MODEL CONTRACT BETWEEN

ADMINISTRACIÓN DE SEGUROS DE SALUD DE PUERTO RICO (ASES)

and

NOMBRE ASEGURADORA

for

PROVISION OF PHYSICAL & BEHAVIORAL HEALTH SERVICES UNDER THE GOVERNMENT HEALTH PLAN PROGRAM

Contract No.: _____

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ATTACHMENT 32: INDIVIDUALS UNDER LAWFUL CUSTODY OF THE PUERTO RICO DEPARTMENT OF CORRECTIONS AND REHABILITATION QUALIFIED FOR GOVERNMENT HEALTH PLAN COVERAGE

THIS CONTRACT, is made and entered into by and between the Puerto Rico Health Insurance Administration (Administración de Seguros de Salud de Puerto Rico, hereinafter referred to as "ASES" or "the Administration"), a public corporation of the Government of Puerto Rico ("the Government" or "Puerto Rico"), with employer identification number 66-0500678 and [INSERT CONTRACTOR NAME] ("the Contractor"), a managed care organization duly organized and authorized to do business under the laws of Puerto Rico, with employer identification number _____.

WHEREAS, pursuant to Title XIX of the Federal Social Security Act, codified as 42 USC 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 needy persons exists in Puerto Rico;

WHEREAS, ASES is responsible for health care policy, purchasing, planning, and regulation pursuant to Act 72, as amended, and other sources of law of Puerto Rico designated in Attachment 1 to this Contract, and pursuant to this statutory provision, ASES has established a managed care program under the medical assistance program, known as "GHP," "GHP Program," "the Government Health Plan", or "Plan Vital";

WHEREAS, 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 charged with ensuring the appropriate delivery of health care services under the Medicaid and the Children's Health Insurance Program ("CHIP") in Puerto Rico, and ASES manages these programs pursuant to a delegation of authority to ASES;

WHEREAS, GHP serves a mixed population including not only the Medicaid and CHIP populations, but also other eligible individuals as established in Act 72;

WHEREAS, ASES seeks to comply with Puerto Rico's public policy objectives of creating an integrated system of physical and Behavioral Health Services, with an emphasis on preventative services and access to quality care;

WHEREAS, ASES issued a Request for Proposals ("the RFP") for physical and Behavioral Health Services on [_____], which, except as provided in Article 58 below, are expressly incorporated as if completely restated herein;

WHEREAS, ASES has received from the Contractor a proposal in response to the RFP, "Contractor's Proposal," which, except as provided in Article 58 below, is expressly incorporated as if completely restated herein; and,

WHEREAS, ASES accepts the Contractor's Proposal to provide the services contemplated under this Contract for ASES;

NOW, THEREFORE, **FOR AND IN CONSIDERATION** of the mutual promises, covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, ASES and the Contractor (each individually a "Party" and collectively the "Parties") hereby agree as follows:

ARTICLE 1 GENERAL PROVISIONS

1.1 General Provisions

1.1.1 The Contractor shall assist the Government by providing and delivering services under the GHP through described tasks, obligations, and responsibilities included in this Contract.

1.1.2 The Contractor shall maintain the staff, organizational, and administrative capacity and capabilities necessary to carry out all the duties and responsibilities under this Contract.

1.1.3 The Contractor shall not make any changes to the following without explicit prior written approval from the Executive Director of ASES or his or her designee:

1.1.3.1 Its business address, telephone number, facsimile number, and e-mail address;

1.1.3.2 Its corporate status or nature;

1.1.3.3 Its business location;

1.1.3.4 Its corporate structure;

1.1.3.5 Its ownership, including but not limited to the new owner's legal name, business address, telephone number, facsimile number, and e-mail address; and/or

1.1.3.6 Its incorporation status.

1.1.4 The Contractor shall notify ASES within five (5) Business Days of a change in the following:

1.1.4.1 Its solvency (as a result of a non-operational event);

1.1.4.2 Its corporate officers or executive employees; or

1.1.4.3 Its Federal employee identification number or Federal tax identification number.

1.1.5 Unless otherwise specified herein, all documentation, including policies and procedures that the Contractor is required to maintain, shall be given prior written approval from ASES. All documentation, including the Deliverables listed in Attachment 12 to this Contract, must be submitted to ASES in English.

1.1.6 Unless otherwise specified, the Contractor shall notify ASES and/or the Puerto Rico Medicaid Program of any applicable provisions Immediately.

1.1.7 Pursuant to 42 CFR 438.602(i), the Contractor shall not be located outside of the United States.

1.1.8 All Administrative Functions of the Contractor must be located within the United States. The following Administrative Functions must be located in Puerto Rico:

1.1.8.1 Care Management;

1.1.8.2 Marketing;

1.1.8.3 Utilization Management determinations, including Prior Authorization determinations;

1.1.8.4 Management of Enrollee and Provider Grievances and Appeals;

1.1.8.5 Decision-making authority related to Enrollee Services;

1.1.8.6 Decision-making authority related to Provider Services, such as claims dispute resolution; and

1.1.8.7 Network management activities.

1.2 **Background**

1.2.1 The Government Health Plan ("GHP"), also known as Plan Vital, has the following objectives:

1.2.1.1 Ensure appropriate and timely access to Covered Services for Enrollees across Puerto Rico, including facilitating and promoting access to preventive care.

1.2.1.2 Require Contractors to provide Island-wide coverage and access to Covered Services Island-wide in all geographic areas of Puerto Rico. This may be achieved through sub-contractual relationships.

1.2.1.3 Encourage competition among Contractors resulting in improvements of quality outcomes.

1.2.1.4 Require Contractors to partner with Government-owned specialty hospitals.

1.2.1.5 Encourage Contractors to partner with local provider entities, such as Primary Medical Groups (PMGs), provider groups, and provider associations to leverage island-based best practices and maintain existing Enrollee-provider relationships.

1.2.1.6 Require Contractors to propose and demonstrate cost saving initiatives, programs, and value-based payment models for Provider reimbursement.

1.2.1.7 Promote provider-based care coordination models that address social determinants of health and are likely to reduce health care expenditures.

1.2.1.8 Require Contractors to implement best practices to address high utilizers of services that are more appropriately delivered in less costly settings; for example, strategies to decrease non-emergent use of the emergency room.

1.2.2 Should any part of the scope of work under this Contract relate to a state program that is no longer authorized by law (e.g., which has been vacated by a court of law, or for which CMS has withdrawn federal authority, or which is the subject of a legislative repeal), the Contractor must do no work on that part after the effective date of the loss of program authority. ASES must adjust capitation rates to remove costs that are specific to any program or activity that is no longer authorized by law. If the Contractor works on a program or activity no longer authorized by law after the date the legal authority for the work ends, the Contractor will not be paid for that work. If ASES paid the Contractor in advance to work on a no-longer-authorized program or activity and under the terms of this Contract the work was to be performed after the date the legal authority ended, the payment for that work should be returned to ASES. However, if the Contractor worked on a program or activity prior to the date legal authority ended for that program or activity, and ASES included the cost of performing that work in its payments to Contractor, the Contractor may keep the payment for that work even if the payment was made after the date the program or activity lost legal authority.

1.3 Groups Eligible for Services Under the GHP

1.3.1 The Contractor will be responsible for providing services to all persons determined eligible for the GHP and enrolled in the Contractor's Plan. The groups to be served under the GHP shall hereinafter be referred to collectively as "Eligible Persons." The groups are subject to change and currently include:

1.3.1.1 Medicaid and CHIP. All Medicaid and CHIP eligibility categories covered in the Puerto Rico Medicaid and CHIP State Plans are eligible to enroll in the GHP and shall be referred to hereinafter as "Medicaid and CHIP Eligibles", also known as the "Federal population."

1.3.1.2 Other Groups (Non-Medicaid and CHIP Eligibles). The following groups, which receive services under the GHP without any Federal

financial participation, will be referred to hereinafter as "Other Eligible Persons."

1.3.1.2.1 The "State Population," formerly known as the "Commonwealth Population," is currently comprised of individuals, regardless of age, who meet State eligibility standards established by the Puerto Rico Medicaid Program but do not qualify for Medicaid or CHIP.

1.3.1.2.2 Any other group of Other Eligible Persons may be added during the Contract Term as a result of a change in laws or regulations.

1.4 Geographic Scope of the Contract

1.4.1 The Contractor is responsible for the delivery of services under the GHP Island-wide.

1.5 Delegation of Authority

1.5.1 Federal law and Puerto Rico law limit the capacity of ASES to delegate decisions to the Contractor. All decisions relating to public policy and to the administration of the Medicaid, CHIP, and the Puerto Rico government health assistance program included in the GHP rest with the Puerto Rico Medicaid Program and ASES.

1.6 Availability of Funds

1.6.1 This Contract is subject to the availability of funds on the part of ASES, which in turn is subject to the transfer of Federal, Puerto Rico, and municipal funds to ASES. If available funds are insufficient to meet its contractual obligations, ASES reserves the right to terminate this Contract, pursuant to Section 35.5.

1.7 Cooperation, Assistance and Compliance with Special Projects

1.7.1 The Contractor shall provide to ASES and any other agency of the Government all necessary cooperation, assistance, and compliance with requirements in the development and implementation of any special project of ASES and any other agency of the Government or the Federal Government. The Contractor acknowledges that this is a sine qua non of this Contract and that it will comply with ASES change requests related to such projects as these are implemented due to State or Federal mandate.

ARTICLE 2 DEFINITIONS

Whenever capitalized in this Contract, the following terms have the respective meaning set forth below, unless the context clearly requires otherwise.

Act 72: The law of Puerto Rico adopted on September 7, 1993, as subsequently amended, which created ASES and empowered ASES to administer certain government health programs.

Act 408: The Puerto Rico Mental Health Code (Act No. 408 of October 2, 2000, as amended), which established the public policy and procedures regarding the delivery of Behavioral Health services in Puerto Rico.

Abandoned Call: A call initiated to a Call Center that is ended by the caller before any conversation occurs or before a caller is permitted access to a caller-selected option.

Abuse: Provider practices that are inconsistent with sound fiscal, business, or medical practices, and that result in unnecessary costs to the GHP Program or in reimbursement for services that are not Medically Necessary or that fail to meet professionally recognized standards for the provision of health care. It also includes Enrollee practices that result in unnecessary costs to the GHP.

Access: Adequate availability of Benefits to fulfill the needs of Enrollees.

Adverse Benefit Determination: The denial or limited authorization of a requested service, including the type or level of service; the reduction, suspension, or termination of a previously authorized service, requirements for medical necessity appropriateness, setting or effectiveness of a covered benefit; the denial, in whole or part, of payment for a clean claim (including in circumstances in which an Enrollee is forced to pay for a service); the failure to provide services in a timely manner (within the timeframes established by this Contract or otherwise established by ASES); the failure of the Contractor to act within the timeframes provided in 42 CFR 438.408(b); or the denial of an Enrollee's request to dispute a financial liability, including cost-sharing, co-payments, premiums, deductibles, co-insurance, and other Enrollee financial liabilities. For a resident of a rural area, the denial of an Enrollee's request to exercise his or her right, under 42 CFR 438.52(b)(2)(ii), to obtain services outside the network.

Actuarial Report: Actuarial reports the Contractor is required to submit in accordance with Article 18 of this Contract.

Administrative Functions: The contractual obligations of the Contractor under this Contract, other than providing Covered Services; include, without limitation, Care Management, Utilization Management, Credentialing Providers, Network management, Quality Improvement, Marketing, Enrollment, Enrollee services, Claims payment, Information Systems, financial management, and reporting.

Administrative Law Hearing: The Appeal process administered by the Government and as required by Federal law, available to Enrollees after they exhaust the Contractor's Grievance and Appeal System.

Administrative Referral: A Referral of an Enrollee by the Contractor to a Provider or facility located outside the PPN, when the Enrollee's PCP or other PMG physician does not provide a Referral within the required time period.

Adult: An individual age twenty-one (21) or older unless otherwise specified.

Advance Directive: A written instruction, such as a living will or durable power of attorney, granting responsibility over an individual's health care, as defined in 42 CFR 489.100, and as recognized under Puerto Rico law under Act 160 of November 17, 2001, as amended, relating to the provision of health care when the individual is incapacitated.

ADFAN: Families and Children Administration (Administración de Familias y Niños), which is responsible for foster care children in the custody of the Government.

Affiliate: Any person, firm, corporation (including, without limitation, service corporation and processional corporation), partnership (including, without limitation, general partnership, limited partnership and limited liability partnership), limited liability company, joint venture, business trust, association or other entity or organization that now or in the future directly or indirectly controls, is controlled by, or is under common control with the Contractor.

Agent: An entity that contracts with ASES to perform Administrative Functions, including but not limited to: fiscal Agent activities; Outreach, eligibility, and Enrollment activities; and systems and technical support.

Aggregate Lifetime Dollar Limit: For purposes of compliance with Behavioral Health parity requirements in 42 CFR part 438, subpart K, a dollar limitation on the total amount of specified benefits that may be paid under a contractor.

AIDS Drug Assistance Program: state and territory-administered program authorized under Part B that provides FDA-approved medications to low-income people living with HIV who have limited or no health coverage from private insurance, Medicaid, or Medicare.

Ambulatory Services Units: Ambulatory clinics that mainly provide health services to children, families, and adults, which are staffed by an interdisciplinary team responsible for the appropriate treatment and referral processes.

Ancillary Services: Professional services, including laboratory, radiology, physical therapy, and respiratory therapy, which are provided in conjunction with other medical or hospital care.

Annual Dollar Limit: For purposes of compliance with Behavioral Health parity requirements in 42 CFR part 438, subpart K, a dollar limitation on the total amount of specified benefits that may be paid in a twelve (12) month period under a contractor.

Annual Open Enrollment Period: [The annual period of forty-five (45) Calendar Days from November 1 through December 15 during which Enrollees have one (1) opportunity to select a different Contractor, without cause.][1]

Appeal: An Enrollee request for a review of an Adverse Benefit Determination. It is a formal petition by an Enrollee, an Enrollee's Authorized Representative, or the Enrollee's Provider, acting on behalf of the Enrollee with the Enrollee's written consent, to reconsider a decision in the case that the Enrollee or Provider does not agree with an Adverse Benefit Determination taken.

[1] Subject to revision based on ASES's decisions on open enrollment prior to go live.

ASES: Administración de Seguros de Salud de Puerto Rico (the Puerto Rico Health Insurance Administration), the Government entity responsible for oversight and administration of the GHP Program, or its Agent.

ASES Data: All Data created from Information, documents, messages (verbal or electronic), reports, or meetings involving, arising out of or otherwise in connection with this Contract.

ASES Information: All proprietary Data and/or Information generated from any Data requested, received, created, provided, managed and stored by Contractors, - in hard copy, digital image, or electronic format - from ASES and/or Enrollees (as defined in Article 2) necessary or arising out of this Contract, except for the Contractor's Proprietary Information.

ASSMCA: Administración de Servicios de Salud Mental y Contra la Adicción (the Puerto Rico Mental Health and Anti-Addiction Services Administration), the government agency responsible for the planning and establishment of mental health and substance abuse policies and procedures and for the coordination, development, and monitoring of all Behavioral Health Services rendered to Enrollees in the GHP.

At Risk: When a Provider agrees to accept responsibility to provide, or arrange for, any service in exchange for the Per Member Per Month Payment (PMPM).

Authorized Certifier: The Contractor's CEO, CFO, or an individual with delegated authority to sign for and who reports directly to the CEO and/or CFO.

Authorized Representative: A person given written authorization by an Enrollee to make health-related decisions on behalf of an Enrollee, including, but not limited to: Enrollment and Disenrollment decisions, filing Complaints, Grievances and Appeals, and the choice of a PCP or PMG.

Auto-Assignment: The assignment of an Enrollee to a PMG and a PCP by ASES, the Contractor or the Puerto Rico Medicaid Program.

Auto-Enrollment: The Enrollment of a Potential Enrollee in a GHP Plan without any action by the Potential Enrollee, as provided in Article 5 of this Contract.

Basic Coverage: The physical and Behavioral Health Services available to all GHP Enrollees (as distinguished from Special Coverage, which is available only to Enrollees with certain diagnoses after a registration process). The GHP Covered Services are listed in Article 7 of this Contract.

Behavioral Health: The umbrella term for mental health conditions (including psychiatric illnesses and emotional disorders) and substance use disorders (involving addictive and chemical dependency disorders). The term also refers to preventing and treating co-occurring mental health conditions and substance use disorders ("SUDs").

Behavioral Health Facility: A facility for the delivery of outpatient, inpatient or stabilization Behavioral Health Services, which houses at least two (2) Providers. These facilities include:

(i) Psychiatric hospitals (or a unit within a general hospital)
(ii) Emergency or stabilization units

(iii) Partial hospitalization units
(iv) Intensive ambulatory services units
(v) Ambulatory services units/clinics
(vi) Residential units
(vii) Addiction service units (detoxification, ambulatory, inpatient, and residential)

Benefits: The services set forth in this Contract, for which the Contractor has agreed to provide, arrange, and be held fiscally responsible, including Basic Coverage, dental services, Special Coverage, and Administrative Functions.

Blocked Call: A call that cannot be connected Immediately because no circuit is available at the time the call arrives or because the telephone system is programmed to block calls from entering the queue when the queue is backed up beyond a defined threshold.

Breach: As defined in 45 CFR 164.402, the acquisition, access, use, or disclosure of Protected Health Information in a manner not permitted under 45 CFR 164, subpart E which compromises the security or privacy of such Information.

Business Continuity and Disaster Recovery ("BC-DR") Plan: A documented plan (process) to restore vital and critical Information/health care technology systems in the event of business interruption due to human, technical, or natural causes. The plan focuses mainly on technology systems, encompassing critical hardware, operating and application software, and tertiary elements required to support the operating environment. It must support the process requirement to restore vital business Data inside the defined business requirement, including an emergency mode operation plan as necessary. The BC-DR also provides for continuity of health care in the event of plan terminations.

Business Days: Traditional workdays, including Monday, Tuesday, Wednesday, Thursday, and Friday. Puerto Rico Holidays, as defined in the Law for Compliance with the Fiscal Plan, Act No. 26 of April 29, 2017, or any other law enacted during the duration of this Contract regarding this subject, are excluded.

Calendar Days: All seven days of the week.

Call Center: A telephone service facility equipped to handle a large number of inbound and outbound calls. This facility must meet all requirements set forth in Section 6.8 of this Contract.

Capitation: A contractual agreement through which a Contractor or Provider agrees to provide specified health care services to Enrollees for a fixed amount per month.

Care Management: An Administrative Function comprised of a set of Enrollee-centered steps to ensure that an Enrollee with intensive needs, including catastrophic or high-risk conditions, receives the necessary services in a supportive, effective, efficient, timely, and cost-effective manner.

Care Manager: A professional with at least a Bachelor of Arts or a Bachelor of Science in a health or Behavioral Health-related field who helps Enrollees access the services they need for their recuperation and for the implementation of their individual treatment plans.

Case Rates: One-time payments to Contractor based on the occurrence of a qualifying event. Plan Vital has two case rates: a Maternity/Newborn Case Rate; and an Incarcerated Inpatient Case Rate.

Centers for Medicare & Medicaid Services ("CMS"): The agency within the US Department of Health and Human Services with responsibility for the Medicare, Medicaid, and the Children's Health Insurance Programs ("CHIP").

Center for the Collection of Municipal Revenues: A municipal entity, independent from any other governmental agency, in charge of notifying, assessing, collecting, receiving, and distributing the public funds arising from property tax, state subsidy, electronic lottery and any other fund created by law in favor of the municipalities of Puerto Rico.

Certification: As provided in Section 5.1.2 of this Contract, a decision by the Puerto Rico Medicaid Program that a person is eligible for services under the GHP Program because the person is Medicaid Eligible, CHIP Eligible, or a member of the State Population. Some public employees and pensioners may enroll in GHP without first receiving a Certification.

Children's Health Insurance Program ("CHIP"): Puerto Rico's Children's Health Insurance Program established pursuant to Title XXI of the Social Security Act.

CHIP Eligible: A child eligible to enroll in the GHP Program because he or she is eligible for CHIP.

Chronic Condition: An ongoing physical, behavioral, or cognitive disorder, with a duration of at least twelve (12) months with resulting functional limitations, reliance on compensatory mechanisms (medications, special diet, assistive devices, etc.) and service use or need beyond that which is normally considered routine.

Claim: Whether submitted manually or electronically, a bill for services, a line item of services, or a bill detailing all services for one (1) Enrollee.

Clean Claim: A Claim received by the Contractor for adjudication, which can be processed without obtaining additional information from the Provider of the service or from a Third Party. It includes a Claim with errors originating in the Contractor's Claims system. It does not include a Claim from a Provider who is under investigation for Fraud, Waste, or Abuse, or a Claim under review to determine Medical Necessity.

Cold-Call Marketing: Any unsolicited personal contact by the Contractor with a Potential Enrollee, for the purposes of Marketing.

Co-Location: An integrated care model in which Behavioral Health Services are provided in the same site as Primary Care.

Complaint: An expression of dissatisfaction about any matter other than an Adverse Benefit Determination that is resolved at the point of contact rather than through filing a formal Grievance.

Community Health Care Workers (CHWs): A frontline public health worker who is a trusted member of and/or has a close understanding of the community served, enabling the CHW to serve as a liaison, link, and intermediary between health and social services and the community to facilitate

access to services and improve the quality and cultural competence of service delivery. A CHW also builds individual and community capacity by increasing health knowledge and self-sufficiency through a range of activities such as outreach, community education, informal counseling, social support and advocacy.

Contract: The written agreement between ASES and the Contractor; comprised of the Contract, any addenda, appendices, attachments, or amendments thereto.

Contract Term: The duration of time that this Contract is in effect, as defined in Article 21 of this Contract.

Contractor: The Managed Care Organization that is a Party of this Contract, licensed as an insurer by the Puerto Rico Commissioner of Insurance ("PRICO"), which contracts hereunder with ASES under the GHP program for the provision of Covered Services and Benefits to Enrollees on the basis of PMPM Payments.

Co-Payment: A cost-sharing requirement which is a fixed monetary amount paid by the Enrollee to a Provider for certain Covered Services as specified by ASES.

Corrective Action Plan: The detailed written plan required by ASES from the Contractor to correct or resolve a deficiency or event causing the assessment of a liquidated damage or sanction against the Contractor.

Cost Avoidance: A method of paying Claims in which the Provider is not reimbursed until the Provider has demonstrated that all available health insurance, and other sources of Third Party Liability, have been exhausted.

Countersignature: An authorization provided by the Enrollee's PCP, or another Provider within the Enrollee's PMG, for a prescription written by another Provider to be dispensed. No Countersignature shall be required if the Provider writing the prescription is within the PPN.

Covered Services: Those Medically Necessary health care services (listed in Article 7 of this Contract) provided to Enrollees by Providers, the payment or indemnification of which is covered under this Contract.

Credentialing: The Contractor's determination as to the qualification of a specific Provider to render specific health care services.

Credible Allegation of Fraud: Any allegation of Fraud that has been verified by another State, the Government, or ASES, or otherwise has been preliminary investigated by the Contractor, as the case may be, and that has indicia of reliability that comes from any source.

Cultural Competency: A set of interpersonal skills that allow individuals to increase their understanding, appreciation, acceptance, and respect for cultural differences and similarities within, among, and between groups and the sensitivity to know how these differences influence relationships with Enrollees. This requires a willingness and ability to draw on community-based values, traditions and customs, to devise strategies to better meet culturally diverse Enrollee needs, and to work with

knowledgeable persons of and from the community in developing focused interactions, communications, and other supports.

Daily Basis: Each Business Day.

Data: A series of meaningful electrical signals that may be manipulated or assigned.

Data Set: Demographic, health, or other Informational elements suitable for specific use.

Deductible: In the context of Medicare, the dollar amount of Covered Services that must be incurred before Medicare will pay for all or part of the remaining Covered Services.

Deemed Newborn: A newborn whose mother is Medicaid or CHIP Eligible on the date of delivery and is eligible from the date of birth.

Deliverable: A document, manual, or report submitted to ASES by the Contractor to exhibit that the Contractor has fulfilled the requirements of this Contract.

Disenrollment: The termination of an individual's Enrollment in the Contractor's Plan.

Domestic Violence Population: Certain survivors of domestic violence referred by the Office of the Women's Advocate.

Dual Eligible Beneficiary: An Enrollee or Potential Enrollee eligible for both Medicaid and Medicare.

Durable Medical Equipment: Equipment, including assistive technology, which: (i) can withstand repeated use; (ii) is used to service a health-related or functional purpose; (iii) is ordered by a Health Care Provider to address an illness, injury, or disability; and (iv) is appropriate for use in the home, work place, or school.

Early and Periodic Screening, Diagnostic, and Treatment ("EPSDT") Program: A Medicaid-mandated program that covers screening and diagnostic services to determine physical and mental deficiencies in Enrollees less than twenty-one (21) years of age, and health care, prevention, treatment, and other measures to correct or ameliorate any deficiencies and Chronic Conditions discovered.

Effective Date of Contract: The day the Contract is executed by both Parties.

Effective Date of Disenrollment: The date, as defined in Section 5.3.3 of this Contract, on which an Enrollee ceases to be covered under the Contractor's Plan.

Effective Date of Eligibility: The eligibility period specified for each population covered under the GHP as described in Section 5.1.3 of the Contract.

Effective Date of Enrollment: shall have the meaning prescribed to it in Section 5.2.2 of the Contract.

Electronic Funds Transfer ("EFT"): Transfer of funds between accounts using electronic means such as a telephone or computer rather than paper-based payment methods such as cash or checks.

Electronic Health Record ("EHR") System: An electronic record of health-related information on an individual that is created, gathered, managed, and consulted upon by authorized health care clinicians and staff and certified by The Office of the National Coordinator's Authorized Testing and Certification Bodies ("ONC-ATCBs").

Eligible Person: A person eligible to enroll in the GHP Program, as provided in Section 1.3.1 of this Contract, by virtue of being Medicaid Eligible, CHIP Eligible, or an Other Eligible Person.

Emergency Medical Condition: As defined in 42 CFR 438.114, a medical or Behavioral Health condition, regardless of diagnosis or symptoms, manifesting itself in acute symptoms of sufficient severity (including severe pain) that a prudent layperson, who possesses an average knowledge of health and medicine, could reasonably expect the absence of immediate medical attention to result in placing the health of the individual (or, with respect to a pregnant woman, the health of the woman or her unborn child) in serious jeopardy, serious impairments of bodily functions, serious dysfunction of any bodily organ or part, serious harm to self or other due to an alcohol or drug abuse emergency, serious injury to self or bodily harm to others, or the lack of adequate time for a pregnant women having contractions to safely reach a another hospital before delivery. The Contractor may not impose limits on what constitutes an Emergency Medical Condition based only, or exclusively, on diagnoses or symptoms.

Emergency Services: As defined in 42 CFR 438.114, any Physical or Behavioral Health Covered Services (as described in Section 7.5.9) furnished by a qualified Provider in an emergency room that are needed to evaluate or stabilize an Emergency Medical Condition or a Psychiatric Emergency that is found to exist using the prudent layperson standard.

Encounter: A distinct set of services provided to an Enrollee in a Telehealth, Telemedicine, Teledentistry, or face-to-face setting on the dates that the services were delivered and properly documented on the appropriate health record, regardless of whether the Provider is paid on a Fee-for-Service, Capitated, salary, or alternative payment methodology basis. Encounters with more than one (1) Provider, and multiple Encounters with the same Provider, that take place on the same day in the same location will constitute a single Encounter, except when the Enrollee, after the first Encounter, suffers an illness or injury requiring an additional diagnosis or treatment.

Encounter Data: (i) All Data captured during the course of a single Encounter that specify the diagnoses, comorbidities, procedures (therapeutic, rehabilitative, maintenance, or palliative), pharmaceuticals, medical devices, and equipment associated with the Enrollee receiving services during the Encounter; (ii) The identification of the Enrollee receiving and the Provider(s) delivering the health care services during the single Encounter; and (iii) A unique (i.e., unduplicated) identifier for the single Encounter.

Enrollee: A person who is currently enrolled in the Contractor's GHP Plan, as provided in this Contract, and who, by virtue of relevant Federal and Puerto Rico laws and regulations, is an Eligible Person listed in Section 1.3.1 of this Contract.

Enrollment: The process by which an Eligible Person becomes an Enrollee of the Contractor's Plan.

Experience of Care and Health Outcomes ("ECHO") Survey: A survey constructed to merge the most desirable aspects of the Mental Health Statistics Program's Consumer Survey ("MHSIP") and

the Consumer Assessment of Behavioral Health Services ("CABHS") Instrument in order to capture as many unique aspects of mental health and substance abuse-related services while limiting redundancy. The survey is a product of nearly six (6) years of research and testing by CAHPS grantees at the Harvard Medical School, with extensive input from behavioral health care experts.

External Quality Review Organization ("EQRO"): An organization that meets the competence and independence requirements set forth in 42 CFR 438.354 and performs analyses and evaluations on the quality, timeliness, and Access to Covered Services and Benefits that the Contractor furnishes to Enrollees.

Federally Qualified Health Center ("FQHC"): An entity that provides outpatient health programs pursuant to Section 1905(l)(2)(B) of the Social Security Act.

Fee-for-Service: A method of reimbursement based on payment for specific Covered Services on a service-by-service basis rendered to an Enrollee.

