video submission, PRHIA reserves the right to schedule an additional video call with key personnel to further validate the language requirement (30 points).

7.3.3 Staffing:

Describe the experience and expertise of the specific individuals within the Offeror's organizational structure who would perform the services outlined in this RFP and that have the

required experience stated in Section 3.1.3 of this RFP. Provide a copy of their *curriculum vitae* demonstrating compliance with all the required experience and expertise, as stated in this RFP. Include in your answer evidence of any of the preferred experience and/or resources detailed in Section 3.1.4, if applicable. (30 points)

7.3.4 Describe services similar to those sought under Section 3.3.9 of this RFP that the Offeror has provided to other businesses or governmental entities within the last twenty-four (24) months. For each similar service, provide a matrix detailing: (15 points)

- i. Project title;
- ii. Project role (primary contractor or subcontractor);
- iii. Name of client agency or business;
- iv. General description of the scope of work;
- v. Start and end dates of contract for services as originally entered into between the parties;
- vi. If the contract was terminated for any reason before completion, detail the reason(s) for the termination;
- vii. Project Budget;
- viii. Whether the services were provided timely and within budget;
- ix. Any damages, penalties, disincentives assessed, or payments withheld;
- x. List administrative or regulatory proceedings or adjudicated matters related to this service to which the Offeror has been a party; and
- xi. Contact information for the client's project manager including address, telephone number, and electronic mail address.

8 Cost Proposal

8.1 The Offeror shall also submit a cost proposal, using the format included in **Appendix F (Cost Proposal Template)** that addresses all costs associated with meeting the requirements noted above in Section 3 of the RFP and rates per hour. Each page must be identified with the name of the Offeror. The Offeror's Proposal must include the cost for three (3) contract years, which is comprised of the base term and the optional extension year.

8.2 The Cost Proposal needs to be signed by the person authorized to legally bind the Offeror. The submitted Cost Proposal must include a duly signed PDF copy of the Cost Proposal Template with initials on each page as well as an Excel version. Both must contain the same information, and each page must be identified with the name of the Offeror. In case of any inconsistencies between the PDF signed copy and the Excel version of the Offeror's Cost Proposal, the signed copy will prevail.

8.3 The Cost Proposal must be submitted separately from the Technical Proposal. Be

advised, PRHIA may reject any proposal with a Cost template that is not separately submitted.

8.4 The Cost Proposal shall include the all-inclusive hourly rate per staff title or job position for each staff category to be used in the provision of services under this RFP. Key Personnel must be included in the table. **The billing rates must be fixed throughout the contract term.** These rates will be used for invoicing purposes only.

In Clause 6 of Appendix H – Model Contract, PRHIA establishes that, in the event that multiple members of the key personnel identified in the Proposal’s Scope of Work attend an administrative meeting, PRHIA shall compensate only for the highest applicable billing rate among those present. Thus, the PRHIA shall not be liable for multiple billing rates corresponding to each individual attendee in such meetings.

8.5 In Table 2, the Offeror must provide the Total Annual Cost for Scope of Work, which shall reflect the Offeror's best estimate of the total annual hours it deems that fulfillment of responsibilities under the scope of work will require, the applicable FTE's per staff position and the applicable hourly rate per staff position. Accordingly, the Offeror must provide detailed information on Total Annual Cost of Scope of Work, including but not limited, to the amount of FTE's being used per staff position title, estimated number of annual hours and any other relevant information that will allow PRHIA to understand Offeror’s Annual SOW Cost Offer. If the Offeror needs additional space, they may attach additional pages for this purpose.

NOTE: For evaluation and scoring purposes, the Total Annual Cost of the Scope of Work provided under Table 2 must be equal to the applicable Blended Hourly Rate included in Table 3, multiplied by 20,000 annual hours. The annual hours established for the calculation of total annual cost for each contract year are for evaluation purposes. If the Potential Offeror deems that they can realistically provide the services in a different amount of annual hours, they may use such amount in their Cost Proposal. Optional Extension term costs are included in the Cost Proposal for evaluation purposes only. PRHIA makes no guarantee of volume, usage, or total compensation to be paid to any Offeror under any award contract, if any, resulting from this RFP.

Nonetheless, the amounts submitted by the Offeror as the Total Annual Cost for Scope of Work for each contract year (including the optional extension), will be understood by PRHIA as the Offeror’s Cost Proposal submission under this procurement process.

8.6 For evaluation and scoring purposes, the Offeror must include in Table 3 of the Cost Proposal an all-inclusive blended hourly rate. This rate will be used for evaluation and scoring purposes.

8.7 PRHIA will not accept travel expenses as part of the Cost Proposal under this RFP.

8.8 The Cost Proposal should provide sufficiently detailed information to allow PRHIA to assess the reasonableness of the Offeror's cost.