Formulary of Medications Covered ("FMC"): A published subset of pharmaceutical products used for the treatment of physical and Behavioral Health conditions developed after clinical recommendations from the Pharmacy and Therapeutics (P&T) Committee.

Foster Care Population: Children who are in the custody of the Department of Family's ADFAN Program and enrolled in the GHP.

Fraud: An intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit or financial gain to him/herself or some other person. It includes any act that constitutes Fraud under applicable Federal or Puerto Rico law.

General Network: The entire group of Providers with Provider Contracts with the Contractor, including those that are and those that are not members of the Contractor's Preferred Provider Network.

GHP Plan: A Managed Care Organization under contract with ASES that offers services under the Government Health Plan ("GHP") Program.

GHP Service Line: The Enrollee support Call Center that the Contractor shall operate as described in Section 6.8 of this Contract, containing two components: the Information Service and the Medical Advice Service.

The Government Health Plan (or "the GHP"): The government health services program (also referred to as "Vital") offered by the Government, and administered by ASES, which serves a mixed population of Medicaid Eligible, CHIP Eligible, and Other Eligible Persons, and emphasizes integrated delivery of physical and Behavioral Health services.

Grievance: An expression of dissatisfaction about any matter other than an Adverse Benefit Determination.

Grievance and Appeal System: The overall system that includes Complaints, Grievances, and Appeals at the Contractor level, as well as access to the Administrative Law Hearing process.

Health Care Acquired Conditions: A medical condition for which an individual was diagnosed that could be identified by a secondary diagnostic code described in Section 1886(d)(4)(D)(iv) of the Social Security Act.

Health Care Provider: An individual engaged in the delivery of health care services as licensed or certified by Puerto Rico in which he or she is providing services, including but not limited to physicians, podiatrists, optometrists, chiropractors, psychologists, psychiatrists, licensed Behavioral Health practitioners, dentists, physician assistant, physical or occupational therapists and therapists assistants, speech-language pathologists, audiologists, registered or licensed practical nurses (including nurse practitioners, clinical nurse specialist, certified registered nurse anesthetists, and certified nurse midwives), licensed certified social workers, registered respiratory therapists, and certified respiratory therapy technicians.

Health Certificate: Certificate issued by a physician after an examination that includes Venereal Disease Research Laboratory ("VDRL") and tuberculosis ("TB") tests if the individual suffers from a contagious disease that could incapacitate him or her or prevent him or her from doing his or her job, and does not represent a danger to public health.

Health Information Exchange ("HIE"): The secure and effective electronic transmission (push–pull) of the Protected Health Information of patients between Providers, across organizations, community or hospital system, within a jurisdiction and/or between jurisdictions. HIE is also an entity that provides services to enable the electronic sharing of health Information.

Health Information Organization ("HIO"): "An organization that oversees and governs services related to the exchange of health-related Information among organizations according to nationally recognized standards," as defined in The National Alliance for Health Information Technology Report to the Office of the National Coordinator for Health Information Technology.

Health Information Technology for Economic and Clinical Health ("HITECH") Act: Public Law 111-5 (2009). When referenced in this Contract, it includes all related rules, regulations, and procedures.

Health Care Effectiveness Data and Information Set ("HEDIS"): A set of standardized performance measures developed by the National Committee for Quality Assurance ("NCQA") to measure and compare MCO performance.

Health Insurance Portability and Accountability Act ("HIPAA"): A law enacted in 1996 by the US Congress. When referenced in this Contract, it includes all related rules, regulations, and procedures.

Immediately: Within twenty-four (24) hours, unless otherwise provided in this Contract**.**

Implementation Date of the Contract: The date on which the Contractor shall commence providing Covered Services and other Benefits under this Contract after it has passed a readiness review; the expected implementation date of this Contract is [January 1, 2023].

Incident: The attempted or successful unauthorized access, use, disclosure, modification, or destruction of Information or interference with system operations in an Information System.

Incurred-But-Not-Reported ("IBNR"): Estimate of unpaid Claims liability, including received but unpaid Claims.

Indian: An individual, defined in Title 25 of the U.S.C. sections 1603(c), 1603(f), 1603(f) or who has been determined eligible, as an Indian, pursuant to 42 C.F.R. 136.12 or Title V of the Indian Health Care Improvement Act, to receive health care services from Indian Health Care Providers (Indian Health Services, an Indian Tribe, Tribal Organization, or Urban Indian Organization-I/T/U) or through Referral under Contract Health Services.

Information: Data to which meaning is assigned, according to context and assumed conventions; meaningful fractal Data for decision support purposes.

Information Service: The component of the GHP Service Line, a Call Center operated by the Contractor (described in Section 6.9), intended to assist Enrollees with routine inquiries, which shall be fully staffed between the hours of 7:00 a.m. and 7:00 p.m. (Atlantic Time), Monday through Friday, excluding Puerto Rico holidays.

Information System(s): A combination of computing and communications hardware and software that is used in: (i) the capture, storage, manipulation, movement, control, display, interchange and/or transmission of Information, i.e., structured Data (which may include digitized audio and video) and documents; and/or (ii) the processing of such Information for the purposes of enabling and/or facilitating a business process or a related transaction.

Initial Auto-Enrollment: [The process by which an Eligible Person enrolled with a GHP contractor prior to _____ is Auto-Enrolled with a contractor by ASES with an effective date of _____.][2]

Initial Auto-Enrollment Enrollee: [An Eligible Person enrolled prior to _____with a GHP contractor who is Auto-Enrolled with a Contractor's Plan during Initial Auto-Enrollment.][3]

Integration Plan: The service delivery plan under the GHP Program, providing physical and Behavioral Health Services in close coordination, to ensure optimum detection, prevention, and treatment of physical and Behavioral Health conditions.

International Statistical Classification of Diseases and Related Health Problems Tenth Revision ("ICD-10"): A medical classification list created by the World Health Organization that notes various Medical Records including those used for coding diseases, signs, symptoms, abnormal findings, complaints, social circumstances, and external causes of injury or disease.

Island-wide: All geographic areas that comprise the entirety of Puerto Rico, including Vieques and Culebra, for which the Contractor is responsible for the delivery of Covered Services.

[2] Subject to revision based on ASES's decisions on open enrollment prior to go live.
[3] Subject to revision based on ASES's decisions on open enrollment prior to go live.

List of Excluded Individuals and Entities ("LEIE"): A database of individuals and entities excluded from Federally-funded health care programs maintained by the Department of Health and Human Services Office of the Inspector General.

List of Medications by Exception ("LME"): List of medications that are not included in the FMC, but that have been evaluated and approved by ASES's Pharmacy and Therapeutics (P&T) Committee to be covered only through an exception process if certain clinical criteria are met. Covered outpatient drugs that are not included on the LME may still be covered under an Exception Request in compliance with Section 7.5.12.10.1.2 and Attachment 27 to this Contract, unless statutorily excluded.

MA-10: Form issued by the Puerto Rico Medicaid Program, entitled "Notice of Action Taken on Application and/or Recertification," containing the Certification decision (whether a person was determined eligible or ineligible for Medicaid, CHIP, or the State Population).

Managed Care Organization ("MCO"): An entity that is organized for the purpose of providing health care and is licensed as an insurer by the Puerto Rico Commissioner of Insurance ("PRICO"), which contracts with ASES for the provision of Covered Services and Benefits Island-wide on the basis of PMPM Payments, under the GHP program.

Marketing: Any communication from the Contractor to any Eligible Person or Potential Enrollee that can reasonably be interpreted as intended to influence the individual to enroll in the Contractor's Plan, or not to enroll in another plan, or to disenroll from another plan.

Marketing Materials: Materials that are produced in any medium, by or on behalf of the Contractor that can reasonably be interpreted as intended to market to Potential Enrollees.

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

Medicaid Drug Rebate Program ("MDRP"): Program administered by CMS that requires drug manufacturers to enter into, and have in effect, a national rebate agreement with HHS in exchange for Medicaid coverage of the drug manufacturer's drugs.

Medicaid Eligible: An individual eligible to receive services under Medicaid, who is eligible, on this basis, to enroll in the GHP Program.

Medicaid Fraud Control Unit ("MFCU"): The Unit created by the Puerto Rico Department of Justice under Administrative Order 2018-002 to investigate and prosecute Medicaid Provider Fraud as well as patient abuse and neglect in health care facilities, as defined in Section 1903(q) of the Social Security Act, found at 42 USC 1396b(q).

Medicaid Management Information System ("MMIS"): Computerized system used for the processing, collecting, analyzing, and reporting of Information needed to support Medicaid and CHIP functions. The MMIS consists of all required subsystems as specified in the State Medicaid Manual.

Medical Advice Service: The twenty-four (24) hour emergency medical advice toll-free phone line operated by the Contractor through its GHP Service Line service, described in Section 6.8 of this Contract.

Medical Record: The complete, comprehensive record of an Enrollee including, but not limited to, x-rays, laboratory tests, results, examinations and notes, accessible at the site of the Enrollee's PCP, or Network Provider, that documents all health care services received by the Enrollee, including inpatient care, outpatient care, Ancillary, and Emergency Services, prepared in accordance with all applicable Federal and Puerto Rico rules and regulations, and signed by the Provider rendering the services.

Medically Necessary Services: Those services that meet the definition found in Section 7.2 of this Contract.

Medicare: The Federal program of medical assistance for persons age sixty-five (65) and over, certain disabled persons under Title XVIII of the Social Security Act, and persons with End Stage Renal Disease.

Medicare Part A: The part of the Medicare program that covers inpatient hospital stays, skilled nursing facilities, home health, and hospice care.

Medicare Part B: The part of the Medicare program that covers physician, outpatient, home health, and Preventive Services.

Medicare Part C: The part of the Medicare program that permits Medicare recipients to select coverage among various private insurance plans.

Medicare Part D: The part of the Medicare programs that covers prescription drugs.

Medicare Platino: A program administered by ASES for Dual Eligible Beneficiaries, in which MCOs or other insurers under contract with ASES function as Medicare Part C plans to provide services covered by Medicare, and also to provide a "wrap-around" Benefit of Covered Services and Benefits under the GHP.

National Provider Identifier ("NPI"): The 10-digit unique-identifier numbering system for Providers created by the Centers for Medicare & Medicaid Services (CMS), through the National Plan and Provider Enumeration System.

Negative Determination or Redetermination Decision: The decision by the Puerto Rico Medicaid Program that a person is not initially eligible or no longer eligible for services under the GHP Program (because the person no longer meets the eligibility requirements for Medicaid, CHIP, or Puerto Rico's government health assistance program).

Network Adequacy Standards: The Provider-to-Enrollee Ratios; Provider Per Municipality requirements; Required Network Provider requirements, and Time and Distance requirements developed in accordance with 42 CFR 438.68, as defined by ASES in Section 9.4 to measure the adequacy and appropriateness of the Contractor's provider network to meet the needs of the enrolled population.

Network Provider: A Medicaid-enrolled Provider that has a Provider Contract with a Contractor under the GHP Program. This term includes Providers in the General Network and Providers in the PPN.

New Enrollee: An Eligible Person who became a Potential Enrollee after January 1, 2023.

Non-Emergency Medical Transportation ("NEMT"): A ride, or reimbursement for a ride, provided so that an Enrollee with no other transportation resources can receive Covered Services from a Provider. NEMT does not include transportation provided on an emergency basis, such as trips to the emergency room in life threatening situations.

Non-Urban Area: For purposes of measuring Network Adequacy, defined by ASES as municipalities with populations at or below 49,999 people.

Notice of Adverse Benefit Determination: The written notice described in Section 14.4.3, in which the Contractor notifies both the Enrollee and the Provider of an Adverse Benefit Determination.

Notice of Disposition: The notice in which the Contractor explains in writing the results and the date of resolution of a Complaint, Grievance, or Appeal to the Enrollee and the Provider.

Office of the Inspector General: The Federal office within the Department of Health & Human Services tasked with protecting the integrity of federal health care programs as well as the health and welfare of program beneficiaries.

Office of the Patient Advocate: An office of the Government created by Act 11 of April 11, 2001, as amended by Act 77 of June 24, 2013, which is tasked with protecting the patient rights and protections contained in the Patient's Bill of Rights Act.

Office of the Women's Advocate: An office of the Government created by Act 20 of April 11, 2001, as amended, which is tasked, among other responsibilities, with protecting victims of domestic violence.

Other Enrollee Rebate Program: Pharmaceutical manufacturer rebate program for Enrollees not eligible to receive MDRP rebates.

Open Enrollment Period: A period of ninety (90) Calendar Days during which Enrollees have one (1) opportunity to select a different contractor, without cause, as set forth in Section 5.2.5.

Other Eligible Person: A person eligible to enroll in the GHP Program under Section 1.3.1.2 of this Contract who is not Medicaid- or CHIP Eligible. This group is comprised of the State Population and certain public employees and pensioners.

Outreach: Means, among other things, of educating or informing the Contractor's Enrollees about GHP, managed care, and health issues.

Out-of-Network Provider: A Provider that does not have a Provider Contract with the Contractor under GHP; i.e., the Provider is not in either the General Network or the PPN.

Overpayment: Any funds that a person or entity receives which that person or entity is not entitled to under Title XIX of the Social Security Act as defined in 42 CFR 438.2. Overpayments shall not include funds that have been subject to a payment suspension or that have been identified as a Third Party Liability as set forth in Section 23.4.

Patient's Bill of Rights Act: Act 194 of August 25, 2000, a law of Puerto Rico relating to patient rights and protection.

Patient Protection and Affordable Care Act ("PPACA"): Public Law 111-148 (2010) and the Health Care and Education Reconciliation Act of 2010 (Public Law 111-152 (2010), including any and all rules and regulations thereunder.

Payment Hold: The situation when a Provider who owes funds to Puerto Rico, such Provider cannot be paid until the amounts owed to Puerto Rico are repaid or an acceptable repayment plan is in place, as determined by ASES.

Pediatric Enrollee: An Enrollee aged zero (0) through twenty (20) (inclusive) unless otherwise specified.

Performance Improvement Projects ("PIPs"): Projects consistent with 42 CFR 438.330.

Per Member Per Month ("PMPM") Payment: The fixed monthly amount, developed in accordance with actuarially sound principles and practices as specified in 42 CFR 438.4, that the Contractor is paid by ASES for each Enrollee to ensure that Benefits under this Contract are provided. This payment is made regardless of whether the Enrollee receives Benefits during the period covered by the payment.

Protected Health Information ("PHI"): As defined in 45 CFR 160.103, individually identifiable health Information that is transmitted by electronic media, maintained in electronic media, or transmitted or maintained in any other form or medium.

Pharmacy Benefit Manager ("PBM"): An entity under contract with ASES under the GHP Program, responsible for the administration of pharmacy claims processing, formulary management, drug utilization review, pharmacy network management, drug manufacturer rebate negotiation and processing, and Enrollee Information Services relating to pharmacy services.

Physician Administered Drug: An outpatient drug other than a vaccine that is typically administered by a health care provider in a physician's office or other outpatient clinical setting.

Physician Incentive Plan: Any compensation arrangement between a Contractor and a physician or PMG that is intended to advance Utilization Management and is governed by 42 CFR 438.3(i).

Plan: The Contractor's Managed Care Organization offering services to Enrollees under the GHP.

Post-Stabilization Services: Covered Services, relating to an Emergency Medical Condition or Psychiatric Emergency, that are provided after an Enrollee is stabilized, in order to maintain the stabilized condition or to improve or resolve the Enrollee's condition.

Potential Enrollee: A person who has been Certified by the Puerto Rico Medicaid Program as eligible to enroll in the GHP (whether on the basis of Medicaid eligibility, CHIP eligibility, or eligibility as a member of the State Population), but who has not yet enrolled with the Contractor.

Preferential Turns: The policy of requiring Network Providers to give priority in treating Enrollees from the island municipalities of Vieques and Culebra, so that they may be seen by a Provider within

a reasonable time after arriving at the Provider's office. This priority treatment is necessary because of the remote locations of these municipalities, and the greater travel time required for their residents to seek medical attention.

Preferred Provider Network ("PPN"): A group of Network Providers that (i) GHP Enrollees may access without any requirement of a Referral or Prior Authorization; (ii) provides services to GHP Enrollees without imposing any Co-Payments on Medicaid or CHIP-Eligible populations; and (iii) meets the Network requirements described in Article 9 of this Contract.

Prevalent Non-English Language: A non-English language spoken by a significant number or percentage of Potential Enrollees and current Enrollees in Puerto Rico, as determined by the Government.

Preventive Services: Health care services provided by a physician or other Provider within the scope of his or her practice under Puerto Rico law to detect or prevent disease, disability, Behavioral Health conditions, or other health conditions; and to promote physical and Behavioral Health and efficiency.

Primary Care: All health care services and laboratory services customarily furnished by or through a general practitioner, family physician, internal medicine physician, obstetrician/gynecologist, pediatrician, or other licensed practitioner as authorized by ASES, to the extent the furnishing of those services is legally authorized where the practitioner furnishes them.

Primary Care Physician: A licensed medical doctor (MD) who is a Provider and who, within the scope of practice and in accordance with Puerto Rico certification and licensure requirements, is responsible for providing all required Primary Care to Enrollees. The PCP is responsible for determining services required by Enrollees, provides continuity of care, and provides Referrals for Enrollees when Medically Necessary.

Primary Medical Group ("PMG"): A grouping of associated Primary Care Physicians and other Providers for the delivery of services to GHP Enrollees using a coordinated care model. PMGs may be organized as Provider care organizations, or as another group of Providers who have contractually agreed to offer a coordinated care model to GHP Enrollees under the terms of this Contract.

Prior Authorization: Authorization granted by the Contractor to determine whether the service is Medically Necessary. In some instances, this process is a condition for receiving the Covered Service.

Provider: Any physician, hospital, facility, Primary Medical Group ("PMG"), or other Health Care Provider who is licensed or otherwise authorized to provide physical or Behavioral Health Services in the jurisdiction in which they are furnished.

Provider Per Municipality Requirements: Required number of specified Providers per municipality that must be included in the Contractor's provider network per Section 9.4.3.3.

Provider-to-Enrollee Ratio: Ratios established in Section 9.4 as part of the Network Adequacy Standards that are applicable to the Contractor's General Network and PPN.

Provider Contract: Any written contract between the Contractor and a Provider, including all of its attachments, exhibits, addenda and amendments, that requires the Provider to order, refer, provide or

render Covered Services under this Contract. The execution of a Provider Contract makes the Provider a Network Provider.

Psychiatric Emergency: A set of symptoms characterized by an alteration in the perception of reality, feelings, emotions, actions, or behavior, requiring immediate therapeutic intervention in order to avoid immediate damage to the patient, other persons, or property. A Psychiatric Emergency shall not be defined on the basis of lists of diagnoses or symptoms.

Puerto Rico Health Department ("the Health Department"): The Single State Agency charged with administration of the Puerto Rico Medicaid Program, which (through the Puerto Rico Medicaid Program) is responsible for Medicaid and CHIP eligibility determinations.

Puerto Rico Insurance Commissioner's Office ("PRICO"): The Government agency responsible for regulating, monitoring, and licensing insurance business.

Puerto Rico Medicaid Program: The subdivision of the Health Department that conducts eligibility determinations under GHP for Medicaid, CHIP, and the State Population.

Quality Assessment and Performance Improvement Program ("QAPI"): A set of programs aimed at increasing the likelihood of desired health outcomes of Enrollees through the provision of health care services that are consistent with current professional knowledge; the QAPI Program includes incentives to comply with HEDIS standards, to provide adequate Preventive Services, and to reduce the unnecessary use of Emergency Services.

Quality Management/Quality Improvement ("QM/QI"): The process of developing and implementing strategies to ensure the delivery of available, accessible, timely, and Medically Necessary Services that meet optimal clinical standards. This includes the identification of key measures of performance, discovery and Data collection processes, identification and remediation of issues, and systems improvement activities.

Rate Cell: A set of mutually exclusive categories of Enrollees that is defined by benefit program eligibility for the purpose of developing Per Member Per Month ("PMPM") capitation base rates. Such characteristics may include but is not limited to age, gender, eligibility category, or morbidity. Each Enrollee is categorized in one Rate Cell for each unique set of mutually exclusive benefits under the Contract.

Recertification: A determination by the Puerto Rico Medicaid Program that a person is again eligible for services under the GHP Program.

Reconsideration: The process for an Enrollee to request that ASES re-evaluate a denial of a Disenrollment request from a contractor that precedes the Administrative Law Hearing process, as provided by Act 72 of September 7, 1993, as amended.

Redetermination: The periodic re-evaluation of eligibility of an individual for Medicaid, CHIP, or the State Population, conducted by the Puerto Rico Medicaid Program.

Referral: A request by a PCP, Psychiatrist, Psychologist, or any other type of Provider in the PMG for an Enrollee to be evaluated and/or treated by a different Provider, usually a specialist. Referrals shall be required only for services outside the Contractor's PPN.

Reinsurance: An agreement whereby the Contractor transfers risk or liability for losses, in whole or in part, sustained under this Contract. A Reinsurance agreement may also exist at the Provider level.

Related Party: Any person or entity that directly or indirectly, through one or more intermediaries, over which Contractor has voting control of, or is under common voting control with; (i) for a trust, corporation, partnership or other entity, the beneficiaries, stockholders, partners or owners or persons or entities holding controlling interest of which consist of any Contractor and/or such other persons or entities referred to in this clause (i); and (ii) any Contractor's current partners, stockholders or members as the case may be, pro rata in accordance with the current distribution provision of such entities charter documents.

Remedy: ASES's means to enforce the terms of the Contract through liquidated damages and other sanctions.

Request for Proposals ("RFP"): The Request for Proposals issued by the Government on February 9-16, 2018.

Required Network Providers: Specific Providers or types of Providers that must be included in the Contractor's provider network per Section 9.4.3.4.

Retention Fund: The amount of Withhold by ASES of the monthly PMPM Payments otherwise payable to the Contractor in order to incentivize the Contractor to meet performance targets under the Health Care Improvement Program described in Section 12.5.3. This amount shall be equal to the percent of that portion of the total PMPM Payment that is determined to be attributable to the Contractor's administration of the Health Care Improvement Program described in Sections 12.5 and 22.4. Amounts withheld will be reimbursed to the Contractor in whole or in part (as set forth in Sections 12.5 and 22.4) in the event of a determination by ASES that the Contractor has complied with the quality standards and criteria established by Section 12.5.

Reverse Co-location: An integrated care model in which physical health services are available to Enrollees being treated in Behavioral Health settings.

Risk Adjusted Capitation Payment: Prospective risk adjustment used to adjust the PMPM Payments made to Contractor according to the acuity of the Contractor's Enrollees. Risk Adjusted Capitation Payments shall be calculated at the Enrollee level using the Risk Score Model to assign each Enrollee a unique risk score and a unique capitated PMPM. The Risk Adjusted Capitation Payment shall follow the Enrollee if the Enrollee switches Contractors or PMGs.

Risk Score Model: The Chronic Illness & Disability Payment System ("**CDPS+Rx**") from the University of California - San Diego used to calibrate risk scores based on the historical experience for each of the nine (9) Rate Cells. The CDPS+Rx model calculates risk scores based on each member's demographics (e.g., age and gender), ICD-10 diagnosis codes reported on medical claims, and national drug codes ("**NDCs**") reported on prescription drug claims.

Runoff Period: The period of time as explained in Section 35.1.5.

Rural Health Clinic or Center ("RHC"): A clinic that is located in an area that has a Provider shortage. An RHC provides primary Care and related diagnostic services and may provide optometric, podiatry, chiropractic, and Behavioral Health Services. An RHC employs, contracts, or obtains volunteer services from Providers to provide services.

Serious Emotional Disturbance ("SED"): Children and youth who currently or at any time during the past year have had a diagnosable mental, behavioral, or emotional disorder to meet diagnostic criteria in the following ICD-10 codes: F-20 Schizophrenia, F-31 Bipolar Disorder, F-33 Major Depressive Disorder, F-41 Other Anxiety Disorders, and F-50 Eating Disorders.

Serious Mental Illness ("SMI"): Individuals eighteen (18) years of age or older, who currently or at any time during the past year have had a diagnosable mental, behavioral, or emotional disorder to meet diagnostic criteria in the following categories: F20.0 Paranoid schizophrenia; F20.1 Disorganized schizophrenia; F20.2 Catatonic schizophrenia; F20.3 Undifferentiated schizophrenia; F20.9 Schizophrenia, unspecified; F25 Schizoaffective Disorder; F28 Other non-organic psychotic disorders; F31.2 Bipolar disorder, current episode manic, sever, with psychotic symptoms; F31.5 Bipolar disorder, current episode depressed, severe, with psychotic symptoms; F31.6 Bipolar disorder, current episode mixed, severe, with psychotic symptoms; F33.3 Major Depressive disorder, recurrent, severe with psychotic symptoms. Any ICD-10 codes provided are for illustrative purposes only, are subject to change without notice and may not represent a comprehensive list of the ICD-10 codes that are included in these categories.

Service Authorization Request: An Enrollee's request for the provision of a service.

Social Determinants of Health: The conditions in which people are born, grow, live, work and age that affect a range of health and quality of life risks and outcomes. They include factors such as socioeconomic status, education, neighborhood and physical environment, employment, and social support networks, as well as access to health care.

Span of Control: Information Systems and telecommunications capabilities that the Contractor operates or for which it is otherwise legally responsible according to the terms and conditions of this Contract. The Contractor's Span of Control also includes systems and telecommunications capabilities outsourced by the Contractor.

Special Coverage: A component of Covered Services provided by the Contractor, described in Section 7.7, which are more extensive than the Basic Coverage services, and for which Enrollees are eligible only by "registering." Registration for Special Coverage is based on intensive medical needs occasioned by serious illness.

"State Population" (formerly known as the "Commonwealth Population"): A group eligible for participation in the GHP as Other Eligible Persons, with no Federal financial participation supporting the cost of their coverage, which is comprised of low-income persons and other groups listed in Section 1.3.1.2.1.

Subcapitation Arrangement: An arrangement where an entity paid through capitation contracts with other providers to reimburse for their services on a capitated basis, sharing a portion of the original capitated amount.

Subcontract: Any written contract between the Contractor and Subcontractor to perform a specified part of the Contractor's obligations under this Contract.

Subcontractor: Any organization or person, including the Contractor'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 Contractor's obligations to the Government under the terms of this Contract. Subcontractors do not include Providers unless the Provider is responsible for services other than providing Covered Services pursuant to a Provider Contract.

Systems Unavailability: As measured within the Contractor's Information Systems' Span of Control, when a system user does not get the complete, correct full-screen response to an input command within three (3) minutes after pressing the "Enter" or any other function key.

Telecommunication Device for the Deaf ("TDD"): Special telephone devices with keyboard attachments for use by individuals with hearing impairments who are unable to use conventional phones.

Teledentistry: The use of telehealth systems and methodologies to deliver dental services to patients in remote locations, as further defined by the American Dental Association ("ADA") and inclusive of any of the ADA's Code on Dental Procedures and Nomenclature ("CDT") codes specific to teledentistry.

Telehealth: The use of electronic information and telecommunications technologies, including but not limited to telephonic communications, the internet, videoconferencing, and remote patient monitoring, to support and promote long-distance clinical health care, patient and professional health-related education, public health and health administration, as further defined by the American Medical Association ("AMA") and inclusive of any of the AMA's Current Procedural Terminology ("CPT") Codes or other nomenclature accepted by HIPAA transactions specific to telehealth.

Telemedicine: The clinical use of telehealth systems and methodologies by Providers to diagnose, evaluate and treat patients in remote locations, as further defined by the American Medical Association ("AMA") and inclusive of any of the AMA's Current Procedural Terminology ("CPT") Codes specific to Telemedicine.

Terminal Condition: A condition caused by injury, illness, or disease, from which, to a reasonable degree of certainty, will lead to the patient's death in a period of, at most, six (6) months.

Termination Date of the Contract: The dated designated by ASES as the date that services under this Contract shall end, pursuant to Article 35 of this Contract.

Termination Plan: The plan referenced in Article 35.

Third Party: Any person, institution, corporation, insurance company, public, private, or governmental entity who is or may be liable in Contract, tort, or otherwise by law or equity to pay all or part of the medical cost of injury, disease, or disability of an Enrollee.

Third Party Liability ("TPL"): Legal responsibility of any Third Party to pay for health care services.

Time and Distance Standards: A standardized measure of mileage and travel time for Enrollees in Urban and Non-Urban Areas to access a set of identified Network Providers as specified in Section 9.4 and developed by ASES in accordance with 42 CFR 438.68.

Transgender person: A person who identifies as a gender different from the sex assigned to the person at birth. The Covered Services are available to Transgenders persons without changes and/or additional provisions.

Urban Area: For purposes of measuring Network Adequacy, defined by ASES as municipalities with populations of at least 50,000 people. Urban Areas are San Juan, Carolina, Trujillo Alto, Caguas, Guaynabo, Bayamón, Toa Alta, Toa Baja, Vega Baja, Rio Grande, Humacao, Arecibo, Ponce, Aguadilla, Mayaguez. ASES will notify Contractors if this list of Urban Areas changes.

Utilization: The rate patterns of service usage or types of service occurring within a specified time frame.

Utilization Management ("UM"): A service performed by the Contractor which seeks to ensure that Covered Services provided to Enrollees are in accordance with, and appropriate under, the standards and requirements established by the Contract, or a similar program developed, established, or administered by ASES.

Warm Transfer: A telecommunications mechanism in which the person answering the call facilitates the transfer to a Third Party, announces the caller and issue, and remains engaged as necessary to provide assistance.

Waste: Health care spending that can be eliminated without reducing quality of care.

Week: The traditional seven-day week, Sunday through Saturday.

Well Baby Care: The battery of screenings (listed in Section 7.5.3.1) provided to children as part of Puerto Rico's ("EPSDT") Program.

Withhold: A percentage of payments or set dollar amounts that ASES deducts from its payment to the Contractor as a penalty, or that a Contractor deducts from its payment to a Network Provider, depending on specific predetermined factors.

ARTICLE 3 ACRONYMS

The acronyms included in this Contract stand for the following terms:

ACH	Automated Clearinghouse
ACIP	Advisory Committee on Immunization Practices
ADAP	AIDS Drug Assistance Program

ADFAN	Puerto Rico Administración de Familias y Niños, or Families and Children Administration
AHRQ	Agency for Health Care Research and Quality
AICPA	American Institute of Certified Public Accountants
API	Application Programming Interface
ASES	Administración de Seguros de Salud, or Puerto Rico Health Insurance Administration
ASSMCA	Puerto Rico Mental Health and Anti-Addiction Services Administration or Administración de Servicios de Salud Mental y Contra la Adicción
ASUME	Minor Children Support Administration
BC-DR	Business Continuity and Disaster Recovery
CAHPS	Consumer Assessment of Health Care Providers and Systems
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CFR	Code of Federal Regulations
CHIP	Children's Health Insurance Program
CLIA	Clinical Laboratory Improvement Amendment
CMS	Centers for Medicare & Medicaid Services
CPTET	Centro de Prevención y Tratamiento de Enfermedades Transmisibles, or Communicable Diseases Prevention and Treatment Center
DME	Durable Medical Equipment
DOJ	The Puerto Rico Department of Justice
DSM	Diagnostic and Statistical Manual for Mental Disorders
ECHO	Experience of Care and Health Outcomes Survey
ECM	Electronic Claims Management
EDI	Electronic Data Interchange
EFT	Electronic Funds Transfer
EIN	Employer Identification Number
EMTALA	Emergency Medical Treatment and Labor Act
EPLS	Excluded Parties List System
EPSDT	Early and Periodic Screening, Diagnostic, and Treatment
EQRO	External Quality Review Organization
ER	Emergency Room
FAR	Federal Acquisition Regulation

FMC	Formulary of Medications Covered
FDA	Food and Drug Administration
FFS	Fee-for-Service
FQHC	Federally Qualified Health Center
FTP	File Transfer Protocol
GHP	Government Health Plan
HEDIS	The Health Care Effectiveness Data and Information Set
HCIP	Health Care Improvement Program
HHS	US Department of Health & Human Services
HHS-OIG	US Department of Health & Human Services Office of the Inspector General
HIE	Health Information Exchange
HIO	Health Information Organization
HIPAA	Health Insurance Portability and Accountability Act of 1996
HITECH	The Health Information Technology for Economic and Clinical Health Act of 2009, 42 USC 17391 et. seq
IBNR	Incurred-But-Not-Reported
ICD-10	International Statistical Classification of Diseases and Related Health Problems (10^{th} edition)
LEIE	List of Excluded Individuals and Entities
LME	List of Medications by Exception
MAC	Maximum Allowable Cost
M-CHAT	Modified Checklist for Autism in Toddlers
MCO	Managed Care Organization
MD	Medical Doctor
MDRP	Medicaid Drug Rebate Program
MHSIP	Mental Health Statistics Improvement Program
MMIS	Medicaid Management Information System
NCQA	National Committee for Quality Assurance
NEMT	Non-Emergency Medical Transportation
NPI	National Provider Identifier
NPL	National Provider List
NPPES	National Plan and Provider Enumeration System
NQMC	National Quality Measures Clearinghouse

ONCHIT	Office of the National Coordinator for Health Information Technology
P&T	Pharmacy and Therapeutics
PBM	Pharmacy Benefit Manager
PCP	Primary Care Physician
PHI	Protected Health Information
PIP	Performance Improvement Projects
PMG	Primary Medical Group
PPACA	Patient Protection and Affordable Care Act
PPN	Preferred Provider Network
PRHIEC	Puerto Rico Health Information Exchange Corporation
QAPI	Quality Assessment Performance Improvement Program
RFP	Request for Proposals
Rh	Rhesus
RHC	Rural Health Clinic/Center
SAMHSA	Substance Abuse and Mental Health Services Administration
SAS	Statements on Auditing Standards
SMI	Serious Mental Illness
SED	Serious Emotional Disturbance
SSN	Social Security Number
SUDs	Substance Use Disorders
TDD	Telecommunication Device for the Deaf
TPL	Third Party Liability
UM	Utilization Management
US or USA	United States of America
USC	United States Code

ARTICLE 4 ASES RESPONSIBILITIES

4.1 General Provision

4.1.1 ASES will be responsible for administering the GHP. ASES will administer contracts, monitor Contractors' performance, and provide oversight of all aspects of the Contractors' operations.

4.2 Legal Compliance

4.2.1 ASES will comply with, and will monitor the Contractor's compliance with, all applicable Puerto Rico and Federal laws and regulations, including but not limited to those listed in Attachment 1 to this Contract.

4.3 Coordination with Contractor's Key Staff

4.3.1 ASES will make diligent, good-faith efforts to facilitate effective and continuous communication and coordination with the Contractor in all areas of the GHP operations.

4.3.2 Specifically, ASES will designate individuals within ASES who will serve as liaisons to corresponding individuals on the Contractor's staff, including:

4.3.2.1 A program integrity staff member;

4.3.2.2 A quality oversight staff member;

4.3.2.3 A financial management staff member;

4.3.2.4 A Grievance and Appeal System staff member; and

4.3.2.5 An Information Systems coordinator.

4.4 Information Systems and Reporting

4.4.1 ASES reserves the right to modify, expand, or delete the requirements contained in Article 17 with respect to the Data that Contractor is required to submit to ASES, or to issue new requirements, subject to consultation with Contractor and to cost negotiation, if necessary. Unless otherwise stipulated in the Contract or mutually agreed upon by the Parties, the Contractor shall have ninety (90) Calendar Days from the day on which ASES issues notice of a required modification, addition, or deletion, to comply with the modification, addition, or deletion. Any payment made by ASES that is based on data submitted by the Contractor is contingent upon the Contractor's compliance with the Certification requirements contained in 42 CFR 438.606.

4.4.2 ASES will make available a secure FTP server, accessible via the Internet, for receipt of electronic files and reports from the Contractor. The Contractor shall provide a similar system for ASES to transmit files and reports deliverable by ASES to the Contractor. When such systems are not operational, ASES and the Contractor shall agree mutually on alternate methods for the exchange of files.

4.4.3 ASES will deliver to the Contractor the following information:

4.4.3.1 On a Daily Basis:

4.4.3.1.1 Certifications and Negative Redetermination Decisions;

4.4.3.1.2 Enrollment rejections and errors.

4.4.3.2 On a Daily and monthly Basis: Eligibility Data (including Certification and Negative Redetermination Decisions); and

4.4.3.3 On a monthly Basis: PMPM Payments.

4.5 **Readiness Review**

4.5.1 ASES shall conduct readiness reviews of the Contractor's operations three (3) months before the start of a new managed care program and when the Contractor will provide or arrange for the provision of Covered Services to new eligibility groups. Such review will include, at a minimum, one (1) on-site review, at dates and times to be determined by ASES. These reviews may include, but are not limited to, desk and on-site reviews of documents provided by the Contractor, walk-through(s) of the Contractor's facilities, Information System demonstrations, and interviews with the Contractor's staff. ASES will conduct the readiness review to confirm that the Contractor is capable and prepared to perform all Administrative Functions and to provide high-quality services to GHP Enrollees.

4.5.2 The Contractor shall submit policies and procedures and other Deliverables specified by ASES in accordance with Attachment 12 to this Contract. The Contractor shall make any changes requested by ASES to policies and procedures or other Deliverables in the timeframes specified by ASES.

4.5.3 ASES's review will document the status of the Contractor's compliance with the program standards set forth in this Contract. A multidisciplinary team appointed by ASES will conduct the readiness review. The scope of the readiness review will include, but not be limited to, the review and/or verification of:

4.5.3.1 Provider Network composition and Access;

4.5.3.2 Staff;

4.5.3.3 Provider Credentialing;

4.5.3.4 Call Center;

4.5.3.5 Care Management;

4.5.3.6 Marketing Materials;

4.5.3.7 Content of Provider contracts;

4.5.3.8 EPSDT plan;

4.5.3.9 Enrollee services capability;

4.5.3.10 Comprehensiveness of Quality and Utilization Management strategies;

4.5.3.11 Policies and procedures for the Grievance and Appeal System;

4.5.3.12 Financial management, including financial reporting and monitoring and financial solvency;

4.5.3.13 Contractor litigation history, current litigation, audits and other government investigations both in Puerto Rico and in other jurisdictions;

4.5.3.14 Information Systems management, including claims management, encounter data and enrollment information management, systems performance, interfacing capabilities, and security management functions and capabilities; and

4.5.3.15 All other matters which ASES may deem reasonable in order to determine the Contractor's compliance with the requirements of this Contract.

4.5.4 The readiness review may assess the Contractor's ability to meet any requirements set forth in this Contract and the documents referenced herein.

4.5.5 Potential Enrollees may not be enrolled in a GHP Plan until ASES has determined that the Contractor is capable of meeting these standards. A Contractor's failure to pass the readiness review may result in immediate Contract termination. If the Contract is terminated in accordance with this Section 4.5.5 of this Contract, ASES shall not make any payments to the Contractor and shall have no liability for any costs incurred by the Contractor.

4.5.6 ASES will provide the Contractor with a summary of findings from the readiness review, as well as areas requiring remedial action with the timeframes to correct the findings.

ARTICLE 5 ELIGIBILITY AND ENROLLMENT

5.1 Eligibility

5.1.1 The Government has sole authority to determine eligibility for the GHP, as provided in Federal law and Puerto Rico's State Plan, with respect to the Medicaid and CHIP Eligibles; and, with respect to the Other Eligible Persons listed in Section 1.3.1.2, as provided in Article VI, Section 5 of Act 72 and other Puerto Rico law and regulation.

5.1.2 The Puerto Rico Medicaid Program's determination that a person is eligible for the GHP is contained on Form MA-10, titled "Notification of Action Taken on Application and/or Recertification." A person who has received an MA-10 shall be referred to hereinafter as a "Potential Enrollee." The Potential Enrollee may access Covered Services using the MA-10 as a temporary Enrollee ID Card from the first day of the eligibility period specified on the MA-10 even if the person has not received an Enrollee ID Card. Only Medicaid, CHIP, and State Enrollees receive an MA-10 and may access Covered Services with the MA-10 as a temporary Enrollee ID Card.

5.1.3 Effective Date of Eligibility. ASES shall provide the Effective Date of Eligibility for services under the GHP to the Contractor for all Potential Enrollees as follows:

5.1.3.1 Effective Date of Eligibility for Medicaid and CHIP Eligibles (see Section 1.3.1.1) is the eligibility period specified on the Form MA-10 which is the first day of the month in which the Potential Enrollee submits its eligibility application with the Medicaid Program Office and they shall be eligible to be enrolled as of that date. For Medicaid and Chip populations, the eligibility period specified on the MA-10 may be retroactive up to three (3) months before the first day of the month in which the Potential Enrollee submits its eligibility application with the Medicaid Program Office. Retroactive eligibility is calculated independently for each of the three (3) months for which retroactive eligibility may be granted and during which services may be retroactively covered.

5.1.3.2 Effective Date of Eligibility for the State Population (see Section 1.3.1.2.1) is the eligibility period specified on the Form MA-10 and they shall be eligible to be enrolled as of that date.

5.1.3.3 Public employees and pensioners (see Section 1.3.1.2) shall be eligible to enroll in the GHP according to policies determined by the Government and their eligibility, Enrollment and Disenrollment processes and timeframes shall be determined through such policies. The Puerto Rico Medicaid Program and ASES do not play a role in determining the eligibility for public employees and pensioners, except in cases where the employee or pensioner seeks coverage based on income and the Medicaid Program evaluates whether income eligibility standards are met.

5.1.3.4 Effective Date of Eligibility for Enrollees that have been Recertified is the date immediately following the expiration of the twelve (12) month period.

5.1.4 Termination of Eligibility

5.1.4.1 A Medicaid, CHIP, or State Enrollee who is determined ineligible for the GHP after a Redetermination conducted by the Puerto Rico Medicaid Program shall remain eligible for services under the GHP until the eligibility expiration date specified in the MA-10 issued by the Puerto Rico Medicaid Program for the current period of eligibility. This rule applies unless the Enrollee notifies the Puerto Rico Medicaid Program that their circumstances of eligibility have changed or as otherwise stated in Attachment 9 to this Contract.

5.1.4.2 An Enrollee who is a public employee or pensioner (see Section 1.3.1.2) shall remain eligible until disenrolled from the GHP by the applicable Government agency.

5.1.5 ASES Notice to Contractor

5.1.5.1 ASES will receive a file with Certification and Negative Redetermination Decision Data from the Puerto Rico Medicaid Program on a Daily Basis concerning the Enrollment status of the Medicaid, CHIP, and State Populations, and shall notify the Contractor of a Certification or Negative Redetermination Decision within one (1) Business Day of receiving notice of it via said file. ASES shall forward these Data to the Contractor in an electronic format agreed to between the Parties (the "Daily Update/Carrier Eligibility File Format").

5.1.5.2 The applicable Government agency will directly notify the Contractor of the Enrollment and Disenrollment status of public employees and pensioners.

5.2 **Enrollment**

5.2.1 The Contractor shall coordinate with ASES as necessary for all Enrollment and Disenrollment functions.

5.2.1.1 The Contractor shall accept all Potential Enrollees into its Plan without restrictions, unless otherwise authorized by CMS. The Contractor shall not discriminate against individuals eligible to enroll on the basis of religion, race, color, national origin, sex, sexual orientation, gender identity, or disability, and will not use any policy or practice that has the effect of discriminating on the basis of religion, race, color, national origin, sex, sexual orientation, gender identity, or disability on the basis of health, health status, pre-existing condition, or need for health care services.

5.2.1.2 The Contractor shall maintain adequate capacity to ensure prompt and voluntary Enrollment of all Potential Enrollees on a Daily Basis and in the order in which they apply or are Auto-Enrolled by ASES per Section 5.2.4.

5.2.1.3 The Contractor shall provide Potential Enrollees with specific Information allowing for prompt, voluntary, and reliable Enrollment.

5.2.1.4 The Contractor guarantees the maintenance, functionality, and reliability of all systems necessary for Enrollment and Disenrollment.

5.2.2 Effective Date of Enrollment

5.2.2.1 Except as provided below, Enrollment, whether chosen or automatic, will be effective (hereinafter referred to as the "Effective Date of Enrollment") the same date as the period of eligibility specified on the MA-10.

5.2.2.1.1 The Effective Date of Enrollment for all Initial Auto-Enrollment Enrollees is [January 1, 2023.]

5.2.2.2 Changes in Enrollment requested by the Enrollee received during the first twenty (20) Calendar Days of the month will be effective the first Calendar Day of the following month (e.g., requests received January 10th will be effective February 1st). Changes in Enrollment received after the first twenty (20) Calendar Days of the month will be effective the first Calendar Day of the second month following the request to change Enrollment (e.g., requests received January 25th will be effective March 1st).

5.2.2.3 Effective Date of Enrollment for Newborns. The Effective Date of Enrollment for a newborn whose mother is Medicaid or CHIP Eligible on the date of delivery (Deemed Newborn) is the date of his or her birth. The Effective Date of Enrollment for a newborn whose mother is a State Population Enrollee is the Effective Date of Eligibility established by the Puerto Rico Medicaid Program. A newborn shall be Auto-Enrolled pursuant to the procedures set forth in Section 5.2.6.

5.2.3 Term of Enrollment. The Term of Enrollment with Contractor shall be a period of twelve (12) consecutive months for all GHP Enrollees, unless a different contractor is selected during the applicable Open Enrollment Period described in Section 5.2.5, and except in cases in which the Puerto Rico Medicaid Program has designated an eligibility period shorter than twelve (12) months for an Enrollee who is a Medicaid or CHIP Eligible or a member of the State Population, in which case that same period shall also be considered the Enrollee's Term of Enrollment. Such a shortened eligibility period may apply, at the discretion of the Puerto Rico Medicaid Program, when an Enrollee is pregnant, is homeless, or anticipates a change in status (such as receipt of

unemployment benefits or in family composition). Notwithstanding this Section, Section 5.3.3 controls the Effective Date of Disenrollment.

5.2.3.1 Deemed Newborns have a Term of Enrollment of up to thirteen (13) months.

5.2.3.2 Pregnant Enrollees with a Term of Enrollment that expires during pregnancy or within sixty (60) Calendar Days of the post-partum period shall have an extended Term of Enrollment that expires on the last day of the month after sixty (60) Calendar days counted from the beginning of the post-partum period.

5.2.3.3 Except as otherwise provided in this Section 5.2, and notwithstanding the Term of Enrollment provided in Section 5.2.3, Enrollees shall remain enrolled in the Contractor's Plan until the occurrence of an event listed in Section 5.3 (Disenrollment).

5.2.4 Auto-Enrollment. ASES shall apply an algorithm developed in accordance with the requirements in 42 CFR 438.54 to conduct Initial Auto-Enrollment prior to [January 1, 2023][4]. The Contractor shall have the policies and procedures necessary, and as shall be approved in writing by ASES, to comply with Initial Auto-Enrollment as of the Effective Date of the Contract for the Medicaid and CHIP Eligibles and members of the State Population, excluding State Employees eligible under Law 95.

5.2.4.1 In the event that ASES contracts with an MCO that was not contracted with the State to provide Medicaid managed care services prior to the effective date of this Contract ("Newly Selected Contractor(s)"), ASES will implement an automatic assignment mechanism to assign Enrollees among all contractors such that all contractors achieve initial minimum enrollment levels as determined by ASES. Pursuant to 42 CFR 438.54, the State must consider in the auto-assignment process existing Provider-Enrollee relationships and equitably distribute Enrollees among the MCOs without arbitrarily excluding an MCO or entity. The number of Enrollees assigned to each contractor will be determined by ASES based on the demonstrated capacity and network of the contractors.

5.2.4.2 If an MCO was an immediately preceding contractor of the GHP but will not continue to participate as a contractor ("Exiting Contractor"), ASES will implement an auto-assignment process in which a Newly Selected Contractor will be assigned Exiting Contractor's Enrollees, unless the Newly Selected Contractor requests a lower limit of its Enrollees. If two or more new contractors are selected, the number of Enrollees of the Exiting

[4] This and other bracketed dates in this section will require updates based on ASES's determination of enrollment periods.

Contractor will be added together and equally divided amongst the Newly Selected Contractor(s) unless one or more of the Newly Selected Contractor(s) requests a lower limit of Enrollees. If a lower limit of Enrollees is requested, the Enrollees will be distributed equitably among the remaining, participating contractors.

5.2.4.3 The Foster Care Population and Domestic Violence Population will be Auto-Enrolled in one contractor's plan and are not eligible to enroll into another contractor's plan unless the Enrollee experienced a change in his or her eligibility as a member of the Domestic Violence or Foster Care Populations.

5.2.5 Open Enrollment Periods

5.2.5.1 Initial Auto-Enrollment Enrollees. Initial Auto-Enrollment Enrollees will have one (1) opportunity to change its auto-assigned contractors without cause during their Open Enrollment Period, which shall begin on [_____ and end on_____]. The date of notification of Enrollment for Initial Auto-Enrollment Enrollees must occur prior to the Effective Date of Enrollment of all Initial Auto-Enrollment Enrollees as set forth in Section 5.2.2.1.1.

5.2.5.1.1 Services provided during the Open Enrollment period starting [_____] shall be governed by the requirements established in ASES Normative Letter 18-1003, as amended, which is included in Attachment 13 to this Contract.

5.2.5.2 New Enrollees. New Enrollees to the GHP will have the opportunity to select a contractor during the Medicaid eligibility process with the Puerto Rico Medicaid Program. If the New Enrollee does not select a contractor, the Puerto Rico Medicaid Program will select a contractor on behalf of the New Enrollee. New Enrollees shall be provided the opportunity to choose a contractor and made aware of their auto-assigned contractor if they do not voluntarily choose a different contractor. New Enrollees shall be permitted to select a different contractor once without cause, regardless of how the initial selection of contractor was made, during their Open Enrollment Period, which shall begin on the New Enrollee's Effective Date of Enrollment or on the date of notification of Enrollment, whichever is later.

5.2.5.3 All Enrollees. All Enrollees will have the opportunity to select a contractor without cause during the Annual Open Enrollment period.

5.2.5.3.1 If a New Enrollee's Open Enrollment Period in Section 5.2.5.2 coincides with the Annual Open Enrollment Period, the Open Enrollment Period in Section 5.2.5.2 controls.

5.2.5.4 If the Enrollee does not make a change in contractor during the Open Enrollment Period, the Enrollee will remain enrolled with his/her current contractor.

5.2.6 Enrollment Procedures for All Enrollees Except Newborns

5.2.6.1 Upon receipt of notices in accordance with Section 5.1.5 of this Contract, the Contractor shall comply with the Auto-Enrollment process and issue to the Enrollee a notice informing the Enrollee of the PMG and PCP they are assigned to and their rights to change the PMG or PCP without cause during the applicable Open Enrollment Period. Such changes may be requested through ASES's designated enrollment counselor.

5.2.6.2 The Contractor shall issue to the Enrollee an Enrollee ID Card and a notice of Enrollment, as well as an Enrollee Handbook and Provider Directory either in paper or electronic form, subject to the requirements of Section 6.10.8 and 6.10.9; or, such notice of Enrollment, an ID Card, an Enrollee Handbook, and a Provider Directory may be sent to the Enrollee via surface mail or electronically, subject to the requirements of Section 6.10.8 and 6.10.9 within five (5) Business Days of Enrollment.

5.2.6.3 The notice of Enrollment that the Contractor issues will clearly state the Effective Date of Enrollment that applies per Section 5.2.2. The notice of Enrollment will explain that the Enrollee is entitled to receive Covered Services through the Contractor. The notice will inform the Enrollee of his or her limited right to disenroll, per Section 5.3 of this Contract. The notice shall advise the Enrollee of the Enrollee's right to select a different PCP or to change PMGs, as described in Section 5.4, and will encourage the Enrollee to pursue this option if he or she is dissatisfied with care or services.

5.2.6.3.1 All Enrollees must be notified at least annually of their disenrollment rights as set forth in Section 5.3 and 42 CFR 438.56. Such notification must clearly explain the process for exercising this disenrollment right, as well as the alternatives available to the Enrollee based on their specific circumstance.

5.2.7 Procedures for Auto-Enrollment of Newborns

5.2.7.1 The Contractor shall notify ASES and the Puerto Rico Medicaid Program in writing of any Enrollees who are expectant mothers

Immediately at the moment of diagnosis of the pregnancy or at least sixty (60) Calendar Days before the expected date of delivery.

5.2.7.2 The Contractor shall promptly, upon learning that an Enrollee is an expectant mother, mail a newborn Enrollment packet to the expectant mother (i) instructing her to register the newborn with the Puerto Rico Medicaid Program within ninety (90) Calendar Days of birth by providing evidence of the newborn's birth; (ii) notifying an expectant mother that is a Medicaid or CHIP Enrollee that the Deemed Newborn will be Auto-Enrolled in the GHP; (iii) informing an expectant mother that is a Medicaid or CHIP Enrollee that unless she visits the Contractor's office to select a PMG and PCP, the Deemed Newborn will be Auto-Assigned to the mother's PMG and to a PCP who is a pediatrician; and (iv) informing the expectant mother that she will have ninety (90) Calendar Days after the date in which the Puerto Rico Medicaid Program notifies that the Deemed Newborn has been registered to disenroll from Plan or to change the child's PMG and PCP, without cause.

5.2.7.3 The Contractor shall provide assistance to any expectant mother or guardian who contacts the Contractor wishing to make a PCP and PMG selection for her newborn and record that selection, per Section 5.4.

5.2.7.4 If the mother or guardian has not made a PCP and PMG selection at the time of the Deemed Newborn's birth, the Contractor shall, within one (1) Business Day of the birth, Auto-Assign the Deemed Newborn to a PCP who is a pediatrician and to the Contact Member's PMG.

5.2.7.5 Within one (1) Business Day of acknowledging, either by concurrent review or hospital notification of the birth of a Deemed Newborn to a Medicaid or CHIP Enrollee, the Contractor shall ensure the submission of a newborn notification form to ASES and to the Puerto Rico Medicaid Program; such form shall be given prior written approval by ASES and the Puerto Rico Medicaid Program.

5.2.7.6 The Contractor shall participate in any meeting, working group, or other mechanism requested by ASES in order to ensure coordination among the Contractor, ASES, and the Puerto Rico Medicaid Program in order to implement Deemed Newborn Auto-Enrollment.

5.2.8 Contractor Notification Procedures Related to Redeterminations and Open Enrollment Periods

5.2.8.1 The Contractor shall inform Enrollees who are Medicaid- and CHIP Eligibles and members of the State Population of an impending

Redetermination through written notices. Such notices shall be provided ninety (90) Calendar Days, sixty (60) Calendar Days, and thirty (30) Calendar Days before the scheduled date of the Redetermination.

5.2.8.1.1 The written notices shall inform the Enrollee that, if he or she is Recertified, his or her Term of Enrollment with the Contractor's Plan will automatically renew unless a different contractor is selected during the Open Enrollment Period described in Section 5.2.5.3. The written notices must also specify that the Enrollee may change his or her PMG and/or PCP selection without cause during the applicable Open Enrollment Period.

5.2.8.2 The Contractor shall provide Enrollees and their representatives with sixty (60) Calendar Days written notice before the start of the Open Enrollment Period described in Section 5.2.5.3 of the right to disenroll or to change PMG or PCP without cause during such Open Enrollment Period.

5.2.8.3 Upon the receipt of written request from ASES, the Contractor shall provide a report for a specific period of time containing documentation that the Contractor has furnished the notices required in this Section 5.2.7.

5.2.8.4 The form letters used for the notices in this Section 5.2.8 shall fall within the requirements in Section 6.2.1 that the Contractor seek advance written approval from ASES of certain documents.

5.2.9 Specific Contractor Responsibilities Regarding Dual Eligible Beneficiaries. At the time of Enrollment, the Contractor shall provide Potential Enrollees who are Medicaid-eligible and are also eligible for Medicare Part A or Medicare Part A and Part B ("Dual Eligible Beneficiaries") with the information about their Covered Services and Co-Payments that is listed in Section 6.13. Members of the State Population (see section 1.3.1.2.1) who are Medicare-eligible shall not be considered Dual Eligible Beneficiaries.

5.3 **Disenrollment**

5.3.1 Disenrollment occurs only when the Medicaid Program determines that an Enrollee is no longer eligible for the GHP; or when Disenrollment is requested by the Contractor or Enrollee (or his or her representative), and approved by ASES, as provided in Sections 5.3.4 and 5.3.5. ASES may also delegate disenrollment decisions and processing as set forth under this Section 5.3 to its representative. The Foster Care Population and Domestic Violence Populations may not disenroll from their Auto-Enrolled GHP Plan.

5.3.2 All Disenrollments will be processed by ASES, and ASES will issue notification to the Contractor. Such notice shall be delivered via file transfer to the Contractor on a Daily Basis simultaneously with Information on Potential Enrollees within five (5) Calendar Days of a final determination on Disenrollment.

5.3.2.1 Disenrollment decisions and processing are the responsibility of the Puerto Rico Medicaid Program and ASES (or its representative); however, notice to Enrollees of Disenrollment shall be issued by the Contractor. The Contractor shall issue such notice in person or via surface mail to the Enrollee within five (5) Business Days of a final Disenrollment decision, as provided in Sections 5.3.4 and 5.3.5.

5.3.2.2 Each notice of Disenrollment shall include information concerning:

5.3.2.2.1 The Effective Date of Disenrollment;

5.3.2.2.2 The reason for the Disenrollment;

5.3.2.2.3 The Enrollee's right to request a Reconsideration from ASES and of ASES's Administrative Law Hearing process, as provided by Act 72 of September 7, 1993;

5.3.2.2.4 The right to re-enroll in the GHP upon receiving a Recertification from the Puerto Rico Medicaid Program, if applicable; and

5.3.2.2.5 Disenrollment shall occur according to the timeframes in Section 5.3.3 (the "Effective Date of Disenrollment").

5.3.3 The Effective Date of Disenrollment is as follows:

5.3.3.1 Except as otherwise provided in this Section 5.3, Disenrollment will take effect as of the Effective Date of Disenrollment specified in the daily eligibility file sent to the Contractor by ASES as set forth in Attachment 9 to this Contract.

5.3.3.2 When Disenrollment is effectuated at the Contractor's or the Enrollee's request, as provided in Sections 5.3.4 and 5.3.5 of this Contract, Disenrollment shall take effect no later than the first day of the second month following the month that the Contractor or Enrollee requested the Disenrollment. If ASES fails to make a decision on the Enrollee's request before this date, the Disenrollment will be deemed granted. If the Enrollee's request is denied by ASES, the Enrollee may request, verbally or in writing, a Reconsideration by ASES and the Reconsideration process shall be completed in time to permit the Disenrollement (if approved) to take effect in accordance with this timeframe.

5.3.3.3 If an Enrollee is no longer eligible under the GHP, and Disenrollment under this Section 5.3.3 falls:

5.3.3.3.1 When the Enrollee is an inpatient at a hospital, ASES shall postpone the Effective Date of Disenrollment so that it occurs on the last day of the month in which the Enrollee is discharged from the hospital, or the last day of the month following the month in which Disenrollment would otherwise be effective, whichever occurs earlier;

5.3.3.3.2 During a month in which a Medicaid, CHIP or State Enrollee is pregnant, or on the date the pregnancy ends, ASES shall postpone the Effective Date of Disenrollment so that it occurs on the last day of the month in which the 60-day post-partum period ends;

5.3.3.3.3 When the Enrollee is in the process of appealing a denial of a Disenrollment request by ASES through either ASES's Reconsideration process, ASES's Administrative Law Hearing process (after exhausting the Reconsideration process), or the Puerto Rico Medicaid Department's dedicated hearing process on Disenrollments due to loss of eligibility, as applicable, then ASES shall postpone the Effective Date of Disenrollment until a decision is rendered after the hearing; or

5.3.3.3.4 During a month in which an Enrollee is diagnosed with a Terminal Condition, ASES shall postpone the Effective Date of Disenrollment so that it occurs on the last day of the following month.

5.3.3.4 For the public employees and pensioners who are Other Eligible Persons referred to in Section 1.3.1.2.2, Disenrollment shall occur according to the timeframes set forth in a Normative Letter issued by ASES annually.

5.3.4 Disenrollment Initiated by the Contractor

5.3.4.1 The Contractor has a limited right to request that an Enrollee be disenrolled without the Enrollee's consent. The Contractor shall notify ASES upon identification of an Enrollee who it knows or believes meets the criteria for Disenrollment.

5.3.4.2 The Contractor shall submit Disenrollment requests to ASES, and the Contractor shall honor all Disenrollment determinations made by ASES. ASES's decision on the matter shall be final, conclusive, and not subject to appeal by the Contractor.

5.3.4.3 The following are acceptable reasons for the Contractor to request Disenrollment:

5.3.4.3.1 The Enrollee's continued Enrollment in the Contractor's Plan seriously impairs the ability to furnish services to either this particular Enrollee or other Enrollees;

5.3.4.3.2 The Enrollee demonstrates a pattern of disruptive or abusive behavior that could be construed as non-compliant and is not caused by a presenting illness;

5.3.4.3.3 The Enrollee's use of services is fraudulent or abusive (for example, the Enrollee has loaned his or her Enrollee ID Card to other persons to seek services);

5.3.4.3.4 The Enrollee is placed in a long-term care nursing facility or intermediate care facility for the intellectually disabled;

5.3.4.3.5 The Enrollee's Medicaid or CHIP eligibility category changes to a category ineligible for the GHP; or

5.3.4.3.6 The Enrollee has died or moved out of Puerto Rico, thereby making him or her ineligible for Medicaid or CHIP or is otherwise ineligible for the GHP.

5.3.4.4 ASES will approve a Disenrollment request by the Contractor, in ASES's discretion, only if ASES determines:

5.3.4.4.1 That it is impossible for the Contractor to continue to provide services to the Enrollee without endangering the Enrollee or other GHP Enrollees; and

5.3.4.4.2 That an action short of Disenrollment, such as transferring the Enrollee to a different PCP or PMG, will not resolve the problem.

5.3.4.5 The Contractor may not request Disenrollment for any discriminatory reason including, but not limited, to the following:

5.3.4.5.1 Adverse changes in an Enrollee's health status;

5.3.4.5.2 Missed appointments;

5.3.4.5.3 Utilization of medical services;

5.3.4.5.4 Diminished mental capacity;

5.3.4.5.5 Pre-existing medical condition;

5.3.4.5.6 The Enrollee's attempt to exercise his or her rights under the Grievance and Appeal System; or

5.3.4.5.7 Uncooperative or disruptive behavior resulting from the Enrollee's special needs.

5.3.4.6 The request of one (1) PMG to have an Enrollee assigned to a different PMG, per Section 5.4, shall not be sufficient cause for the Contractor to request that the Enrollee be disenrolled from the Plan. Rather, the Contractor shall, if possible, assign the Enrollee to a different and available PMG within the Plan.

5.3.4.7 When requesting Disenrollment of an Enrollee for reasons described in Section 5.3.4.3, the Contractor shall document at least three (3) interventions over a period of ninety (90) Calendar Days that occurred through treatment and Care Management to resolve any difficulty leading to the request. The Contractor shall also provide evidence of having given at least one (1) written warning to the Enrollee, with a certified return receipt requested, regarding implications of his or her actions.

5.3.4.8 If the Enrollee has demonstrated abusive or threatening behavior as defined by ASES, only one (1) Contractor intervention, and a subsequent written attempt to resolve the difficulty, are required.

5.3.4.9 In the event that the Contractor seeks Disenrollment of an Enrollee, the Contractor shall notify the Enrollee of the availability of ASES's Reconsideration process and Administrative Law Hearing process, as provided by Act 72 of September 7, 1993, as amended.

5.3.4.10 The Contractor shall maintain policies and procedures to comply with the Puerto Rico Patients' Bill of Rights Act and with the Medicaid Regulations of 42 CFR 438.100, to ensure that the Enrollee's exercise of Grievance rights does not adversely affect the services provided to the Enrollee by the Contractor or by ASES.

5.3.5 Disenrollment Initiated by the Enrollee

5.3.5.1 All Enrollees must be notified at least annually of their disenrollment rights as set forth in Section 5.3 and 42 CFR 438.56. Such notification shall clearly explain the process for exercising this disenrollment right, as well as the coverage alternatives available to the Enrollee based on their specific circumstance.

5.3.5.2 An Enrollee wishing to request Disenrollment or his or her representative must submit an oral or written request to ASES or to the Contractor. If the request is made to the Contractor, the Contractor shall forward the request to ASES, within five (5)

Business Days of receipt of the request, with a recommendation of the action to be taken.

5.3.5.3 An Enrollee may request Disenrollment from the Contractor's Plan without cause once during the applicable Open Enrollment Period in accordance with Section 5.2.5.

5.3.5.4 An Enrollee may request Disenrollment from the Contractor's Plan for cause at any time. The Enrollee's request must be processed in accordance with this Section 5.3.5. ASES shall determine whether the reason constitutes a valid cause. The following constitute cause for Disenrollment by the Enrollee:

5.3.5.4.1 The Enrollee moves outside of Puerto Rico;

5.3.5.4.2 The Contractor's Plan does not, due to moral or religious objections, cover the health service the Enrollee seeks.

5.3.5.4.3 The Enrollee needs related services to be performed at the same time, and not all related services are available within the network. The Enrollee's PCP or another Provider in the Contractor's Network have determined that receiving services separately would subject the Enrollee to unnecessary risk.

5.3.5.4.4 Other acceptable reasons for Disenrollment at Enrollee request, per 42 CFR 438.56(d)(2)(v), including, but not limited to, poor quality of care, lack of Access to Covered Services, or lack of Providers experienced in dealing with the Enrollee's health care needs; and

5.3.5.4.5 The Enrollee has become eligible for a Platino Program, or has experienced a change in his or her eligibility as a member of the Domestic Violence or Foster Care Populations.

5.3.5.5 If the Contractor fails to refer a Disenrollment request within the timeframe specified in Section 5.3.3, or if ASES fails to make a Disenrollment determination so that the Enrollee may be disenrolled by the first day of the second month following the month when the Disenrollment request was made, per Section 5.3.3, the Disenrollment shall be deemed approved for the effective date that would have been established had ASES or the Contractor complied with Section 5.3.3.

5.3.5.6 ASES shall make the final decision on Enrollees' requests for Disenrollment. ASES may approve or disapprove the request based on the reasons specified in the Enrollee's request, or upon any

relevant Information provided to ASES by the Contractor about the Disenrollment request.

5.3.5.7 If the Enrollee's request for Disenrollment under this Section is denied, the Contractor shall provide the Enrollee with a notice of the decision in a format and content consistent with Section 14.5.15. The notice shall include the grounds for the denial and shall inform the Enrollee of his or her right to use the Reconsideration process, and to have access to an Administrative Law Hearing after first exhausting ASES's Reconsideration process.

5.3.5.8 Use of the Contractor's Grievance and Appeal System. ASES may at its option require that the Enrollee seek redress through the Contractor's Grievance and Appeal System before ASES makes a determination on the Enrollee's request for Disenrollment. The Contractor shall Immediately inform ASES of the outcome of the Grievance process. ASES may take this Information into account in making a determination regarding the request for Disenrollment. The Grievance process shall be completed in time to permit the Disenrollment (if approved) to be effective in accordance with the timeframe specified in Section 5.3.3; if the process is not completed within the specified timeframe, then the Disenrollment will be deemed approved by ASES.

5.3.6 Disenrollment During Termination Hearing Process. If ASES notifies the Contractor of its intention to terminate the Contract as provided in Article 35, ASES may allow Enrollees to disenroll Immediately without cause. In the event of such a Termination, ASES must provide Enrollees with the notice required by 42 CFR 438.10, listing their options for receiving services following the Termination Date of the Contract.

5.3.7 ASES shall ensure, through the obligations of the Contractor under this Contract that Enrollees receive the notices contained in Section 5.28 (Contractor Notification Procedures Related to Redeterminations and Open Enrollment Periods). While these notices shall be issued by the Contractor, per Section 5.2.8, ASES shall provide the Contractor with the information on Certifications and Negative Redetermination Decisions (see Section 5.1.5.1) needed for the Contractor to carry out this responsibility.

5.3.8 Enrollment Database

5.3.8.1 The Contractor shall maintain an Enrollment database that includes all Enrollees, and contains, for each Enrollee, the Information specified in the Carrier Billing File/Carrier Eligibility File format.

5.3.8.2 The Contractor shall notify the Puerto Rico Medicaid Program Immediately when the Enrollment database is updated to reflect a change in the place of residence of an Enrollee.

5.3.8.3 The Contractor shall secure any authorization required from Enrollees under the laws of Puerto Rico in order to allow the US Department of Health and Human Services, the Medicaid Fraud Control Unit, ASES, and its Agents to review Enrollee Medical Records, in order to evaluate the Information and determine quality, appropriateness, timeliness, and cost of services performed under this Contract; provided that such authorization shall be limited by the Contractor's obligation to observe the confidentiality of Enrollees' Protected Health Information, as provided in Article 34.

5.3.9 Notification to ASES and the PBM of New Enrollees and of Completed Disenrollments

5.3.9.1 The Contractor shall notify ASES and the PBM of new Enrollees and of completed Disenrollments on a routine Daily Basis; or at any time, if requested by ASES. Such notification will be made through electronic transmissions.

5.3.9.2 The notification will include all new Enrollees as of the Business Day before the notification is issued, and will be sent no later than the following Business Day after the Enrollment process has been completed (as signified by issuance of the Enrollee ID Card, either in person or by surface mail) or the Disenrollment process has been completed (as signified by the issuance of a Disenrollment notice).

5.3.10 In the event that the Contractor must update information previously submitted to ASES about a new Enrollment, including a change in coverage code, or that the Contractor must add a new Enrollee who was previously omitted, such update must occur the next Business Day after the information is updated or a new Enrollee is added. ASES reserves the authority not to accept any new additions or corrections to a particular month's Enrollment Data after two (2) Business Days past the date on which ASES notifies the Contractor of the rejected subscriptions, as set forth in Attachment 9 to this Contract.

5.3.11 If an Enrollee's Effective Date of Disenrollment occurs during an inpatient hospital admission, the Contractor the Enrollee was enrolled with on the date of admission (for purposes of this section, the "Disenrolling Contractor") is responsible for covered inpatient facility and professional services associated with the inpatient hospital admission. This responsibility continues from the date of admission until the date the Enrollee is discharged from the inpatient stay. The Disenrolling Contractor shall not request and/or require that the disenrolled Enrollee be discharged from the inpatient facility for transfer to another inpatient facility. Should a discharge and transfer to another inpatient

facility be medically necessary, the Disenrolling Contractor shall notify the treating providers to work with the Enrollee's new Contractor to facilitate the discharge, transfer, and authorization of services as needed. The Enrollee's new Contractor is responsible for coordinating delivery of care pursuant to this Contract once discharge has occurred, including any subsequent professional services and shall work with the inpatient facility to facilitate discharge planning and authorize services as necessary.

5.4 Change of a Primary Medical Group ("PMG") and Primary Care Physician ("PCP")

5.4.1 Change of a PMG and PCP

5.4.1.1 During the ninety (90) Calendar Days period following the Effective Date of Enrollment (the Open Enrollment Period), the Enrollee can change his/her Auto-Assigned or selected PMG and PCP without cause. The Contractor can offer counseling and assistance to the Enrollee in selecting a different PCP and PMG. Enrollees under the Foster Care Population and Domestic Violence Population classification are not assigned to a PCP or PMG.

5.4.1.2 The Contractor shall advise certain Enrollees to choose a physician other than, or in addition to, a general practice physician as their PCP, as follows:

5.4.1.2.1 Female Enrollees age twelve (12) and older will be recommended to choose an obstetrician/gynecologist as a PCP.

5.4.1.2.2 Enrollees under twenty-one (21) years of age will be recommended to choose a pediatrician as a PCP.

5.4.1.2.3 Enrollees will be recommended to choose an internist or other appropriate specialist as a PCP as warranted by their condition.

5.4.1.3 Per Section 5.2.7, following the Contractor's notice to an expectant mother of a Deemed Newborn's upcoming Auto-Enrollment in the Contractor's Plan, the Contractor shall record any notice it receives from the mother or guardian concerning the selection of a PCP or PMG for the Deemed Newborn. The Contractor shall ensure that such selections take effect as of the date of the Deemed Newborn's birth.

5.4.1.4 In order to comply with the PMG Capitation payment process, if an Enrollee changes PCP/PMG during the first five (5) Calendar Days of the month, the change will be effective in the next subsequent month of the change. If Enrollee changes PCP/PMG after the fifth

(5th) day of the month, the change will be effective in the second (2nd) subsequent month of the change. The Enrollee can still receive services until the change is effective from the originally assigned PCP/PMG

5.4.1.5 The Contractor shall permit Enrollees to change their PMG or PCP at any time with cause. The following shall constitute cause for change of PMG or PCP:

5.4.1.5.1 The Enrollee's religious or moral convictions conflict with the services offered by Providers in the PMG;

5.4.1.5.2 The Enrollee needs related services to be provided concurrently; not all services are available within the Preferred Provider Network associated with a PMG; and the Enrollee's PCP or any other Provider has determined that receiving the services separately could expose the Enrollee to an unnecessary risk; or

5.4.1.5.3 Other reasons, including a deterioration of the Provider-Enrollee relationship where the Enrollee no longer feels comfortable receiving services from the Provider, poor quality of care, unavailability of appointments, inaccessibility to Covered Services, and inaccessibility to Providers with the experience to address the health care needs of the Enrollee.

5.4.1.6 The Contractor shall permit Enrollees to change their PMG and/or PCP for any reason, within certain timeframes:

5.4.1.6.1 During the ninety (90) Calendar Days following the Effective Date of Enrollment (Open Enrollment Period);

5.4.1.6.2 At least every twelve (12) months, following the ninety (90) Calendar Days after the Effective Date of Enrollment; or

5.4.1.6.3 At any time, during time periods in which the Contractor is subject to intermediate sanctions, as defined in 42 CFR 438.702(a)(3).

5.4.1.7 A Contractor may change an Enrollee's PMG at the request of the PCP or another Provider within that PMG, in limited situations, when appropriately documented, as follows:

5.4.1.7.1 The Enrollee's continued participation in the PMG seriously impairs the PMG's ability to furnish services to either this particular Enrollee or other Enrollees;

5.4.1.7.2 The Enrollee demonstrates a pattern of disruptive or abusive behavior that could be construed as non-compliant and that is not caused by a presenting illness; or

5.4.1.7.3 The Enrollee's use of services is fraudulent or abusive (for example, the Enrollee has loaned his or her Enrollee ID Card to other persons to seek services).

5.5 Transition of Care During Contractor Change

5.5.1 The Contractor must ensure continued access to services during an Enrollee's transition from one Contractor to another by complying with the following:

5.5.1.1 Ensure the Enrollee has access to services consistent with the access they previously had, and is permitted to retain their current Provider for ninety (90) Calendar Days if that Provider is not a Network Provider;

5.5.1.2 Refer Enrollee to appropriate Network Providers;

5.5.1.3 Fully and timely comply with requests for historical utilization data from the new contractor or other entity in compliance with Federal and State laws;

5.5.1.4 Ensure that the Enrollee's new Provider is able to obtain copies of the Enrollee's medical records, as appropriate;

5.5.1.5 Comply with any other necessary procedures specified by CMS or ASES to ensure continued access to services to prevent serious detriment to the Enrollee's health or reduce the risk of hospitalization or institutionalization.

ARTICLE 6 ENROLLEE SERVICES

6.1 General Provisions

6.1.1 The Contractor shall have policies and procedures, prior approved by ASES and submitted in accordance with Attachment 12 to this Contract, that explain how it will ensure that Enrollees and Potential Enrollees:

6.1.1.1 Are aware of their rights and responsibilities;

6.1.1.2 How to obtain physical and Behavioral Health Services;

6.1.1.3 What to do in an emergency or urgent medical situation;

6.1.1.4 How to request a Grievance, Appeal, or Administrative Law Hearing;

6.1.1.5 How to report suspected Incident of Fraud, Waste, and Abuse;

6.1.1.6 Have basic information on the basic features of managed care; and

6.1.1.7 Understand the Contractor's responsibilities to coordinate Enrollee care.

6.1.2 The Contractor's informational materials must convey to Enrollees and Potential Enrollees that GHP is an integrated program that includes both physical and Behavioral Health Services, and must also explain the concepts of Primary Medical Groups and Preferred Provider Networks.

6.1.3 The information conveyed in the Contractor's written materials shall conform with ASES's Universal Enrollee Handbook, included as Attachment 3 to this Contract.

6.1.4 The Contractor shall convey Information to Enrollees and Potential Enrollees via written materials and via telephone, internet, and face-to-face communications, and shall allow Enrollees to submit questions and to receive responses from the Contractor.

6.1.5 The Contractor shall ensure that the informational materials disseminated to all GHP Enrollees accurately identify differences among the categories of Eligible Persons.

6.1.6 The Contractor shall provide Enrollees with at least thirty (30) Calendar Days written notice of any significant change in policies concerning Enrollees' Disenrollment rights (see Section 5.3), right to change PMGs or PCPs (see Section 5.4), or any significant change to any of the items listed in the Enrollee Handbook (Section 6.4) or Enrollee Rights and Responsibilities (section 6.5), regardless of whether ASES or the Contractor caused the change to take place. This Section 6.1.6 shall not be construed as giving the Contractor the right to change its policies and procedures without prior written approval from ASES.

6.1.7 The Contractor shall use the definitions for managed care terminology set forth by ASES in all of its written and verbal communications with Enrollees, in accordance with 42 CFR 438.10(c)(4)(i).

6.1.8 The Contractor shall provide instructions to Enrollees and Potential Enrollees in its Enrollee Handbook and notices approved by ASES on how to access continued services pursuant to its transition of care process as specified in Section 5.5 and in accordance with 42 CFR 438.62.

6.2 ASES Approval of All Written Materials

6.2.1 The Contractor shall submit to ASES for review and prior written approval all materials meant for distribution to Enrollees, including but not limited to, Enrollee Handbooks, Provider Directories, ID cards and, upon request, any other additional, but not required, materials and Information provided to Enrollees designed to promote health and/or educate Enrollees.

6.2.2 All materials must be submitted to ASES in paper and electronic file media, in the format prescribed by ASES. The Contractor shall submit the reading level and the methodology used to measure it concurrent with all submissions of written materials and include a plan that describes the Contractor's intent for the use of the materials.

6.2.3 ASES reserves the right to notify the Contractor to discontinue or modify written materials after approval.

6.2.4 Except as otherwise provided below, written materials described in this Article 6 must be submitted to ASES for review at least forty-five (45) Calendar Days before their printing and distribution, as required by Act 194 of August 2000. This requirement applies to:

6.2.4.1 The materials described in this Article 6 distributed to all Enrollees, including the Enrollee Handbook;

6.2.4.2 Policy letters, coverage policy statements, or other communications about Covered Services under the GHP distributed to Enrollees; and

6.2.4.3 Standard letters and notifications, such as the notice of Enrollment required in Section 5.2.6.3, the notice of Redetermination required in Section 5.2.8.1, and the notice of Disenrollment required in Section 5.3.2. The Contractor shall use model Enrollee notices developed by ASES whenever available.

6.2.5 The Contractor shall provide ASES with advance notice of any changes made to written materials that will be distributed to all Enrollees. Notice shall be provided to ASES at least forty-five (45) Calendar Days before the effective date of the change. Within fifteen (15) Business Days of receipt of the materials, ASES will respond to the Contractor's submission with either an approval of the materials, recommended modifications, or a notification that more review time is required. If the Contractor receives no response from ASES within fifteen (15) Business Days of ASES's receipt of the materials, the materials shall be deemed approved. Except as otherwise provided in this Section 6.2.5, the Contractor may distribute the revised written materials only upon written approval of the changes from ASES.

6.3 **Requirements for Written Materials**

6.3.1 The Contractor shall maintain written policies and procedures governing the development and distribution of written materials including how the Contractor will meet the requirements in this Section 6.3, with such policies and procedures to be submitted in accordance with Attachment 12 to this Contract for prior written approval from ASES. The Contractor shall, at a minimum, have policies and procedures regarding the process for developing/creating, proofing, approving, publishing, and mailing the (i) Enrollee Handbook, (ii) Provider Directory, and (iii) form letters within contractual standards and timeframes. The Contractor shall include a separate set of policies and procedures for the items listed above.

6.3.2 The Contractor shall make all written materials available through auxiliary aids and services or alternative formats, and in a manner that takes into consideration the Enrollee's or Potential Enrollee's special needs, including Enrollees and Potential Enrollees who are visually impaired or have limited reading proficiency. The Contractor shall notify all Enrollees and Potential Enrollees that Information is available in alternative formats, and shall instruct them on how to access those formats. Consistent with Section 1557 of PPACA and 42 CFR 438.10(d)(3), all written materials critical to obtaining services must also include taglines in the prevalent languages, as well as large print, that is conspicuously visible, to explain the availability of written and oral translation to understand the Information provided and the toll-free and TTY/TDD telephone number of the GHP Service Line.

6.3.3 Once an Enrollee has requested a written material in an alternative format or language, the Contractor shall at no cost to the Enrollee or Potential Enrollee (i) make a notation of the Enrollee or Potential Enrollee's preference in the Contractor's system and (ii) provide all subsequent written materials to the Enrollee or Potential Enrollee in such format unless the Enrollee or Potential Enrollee requests otherwise.

6.3.4 Except as provided in Sections 1.1.5 and 6.4 (Enrollee Handbook) and subject to Section 6.3.8, the Contractor shall make all written information available in Spanish or other applicable Prevalent Non-English Language, as defined in Section 6.3.8 below, with a language block in English, explaining that (i) Enrollees may access an English translation of the Information if needed, and (ii) the Contractor will provide oral interpretation services into any language other than Spanish or English, if needed. Such translation or interpretation shall be provided by the Contractor at no cost to the Enrollee. The language block and all other content shall comply with 42 CFR 438.10(d)(2) and Section 1557 of PPACA.

6.3.5 If oral interpretation services are required in order to explain the Benefits covered under the GHP to a Potential Enrollee who does not speak either

English or Spanish, the Contractor must, at its own cost, make such services available in a third language, in compliance with 42 CFR 438.10(d)(4).

6.3.6 All written materials shall be worded such that they are understandable to a person who reads at the fourth (4^{th}) grade level.

6.3.7 All written materials must be clearly legible with a minimum font of size twelve (12) point with the exception of Enrollee ID cards and unless otherwise approved in writing by ASES.

6.3.8 Within ninety (90) Calendar Days of a notification from ASES that ASES has identified a Prevalent Non-English Language other than Spanish or English (with "Prevalent Non-English Language" defined as a language that is the primary language of more than five percent (5%) of the population of Puerto Rico), all written materials provided to Enrollees and Potential Enrollees shall be translated into and made available in such language.

6.3.9 The Contractor shall provide written notice to Enrollees of any material changes to written materials previously distributed to Enrollees at least thirty (30) Calendar Days before the effective date of the change.

6.4 Enrollee Handbook Requirements

6.4.1 The Contractor shall produce at its sole cost, and shall mail or make electronically available, subject to the requirements of Section 6.10.8 and 6.10.9, to all new Enrollees, an Enrollee Handbook including information on physical health, Behavioral Health, and all other Covered Services offered under the GHP. The Contractor shall distribute the Enrollee Handbook either simultaneously with the notice of Enrollment referenced in Section 5.2.5.3 or within five (5) Calendar Days of sending the notice of Enrollment via surface mail.

6.4.2 Upon request of an Enrollee or his/her Authorized Representative for a replacement or additional copy of the Enrollee Handbook, the Contractor shall send an Enrollee Handbook within ten (10) Calendar Days. The Contractor shall give the person requesting an Enrollee Handbook the option to get the Information from the Contractor's website or to receive a printed document.

6.4.3 The Contractor shall either:

6.4.3.1 Mail or make electronically available, subject to the requirements of Sections 6.10.8 and 6.10.9, to all Enrollees an Enrollee Handbook on at least an annual basis, after the initial distribution of the Enrollee Handbook at Enrollment; or

6.4.3.2 At least annually, as required by 42 CFR 438.10, mail or make electronically available, subject to the requirements of Sections

6.10.8 and 6.10.9, to all Enrollees a Handbook supplement that includes Information on the following:

6.4.3.2.1 The Contractor's service area;

6.4.3.2.2 Benefits covered under the GHP;

6.4.3.2.3 Any cost-sharing imposed by the Contractor; and

6.4.3.2.4 To the extent available, quality and performance indicators, including Enrollee satisfaction.

6.4.3.3 The Contractor is not required to mail an Enrollee Handbook to an Enrollee who may have been disenrolled and subsequently reenrolled if Enrollee was provided an Enrollee Handbook within the past year. The Contractor is also not required to mail an Enrollee Handbook to new Enrollees under the age of twenty-one (21) if an Enrollee Handbook has been mailed within the past year to a member of that Enrollee's household. However, this exception does not apply to pregnant Enrollees under the age of twenty-one (21).

6.4.4 The Contractor shall use the Universal Beneficiary Guide, provided by ASES and included as Attachment 3 to this Contract, as a model for its Enrollee Handbook; however, the Contractor shall ensure that its Enrollee Handbook meets all the requirements listed in this Section 6.4.

6.4.5 Pursuant to the requirements set forth in 42 CFR 438.10, the Enrollee Handbook shall include, at a minimum, the following:

6.4.5.1 A table of contents;

6.4.5.2 An explanation of the purpose of the Enrollee ID Card and a warning that transfer of the card to another person constitutes Fraud;

6.4.5.3 Information about the role of the PCP and how to choose a PCP;

6.4.5.4 Information about the PMG, how to choose a PMG, and which Benefits may be accessed through the PMG;

6.4.5.5 Information about the PPN associated with the Enrollee's PMG, and the benefits of seeking services within the PPN;

6.4.5.6 Information about the circumstances under which Enrollees may change to a different PMG;

6.4.5.7 Information about what to do when family size changes, including the responsibility of new mothers who are Medicaid Eligible to

register their newborn with the Puerto Rico Medicaid Program and to apply for the Enrollment of the newborn;

6.4.5.8 Appointment procedures;

6.4.5.9 Information on the amount, duration and scope of Benefits and Covered Services, including how the scope of Benefits and services differs between Medicaid and CHIP Eligibles and Other Eligible Persons. This must include Information on the EPSDT Benefit and how Enrollees under the age of twenty-one (21) and entitled to the EPSDT Benefit may access component services;

6.4.5.10 An explanation of how physical health and Behavioral Health services are integrated under the GHP, and how to access specialized Behavioral Health Services;

6.4.5.11 Information on how to access local resources for Non-Emergency Medical Transportation ("NEMT");

6.4.5.12 An explanation of any service limitations or exclusions from coverage, including any restrictions on the Enrollee's freedom of choice among network Providers;

6.4.5.13 Information on where and how Enrollees may access Benefits not available from or not covered by the Contractor's Plan;

6.4.5.14 The Medical Necessity definition used in determining whether services will be covered (see Section 7.2);

6.4.5.15 A description of all pre-certification, Prior Authorization, or other requirements for treatments and services;

6.4.5.16 The policy on Referrals for specialty care and for other Covered Services not provided by the Enrollee's PCP;

6.4.5.17 Information on how to obtain after-hours coverage;

6.4.5.18 An explanation of cost-sharing, including:

6.4.5.18.1 The differences in cost-sharing responsibilities between Medicaid- and CHIP Eligibles and Other Eligible Persons, and

6.4.5.18.2 The cost-sharing responsibilities of Dual Eligible Beneficiaries, as well as the other information for Dual Eligible Beneficiaries listed in Section 6.13;

6.4.5.19 Notice of all appropriate mailing addresses and telephone numbers to be utilized by Enrollees seeking Information or authorization, including the Contractor's toll-free telephone line and website address;

6.4.5.20 A description of Utilization Management policies and procedures used by the Contractor;

6.4.5.21 A description of Enrollee rights and responsibilities as described in Section 6.5;

6.4.5.22 The policies and procedures for Disenrollment, including when Disenrollment may be requested without Enrollee consent by the Contractor and Information about Enrollee's right to request Disenrollment, and including notice of the fact that the Enrollee will lose Access to services under the GHP if the Enrollee chooses to disenroll;

6.4.5.23 Information on Advance Directives, including the right of Enrollees to file directly with ASES or with the Puerto Rico Office of the Patient Advocate, Complaints concerning Advance Directive requirements listed in Section 7.10 of this Contract;

6.4.5.24 A statement that additional Information, including the Provider Guidelines (see Section 10.2.1 of the Contract) and Information on the structure and operations of the GHP and Physician Incentive Plans, shall be made available to Enrollees and Potential Enrollees upon request;

6.4.5.25 Information on the extent to which, and how, after-hours and emergency coverage are provided, including:

6.4.5.25.1 What constitutes an Emergency Medical Condition and a Psychiatric Emergency;

6.4.5.25.2 The fact that Prior Authorization is not required for Emergency Services;

6.4.5.25.3 Notice that:

6.4.5.25.3.1 Under no circumstances will a Medicaid or CHIP Enrollee be charged a Co-Payment for the treatment of any Emergency Medical Condition or Psychiatric Emergency;

6.4.5.25.3.2 No Co-Payments shall be charged for Medicaid and CHIP children under twenty-one (21) years under any circumstances.

6.4.5.25.3.3 For Medicaid or CHIP Enrollees, Co-Payments may apply to non-emergency services provided in an emergency room pursuant to Attachment 8 to this Contract on Cost-Sharing; and

6.4.5.25.3.4 For Other Eligible Persons, Co-Payments apply to Emergency Services outside the Enrollee's PPN, but the Enrollee may avoid a Co-Payment by using the GHP Service Line (see Section 6.8).

6.4.5.25.4 The process and procedures for obtaining Emergency Services, including the use of the 911 telephone systems or its local equivalent;

6.4.5.25.5 The scope of Post-Stabilization Services offered under the GHP as detailed in Section 7.5.9.4;

6.4.5.25.6 The locations of emergency rooms and other locations at which Providers and hospitals furnish Emergency Services and Post-Stabilization Services covered under the GHP; and

6.4.5.25.7 The fact that an Enrollee has a right to use any hospital or other setting for Emergency Services;

6.4.5.26 An explanation of the Redetermination process, including:

6.4.5.26.1 Disenrollment as a consequence of a Negative Redetermination Decision; and

6.4.5.26.2 The Re-Enrollment period that follows a new Certification.

6.4.5.27 Information on the Contractor's Grievance and Appeal System policies and procedures, as described in Article 14 of this Contract. This description must include the following:

6.4.5.27.1 The right to file a Grievance and Appeal with the Contractor;

6.4.5.27.2 The requirements and timeframes for filing a Grievance or Appeal with the Contractor;

6.4.5.27.3 The availability of assistance in filing a Grievance or Appeal with the Contractor;

6.4.5.27.4 The toll-free numbers that the Enrollee can use to file a Grievance or an Appeal with the Contractor by phone;

6.4.5.27.5 The right to an Administrative Law Hearing after exhaustion of the Contractor's Grievance and Appeal System, the

method for obtaining a hearing, and the rules that govern representation at the hearing;

6.4.5.27.6 Notice that if the Enrollee files an Appeal or a request for an Administrative Law Hearing and requests continuation of services, the Enrollee may be required to pay the cost of services furnished while the Appeal is pending, if the final decision is adverse to the Enrollee;

6.4.5.27.7 Any Appeal rights that ASES chooses to make available to Providers to challenge the failure of the Contractor to cover a service;

6.4.5.27.8 Instructions on how an Enrollee can report suspected Fraud, Waste, or Abuse, and protections that are available for whistleblowers;

6.4.5.27.9 Information on the family planning services and supplies, including the extent to which, and how, Enrollees may obtain such services or supplies from out-of-network providers, and that an Enrollee cannot be required to obtain a referral before choosing a family planning Provider;

6.4.5.27.10 Information on non-coverage of counseling or referral services based on Contractor's moral or religious objections, as specified in Section 7.13 and how to access these services from ASES; and

6.4.5.27.11 Instructions on how to access oral or written translation services, Information in alternative formats, and auxiliary aids and services, as specified in Sections 6.3 and 6.11.

6.4.6 The Enrollee Handbook in both English and Spanish shall be submitted to ASES for review and prior written approval. Submission of the Enrollee Handbook by the Contractor shall be in accordance with the timeframes specified in Attachment 12 to this Contract.

6.4.7 The Contractor shall be responsible for producing the Enrollee Handbook in both English and Spanish.

6.5 Enrollee Rights and Responsibilities

6.5.1 The Contractor shall have written policies and procedures regarding the rights of Enrollees and shall comply with any applicable Federal and Puerto Rico laws and regulations that pertain to Enrollee rights, including those set forth in 42 CFR 438.100, and in the Puerto Rico Patient's Bill of Rights Act 194 of August 25, 2000; the Puerto Rico Mental Health Law Act 408 of October 2, 2000, as amended and implemented; and Law 77 of July 24, 2013 which created the

Office of the Patient Advocate. These rights shall be included in the Enrollee Handbook. At a minimum, the policies and procedures shall specify the Enrollee's right to:

6.5.1.1 Receive information pursuant to 42 CFR 438.10;

6.5.1.2 Be treated with respect and with due consideration for the Enrollee's dignity and privacy;

6.5.1.3 Have all records and medical and personal information remain confidential;

6.5.1.4 Receive information on available treatment options and alternatives, presented in a manner appropriate to the Enrollee's condition and ability to understand;

6.5.1.5 Participate in decisions regarding his or her health care, including the right to refuse treatment;

6.5.1.6 Be free from any form of restraint or seclusion as a means of coercion, discipline, convenience, or retaliation, as specified in 42 CFR 482.13(e) and other Federal regulations on the use of restraints and seclusion;

6.5.1.7 Request and receive a copy of his or her Medical Records pursuant to 45 CFR Parts 160 and 164, subparts A and E, and request to amend or correct the record as specified in 45 CFR 164.524 and 164.526;

6.5.1.8 Choose an Authorized Representative to be involved as appropriate in making care decisions;

6.5.1.9 Provide informed consent;

6.5.1.10 Be furnished with health care services in accordance with 42 CFR 438.206 through 438.210;

6.5.1.11 Freely exercise his or her rights, including those related to filing a Grievance or Appeal, and that the exercise of these rights will not adversely affect the way the Enrollee is treated;

6.5.1.12 Receive Information about Covered Services and how to access Covered Services and Network Providers;

6.5.1.13 Be free from harassment by the Contractor or its Network Providers with respect to contractual disputes between the Contractor and its Providers;

6.5.1.14 Participate in understanding physical and Behavioral Health problems and developing mutually agreed-upon treatment goals;

6.5.1.15 Not be held liable for the Contractor's debts in the event of insolvency; not be held liable for the Covered Services provided to the Enrollee for which ASES does not pay the Contractor; not be held liable for Covered Services provided to the Enrollee for which ASES or the Contractor's Plan does not pay the Provider that furnishes the services; and not be held liable for payments of Covered Services furnished under a contract, Referral, or other arrangement to the extent that those payments are in excess of the amount the Enrollee would owe if the Contractor provided the services directly; and

6.5.1.16 Only be responsible for cost-sharing in accordance with 42 CFR 447.50 through 42 CFR 447.56 and as permitted by the Puerto Rico Medicaid and CHIP State Plans and Puerto Rico law as applicable to the Enrollee.

6.6 **Provider Directory**

6.6.1 The Contractor shall develop, maintain, and mail or make electronically available, subject to the requirements of Sections 6.10.8 and 6.10.9 to all new Enrollees a Provider Directory in a manner reasonably calculated to reach Enrollees within five (5) Calendar Days of sending the notice of Enrollment referenced in Section 5.2.5.3.

6.6.1.1 The Contractor is not required to mail a Provider Directory to an Enrollee who may have been disenrolled and subsequently reenrolled if Enrollee was provided a Provider Directory within the past year. The Contractor is also not required to mail a Provider Directory to new Enrollees under the age of twenty-one (21) if a Provider Directory has been mailed to a member of that Enrollee's household. However, this exception does not apply to pregnant Enrollees under the age of twenty-one (21).

6.6.2 The Contractor shall update the paper Provider Directory once a month, and distribute it to Enrollees upon Enrollee request. If the Contractor offers a mobile-enabled, electronic Provider Directory, the paper Provider Directory shall only require updates once per quarter.

6.6.3 The Contractor shall make the Provider Directory available on its website in a machine readable file and format as specified by CMS.

6.6.4 The Provider Directory shall include the names, provider group affiliations, locations, office hours, telephone numbers, websites, cultural and linguistic capabilities (including American Sign Language), completion of Cultural Competency training, and accommodations for people with physical disabilities

of current Network Providers. This includes, at a minimum, Information sorted by PCPs; specialists; dentists; FQHCs and RHCs; Behavioral Health Providers/clinics, including detox clinics; pharmacies; hospitals, including locations of emergency settings and Post-Stabilization Services, with the name, location, hours of operation, and telephone number of each facility/setting. The Provider Directory shall also identify all Network Providers that are not accepting new patients. Any subcontractors of ASES, such as the PBM, will collaborate with the Contractor to provide information in a format mutually agreed upon for the generation of the Provider Directory.

6.6.5 The Provider Directory shall include all Network Providers grouped by PMG.

6.6.6 The Provider Directory must be indexed alphabetically and by specialty.

6.6.7 The Contractor shall submit the Provider Directory to ASES for review and prior written approval in the timeframe specified in Attachment 12 to this Contract.

6.6.8 The Contractor shall update its electronic provider directory no later than thirty (30) Calendar Days after the Contractor receives updated Provider information as well as produce and distribute annual updates to all Enrollees. The Contractor shall maintain on its website an updated Provider Directory that includes all identified Information above and that is searchable by Provider type, distance from Enrollee's address, and/or whether the Network Provider is accepting new patients. Information on how to access this Information shall be clearly stated in both the Enrollee and Provider sections of the website.

6.6.9 On a monthly basis, the Contractor shall submit to ASES any changes and edits to the Provider Directory. Such changes shall be submitted electronically in the format specified by ASES.

6.6.10 The Contractor must maintain a publicly accessible standards-based Provider Directory Application Programming Interface ("API") described in 42 CFR 431.70, which must include the information in Sections 6.10.8 and 6.10.9 set forth in this Section. The Provider Directory APIs must meet the technical standards finalized in the HHS Office of the National Coordinator ("ONC") 21st Century Cures Act final rule at 45 CFR 170.215.

6.7 **Enrollee Monthly Utilization Report**

6.7.1 The Contractor shall send a quarterly utilization report to Enrollees in accordance with Act 114 of July 30, 2010.

6.8 **Enrollee Identification (ID) Card**

6.8.1 The Contractor shall furnish to all new Enrollees an Enrollee ID card made of durable plastic material. The card shall be mailed to the Enrollee via surface

mail within five (5) Business Days of sending the notice of Enrollment referenced in Section 5.2.5.3.

6.8.2 The Enrollee ID Card must, at a minimum, include the following information:

6.8.2.1 The "GHP" logo;

6.8.2.2 The Enrollee's name;

6.8.2.3 A designation of the Enrollee as a Medicaid Eligible, a CHIP Eligible, or an Other Eligible Person;

6.8.2.4 The Enrollee's Medicaid or CHIP identification number, if applicable;

6.8.2.5 The Enrollee's Plan group number, when applicable;

6.8.2.6 The Effective Date of Enrollment in the GHP;

6.8.2.7 The Master Patient Identifier, which shall not be altered in format or content by the Contractor;

6.8.2.8 The applicable Co-Payment levels for various services outside the Enrollee's PPN and the assurance that no Co-Payment will be charged for a Medicaid Eligible Person and for CHIP children under twenty-one (21) years under any circumstances;

6.8.2.9 The PCP's and the PMG's names;

6.8.2.10 The name and telephone number(s) of the Contractor;

6.8.2.11 The twenty-four (24) hour, seven (7) day a Week toll-free GHP Service Line Medical Advice Service phone number;

6.8.2.12 A notice that the Enrollee ID Card may under no circumstances be used by a person other than the identified Enrollee; and

6.8.2.13 Instructions to obtain Emergency Services

6.8.3 The Contractor shall reissue the Enrollee ID Card in the following situations and timeframes:

6.8.3.1 Within ten (10) Calendar Days of notice if an Enrollee reports a lost, stolen, or damaged ID Card and requests a replacement;

6.8.3.2 Within ten (10) Calendar Days of notice if an Enrollee reports a name change;

6.8.3.3 Within twenty (20) Calendar Days of the effective date of a change of PMG or change or addition of a PCP, as provided in Section 5.4.

6.8.4 The Contractor may charge a fee of five dollars ($5.00) to replace lost, damaged, or stolen Enrollee ID Cards; provided, however, that the Contractor may not charge a replacement fee because of a name change or change of PMG or PCP, and that the Contractor may not charge a replacement fee in any circumstance for Medicaid and CHIP Eligibles.

6.8.5 The Contractor shall submit a front and back sample Enrollee ID Card to ASES for review and prior written approval according to the timeframe specified in Attachment 12 to this Contract.

6.8.6 The Contractor must require an Enrollee to surrender his or her ID Card in each of the following events:

6.8.6.1 The Enrollee disenrolls from the GHP;

6.8.6.2 The Enrollee requests a change to his or her PCP or PMG, and is therefore issued a new Enrollee ID Card; or

6.8.6.3 The Enrollee requests a new ID card because his or her existing card is damaged.

6.9 GHP Service Line (Toll Free Telephone Service)

6.9.1 The Contractor shall operate a toll-free telephone number, "GHP Service Line" equipped with caller identification and automatic call distribution equipment capable of handling the high expected volume of calls. The GHP Service Line shall have two components:

6.9.1.1 An Information Service to respond to questions, concerns, inquiries, and Complaints regarding the GHP from the Enrollee, Enrollee's family, or Enrollee's Authorized Representative; and

6.9.1.2 A Medical Advice Service to advise Enrollees about how to resolve non-emergency medical or Behavioral Health concerns.

6.9.2 The Contractor shall establish, operate, monitor, and support an automated call distribution system for the GHP Service Line that supports, at a minimum:

6.9.2.1 Capacity to handle the high call volume;

6.9.2.2 A daily analysis of the quantity, length, and types of calls received;

6.9.2.3 A daily analysis of the amount of time it takes to answer the call, including Blocked and Abandoned Calls;

6.9.2.4 The ability to measure average waiting time; and

6.9.2.5 The ability to monitor calls from a remote location by a Third Party, such as ASES.

6.9.3 Hours of Operation

6.9.3.1 The Information Service shall be fully staffed between the hours of 7:00 a.m. and 7:00 p.m. (Atlantic Time). Monday through Friday, excluding Puerto Rico holidays. The Contractor shall have an automated system available between the hours of 7:00 p.m. and 7:00 a.m. (Atlantic Time) Monday through Friday and during all hours on weekends and holidays. This automated system must provide callers with operating instructions on what to do in case of an emergency and shall include, at a minimum, a voice mailbox for callers to leave messages. The Contractor shall ensure that the voice mailbox has the required capacity to receive all messages. A Contractor's representative shall reply to one hundred percent (100%) of messages by the next Business Day.

6.9.3.2 The Medical Advice Service shall be fully staffed and available to Enrollees twenty-four (24) hours per day, seven (7) days per Week.

6.9.4 Staffing

6.9.4.1 The Contractor shall be responsible for the required staffing of the GHP Service Line with individuals who are able to communicate effectively with GHP Enrollees.

6.9.4.2 The Contractor shall make key staff responsible for operating the GHP Service Line available to meet with ASES staff on a regular basis, as requested by ASES, to review reports and all other obligations under the Contract relating to GHP Service Line.

6.9.4.3 All staff shall be hired and must complete a training program at least fifteen (15) Calendar Days before the staff provides GHP Service Line services. Such training program shall include, but will not be limited to, systems, policies and procedures, and telephone scripts.

6.9.4.4 For the Information Service, the Contractor shall ensure that Call Center attendants receive the necessary training to respond to Enrollee questions, concerns, inquiries, and Complaints from the Enrollee or the Enrollee's family relating to this Contract regarding topics, including but not limited to Covered Services (both physical and Behavioral Health), Grievances and Appeals, the Provider Network, and Enrollment and Disenrollment.

6.9.4.5 For the Medical Advice Service, the Contractor shall ensure that Call Center attendants are registered nurses with the necessary training to advise Enrollees about appropriate steps they should take to resolve a physical or Behavioral Health complaint or concern.

6.9.4.6 The Contractor shall ensure that GHP Service Line Call Center staff is trained to identify Behavioral Health concerns and, where appropriate, to transfer Enrollee callers to the appropriate Call Center representative for assistance.

6.9.4.7 The Contractor shall ensure that GHP Service Line Call Center staff is trained to identify situations in which an Enrollee may need services that are offered through the Department of Health rather than through the GHP, and GHP Service Line staff shall provide the Enrollee with Information on where to access these services.

6.9.4.8 The Contractor shall ensure that GHP Service Line Call Center staff is trained to provide to Medicaid and CHIP Eligible Enrollees Information on how to access local NEMT resources to enable an Enrollee without available transportation to receive Medically Necessary Services.

6.9.4.9 The Contractor shall ensure that GHP Service Line Call Center staff are trained to process and fulfill requests by Enrollees and Potential Enrollees to receive, by surface mail, the Enrollee Handbook, the Provider Directory, or the Provider Guidelines. The Contractor shall fulfill such requests by mailing the requested document within five (5) Business Days of the request.

6.9.5 The Contractor may provide the Information Service and the Medical Advice Service as separate phone lines with a "Warm Transfer" capability, or as separate dialing options within one (1) phone line.

6.9.6 The Contractor shall have the capability of making out-bound calls.

6.9.7 The GHP Service Line shall be equipped to handle calls in Spanish and English, as well as, through a Telecommunication Device for the Deaf (TDD) for calls from Enrollees who are hearing-impaired. For callers who speak neither English nor Spanish, the Contractor shall provide interpreter services free of charge to Enrollees. The Contractor shall not permit Enrollees' family members, especially minor children, or friends, to provide oral interpreter services, unless specifically requested by the Enrollee.

6.9.8 All calls shall be recorded, identifying the date and time, the type of call, the reason for the call, and the resolution of the call.

6.9.9 The Contractor shall generate a call identification number for each phone call made by an Enrollee to the Medical Advice Service. Enrollees who use this

service to seek advice on their health condition before visiting the emergency room will not be responsible for any Co-Payment otherwise imposed for emergency room visits (as provided under Section 7.11.4) outside the Enrollee's PPN, provided that the Enrollee presents his or her GHP Service Line call identification number at the emergency room. Under no circumstance will a Co-Payment be imposed on a Medicaid or CHIP Eligible Enrollee for treatment of an Emergency Medical Condition or Psychiatric Emergency (regardless of whether the Enrollee uses the Medical Advice Service). The Medical Advice Service does not apply to emergency services obtained outside of Puerto Rico; however, Enrollees should be able to access both the Medical Advice Service and the Information Service lines from the US.

6.9.10 The Contractor shall develop GHP Service Line policies and procedures, including staffing, training, hours of operation, Access and response standards, transfers/Referrals, monitoring of calls via recording and other means, and compliance with other performance standards to be prior approved in writing by ASES.

6.9.11 The Contractor shall develop GHP Service Line quality criteria and protocols. These protocols shall, at a minimum:

6.9.11.1 Measure and monitor the accuracy of responses and phone etiquette in GHP Service Line (including through recording phone calls) and take corrective action as necessary to ensure the accuracy of responses and appropriate phone etiquette by staff;

6.9.11.2 Provide for quality calibration sessions between the Contractor's staff and ASES;

6.9.11.3 Require that, on a monthly basis, the average speed of answer is at least eighty percent (80%) of calls answered within thirty (30) seconds;

6.9.11.4 Require that, on a monthly basis, the Blocked Call rate does not exceed three percent (3%); and

6.9.11.5 Require that, on a monthly basis, the rate of Abandoned Calls does not exceed five percent (5%).

6.9.12 The above standards serve as minimum requirements for each GHP Service Line service. The Contractor may elect to establish more rigorous performance standards. The Contractor may elect to establish different quality criteria for the Medical Advice Service than for the Information Service; provided, however, the standards governing the Medical Advice Service are stricter than the standards for the Information Service.

6.9.13 The Contractor must develop and implement a GHP Service Line Outreach Program to educate Enrollees about the GHP Service Line service and to

encourage its use. The Outreach program shall include, at a minimum, the following components:

6.9.13.1 A section on GHP Service Line in the Enrollee Handbook;

6.9.13.2 Contact information for GHP Service Line on the Enrollee ID Card and on the Contractor's website; and

6.9.13.3 Informational flyers on the GHP Service Line to be placed in the offices of the Contractor and the Network Providers.

6.9.14 All documents and communication materials included in this Outreach program must explain that (i) by using the Medical Advice Service before visiting the emergency room, and presenting their call identification number at the emergency room, Enrollees can avoid any emergency room Co-Payments otherwise applicable under Section 7.11.4 of this Contract for services outside the PPN; and (ii) in no event will Co-Payments be imposed for services to treat an Emergency Medical Condition or Psychiatric Emergency for Medicaid or CHIP Eligibles. All written materials included in the Outreach Program must be written at a fourth (4^{th}) grade reading level and must be available in Spanish and English.

6.9.15 The Contractor shall prepare scripts addressing the questions expected to arise most often for both the Information Service and the Medical Advice Service. The Contractor shall submit these scripts to ASES for review and prior written approval according to the timeframe specified in Attachment 12 to this Contract. It is the responsibility of the Contractor to maintain and update these scripts and to ensure that they are developed at the fourth (4^{th}) grade reading level. The Contractor shall submit revisions to the script to ASES for written approval prior to use.

6.9.16 The Contractor shall submit the following written materials referred to in this Section 6.8 to ASES for review and prior written approval according to the timeframe specified in Attachment 12 to this Contract:

6.9.16.1 GHP Service Line policies and procedures;

6.9.16.2 GHP Service Line quality criteria and protocols;

6.9.16.3 GHP Service Line Outreach Program; and

6.9.16.4 Scripts and training materials for GHP Service Line Call Center employees.

6.10 **Internet Presence/Website**

6.10.1 The Contractor shall provide on its website general and up-to-date information about the GHP and about the Contractor's Plan, including the Provider

Network, customer services, GHP Service Line, and its Grievance and Appeal System. The Enrollee Handbook and the Provider Directory shall be available on the website. All information must be written at a fourth (4^{th}) grade level and must be available in Spanish and English.

6.10.2 The Contractor shall maintain an Enrollee portal that allows Enrollees to access a searchable Provider Directory that shall be updated within three (3) Business Days of any change to the Provider Network.

6.10.3 The website must have the capability for Enrollees to submit questions and comments to the Contractor and receive responses. The Contractor shall reply to Enrollee questions within two (2) Business Days.

6.10.4 The website must comply with the Marketing policies and procedures and with requirements for written materials described in Sections 6.2 and 6.3 of this Contract and must be consistent with applicable Puerto Rico and Federal laws.

6.10.5 The Contractor shall submit website screenshots, active website URLs, and provide ASES access to website development portals upon request, for review and approval of information on the website relating to the GHP Program according to the timeframe specified in Attachment 12 to this Contract.

6.10.6 The Contractor's website shall provide secured online access to the Enrollee's historical and current information.

6.10.7 The Contractor's website shall prominently feature a link to the ASES website, www.ases.pr.gov.

6.10.8 Any Enrollee Information required under 42 CFR 438.10, including the Enrollee Handbook, Provider Directory, FMC and LME, and Enrollee notices, may not be provided electronically or on the Contractor's website unless such Information (1) is readily accessible, (2) is placed on the Contractor's website in a prominent location, (3) is provided in a form that can be electronically retained and printed, and (4) includes notice to the Enrollee that the Information is available in paper form without charge and can be provided upon request within five (5) Business Days. Enrollee Information provided to Enrollees electronically must also comply with content and language requirements as set forth in 42 C.F.R. § 438.10.

6.10.9 The Enrollee Handbook, Provider Directory, FMC and LME may be provided electronically instead of paper form if all required elements of Section 6.10.8 are satisfied. However, the Contractor must provide the Enrollee Handbook, Provider Directory, and FMC and LME in paper form upon request by the Enrollee at no charge and within five (5) Business Days. If the Enrollee Handbook is provided by e-mail, the Contractor must first obtain the Enrollee's agreement to receive the Enrollee Handbook by e-mail. If the Enrollee Handbook is posted on the Contractor's website, the Contractor must first advise the Enrollee in paper or electronic form that the information is available

on the internet, and must include the applicable website address, provided that Enrollees with disabilities who cannot access this information online are provided auxiliary aids and services upon request and at no cost.

6.11 Cultural Competency

6.11.1 In accordance with 42 CFR 438.206, the Contractor shall have a comprehensive written Cultural Competency plan describing how the Contractor will ensure that services are provided in a culturally competent manner to all Enrollees. The Cultural Competency plan must describe how the Providers, individuals, and systems within the Contractor's Plan will effectively provide services to people of all diverse cultural and ethnic backgrounds, disabilities, and regardless of gender, sexual orientation, gender identity, or religion in a manner that recognizes values, affirms, and respects the worth of the individual Enrollees and protects and preserves the dignity of each individual.

6.11.2 The Contractor shall submit the Cultural Competency plan to ASES for review and approval according to the timeframe specified in Attachment 12 to this Contract.

6.11.3 The Contractor may distribute a summary of the Cultural Competency plan, rather than the entire document, to Providers if the summary includes Information on how the Provider may access the full Cultural Competency plan on the Contractor's website. This summary shall also detail how the Provider can request a hard copy from the Contractor at no charge to the Provider.

6.12 Interpreter Services

6.12.1 The Contractor shall provide oral interpreter services to any Enrollee or Potential Enrollee who speaks any language other than English or Spanish as his or her primary language, regardless of whether the Enrollee or Potential Enrollee speaks a language that meets the threshold of a Prevalent Non-English Language. This also includes the use of auxiliary aids and services such as TTY/TDD and the use of American Sign Language. The Contractor is required to notify its Enrollees of the availability of oral interpretation services and to inform them of how to access oral interpretation services. There shall be no charge to an Enrollee or Potential Enrollee for interpreter services or other auxiliary aids.

6.13 Enrollment Outreach

6.13.1 The Contractor shall participate in any Enrollment Outreach activities as prescribed by ASES or the Puerto Rico Medicaid Program.

6.14 Special Enrollee Information Requirements for Dual Eligible Beneficiaries

6.14.1 The Contractor shall inform a Potential Enrollee who is a Dual Eligible Beneficiary:

6.14.1.1 That the Dual Eligible Beneficiary is eligible for services under the GHP with the limits stated in Section 7.12 of this Contract;

6.14.1.2 That the GHP Plan will cover Medicare Part B Deductibles and co-insurance subject to the requirements in Section 23.5.1, but not Medicare Part A Deductibles;

6.14.1.3 That the Dual Eligible Beneficiary may not be simultaneously enrolled in the GHP and in a Medicare Platino plan, for the reason that the Platino plan already includes GHP Benefits; and

6.14.1.4 That as an Enrollee in the Contractor's Plan, the Dual Eligible Beneficiary may access Covered Services only through the PMG, not through the Medicare Provider List.

6.15 **Marketing**

6.15.1 For purposes of this section only, "Contractor" shall also include Contractor's Subcontractors and Network Providers to the extent that such Subcontractors and Network Providers are conducting Marketing activities.

6.15.2 Prohibited Activities. The Contractor is prohibited from engaging in the following activities:

6.15.2.1 Directly or indirectly engaging in door-to-door, telephone, e-mail, texting or other Cold-Call Marketing activities;

6.15.2.2 Offering any favors, inducements or gifts, promotions, or other insurance products that are designed to induce Enrollment in the Contractor's Plan;

6.15.2.3 Distributing plans and materials that contain statements that ASES determines are inaccurate, false, or misleading. Statements considered false or misleading include, but are not limited to, any assertion or statement (whether written or oral) that the Contractor's Plan is endorsed by the Federal Government or Government, or similar entity;

6.15.2.4 Distributing materials that, according to ASES, mislead or falsely describe the Contractor's Provider Network, the participation or availability of Network Providers, the qualifications and skills of Network Providers (including their bilingual skills); or the hours and location of network services;

6.15.2.5 Seeking to influence Enrollment in conjunction with the sale or offering of any private insurance; and

6.15.2.6 Asserting or stating in writing or verbally that the Enrollee or Potential Enrollee must enroll in the Contractor's Plan to obtain or retain Benefits.

6.15.2.7 Marketing Contractor's Plan to Enrollees or Potential Enrollees prior to October 1, 2018.

6.15.3 Allowable Activities. The Contractor shall be permitted to perform the following Marketing activities:

6.15.3.1 Distribute general information through mass media (i.e., newspapers, magazines and other periodicals, radio, television, the Internet, public transportation advertising, and other media outlets);

6.15.3.2 Make telephone calls, mailings and home visits only to Enrollees currently enrolled in the Contractor's plan, for the sole purpose of educating them about services offered by or available through the Contractor;

6.15.3.3 Distribute brochures and display posters at Provider offices that inform patients that the Provider is part of the GHP Provider Network; and

6.15.3.4 Attend activities that benefit the entire community, such as health fairs or other health education and promotional activities.

6.15.4 If the Contractor performs an allowable activity, the Contractor must conduct that activity Island-wide.

6.15.5 All materials shall be in compliance with the informational requirements in 42 CFR 438.10.

6.15.6 ASES Approval of Marketing Materials

6.15.6.1 The Contractor shall submit a detailed description of its Marketing plan and copies of all Marketing Materials (written and oral) that it or its Subcontractors plan to distribute to ASES for review and prior written approval according to the timeframe specified in Attachment 12 to this Contract. This requirement includes, but is not limited to posters, brochures, websites, and any materials that contain statements regarding the Benefit package and Provider Network-related materials. Neither the Contractor nor its Subcontractors shall distribute any Marketing Materials without prior written approval from ASES.

6.15.6.1.1 The Contractor may begin Marketing activities using the materials and marketing plan approved by ASES beginning on October 1, 2018.

6.15.6.2 The Contractor may not initiate Marketing or distribute Marketing Materials of its GHP Plan until ASES has granted its written authorization for all Contractors to initiate Marketing at the same time.

6.15.6.3 The Contractor shall submit any changes to previously approved Marketing Materials and receive written approval from ASES of the changes before distribution.

6.15.6.4 The Contractor must comply with ASES' Normative Letter 18-0807, and any superseding Normative Letters, related to the review and approval of the Contractors Marketing Materials included in Attachment 13 to this Contract.

6.15.7 Provider Marketing Materials

6.15.7.1 The Contractor is responsible for ensuring that not only its Marketing activities, but also the Marketing activities of its Subcontractors and Providers, meet the requirements of this Section 6.14.

6.15.7.2 The Contractor shall collect from its Providers any Marketing Materials they intend to distribute and submit these to ASES for review and written approval prior to distribution.

6.15.7.3 The Contractor shall provide for equitable distribution of all Marketing Materials without bias toward or against any group.

ARTICLE 7 COVERED SERVICES AND BENEFITS

7.1 Requirement to Provide Covered Services

7.1.1 The Contractor shall at a minimum provide Medically Necessary Covered Services to Enrollees as of the Effective Date of Enrollment (including the retroactive period specified in Section 5.1.3.1) pursuant to the program requirements of the GHP, and the Puerto Rico Medicaid State Plan and CHIP Plan. The Contractor shall not impose any other exclusions, limitations, or restrictions on any Covered Service, and shall not arbitrarily deny or reduce the amount, duration, or scope of a Covered Service solely because of the diagnosis, type of illness, or condition.

7.1.1.1 In accordance with Section 2702 of the PPACA and 42 CFR 438.3(g), the Contractor must have mechanisms in place to prevent payment for the following Provider preventable conditions and must require all providers to report on such Provider preventable conditions associated with Claims for payment or Enrollee treatments for which payment would otherwise be made. The

Contractor must report all identified Provider preventable conditions to ASES as follows:

7.1.1.1.1 All hospital acquired conditions as identified by Medicare other than deep vein thrombosis (DVT)/Pulmonary Embolism (PE) following total knee replacement or hip replacement surgery in pediatric and obstetric patients for inpatient hospital services; and

7.1.1.1.2 Any incorrect surgical or other invasive procedure performed on a patient; any surgical or other invasive procedure performed on the incorrect body part; or any surgical or other invasive procedure performed on the incorrect patient for inpatient and non-institutional services.

7.1.2 The Contractor shall not deny Covered Services based on pre-existing conditions, the individual's genetic Information, or waiting periods.

7.1.3 The Contractor shall not be required to provide a Covered Service to a person who is not an Eligible Person.

7.1.4 The Contractor shall not be required to pay for a Covered Service if:

7.1.4.1 The Enrollee paid the Provider for the service. This rule does not apply in circumstances where a Medicaid or CHIP Eligible Enrollee incurs out-of-pocket expenses for Emergency Services provided in the other USA jurisdictions. In such a case, the expenses will be reimbursed under the GHP; or

7.1.4.2 The service was provided by a person or entity that does not meet the definition of a Network Provider (with the exception of Medical Emergencies and cases where the service was Prior Authorized by the Contractor).

7.1.5 The Contractor shall make a best effort to conduct an initial screening, consistent with 42 CFR 438.208(b)(3), of each Enrollee's needs within ninety (90) days of the Effective Date of Enrollment for all new Enrollees, including subsequent attempts if the initial attempt to contact the Enrollee is unsuccessful. The screening shall assess Enrollee's needs for physical health services, Behavioral Health services, special health care services, and supports for social determinants of health.

7.1.6 The availability of health care services through Telehealth, Telemedicine, and Teledentistry is a matter of public policy that must be developed and made operational by the Contractor and Providers. As a general principle, ASES will treat Telemedicine and telehealth services on equal footing as in-person services, providing for the required adjustment in reimbursement when appropriate and for the establishment of necessary oversight by the Contractor.

Subject to the foregoing, the Contractor shall allow Providers to conduct patient re-assessments and provide clinically appropriate care via the use of Telemedicine and Teledentistry, in accordance with Puerto Rico law and any applicable federal requirements governing such activity. Telemedicine and Teledentistry services will be subject to periodic review and/or audits by applicable governmental agencies and ASES to ensure quality of services and to further ensure that the remote platform is the clinically appropriate means to provide assessment, follow up, diagnosis, and/or treatment to an individual patient.

7.1.7 Any references to CPT or HCPCS codes related to Covered Services are provided for illustrative purposes only, are subject to change without notice, and may not represent a comprehensive list of the CPT/HCPCS codes that should be covered by the Contractor in order to provide the required Covered Services. Notwithstanding the above, before including any new treatment, technology, medical or surgical procedure, physical or behavioral therapy, drug therapy or other items or services as Covered Services, ASES will, at its discretion, conduct an actuarial evaluation to assess the impact of such new Covered Services. Based on the actuarial evaluation, the PMPM Payments may be adjusted to reflect the costs of the new Covered Services. Any adjustment in the PMPM Payments may also require, if applicable, adjustment of the capitated rates of the PMGs and other Providers at risk.

7.2 **Medical Necessity**

7.2.1 Based on generally accepted medical practices specific to the medical or Behavioral Health condition of the Enrollee at the time of treatment, Medically Necessary Services are those that relate to (i) the prevention, diagnosis, and treatment of health impairments; (ii) the ability to achieve age-appropriate growth and development; or (iii) the ability to attain, maintain, or regain functional capacity. The scope of Medically Necessary Services must not be any more restrictive than that of Puerto Rico's Medicaid program. Additionally, Medically Necessary services must be:

7.2.1.1 Appropriate and consistent with the diagnosis of the treating Provider and the omission of which could adversely affect the eligible Enrollee's medical condition;

7.2.1.2 Compatible with the standards of acceptable medical practice in the medical community;

7.2.1.3 Provided in a safe, appropriate, and cost-effective setting given the nature of the diagnosis and the severity of the symptoms;

7.2.1.4 Not provided solely for the convenience of the Enrollee or the convenience of the Provider or hospital; and

7.2.1.5 Not primarily custodial care (for example, foster care).

7.2.2 In order for a service to be Medically Necessary, there must be no other effective and more conservative or substantially less costly treatment, service, or setting available.

7.3 Experimental or Cosmetic Procedures

7.3.1 In no instance shall the Contractor cover experimental or cosmetic procedures, except as required by the Puerto Rico Patient's Bill of Rights Act or any other Federal or Puerto Rico law or regulation. Breast reconstruction after a mastectomy and surgical procedures that are determined to be Medically Necessary to treat morbid obesity shall not be regarded as cosmetic procedures.

7.4 Covered Services and Administrative Functions

7.4.1 Benefits under the GHP are comprised of four categories: (i) Basic and Behavioral Health Coverage, (ii) dental services, (iii) Special Coverage, and (v) Administrative Functions. The scope of these items is covered in Sections 7.5 – 7.8, in the order listed.

7.4.2 The Contractor may cover services or settings for Enrollees that are in lieu of those covered under the State plan if ASES has approved the in lieu of service or setting as a medically appropriate and cost-effective substitute. If approved by ASES, the Contractor may offer the in lieu of service or setting to Enrollees, as appropriate and at the option of Contractor, but shall not require an Enrollee to use an in lieu of service or setting. The utilization and actual cost of approved in lieu of services or settings will be taken into account in developing the component of the PMPM Payment that represents the covered Medicaid State Plan services or settings, unless a statute or regulation explicitly requires otherwise. Approved in lieu of services or settings shall be identified and incorporated into this Contract through subsequent amendment, and will be communicated to Contractors via a Normative Letter or other standard method of communication of formal GHP policy.

7.5 Basic and Behavioral Health Coverage

7.5.1 Basic and Behavioral Health Coverage is available to all GHP Enrollees, except as provided in the table below. Basic Coverage includes the following categories:

BASIC COVERAGE SERVICES	**GHP ELIGIBILITY GROUPS COVERED**
Preventive Services	All
Diagnostic Test Services	All
Outpatient Rehabilitation Services	All

BASIC COVERAGE SERVICES	GHP ELIGIBILITY GROUPS COVERED
Medical and Surgical Services	All
Emergency Transportation Services	All (Services outside Puerto Rico available only for Medicaid and CHIP Eligibles)
Maternity and Pre-Natal Services	All
Emergency Services	All (Services outside Puerto Rico available only for Medicaid and CHIP Eligibles)
Hospitalization Services	All
Behavioral Health Services	All
Pharmacy Services	All (Note: Claims processing and adjudication Services provided by PBM; not covered under this Contract.)

7.5.2 Exclusions from Basic Coverage

7.5.2.1 The following services are excluded from all Basic Coverage. In addition, exclusions specific to each category of Covered Services are noted in Sections 7.5.3 – 7.5.12 below.

7.5.2.1.1 Expenses for personal comfort materials or services, such as, telephone use, television, or toiletries;

7.5.2.1.2 Services rendered by close family relatives (parents, children, siblings, grandparents, grandchildren, or spouses);

7.5.2.1.3 Weight control treatment (obesity or weight gain) for aesthetic reasons. As noted, procedures determined to be Medically Necessary to address morbid obesity shall not be excluded;

7.5.2.1.4 Sports medicine, music therapy, and natural medicine;

7.5.2.1.5 Services, diagnostic testing, or treatment ordered or rendered by naturopaths, naturists, or iridologists;

7.5.2.1.6 Health Certificates, except as provided in Section 7.5.3.2.10 (Preventive Services);

7.5.2.1.7 Epidural anesthesia services;

7.5.2.1.8 Educational tests or services;

7.5.2.1.9 Peritoneal dialysis or hemodialysis services (covered under Special Coverage, not Basic Coverage);

7.5.2.1.10 Home Health and Hospice care for Adults;

7.5.2.1.11 Services received outside the territorial limits of Puerto Rico, except as provided in Sections 7.5.7.11 (Emergency Transportation) and 7.5.9.3 (Emergency Services);

7.5.2.1.12 Expenses incurred for the treatment of conditions resulting from services not covered under the GHP (maintenance prescriptions and required clinical laboratories for the continuity of a stable health condition, as well as any emergencies which could alter the effects of the previous procedure, are covered);

7.5.2.1.13 Judicially ordered evaluations for legal purposes;

7.5.2.1.14 Travel expenses, even when ordered by the Primary Care Physician;

7.5.2.1.15 Psychological, psychometric, and psychiatric tests and evaluations to obtain employment or insurance, or for purposes of litigation;

7.5.2.1.16 Eyeglasses, contact lenses and hearing aids for Adults;

7.5.2.1.17 Acupuncture services;

7.5.2.1.18 Sex change procedures;

7.5.2.1.19 Organ and tissue transplants, except skin, bone and corneal transplants.; and

7.5.2.1.20 Treatment for infertility and/or related to conception by artificial means including tuboplasty, vasovasectomy, and any other procedure to restore the ability to procreate.

7.5.2.1.21 Mechanical respirators and ventilators with oxygen supplies are covered without limits as required by local law to Enrollees under age twenty-one (21). The Contractor must cooperate with ASES and DOH to provide any necessary information as directed by ASES. All Durable Medical Equipment (DME) is not covered; however, DME may be covered on a case-by-case basis under an exceptions process.

7.5.3 Preventive Services

7.5.3.1 Well Baby Care. The Contractor shall provide the following Preventive Services as Covered Services under the Well Baby Care Program:

7.5.3.1.1 One (1) annual comprehensive evaluation by a certified Provider, which complements other services for children and young adults provided pursuant to the periodicity scheme of the American Academy of Pediatrics and Title XIX (EPSDT); and

7.5.3.1.2 Other services, as needed.

7.5.3.2 Other Preventive Services. The Contractor shall provide the following Preventive Services as Covered Services for all GHP Enrollees:

7.5.3.2.1 All immunizations shall be provided for Pediatric Enrollees, and those necessary according to age, gender, and health condition of the Enrollee, including but not limited to: influenza and pneumonia, and vaccines for children and adults with high risk conditions such as pulmonary, renal, diabetes and heart disease, among others.

7.5.3.2.1.1 The Puerto Rico Department of Health shall provide and pay for vaccines to Enrollees ages zero (0) and eighteen (18), excluding those in the State Population, through the Children's Immunization Program. The Contractor shall cover the administration of the vaccines provided by the Puerto Rico Department of Health.

7.5.3.2.1.2 The Contractor shall provide and pay for the immunizations of Enrollees in the State Population ages zero (0) and eighteen (18), all Enrollees ages nineteen (19) to twenty (20), and those necessary according to age, gender and health condition of the Enrollee, including but not limited to influenza and pneumonia vaccines for Enrollees over sixty-five (65) years and adults with high risk conditions such as pulmonary, renal, diabetes, and heart disease, among others.

7.5.3.2.1.3 ASES shall reimburse the Contractor the corresponding COVID-19 vaccine administration fee, administered by qualifying providers and according to Normative Letter 20-1214. For vaccines administered in pharmacies, ASES shall reimburse Contractor for

administration at authorized pharmacies until March 31, 2021.[5]

7.5.3.2.1.4 The Contractor shall cover the administration of all the vaccines according to the fee schedule established by the Puerto Rico Health Department. The Contractor shall contract with immunization providers, duly certified by the Puerto Rico Department of Health, to provide immunization services.

7.5.3.2.1.5 The Contractor shall administer the immunizations without any charge or deductible.

7.5.3.2.2 Hearing exam, including hearing screening for newborns prior to their leaving the hospital nursery;

7.5.3.2.3 Evaluation and nutritional screening;

7.5.3.2.4 Medically Necessary laboratory exams and diagnostic tests, appropriate to the Enrollee's age, sex, and health condition, including, but not limited to:

7.5.3.2.4.1 Prostate and gynecological cancer screening according to accepted medical practice, including Pap smears (for Enrollees over age eighteen (18)), mammograms (for Enrollees age forty (40) and over), and Prostate-Specific Antigen (PSA) tests when Medically Necessary; and

7.5.3.2.4.2 Sigmoidoscopy and colonoscopy for colon cancer detection in Adults age fifty (50) years and over, classified in risk groups according to accepted medical practice;

7.5.3.2.5 Nutritional, oral, and physical health education;

7.5.3.2.6 Reproductive health counseling and family planning. Enrollees shall be free to choose the method of family planning in accordance with 42 CFR 438.210(a)(4)(ii)(C). The Contractor shall cover the following family planning services:

7.5.3.2.6.1 Education and Counseling;

[5] Please confirm if this sentence needs to be deleted or updated.

7.5.3.2.6.2 Pregnancy testing;

7.5.3.2.6.3 Infertility assessments;

7.5.3.2.6.4 Sterilization services in accordance with 42 CFR 441.200, subpart F.

7.5.3.2.6.5 Laboratory services;

7.5.3.2.6.6 At least one of every class and category of FDA-approved contraceptive method as specified by ASES's Normative Letter 15-1012 (Attachment 13);

7.5.3.2.6.7 At least one of every class of FDA-approved contraceptive medication as specified in ASES's Normative Letter 15-1012 (Attachment 13 to this Contract);

7.5.3.2.6.8 Cost and insertion removal of non-oral products, such as long acting reversible contraceptives (LARC) as specified in ASES's Normative Letter 15-1012 (Attachment 13 to this Contract); and

7.5.3.2.6.9 Other FDA-approved contraceptive medications or methods not covered by sections 7.5.3.2.6.6 or 7.5.3.2.6.7 of the Contract, when it is Medically Necessary and approved through a Prior Authorization or through an exception process and the prescribing Provider can demonstrate at least one of the following situations:

7.5.3.2.6.9.1 Contra-indication with drugs that are in the ASES's Normative Letter 15-1012 (Attachment 13 to this Contract) that the Enrollee is already taking, and no other methods available in the ASES's Normative Letter 15-1012 (Attachment 13 to this Contract) that can be used by the Enrollee;

7.5.3.2.6.9.2 History of adverse reaction by the Enrollee to the contraceptive methods covered as specified by ASES's Normative Letter 15-1012 (Attachment 13 to this Contract);

7.5.3.2.6.9.3 History of adverse reaction by the Enrollee to the contraceptive medications covered as specified by ASES's Normative Letter 15-1012 (Attachment 13 to this Contract);

7.5.3.2.7 Syringes for home medicine administration, if deemed Medically Necessary;

7.5.3.2.8 Annual physical exam and follow-up for diabetic patients according to the Diabetic Patient Treatment Guide and Health Department protocols; and

7.5.3.2.9 Health Certificates are covered under the GHP, provided that cost sharing and/or deductibles applicable for necessary procedures and laboratory testing related to generating a Health Certificate will be the Enrollee's responsibility. Such certificates shall include:

7.5.3.2.9.1 Venereal Disease Research Laboratory ("VDRL") tests;

7.5.3.2.9.2 Tuberculosis ("TB") tests; and

7.5.3.2.9.3 Any Certification for GHP Enrollees related to eligibility for the Medicaid Program (provided at no charge).

7.5.4 Diagnostic Test Services

7.5.4.1 The Contractor shall provide the following diagnostic test services as Covered Services:

7.5.4.1.1 Diagnostic and testing services for Enrollees under age twenty-one (21) required by EPSDT, as defined in Section 1905(r) of the Social Security Act;

7.5.4.1.2 Clinical labs, including but not limited to, any laboratory order for disease diagnostic purposes, even if the final diagnosis is a condition or disease whose treatment is not a Covered Service;

7.5.4.1.3 Hi-tech Labs;

7.5.4.1.4 X-Rays;

7.5.4.1.5 Electrocardiograms;

7.5.4.1.6 Radiation therapy (Prior Authorization required);

7.5.4.1.7 Pathology;

7.5.4.1.8 Arterial gases and Pulmonary Function Test;

7.5.4.1.9 Electroencephalograms;

7.5.4.1.10 Diagnostic services for Enrollees who present learning disorder symptoms; and

7.5.4.1.11 Services related to a diagnostic code included in the Diagnostic and Statistical Manual of Mental Disorders ("DSM IV or DSM V").

7.5.4.2 The following shall not be considered diagnostic test services covered under the GHP:

7.5.4.2.1 Polysomnography studies; and

7.5.4.2.2 Clinical labs processed outside of Puerto Rico.

7.5.5 Outpatient Rehabilitation Services

7.5.5.1 The Contractor shall provide the following outpatient rehabilitation services as Covered Services:

7.5.5.1.1 Medically Necessary outpatient rehabilitation services for Enrollees under age twenty-one (21), as required by EPSDT, Section 1905(r) of the Social Security Act;

7.5.5.1.2 Physical therapy (limited to a maximum of fifteen (15) treatments per Enrollee condition per year, unless Prior Authorization of an additional fifteen (15) treatments is indicated by an orthopedist or physiatrist or chiropractor);

7.5.5.1.3 Occupational therapy, without limitations; and

7.5.5.1.4 Speech therapy, without limitations.

7.5.6 Medical and Surgical Services

7.5.6.1 The Contractor shall provide the following medical and surgical services as Covered Services:

7.5.6.1.1 Early and Periodic Screening, Diagnostic and Treatment ("EPSDT") services, as defined in Section 1905(r) of the Social Security Act;

7.5.6.1.2 Primary Care Physician visits, including nursing services;

7.5.6.1.3 Specialist treatment, once referred by the selected PCP if outside of the Enrollee's PPN;

7.5.6.1.4 Sub-specialist treatment, once referred by the selected PCP if outside of the Enrollee's PPN;

7.5.6.1.5 Physician home visits when Medically Necessary;

7.5.6.1.6 Respiratory therapy, without limitations;

7.5.6.1.7 Anesthesia services (except for epidural anesthesia);

7.5.6.1.8 Radiology services;

7.5.6.1.9 Pathology services;

7.5.6.1.10 Surgery;

7.5.6.1.11 Outpatient surgery facility services;

7.5.6.1.12 Nursing services;

7.5.6.1.13 Voluntary sterilization of men and women of legal age and sound mind, provided that they have been previously informed about the medical procedure's implications, and that there is evidence of Enrollee's written consent by completing the Sterilization Consent Form included as Attachment 22 to this Contract;

7.5.6.1.14 Prosthetics, including the supply of all extremities of the human body including therapeutic ocular prosthetics, segmental instrument tray, and spine fusion in scoliosis and vertebral surgery;

7.5.6.1.15 Ostomy equipment for outpatient-level ostomized patients;

7.5.6.1.16 Transfusion of blood and blood plasma services, without limitations, including the following:

7.5.6.1.16.1 Antihemophilic recombinant factor VIII;

7.5.6.1.16.2 Antihemophilic recombinant factor IX;

7.5.6.1.16.3 Anti-inhibitor coagulant complex (Feiba); and

7.5.6.1.16.4 Antihemophilic factor VIII, human/Von Willebrand factor complex.

7.5.6.1.17 Services to patients with Level 1 or Level 2 of chronic renal disease (Levels 3 to 5 are included in Special Coverage in Section 7.7).

7.5.6.1.17.1 Chronic renal disease Levels 1 and 2 are defined as follows:

7.5.6.1.17.1.1 Level 1. GFR (Glomerular Filtration – ml/min. per 1.73m² per corporal area surface) over 90; slight damage when protein is present in the urine.

7.5.6.1.17.1.2 Level 2. GFR between 60 and 89, a slight decrease in kidney function.

7.5.6.1.17.2 When GFR decreases to under 60 ml/min per 1.73 m², the Enrollee must be referred to a nephrologist for proper management. The Enrollee will be registered for Special Coverage.

7.5.6.1.18 Skin, bone and corneal transplants.

7.5.6.1.19 The use of Veklury (remdesivir) as medically necessary for the treatment of hospitalized adult and pediatric Enrollees with suspected or laboratory-confirmed COVID-19, in accordance with FDA guidance. The costs of such drug and/or treatment shall be reimbursed by ASES separately from PMPM Payments.

7.5.6.2 While cosmetic procedures shall be excluded from Covered Services, breast reconstruction after a mastectomy and surgical procedures Medically Necessary to treat morbid obesity shall not be considered to be cosmetic procedures.

7.5.6.3 Mechanical respirators and ventilators with oxygen supplies are covered without limits as required by local law to Enrollees under age twenty-one (21). All Durable Medical Equipment (DME) is not covered; however, DME may be covered on a case-by-case basis under an exceptions process.

7.5.6.4 Abortions are covered if the mother suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, which would, as certified by a physician, place the woman in danger of death unless an abortion was performed, or in the following instances: (i) life of the mother would be in danger if the fetus is carried to term; (ii) when the pregnancy is a result of rape or incest; and (iii) severe and long lasting damage would be caused to the

mother if the pregnancy is carried to term, as certified by a physician.

7.5.7 Emergency Transportation Services

7.5.7.1 The Contractor shall provide Emergency Transportation Services, including but not limited to, maritime and ground transportation, in emergency situations as Covered Services.

7.5.7.2 Emergency transportation services shall be available twenty-four (24) hours a day, seven (7) days per Week throughout Puerto Rico.

7.5.7.3 Emergency transportation services do not require Prior Authorization.

7.5.7.4 The Contractor shall ensure that adequate emergency transportation is available to transport any Enrollees experiencing an Emergency Medical Conditions or a Psychiatric Emergency, or whose conditions require emergency transportation because of their geographical location.

7.5.7.5 The Contractor may not impose limits on what constitutes an Emergency Medical Condition or a Psychiatric Emergency on the basis of lists of diagnoses or symptoms.

7.5.7.6 Aerial emergency transportation services are provided and paid for by the Government of Puerto Rico under a separate contract. The Contractor shall coordinate the provision of aerial emergency transportation on behalf of its Enrollees when Medically Necessary utilizing the Provider designated by the Government of Puerto Rico.

7.5.7.7 The Contractor shall bear the expenses of providing emergency transportation and shall adhere to Puerto Rico laws and regulations concerning emergency transportation, including applicable fees as established by the Public Service Commission of the Government of Puerto Rico (CSP for its acronym in Spanish).

7.5.7.8 The Contractor shall provide Category II and Category III Ambulance Services pursuant to Regulation No. 6737 of the Public Service Commission.

7.5.7.8.1 Category II Ambulances are Ambulances utilized for the transportation of ill, injured, hurt, and disabled patients equipped with the specifications set by the Department of Heath of Puerto Rico. Fees paid for Type III ambulances are set by Provision 57.37 of the Public Service Commission.

7.5.7.8.2 Category III Ambulances must comply with all the requirements of Category II Ambulances, have advanced stabilization equipment and are specially designed and equipped as established from time to time by the Ambulance Certification Office of the Department of Health of Puerto Rico.

7.5.7.9 The Contractor may not retroactively deny a Claim for emergency transportation services because the Enrollee's condition, which at the time of service appeared to be an Emergency Medical Condition or a Psychiatric Emergency under the prudent layperson standard, was ultimately determined to be a non-emergency.

7.5.7.10 In any case in which an Enrollee is transported by ambulance to a facility that is not a Network Provider, and, after being stabilized, is transported by ambulance to a facility that is a Network Provider, all emergency transportation costs, provided that they are justified by prudent layperson standards, will be borne by the Contractor.

7.5.7.11 The Contractor shall be responsible for timely payment for emergency transportation services in the other USA jurisdictions for Enrollees who are Medicaid or CHIP Eligibles, if the emergency transportation is associated with an Emergency Service in the other USA jurisdictions covered under Section 7.5.9.3.1.2 of this Contract. If, in an extenuating circumstance, a Medicaid or CHIP Eligible Enrollee incurs out-of-pocket expenses for emergency transportation services provided in the other USA jurisdictions, the Contractor shall reimburse the Enrollee for such expenses in a timely manner, and the reimbursement shall be considered a Covered Service.

7.5.7.12 Emergency transportation services will be subject to periodic reviews and/or audits by applicable governmental agencies and ASES to ensure quality of services.

7.5.8 Maternity and Pre-Natal Services

7.5.8.1 The Contractor shall provide the following maternity and pre-natal services as Covered Services:

7.5.8.1.1 Pregnancy testing;

7.5.8.1.2 Medical services, during pregnancy and post-partum;

7.5.8.1.3 Physician and nurse obstetrical services during vaginal and caesarean section deliveries, and services to address any complication that arises during the delivery;

7.5.8.1.4 Treatment of conditions attributable to the pregnancy or delivery, when medically recommended;

7.5.8.1.5 Hospitalization for a period of at least forty-eight (48) hours in cases of vaginal delivery, and at least ninety-six hours (96) in cases of caesarean section;

7.5.8.1.6 Anesthesia, excluding epidural;

7.5.8.1.7 Incubator use, without limitations;

7.5.8.1.8 Fetal monitoring services, during hospitalization only;

7.5.8.1.9 Nursery room routine care for newborns;

7.5.8.1.10 Circumcision and dilatation services for newborns;

7.5.8.1.11 Transportation of newborns to tertiary facilities when necessary;

7.5.8.1.12 Pediatrician assistance during delivery; and

7.5.8.1.13 Delivery services provided in free-standing birth centers.

7.5.8.2 The following are excluded from maternity and pre-natal Covered Services:

7.5.8.2.1 Outpatient use of fetal monitor;

7.5.8.2.2 Treatment services for infertility and/or related to conception by artificial means;

7.5.8.2.3 Services, treatments, or hospitalizations as a result of a provoked non-therapeutic abortion or associated complications are not covered. The following are considered to be provoked abortions:

7.5.8.2.3.1 Dilatation and curettage (CPT Code 59840);

7.5.8.2.3.2 Dilatation and expulsion (CPT Code 59841);

7.5.8.2.3.3 Intra-amniotic injection (CPT Codes 59850, 59851, 59852);

7.5.8.2.3.4 One or more vaginal suppositories (e.g., Prostaglandin) with or without cervical dilatation (e.g., Laminar), including hospital admission and visits, fetus birth, and secundines (CPT Code 59855);

7.5.8.2.3.5 One or more vaginal suppositories (e.g., Prostaglandin) with dilatation and curettage/or evacuation (CPT Code 59856); and

7.5.8.2.3.6 One or more vaginal suppositories (e.g., Prostaglandin) with hysterectomy (omitted medical expulsion) (CPT Code 59857); and

7.5.8.2.4 Differential diagnostic interventions up to the confirmation of pregnancy are not covered. Any procedure after the confirmation of pregnancy will be at the Contractor's own risk.

7.5.8.3 The Contractor shall implement a pre-natal and maternal program, aimed at preventing complications during and after pregnancy, and advancing the objective of lowering the incidence of low birth weight and premature deliveries.

7.5.8.3.1 The program shall include, at a minimum, the following components:

7.5.8.3.1.1 A pre-natal care card, used to document services utilized;

7.5.8.3.1.2 Counseling regarding HIV testing and referral for positive screens;

7.5.8.3.1.3 Pregnancy testing;

7.5.8.3.1.4 A RhoGAM injection for all pregnant women who have a negative Rhesus ("Rh") factor according to the established protocol;

7.5.8.3.1.5 Alcohol screening of pregnant women with the 4P-Plus instrument and referral as needed;

7.5.8.3.1.6 Smoking cessation counseling and treatment;

7.5.8.3.1.7 Post-partum depression screening using the Edinburgh post-natal depression scale and referral as needed;

7.5.8.3.1.8 Post-partum counseling and Referral to the WIC program;

7.5.8.3.1.9 Dental evaluation during the second trimester of gestation and referral as needed; and

7.5.8.3.1.10 Educational workshops regarding pre-natal care topics (importance of pre-natal medical visits and post-partum care), breast-feeding, stages of childbirth, oral and Behavioral Health, family planning, and newborn care, among others.

7.5.8.3.2 The Contractor shall ensure that eighty-five percent (85%) of pregnant Enrollees receive services under the Pre-Natal and Maternal Program. The Contractor shall submit its pre-natal and Maternal Program maternal wellness plan to ASES according to the timeframe specified in Attachment 12 to this Contract, and shall submit reports quarterly concerning the usage of services under this program.

7.5.8.4 The Contractor shall provide reproductive health and family planning counseling. Such services shall be provided voluntarily and confidentially, including circumstances where the Enrollee is under age eighteen (18). Family planning services will include, at a minimum, the following:

7.5.8.4.1 Education and counseling;

7.5.8.4.2 Pregnancy testing;

7.5.8.4.3 Infertility assessment;

7.5.8.4.4 Sterilization services in accordance with 42 CFR 441.200, subpart F;

7.5.8.4.5 Laboratory services;

7.5.8.4.6 Cost and insertion/removal of non-oral products, such as long acting reversible contraceptives (LARC) as specified by ASES's Normative Letter 15-1012 (Attachment 13 to this Contract);

7.5.8.4.7 At least one of every class and category of FDA-approved contraceptive medication as specified in ASES's Normative Letter 15-1012 (Attachment 13 to this Contract);

7.5.8.4.8 At least one of every class and category of FDA-approved contraceptive method as specified in ASES's Normative Letter 15-1012 (Attachment 13 to this Contract); and

7.5.8.4.9 Other FDA-approved contraceptive medications or methods not covered by sections 7.5.8.4.7 or 7.5.8.4.8 of the Contract, when it is Medically Necessary and approved through a Prior Authorization or through an exception process and the

prescribing Provider can demonstrate at least one of the following situations:

7.5.8.4.9.1 Contra-indication with drugs that are in ASES's Normative Letter 15-1012 (Attachment 13 to this Contract) that the Enrollee is already taking, and no other methods available in the ASES's Normative Letter 15-1012 (Attachment 13 to this Contract) that can be used by the Enrollee.

7.5.8.4.9.2 History of adverse reaction by the Enrollee to the contraceptive methods covered as specified by ASES's Normative Letter 15-1012 (Attachment 13 to this Contract); or

7.5.8.4.9.3 History of adverse reaction by the Enrollee to the contraceptive medications that are in ASES's Normative Letter 15-1012 (Attachment 13 to this Contract).

7.5.8.5 Maternity services, including family planning and postpartum services must be covered for a sixty (60) Calendar Day period, beginning on the day the pregnancy ends. These services will also be covered for any remaining days in the month in which the sixtieth (60^{th}) day falls.

7.5.9 Emergency Services

7.5.9.1 The Contractor shall cover and pay for Emergency Services where necessary to treat an Emergency Medical Condition or a Behavioral Health Emergency. The Contractor shall ensure that Medical and Behavioral Health Emergency Services are available twenty-four (24) hours a day, seven (7) days per Week. The Contractor shall ensure that emergency rooms and other Providers qualified to furnish Emergency Services have appropriate personnel to provide physical and Behavioral Health Services. All Emergency Services must be billed appropriately to the Contractor based on the applicable treatment and site of care. No Prior Authorization will be required for Emergency Services, and the Contractor shall not deny payment for treatment if a representative of the Contractor instructed the Enrollee to seek Emergency Services.

7.5.9.2 Emergency Services shall include, but are not limited to, the following:

7.5.9.2.1 Emergency room visits, including medical attention and routine and necessary services;

7.5.9.2.2 Trauma services;

7.5.9.2.3 Operating room use;

7.5.9.2.4 Respiratory therapy;

7.5.9.2.5 Specialist and sub-specialist treatment when required by the emergency room physician;

7.5.9.2.6 Anesthesia;

7.5.9.2.7 Surgical material;

7.5.9.2.8 Laboratory tests and X-Rays;

7.5.9.2.9 Post-Stabilization Services, as provided in Section 7.5.9.4 below;

7.5.9.2.10 Care as necessary in the case of a Psychiatric Emergency in an emergency room setting;

7.5.9.2.11 Drugs, medicine and intravenous solutions used in the emergency room; and

7.5.9.2.12 Transfusion of blood and blood plasma services, without limitations, including:

7.5.9.2.12.1 Antihemophilic recombinant factor VIII;

7.5.9.2.12.2 Antihemophilic recombinant factor IX;

7.5.9.2.12.3 Anti-inhibitor coagulant complex (Feiba); and

7.5.9.2.12.4 Antihemophilic factor VIII, human/Von Willebrand factor complex.

7.5.9.3 Emergency Services Within and Outside Puerto Rico

7.5.9.3.1 The Contractor shall make Emergency Services available:

7.5.9.3.1.1 For all Enrollees, throughout Puerto Rico and notwithstanding whether the Emergency Services Provider is a Network Provider; and

7.5.9.3.1.2 For Medicaid and CHIP Eligibles, in Puerto Rico or in the other USA jurisdictions, when the services are Medically Necessary and could not be anticipated, notwithstanding that Emergency Services Providers outside of Puerto Rico are not

Network Providers. The Contractor shall be responsible for fulfilling payment for Emergency Services rendered in the other USA jurisdictions in a timely manner. If, in an extenuating circumstance, a Medicaid or CHIP Eligible Enrollee incurs out-of-pocket expenses for Emergency Services provided in the other USA jurisdictions, the Contractor shall reimburse the Enrollee for such expenses in a timely manner, and the reimbursement shall be considered a Covered Service.

7.5.9.3.2 In covering Emergency Services provided by Puerto Rico Providers outside the Contractor's Network, or by Providers in the other USA jurisdictions, the Contractor shall pay the Provider at least the average rate paid to Network Providers.

7.5.9.4 Post-Stabilization Services

7.5.9.4.1 The Contractor shall cover Post-Stabilization Services obtained from any Provider, regardless of whether the Provider is in the General Network or PPN, that are administered to maintain the Enrollee's stabilized condition for one (1) hour while awaiting response on a Prior Authorization request. The attending Emergency Room physician or other treating Provider shall be responsible for determining whether the Enrollee is sufficiently stabilized for transfer or discharge. That determination will be binding for the Contractor with respect to its responsibility for coverage and payment.

7.5.9.4.2 An Enrollee who has been treated for an Emergency Medical Condition or Behavioral Health Emergency shall not be held liable for any subsequent screening or treatment necessary to stabilize or diagnose the specific condition in order to stabilize the Enrollee.

7.5.9.4.3 Financial Responsibility

7.5.9.4.3.1 The Contractor shall be financially responsible for Post-Stabilization Services obtained within or outside the Contractor's General Network. These services will be subject to Prior Authorization by a Network Provider or any other Contractor representative.

7.5.9.4.3.2 The Contractor must limit cost-sharing for Post-Stabilization Services upon inpatient admission to Enrollees to amounts no greater than what the Contractor would charge Enrollee if services were obtained through the Contractor's General Network.

7.5.9.4.3.3 The Contractor shall be financially responsible for Post-Stabilization Services obtained within or outside the Contractor's Network that *are not given Prior Authorization* by a Network Provider or other Contractor representative, but are administered to maintain, improve, or resolve the Enrollee's stabilized condition if:

7.5.9.4.3.3.1 The Contractor does not respond to a request for Prior Authorization within one (1) hour;

7.5.9.4.3.3.2 The Contractor cannot be contacted; or

7.5.9.4.3.3.3 The Contractor and the treating physician cannot reach an agreement concerning the Enrollee's care, and the participating Network Provider is not available for consultation. In this situation, the Contractor must give the treating physician the opportunity to consult with the participating Network Provider and the treating physician may continue with care of the patient until the Network Provider is reached or one of the criteria in 42 CFR 422.113(c)(3) is met.

7.5.9.4.3.4 The Contractor's financial responsibility for Post-Stabilization Services that it has not Prior Authorized ends when:

7.5.9.4.3.4.1 A Network Provider with privileges at the treating hospital assumes responsibility for the Enrollee's care;

7.5.9.4.3.4.2 A Network Provider assumes responsibility for the Enrollee's care through transfer;

7.5.9.4.3.4.3 A Contractor representative and the treating physician reach an agreement concerning the Enrollee's care; or

7.5.9.4.3.4.4 The Enrollee is discharged.

7.5.9.5 Coverage of Services Ultimately Determined to be Non-Emergencies. The Contractor shall not retroactively deny a Claim for an emergency screening examination because the condition, which appeared to be an Emergency Medical Condition or a Psychiatric Emergency under the prudent layperson standard, turned out to be non-emergency in nature.

7.5.9.6 Enrollee Use of GHP Service Line. The Contractor shall train Emergency Services Providers concerning the GHP Service Line Medical Advice Service, and shall make Providers aware that:

7.5.9.6.1 An Enrollee who consults this service before visiting the emergency room shall not be responsible for any Co-Payment, provided that he or she presents his or her GHP Service Line call identification number when he or she arrives at the emergency room;

7.5.9.6.2 No Co-Payments shall be charged for Medicaid and CHIP children under twenty-one (21) years of age under any circumstances.

7.5.9.6.3 No Co-Payments shall be imposed, or required, to an Enrollee to receive treatment for an Emergency Medical Condition or Psychiatric Emergency who is a Medicaid or CHIP Eligible; and the Contractor shall not deny payment for Emergency Services when the Enrollee seeks Emergency Services at the instruction of the Contractor or its Agent (including a GHP Service Line representative).

7.5.9.7 Coverage of All Emergency Medical Conditions and Psychiatric Emergencies

7.5.9.7.1 The Contractor shall not deny payment for treatment of an Emergency Medical Condition or a Psychiatric Emergency, including cases in which the absence of immediate medical attention would not have resulted in the outcomes specified in the definition of Emergency Medical Condition or a Psychiatric Emergency in this Contract and in 42 CFR 438.114(a).

7.5.9.7.2 The Contractor shall not refuse to cover an Emergency Medical Condition or a Psychiatric Emergency based on the

emergency room Provider, hospital, or fiscal Agent not notifying the Enrollee's PCP or the Contractor of the Enrollee's screening or treatment within ten (10) Calendar Days following the Enrollee's presentation for Emergency Services.

7.5.10 Hospitalization Services

7.5.10.1 The Contractor shall provide hospitalization services, including the following:

7.5.10.1.1 Access to a nursery;

7.5.10.1.2 Access to a semi-private room (bed available twenty-four (24) hours a day, every Calendar Day of the year, including Puerto Rico holidays);

7.5.10.1.3 Access to an isolation room for physical or Behavioral Health reasons;

7.5.10.1.4 Food, including specialized nutrition services;

7.5.10.1.5 Regular nursing services;

7.5.10.1.6 Specialized room use, such as operation, surgical, recovery, treatment and maternity, without limitations;

7.5.10.1.7 Drugs, medicine, and contrast agents, without limitations;

7.5.10.1.8 Availability of materials such as bandages, gauze, plaster, or any other therapeutic or healing material;

7.5.10.1.9 Therapeutic and maintenance care services, including the use of the necessary equipment to offer the service;

7.5.10.1.10 Specialized diagnostic tests, such as electrocardiograms, electroencephalograms, arterial gases, and other specialized tests that are available at the hospital and necessary during the Enrollee's hospitalization;

7.5.10.1.11 Supply of oxygen, anesthetics, and other gases including administration;

7.5.10.1.12 Respiratory therapy, without limitations;

7.5.10.1.13 Rehabilitation services while Enrollee is hospitalized, including physical, occupational, and speech therapy;

7.5.10.1.14 Outpatient surgery facility use; and

7.5.10.1.15 Transfusion of blood and blood plasma services, without limitations, including:

7.5.10.1.15.1 Antihemophilic recombinant factor VIII;

7.5.10.1.15.2 Antihemophilic recombinant factor IX;

7.5.10.1.15.3 Anti-inhibitor coagulant complex (Feiba); and

7.5.10.1.15.4 Antihemophilic factor VIII, human/Von Willebrand factor complex.

7.5.10.2 Hospitalization for services that would normally be considered outpatient services or for diagnostic purposes only, is not a Covered Service under the GHP.

7.5.11 Behavioral Health Services

7.5.11.1 Covered Behavioral Health Services include the following:

7.5.11.1.1 Evaluation, screening, and treatment of individuals, couples, families and groups;

7.5.11.1.2 Outpatient services with psychiatrists; psychologists; licensed professional counselors, including but not limited to addiction counselors; and licensed clinical social workers;

7.5.11.1.3 Hospital or outpatient services for substance and alcohol abuse disorders, including the contracting of a psychiatrist, psychologist, or other licensed behavioral health professional, or through a hospital-based multidisciplinary team that reflects these specialties, for therapy or treatment as recommended by the admitting physician during the inpatient stay;

7.5.11.1.4 Behavioral Health hospitalization;

7.5.11.1.5 Intensive outpatient services;

7.5.11.1.6 Immediate access to Emergency or crisis intervention Services twenty-four (24) hours a day, seven (7) days a Week (services outside of Puerto Rico available only for Medicaid and CHIP Eligibles);

7.5.11.1.7 Detoxification services for Enrollees intoxicated with alcohol or illegal substances, whether as a result of substance abuse, a suicide attempt, or accidental poisoning;

7.5.11.1.8 Long-lasting injected medicine clinics;

7.5.11.1.9 Escort/professional assistance and ambulance services when needed;

7.5.11.1.10 Prevention and secondary-education services;

7.5.11.1.11 Pharmacy coverage and access to medicine for a maximum of twenty-four (24) hours, in compliance with Act No. 408;

7.5.11.1.12 Medically Necessary clinical laboratories;

7.5.11.1.13 Treatment for Enrollees diagnosed with Attention Deficit Disorder (with or without hyperactivity). This includes, but is not limited to, neurologist visits and tests related to this diagnosis's treatment; and

7.5.11.1.14 Substance abuse treatment.

7.5.11.2 Medication-Assisted Treatment

7.5.11.2.1 The Contractor shall provide appropriate services for Enrollees in need of medication-assisted treatment due to a diagnosis of opioid use disorder. The Contractor shall cover all services related to assessment, treatment, and monitoring of opioid use disorder including:

7.5.11.2.1.1 All drugs and biologicals approved or licensed by the US Food and Drug Administration FDA) for the treatment of opioid use disorder, as described in 42 USC 1396d(ee);

7.5.11.2.1.2 Comprehensive medical examination (CPT Code 99205);

7.5.11.2.1.3 Extended office visits (CPT Code 99215);

7.5.11.2.1.4 Brief office visit (CPT Code 99211);

7.5.11.2.1.5 Psychiatric Diagnostic Interview Exam – New Patient (CPT Code 90801);

7.5.11.2.1.6 Individual Therapy with Medical Evaluation and Management (CPT Code 90807);

7.5.11.2.1.7 Pharmacologic Management (CPT Code 90862);

7.5.11.2.1.8 Drug Urine Toxicology (CPT Code 80100);

7.5.11.2.1.9 Blood Test Basic Metabolic Panel (CPT Code 80048);

7.5.11.2.1.10 Blood Test CBC (CPT Code 85025);

7.5.11.2.1.11 TB Test – Skin (CPT Code 86580), but only in conjunction with the prescription of Buprenorphine for the treatment of opioid use disorder;

7.5.11.2.1.12 HIV Test (CPT Code 86703), but only in conjunction with the prescription of Buprenorphine for the treatment of opioid use disorder;

7.5.11.2.1.13 Hepatitis Panel (CPT Code 80074), but only in conjunction with the prescription of Buprenorphine for the treatment of opioid use disorder;

7.5.11.2.1.14 Individual Counseling (CPT Code 90806);

7.5.11.2.1.15 Group Counseling (CPT Code 90853);

7.5.11.2.1.16 Mental Health Assessment by Non-Physician Professional (HCPCS Code H0031); and

7.5.11.2.1.17 Alcohol and substance abuse Services, Treatment Plan Development and Modification (CPT Code T007).

7.5.11.3 Inpatient Behavioral Health Services are covered in Institutions for Mental Diseases (IMD), as defined in 42 CFR 435.1010, so long as the facility is a hospital providing psychiatric or substance use disorder, inpatient care or a sub-acute facility providing psychiatric or substance use disorder crisis residential services as follows:

7.5.11.3.1 Inpatient Behavioral Health Services for Enrollees aged twenty-one (21) through sixty-four (64) are covered in an IMD setting for up to fifteen (15) days within the month for which the PMPM Payment would be made in accordance with 42 CFR 438.6(e). Prospective rate development for the PMPM Payments will account for utilization and cost of short term stays in an IMD in accordance with 42 CFR 438.6(e).

7.5.11.3.2 Inpatient Behavioral Health Services for Enrollees aged zero (0) to twenty (20) and aged sixty-five (65) and older are covered in accordance with the State Plan.

7.5.11.4 The Contractor shall have Providers trained and certified by the Substance Abuse and Mental Health Services Administration ("SAMHSA") to provide opiate addiction treatment. The training and certification of the Providers by SAMHSA may be evidenced with either (i) a copy of the letter issued by SAMHSA to the Provider certifying his/her training and certification or (ii) a copy of the Controlled Substance Registration Certification issued by the Drug Enforcement Administration with the identification number assigned to the Provider by SAMHSA. Evidence of SAMHSA certification shall be included in the Provider's Credentialing file maintained by the Contractor.

7.5.11.5 The Contractor shall establish and strengthen relationships (if needed, through memoranda of understanding) with ASSMCA, ADFAN, the Office of the Women's Advocate, and other government or nonprofit entities, in order to improve the delivery of Behavioral Health Services.

7.5.11.6 Behavioral Health Parity

7.5.11.6.1 As required by 42 CFR 438.3(n)(1), the Contractor shall provide services in compliance with the requirements in 42 CFR part 438, subpart K regarding parity in Behavioral Health services.

7.5.11.6.2 The Contractor shall not have an Aggregate Lifetime or Annual Dollar Limits (see 42 CFR 438.905(b)) on any Behavioral Health service.

7.5.11.6.3 As specified in 42 CFR 438.910(b)(1), the Contractor shall not apply any Financial Requirement or Treatment Limitation to Behavioral Health services in any classification (inpatient, outpatient, emergency care, or prescription drugs) that is more restrictive that the predominant Financial Requirement or Treatment Limitation of that type applied to substantially all medical/surgical services in the same classification furnished to Enrollees (whether or not the benefits are furnished by the same Contractor).

7.5.11.6.4 In accordance with 42 CFR 438.910(b)(2), the Contractor shall provide Behavioral Health services in all benefit

classifications (inpatient, outpatient, emergency care, and prescription drugs).

7.5.11.6.5 The Contractor shall not apply any cumulative Financial Requirements (see 42 CFR 438.910(c)(3)) for Behavioral Health services.

7.5.11.6.6 In accordance with 42 CFR 438.910(d), the Contractor shall not impose a non-quantitative treatment limitation (NQTL) for Behavioral Health services in any classification (inpatient, outpatient, emergency care, or prescription drugs) unless, under the policies and procedures of the Contractor as written and in operation, any processes, strategies, evidentiary standards, or other factors used in applying the NQTL to Behavioral Health services in the classification are comparable to, and are applied no more stringently than, the processes, strategies, evidentiary standards, or other factors used in applying the NQTL for medical/surgical services in the same classification. NQTLs include, but are not limited to, medical management standards; standards for provider participation, including reimbursement rates; fail-first policies; exclusions based on failure to complete a course of treatment; and restrictions based on geographic location, facility type, provider specialty, other criteria that limit the scope or duration of services; and standards for providing access to out-of-network Providers (see 42 CFR 438.910(d)(2)).

7.5.11.6.7 The Contractor shall work with ASES and other Government agencies to ensure that all Enrollees are provided access to a set of services that meets the requirements of 42 CFR part 438, subpart K and 42 CFR 438.910(d) regarding parity in Behavioral Health services, regardless of what Behavioral Health services are provided by the Contractor.

7.5.11.6.8 The Contractor shall cooperate with ASES to establish and demonstrate initial and ongoing compliance with 42 CFR part 438, subpart K regarding Behavioral Health parity. This shall include but not be limited to participating in meetings, providing information (documentation, data, etc.) requested by ASES to assess parity compliance, working with ASES to resolve any non-compliance, and notifying ASES of any changes to benefits or limitations that might impact parity compliance.

7.5.11.6.9 If requested by ASES, the Contractor shall conduct an analysis to determine compliance with 42 CFR part 438,

subpart K regarding Behavioral Health parity and provide the results of the analysis to ASES in the format and timeframes specified by ASES.

7.5.11.6.10 In addition to any interim reporting requested by ASES, the Contractor shall conduct an annual Behavioral Health parity self-assessment to review the following:

7.5.11.6.10.1 The Contractor's processes for reviewing and analyzing changes to service delivery structures, operational requirements, and policies to ensure ongoing compliance.

7.5.11.6.10.2 The Contractor's processes for monitoring compliance in the routine course of business, including the data and information monitored to identify potential compliance risks and the frequency of such reviews; how the Contractor determines when further analysis is necessary; and the process to conduct further analysis when the data and information suggests a compliance risk.

7.5.11.6.11 As specified in 42 CFR 438.915(a), the Contractor shall make available the criteria for medical necessity determinations for Behavioral Health services to any Enrollee, Potential Enrollee, or Provider upon request.

7.5.11.6.12 As specified in 42 CFR 438.915(b), the Contractor shall make available to the Enrollee the reason for any denial by the Contractor of reimbursement or payment for Behavioral Health services to the Enrollee.

7.5.12 Pharmacy Services

7.5.12.1 The Contractor shall provide pharmacy services under the GHP in accordance with Section 1927 of the Social Security Act and 42 CFR 438.3(s), including the following:

7.5.12.1.1 All costs related to prescribed medications for Enrollees, excluding the Enrollee's Co-Payment where applicable;

7.5.12.1.2 Drugs on the Formulary of Medications Covered (FMC); hormones included may be used by transgender persons for transition therapy;

7.5.12.1.3 Drugs included on the LME, but not in the FMC (through the exceptions process explained in Section 7.5.12.10 and Attachment 27 to this Contract); and

7.5.12.1.4 In some instances, through the exceptions process, drugs that are not included on either the FMC or the LME.

7.5.12.2 The Contractor may not impose restrictions on available prescription drugs beyond those stated in the FMC, LME, or any other drug formulary approved by ASES.

7.5.12.3 The following drugs are excluded from the pharmacy component of Covered Services:

7.5.12.3.1 Medications delivered directly to Enrollees by a Provider that does not have a pharmacy license, with the exception of medications that are traditionally administered in a doctor's office, such as injections.

7.5.12.4 Prescriptions ordered under the pharmacy services Benefit are subject to the following Utilization controls:

7.5.12.4.1 Consistent with the requirements of Section 1927(d)(5) of the Social Security Act, some or all prescription drugs may be subject to Prior Authorization, which shall be implemented and managed by the PBM or the Contractor, according to policies and procedures established by the ASES Pharmacy and Therapeutic ("P&T") Committee and decided upon in consultation with the Contractor when applicable.

7.5.12.4.2 The Contractor shall ensure that Prior Authorization for pharmacy services is provided for the Enrollee in the following timeframes, including outside of normal business hours.

7.5.12.4.2.1 The decision whether to grant a Prior Authorization of a prescription must not exceed twenty-four (24) hours from the receipt of the Enrollee's Service Authorization Request and the standard information needed to make a determination is provided. Such standard information to make a determination includes the following: the prescription, a supporting statement setting forth the clinical justification and medical necessity for the prescribed medication, and expected duration of treatment, as required by the protocol for the medication.

The Contractor shall provide notice on a Prior Authorization request by telephone or other telecommunication device in the required timeframes. In circumstances where the Contractor or the Enrollee's Provider determines that the Enrollee's life or health could be endangered by a delay in accessing the prescription drug, the Contractor shall provide at least a seventy-two (72) hour supply of the prescription drug unless the drug is statutorily excluded from coverage under Section 1927(d)(2) of the Social Security Act. In such cases, Prior Authorization must be provided as expeditiously as the Enrollee's health requires, and no later than within twenty-four (24) hours following the Service Authorization Request.

7.5.12.4.2.2 The Contractor may extend the time allowed for Prior Authorization decisions, where:

7.5.12.4.2.2.1 The Enrollee, or the Provider, requests the extension; or

7.5.12.4.2.2.2 The Contractor justifies to ASES a need for the extension in order to collect additional information, such that the extension is in the Enrollee's best interest.

7.5.12.4.3 Prescriptions written by a Provider who is outside the PPN may be filled only upon a Countersignature from the Enrollee's PCP, or another assigned PCP from the PMG in case of absence or unavailability of the Enrollee's PCP. A Countersignature request made to the PCP shall be acted upon within three (3) Calendar Days of the request of the prescribing Provider or, if the Enrollee's health is in danger, within twenty-four (24) hours.

7.5.12.4.4 The Contractor shall not require a PCP Countersignature on prescriptions written by a Provider within the PPN.

7.5.12.5 The Contractor shall use bioequivalent drugs approved by the Food and Drug Administration ("FDA"), provided they are classified as "AB" and authorized by regulations, unless the Provider notes a contra-indication in the prescription. Nonetheless, the Contractor shall not refuse to cover a drug solely because the bioequivalent drug

is unavailable; nor shall the Contractor impose an additional payment on the Enrollee because the bioequivalent is unavailable.

7.5.12.6 The Contractor shall observe the following timeframe limits with respect to prescribed drugs:

7.5.12.6.1 Medication for critical conditions will be covered for a maximum of thirty (30) Calendar Days and for additional time, where Medically Necessary.

7.5.12.6.2 Medication for Chronic Conditions or severe Behavioral Health conditions will be covered for a maximum of thirty (30) Calendar Days, except at the beginning of therapy where, upon a Provider's recommendation, a minimum of fifteen (15) Calendar Days shall be prescribed in order to reevaluate compliance and tolerance. Under a doctor's orders, a prescription may be refilled up to five (5) times.

7.5.12.6.3 For maintenance drugs that require Prior Authorization, the Prior Authorization will be effective for a term of six (6) months, unless there are contra-indications or side effects, in which case the term may be shorter, or unless associated with a formulary exception request, as set forth in Attachment 27 to this Contract, in which case the term may be approved for up to twelve (12) months.

7.5.12.6.4 The prescribing Provider shall re-evaluate pharmacotherapy as to compliance, tolerance, and dosage within ninety (90) Calendar Days of having prescribed a maintenance drug. Dosage changes will not require Prior Authorization. Changes in the drug used may require Prior Authorization.

7.5.12.7 Special considerations, including cooperation with Puerto Rico governmental entities other than ASES, govern coverage of medications for the following conditions:

7.5.12.7.1 Medications for Treatment of HIV/AIDS

7.5.12.7.1.1 The following HIV/AIDS medications are excluded from the ASES FMC: Viread®, Emtriva®, Truvada®, Fuzeon®, Atripla®, Epzicom®, Selzentry®, Intelence®, Isentress/Insentress HD®, Edurant®, Complera®, Stribild®, Descovy®, Triumeq®, Genvoya®, Tivicay® and Odefsey®.

7.5.12.7.1.2 Because of an agreement between the Health Department and ASES, Enrollees diagnosed with

HIV/AIDS may access the medications listed above through Health Department clinics. The Contractor is not At Risk for the coverage of these medications.

7.5.12.7.1.3 The Contractor shall inform Providers about this agreement, and shall require Providers to refer Enrollees for whom these medications are Medically Necessary to CPTET Centers (Centros de Prevención y Tratamiento de Enfermedades Transmisibles) or community-based organizations, where the Enrollee may be screened to determine whether the Enrollee is eligible for the AIDS Drug Assistance Program ("ADAP").

7.5.12.7.1.4 A list of CPTET Centers and community-based organizations that administer these medications is included as Attachment 4 to this Contract.

7.5.12.7.1.5 This Section 7.5.12.7.1 shall terminate upon the effective date that Puerto Rico participates in the MDRP.

7.5.12.7.2 Medications for Chronic Conditions for Children with Special Health Needs. Directions for prescriptions for chronic use drugs for children with special health needs shall cover therapy for thirty (30) Calendar Days, and if necessary up to five (5) refills of the original prescription, according to medical opinion of a certified Provider. When Medically Necessary, additional prescriptions will be covered.

7.5.12.7.3 Medications for Enrollees with Opiate Addictions. See Section 7.5.11.2.1.1 above.

7.5.12.7.4 Synthroid. Prescriptions for Synthroid shall be processed and reimbursed in accordance with Normative Letter 17-0614 while such arrangement as described remains in effect.

7.5.12.8 Except as provided in Section 7.5.12.3.2, all prescriptions must be dispensed by a pharmacy under contract with the PBM that is duly authorized under the laws of the Puerto Rico, and is freely selected by the Enrollee. The PBM shall maintain responsibility for ensuring that the pharmacy services network complies with the terms specified by ASES.

7.5.12.9 Prescribed drugs must be dispensed at the time and date, as established by the Puerto Rico Pharmacy Law, when the Enrollee submits the prescription for dispensation.

7.5.12.10 Use of FMC Medications. The Contractor shall ensure that drugs on the FMC are used whenever possible.

7.5.12.10.1 In the following two categories of exceptional cases, however, the Contractor shall cover drugs not included on the FMC, upon submission of acceptable written documentation of the medical justification for the drug from the Provider, in accordance with Attachment 27 to this Contract.

7.5.12.10.1.1 The Contractor shall cover drugs included on the LME (Attachment 5 to this Contract) in lieu of a FMC drug, only as a part of an exceptions process, upon a showing that no drug listed on the FMC is clinically effective for the Enrollee.

7.5.12.10.1.2 The Contractor shall cover a drug that is not included on either the FMC or the LME, only as part of an exceptions process, provided that the drug is being prescribed for a use approved by the FDA or for a medically accepted indication, as defined in Section 1927(k)(6) of the Social Security Act for the treatment of the condition.

7.5.12.10.2 In addition to demonstrating that the drug is being prescribed for a medically accepted indication, as defined in Section 1927(k)(6) of the Social Security Act and as referenced in Section 7.5.12.10.1.2 above, a Provider prescribing a drug not on the FMC or LME must follow the process in Attachment 27 to this Contract and provide the Contractor with the necessary medical documentation to demonstrate that:

7.5.12.10.2.1 The drug does not have any bioequivalent on the market; and

7.5.12.10.2.2 The drug is clinically indicated because of:

7.5.12.10.2.3 Contra-indication with drugs that are in the FMC or LME that the Enrollee is already taking, and scientific literature's indication of the possibility of serious adverse health effects related to the taking the drug;

7.5.12.10.2.3.1 History of adverse reaction by the Enrollee to drugs that are on the FMC or LME;

7.5.12.10.2.3.2 Therapeutic failure of all available alternatives on the FMC or LME; or

7.5.12.10.2.3.3 Other special circumstances.

7.5.12.11 In the event the Comprehensive Cancer Center of Puerto Rico ("Centro Comprensivo de Cancer") participates as a covered entity in the 340B Drug Pricing Program, ASES reserves the right to modify coverage and pricing for such 340B eligible cancer drugs.

7.5.12.12 EHR systems of the Contractor's Network Providers shall have electronic prescribing software in place within a reasonable timeframe after the Effective Date of the Contract, which shall not exceed one (1) year from such Effective Date.

7.5.12.13 Role of Pharmacy Benefit Manager

7.5.12.13.1 Pharmacy services are administered primarily by a Pharmacy Benefit Manager ("PBM") under contract with ASES. The Contractor shall work with the PBM selected by ASES as needed, and as provided in this Section 7.5.12.11, in order to ensure the successful provision of pharmacy services.

7.5.12.13.2 The Contractor shall be obligated to accept the terms and conditions of the contract that ASES awards to a PBM. The Contractor shall use the procedures, guidelines, and other instructions implemented by ASES through the PBM. The Contractor and the PBM shall coordinate all the required efforts to achieve the integrated model of rendering all Covered Services to Enrollees under the GHP Program.

7.5.12.13.3 Among other measures, to enhance cooperation with the PBM, the Contractor shall:

7.5.12.13.3.1 Work with the PBM to improve Information flow and to develop protocols for Information-sharing;

7.5.12.13.3.2 Establish, in consultation with the PBM, the procedures to transfer funds for the payment of Claims to the pharmacy network according to the payments cycle specified by the PBM; and

7.5.12.13.3.3 Coordinate with the PBM to establish customer service protocols concerning pharmacy services.

7.5.12.14 Claims Processing and Administrative Services for Pharmacy. The Contractor shall:

7.5.12.14.1 Assume the cost of implementing and maintaining online connection with the PBM;

7.5.12.14.2 Cover all of its own costs of implementation, including but not limited to payment processes, Utilization review and approval processes, connection and line charges, and other costs incurred to implement the payment arrangements for pharmacy Claims;

7.5.12.14.3 Review Claims payments summary reports for each payment cycle and transfer funds required for payment to pharmacies;

7.5.12.14.4 Review denials and rejections of Claims;

7.5.12.14.5 Maintain an appropriately staffed phone line that is available twenty-four (24) hours a day, seven (7) days a week to provide for the Prior Authorization of drugs, according to the established policies, the FMC, and the LME; and

7.5.12.14.6 Electronically submit on a daily basis a list of all Contractor's Network Providers, and a list of Enrollees to the PBM. Submit the PBM Member History Move file included in Attachment 9 to this Contract whenever an Enrollee previously enrolled with a different contractor selects Contractor as its new Plan.

7.5.12.15 Fraud Investigations. The Contractor shall develop tracking mechanisms for detecting Fraud, Waste, and Abuse related to pharmacy services, and shall forward Fraud, Waste, and Abuse Complaints from Enrollees related to pharmacy services to the PBM and to ASES.

7.5.12.16 Formulary Management Program

7.5.12.16.1 The Contractor shall select three (3) members of its staff, one with voting privileges, to serve on a cross-functional committee, the Pharmacy Benefit Financial Committee, tasked with rebate maximization and/or evaluating recommendations regarding the FMC and LME from the P&T Committee and PBM as applicable. The Pharmacy Benefit Financial Committee will also review the FMC and LME from time to time and evaluate additional

recommendations on potential cost-saving pharmacy initiatives, including the evaluation of the utilization of high-cost specialty medications and orphan drugs and the exceptions process through which such drugs are approved, under the direction and approval of ASES. The Pharmacy Benefit Financial Committee will also include at least three (3) members of the staff of the contracted PMGs, including two (2) PCPs and one (1) specialist, and will meet not later than thirty (30) days after the execution of this Contract and at least every two (2) months thereafter. The three (3) members of the contracted PMGs will be selected among the contracted PMGs and appointed by the representative of the provider community sitting on the Board of Directors of ASES.

7.5.12.16.2 ASES may conduct an actuarial evaluation of any new drug therapies or treatments. Based on the actuarial evaluation, the PMPM Payments may be adjusted to reflect the costs of the new drug-related Covered Services. Any adjustment in the PMPM Payments may also require, if applicable, adjustment of the capitated rates of the PMGs and other Providers at risk.

7.5.12.17 The Contractor and representatives of the contracted PMGs and their PCPs shall each select a member of their staff to serve on a cross-functional subcommittee tasked with assisting in the evaluation of additional potential cost-saving pharmacy initiatives as needed. Utilization Management and Reports. The Contractor shall:

7.5.12.17.1 Perform drug Utilization reviews that meet the standards established by both ASES and Federal authorities, including the operation of a drug utilization review program as required in 42 CFR Part 456, Subpart K;

7.5.12.17.2 Develop and distribute protocols that will be subject to ASES approval, when necessary; and

7.5.12.17.3 Provide to ASES annually a detailed report of its drug utilization program activities, as directed by ASES.

7.5.12.18 Communication with Providers. The Contractor shall ensure the following communications with Providers:

7.5.12.18.1 The Contractor shall advise Providers regarding the use of the FMC as a first option at the moment of prescribing and

of the need to observe the exceptions process when filling a prescription for a drug not on the FMC.

7.5.12.18.2 The Contractor shall advise Providers that they may not outright deny medication because it is not included on ASES's FMC or LME. A medication not on the FMC or LME may be provided through the exceptions process described in Section 7.5.12.10 and Attachment 27 to this Contract.

7.5.12.18.3 The Contractor shall advise Providers on the availability of the bioequivalent versions of brand-name drugs and that such bioequivalent versions should be prescribed instead of brand-name drugs as available and appropriate.

7.5.12.19 Cooperation with the Pharmacy Benefit Administrator ("PBM")

7.5.12.19.1 The Contractor shall receive updates to the FMC and LME from the PBM. The Contractor shall adhere to these updates.

7.5.12.19.2 Any rebates shall be negotiated by the PBM and retained in their entirety by ASES. The Contractor shall neither negotiate, collect, nor retain any rebate for Enrollee Utilization of brand drugs included on ASES's FMC or LME.

7.5.12.20 Information on Pharmacy Benefits Coverage. The Contractor shall provide Information on the FMC and LME in electronic or paper form, including which generic or brand medications are covered, and what formulary tier each medication is on. Drug lists that are published on the Contractor's website must be in a machine-readable file and format as specified by CMS.

7.5.12.21 Rebate Collection. The Contractor shall take all steps necessary to support ASES's participation in the MDRP, Other Enrollee Rebate Program or any other supplemental rebate or value-based drug purchase arrangement or program, as applicable and as directed by ASES.

7.5.12.21.1 The Contractor shall perform all system and program activities determined necessary to:

7.5.12.21.1.1 Collect and submit, on a quarterly basis, all of the following information on claims for Physician Administered Drugs and deny any claim for such drugs that does not include all required information.

7.5.12.21.1.1.1 All information set forth in 42 CFR 447.511, including but not limited to: covered population, National Drug Code (NDC), HCPCS J-Code, drug dosage, drug form, metric quantity, unit of measure, and paid amount.

7.5.12.21.1.1.2 Properly identify drugs purchased through the federal 340B Drug Pricing Program.

7.5.12.21.1.2 The Contractor must comply with the Normative Letters 16-1129 and 17-0619.

7.6 **Dental Services**

7.6.1 The Contractor shall provide the following dental services as Covered Services for Pediatric Enrollees:

7.6.1.1 All preventative and corrective services mandated by the EPSDT requirement;

7.6.1.2 Orthodontic services to EPSDT eligible children as medically necessary, subject to Prior Authorization, to prevent and restore oral structures to health and function. Orthodontic services for cosmetic purposes are not covered.

7.6.1.3 Pediatric Pulp Therapy (Pulpotomy);

7.6.1.4 Stainless steel crowns for use in primary teeth following a Pediatric Pulpotomy;

7.6.1.5 Anesthesia services, subject to prior authorization, for a child, or Enrollees with physical or mental handicaps in compliance with Federal and State laws. These special conditions include, but are not limited to, (a) autism, (b) severe retardation, (c) severe neurologic impairment, (d) significant attention deficit disorders with hyperactivity, (e) significant or severe mental disorders, (f) disabled or unable to follow commands, and (g) any other circumstance that in the dentist's professional judgment, impairs cooperation and feasibility to adequately perform the dental procedure. Prior authorization determinations must be made within two (2) Calendar Days.

7.6.2 The Contractor shall provide the following dental services as Covered Services for Adults:

7.6.2.1 Preventive dental services;

7.6.2.2 Restorative dental services;

7.6.2.3 One (1) comprehensive oral exam per year;

7.6.2.4 One (1) periodical exam every six (6) months;

7.6.2.5 One (1) defined problem-limited oral exam;

7.6.2.6 One (1) full series of intra-oral radiographies, including bitewings, every three (3) years;

7.6.2.7 One (1) initial periapical intra-oral radiography;

7.6.2.8 Up to five (5) additional periapical/intra-oral radiographies per year;

7.6.2.9 One (1) single film-bite radiography per year;

7.6.2.10 One (1) two-film bite radiography per year;

7.6.2.11 One (1) panoramic radiography every three (3) years;

7.6.2.12 One (1) cleanse every six (6) months;

7.6.2.13 One (1) Prophylaxis, every six (6) months;

7.6.2.14 Amalgam restoration;

7.6.2.15 Resin restorations;

7.6.2.16 Root canal;

7.6.2.17 Palliative treatment;

7.6.2.18 Oral surgery; and

7.6.2.19 Anesthesia services, subject to prior authorization, for adults with physical or mental handicaps in compliance with federal and local law.

7.7 **Special Coverage**

7.7.1 The Special Coverage Benefit is designed to provide services for Enrollees with special health care needs caused by serious illness.

7.7.2 The Contractor shall provide ASES with the strategy implemented for the identification of populations with special health care needs in order to identify any ongoing special conditions of Enrollees that require a treatment plan and regular care monitoring by appropriate Providers.

7.7.3 The Contractor shall implement a system for screening Enrollees for Special Coverage and registering Enrollees who qualify. The Contractor shall design a form, with prior written approval from ASES, to be used by Providers in submitting a registration for Special Coverage.

7.7.4 The registration system for Special Coverage shall emphasize speedy processing of the registration that requires the Contractor, once it receives the notification from the Provider, to register the Enrollee in Special Coverage within seventy-two (72) hours.

7.7.5 Once a Provider supplies all the required information for the Contractor to process a registration and the Contractor processes such information, Special Coverage shall take effect retroactively as of the date the Provider reaches a diagnosis, including documentation of test results, for any condition included in Special Coverage. In case Information is submitted to the Contractor after the diagnosis was reached, coverage can be made retroactive up to sixty (60) Calendar Days before the date on which Provider submitted the registration request.

7.7.6 According to the timeframes specified in Attachment 12 to this Contract, the Contractor shall submit proposed protocols to be established for Special Coverage to ASES for prior written approval, including:

7.7.6.1 Registration procedures;

7.7.6.2 Formats established for registration forms;

7.7.6.3 Forms of notices to be issued to the Enrollee and to the Provider to inform them of the Contractor's decision concerning Special Coverage;

7.7.6.4 Protocols for the development of a treatment plan;

7.7.6.5 Provisions for ensuring that Enrollees with Special Coverage have Immediate Access to specialists appropriate for the Enrollee's condition and identified needs; and

7.7.6.6 A summary of the Contractor's strategy for the identification of populations with special health care needs.

7.7.7 The protocols shall emphasize both the need for a speedy determination and the need for screening evaluations to be conducted by competent Providers with appropriate expertise.

7.7.8 The Contractor shall complete, monitor, and routinely update a treatment plan for each Enrollee who is registered for Special Coverage at least every twelve (12) months, or when the Enrollee's circumstances or needs change significantly, or at the request of the Enrollee.

7.7.8.1 The treatment plan shall be developed by the Enrollee's PCP, with the Enrollee's participation, and in consultation with any specialists caring for the Enrollee. The Contractor shall require, in its Provider Contracts with PCPs, that Special Coverage registration treatment plans be submitted to the Contractor for review and approval in a timely manner.

7.7.9 Autism

7.7.9.1 The physical and Behavioral Health Services that the autism population needs to access through specialists such as gastroenterologists, neurologists, allergists, and dentists, will be offered through Special Coverage. Attachment 7 to this Contract includes the mandated procedures for this condition.

7.7.9.2 The Contractor shall require in its Provider Contracts with PCPs that the PCP carry out the *Modified Checklist for Autism in Toddlers* ("M-CHAT R/F") In its last version for the screening of autism spectrum disorders at eighteen (18) or twenty-four (24) months of age, or in any other age range established by the Department of Health. The Contractor and Providers should follow the "Protocolo Uniforme de TEA" government plan version, published by the Department of Health.

7.7.9.3 The Contractor shall also require, through its Provider Contracts, that PCPs administer the Ages and Stages Questionnaire ("ASQ") to the parents of child Enrollees. This questionnaire must be completed when the child is nine (9), eighteen (18), and thirty (30) months old, or at any other age established by the Health Department. Each Contractor shall acquire the license for the exclusive use of the questionnaire for child Enrollees in the GHP and transmit the questionnaire to PCPs and train and educate them in its use.

7.7.10 Services provided under Special Coverage shall be subject to Prior Authorization by the Contractor.

7.7.11 Special Coverage shall include in its scope the following services, provided, however, that an Enrollee shall be entitled only to those services Medically Necessary to treat the condition that qualified the Enrollee for Special Coverage:

7.7.11.1 Coronary and intensive care services, without limit;

7.7.11.2 Maxillary surgery;

7.7.11.3 Neurosurgical and cardiovascular procedures, including pacemakers, valves, and any other instrument or artificial devices (Prior Authorization required);

7.7.11.4 Peritoneal dialysis, hemodialysis, and related services (Prior Authorization required);

7.7.11.5 Pathological and clinical laboratory tests that are required to be sent outside Puerto Rico for processing (Prior Authorization required);

7.7.11.6 Neonatal intensive care unit services, without limit;

7.7.11.7 Radioisotope, chemotherapy, radiotherapy, and cobalt treatments;

7.7.11.8 Treatment of gastrointestinal conditions, treatment of allergies, and nutritional services in autism patients;

7.7.11.9 Nutritional supplements for adults with PKU when medically necessary.

7.7.11.10 The following procedures and diagnostic tests, when Medical Necessary (Prior Authorization required):

7.7.11.10.1 Computerized Tomography;

7.7.11.10.2 Magnetic resonance test;

7.7.11.10.3 Cardiac catheters;

7.7.11.10.4 Lithotripsy;

7.7.11.10.5 Electromyography;

7.7.11.10.6 Single-photon Emission Computed Topography (“SPECT”) test;

7.7.11.10.7 Orthopantogram (“OPG”) test;

7.7.11.10.8 Impedance Plesthymography;

7.7.11.10.9 Other neurological, cerebrovascular, and cardiovascular procedures, invasive and noninvasivel

7.7.11.10.10 Nuclear imaging;

7.7.11.10.11 Diagnostic endoscopies; and

7.7.11.10.12 Genetic studies;

7.7.11.11 The following procedures and diagnostic tests, when Medically Necessary (Prior Authorization required):

7.7.11.11.1 Computerized Tomography;

7.7.11.11.2 Magnetic resonance test;

7.7.11.11.3 Cardiac catheters;

7.7.11.11.4 Holter test;

7.7.11.11.5 Doppler test;

7.7.11.11.6 Stress tests;

7.7.11.11.7 Lithotripsy;

7.7.11.11.8 Electromyography;

7.7.11.11.9 Single-photon Emission Computed Topography ("SPECT") test;

7.7.11.11.10 Orthopantogram ("OPG") test;

7.7.11.11.11 Impedance Plesthymography;

7.7.11.11.12 Other neurological, cerebrovascular, and cardiovascular procedures, invasive and noninvasive;

7.7.11.11.13 Nuclear imaging;

7.7.11.11.14 Diagnostic endoscopies; and

7.7.11.11.15 Genetic studies;

7.7.11.12 Up to fifteen (15) additional (beyond the services provided under Basic Coverage) physical therapy treatments per Enrollee condition per year when indicated by an orthopedist, physiatrist or chiropractor after Contractor Prior Authorization;

7.7.11.13 General anesthesia, including for dental treatment of special-needs children;

7.7.11.14 Hyperbaric Chamber;

7.7.11.15 Immunosuppressive medicine and clinical laboratories required for the maintenance treatment of post-surgical patients or transplant patients, to ensure the stability of the Enrollee's health, and for emergencies that may occur after said surgery; and

7.7.11.16 Treatment for the following conditions after confirmed laboratory results and established diagnosis:

7.7.11.16.1 HIV Positive factor and/or Acquired Immunodeficiency Syndrome ("AIDS") (Outpatient and hospitalization services are included; no Referral or Prior Authorization is required for Enrollee visits and treatment at the Health Department's Regional Immunology Clinics or other qualified Providers);

7.7.11.16.2 Aplastic Anemia

7.7.11.16.3 Rheumatoid Arthritis

7.7.11.16.4 Cancer, not limited to Skin Cancer;

7.7.11.16.5 Certain obstetric services, if the Enrollee is active in the Special Coverage Registry.

7.7.11.16.6 Adults with Phenylketonuria (PKU);

7.7.11.16.7 Pulmonary Hypertension

7.7.11.16.8 Tuberculosis;

7.7.11.16.9 Leprosy;

7.7.11.16.10 Systemic Lupus Erythematosus (SLE);

7.7.11.16.11 Cystic Fibrosis;

7.7.11.16.12 Hemophilia;

7.7.11.16.13 Special conditions of children, including the prescribed conditions in the Special Needs Children Diagnostic Manual Codes (see Attachment 13 to this Contract), except:

7.7.11.16.13.1 Psychiatric Disorders; and

7.7.11.16.13.2 Intellectual disabilities;

7.7.11.16.14 Scleroderma;

7.7.11.16.15 Multiple Sclerosis and Amiotrophic Lateral Sclerosis (ALS);

7.7.11.16.16 Chronic renal disease in levels three (3), four (4) and five (5) (Levels 1 and 2 are included in the Basic Coverage); these levels of renal disease are defined as follows:

7.7.11.16.16.1 Level 3. GFR (Glomerular Filtration – ml/min. per 1.73m² per corporal surface area) between 30 and 59, a moderate decrease in kidney function;

7.7.11.16.16.2 Level 4. GFR between 15 and 29, a severe decrease in kidney function; and

7.7.11.16.16.3 Level 5. GFR under 15, renal failure that will probably require either dialysis or a kidney transplant.

7.7.11.16.17 Effective upon issuance of mandated and uniform protocol, Albinism.

7.7.12 Required medication for the outpatient treatment of Hepatitis C is included under Special Coverage. Any costs incurred for required medication for the outpatient treatment of Hepatitis C shall be funded through separate payment by ASES to PBM. Medication for the outpatient treatment for AIDS-diagnosed Enrollees or HIV-positive Enrollees is also included under Special Coverage and are provided by ADAP (until such time that Puerto Rico participates in the MDRP). Protease inhibitors are excluded from the covered services are provided by CPTET Centers. An Enrollee may register for Special Coverage based on one (1) of the conditions listed in Attachment 7 to this Contract. The Contractor must seek ASES Prior Authorization for any other special condition not listed in Attachment 7 to this Contract, which the Enrollee, PCP, or PMG requests to be the basis of Special Coverage for an Enrollee. The request must include sufficient documentation of the Enrollee's need for services and the cost-effectiveness of the care option. ASES will consult with the Health Department and issue a decision which will be binding between the Parties.

7.7.13 The Contractor must have a mechanism in place to allow Enrollees to directly access a specialist as appropriate for the enrollee's condition and identified needs, in regards to all services encompassed within the scope of Special Coverage.

7.7.14 Except as expressly noted in this Section 7.7, the exclusions applied to Basic Coverage apply to Special Coverage.

7.8 **Administrative Functions**

7.8.1 Benefits under the GHP include the Administrative Functions of Care Management and the Wellness Plan (see Section 12.6 of this Contract), which are intended to coordinate care for Enrollees with an identified need for additional coordination.

7.8.2 Care Management

7.8.2.1 The Contractor shall be responsible for the Care Management of Enrollees who demonstrate the greatest need, and require intensive assistance, including during extended hours as required by the Enrollees' medical conditions, to ensure integration of physical and Behavioral Health needs.

7.8.2.2 Enrollees who present with the following conditions, or are referred for Care Management by a Provider or Enrollee Services, shall be offered Care Management and may elect to opt out of the program:

7.8.2.2.1 Enrollees identified with special health care needs and whom qualify for Special Coverage or have a Chronic Condition not otherwise covered under Special Coverage;

7.8.2.2.2 Enrollees diagnosed with a Serious Mental Illness (SMI) or a Serious Emotional Disturbance (SED); or

7.8.2.2.3 Enrollees who have accessed the emergency room seven (7) or more times within twelve (12) months.

7.8.2.3 The Contractor's Care Management system shall emphasize prevention, continuity of care, and coordination of care, including between settings of care and appropriate discharge planning for short- and long-term hospital and institutional stays. The system will advocate for, and link Enrollees to, services as necessary across Providers, including community and social support Providers, and settings. Care Management functions include:

7.8.2.3.1 Assignment of a specific Care Manager to each enrollee qualified for Care Management;

7.8.2.3.2 Management of Enrollee to Care Manager ratios that have been reviewed ASES;

7.8.2.3.3 Identification of Enrollees who have or may have chronic or severe Behavioral Health needs, including through use of the screening tools M-CHAT for the detection of Autism, ASQ, ASQ-SE, Conners Scale (ADHD screen), DAST-10, GAD, LOCUS, CALOCUS, ASAM, and PC-PTSD, and other tools available for diagnosis of Behavioral Health disorders;

7.8.2.3.4 Assessment of an Enrollee's physical and Behavioral Health needs utilizing a standardized needs assessment within thirty (30) Calendar Days of Referral to Care Management that has been reviewed and given written approval by ASES. The Contractor shall also make its best efforts to perform this needs assessment for all new Enrollees within ninety (90) Calendar Days of the Effective Date of Enrollment, and to

comply with all other requirements for such assessments set forth in 42 CFR 438.208(b);

7.8.2.3.5 Development of a plan of care within sixty (60) Calendar Days of the needs assessment;

7.8.2.3.6 Referrals and assistance to ensure timely Access to Providers;

7.8.2.3.7 Coordination of care actively linking the Enrollee to Providers, medical services, residential, social, and other support services where deemed necessary;

7.8.2.3.8 Monitoring of the Enrollees needs for assistance and additional services via face-to-face or telephonic contact at least quarterly (based on high- or low-risk);

7.8.2.3.9 Continuity and transition of care; and

7.8.2.3.10 Follow-up and documentation, including the review and/or revision of a plan of care upon reassessment of need, at least every twelve (12) months, or when the Enrollee's circumstances or needs change significantly, or at the request of the Enrollee.

7.8.2.4 The Contractor shall develop policies and procedures for Care Management that include, at a minimum, the following elements:

7.8.2.4.1 The provision of an individual needs assessment and diagnostic assessment;

7.8.2.4.2 The development of an individual treatment plan, as necessary, based on the needs assessment;

7.8.2.4.3 The establishment of treatment objectives;

7.8.2.4.4 The monitoring of outcomes;

7.8.2.4.5 A process to ensure that treatment plans are revised as necessary;

7.8.2.4.6 A strategy to ensure that all Enrollees or Authorized Representatives, as well as any specialists caring for the Enrollee, are involved in a treatment planning process coordinated by the PCP;

7.8.2.4.7 Procedures and criteria for making Referrals to specialists and subspecialists;

7.8.2.4.8 Procedures and criteria for maintaining care plans and Referral services when the Enrollee changes Providers;

7.8.2.4.9 Capacity to implement, when indicated, Care Management functions such as individual needs assessment, including establishing treatment objectives, treatment follow-up, monitoring of outcomes, or revision of the treatment plan; and

7.8.2.5 These procedures must be designed to include consultation and coordination with Enrollee's PCP.

7.8.2.6 The Contractor shall submit its Care Management policies and procedures to ASES for review according to the timeframe specified in Attachment 12 to this Contract.

7.8.3 Addressing Social Determinants of Health

7.8.3.1 The Contractor must assess Enrollees' needs related to Social Determinants of Health using a standardized screening tool provided by ASES.

7.8.3.2 The Contractor must refer Enrollees to community-based support and services as needed based on assessment results.

7.8.3.3 The Contractor must track referrals to social services and include social or community health workers (CHWs) in care coordination teams, and other care coordination initiatives that promote holistic, Enrollee-centered care across medical and nonmedical contexts.

7.8.3.4 The activities listed in Sections 7.8.3.2. and 7.8.3.3 must be conducted by a social worker or CHW if the initial screening results evidence that the Enrollee needs specific services related to Social Determinants of Health.

7.9 Early and Periodic Screening, Diagnosis and Treatment Requirements ("EPSDT")

7.9.1 The Contractor shall provide EPSDT services to Pediatric Enrollees in compliance with all requirements found below. EPSDT services must be in compliance with Health Department guidelines and the Mothers, Children and Adolescents Program guidelines. ASES may issue additional guidelines to the Contractor in regards to the applicable EPSDT services.

7.9.1.1 The Contractor shall comply with sections 1902(a)(43), 1905(a)(4)(B), and 1905(r) of the Social Security Act, and Part 5 of the State Medicaid Manual, which require EPSDT services to

include Outreach and education, screening, tracking, and diagnostic and treatment services.

7.9.1.2 The Contractor shall develop an EPSDT Plan that includes written policies and procedures for conducting Outreach and education, informing, tracking, and organizing follow-up to ensure compliance with the Well Baby Care periodicity schedules.

7.9.1.3 The EPSDT Plan shall emphasize Outreach and compliance monitoring for children and adolescents (young adults), taking into account the multi-lingual, multi-cultural nature of the population, as well as other unique characteristics of this population.

7.9.1.4 The EPSDT Plan shall include procedures for follow-up of missed appointments, including missed Referral appointments for problems identified through EPSDT screens and exams. The plan shall also include procedures for Referral, tracking, and follow-up for annual dental examinations and visits. The Contractor shall submit its EPSDT Plan for review and approval according to the timeframe specified in Attachment 12 to this Contract.

7.9.2 Outreach and Education

7.9.2.1 The Contractor's EPSDT Outreach and education process for Pediatric Enrollees and their families shall include:

7.9.2.1.1 The importance of preventive care;

7.9.2.1.2 The periodicity schedule and the depth and breadth of services;

7.9.2.1.3 How and where to access services, including necessary transportation and scheduling services; and

7.9.2.1.4 A statement that services are provided without cost.

7.9.2.2 The Contractor shall provide written notification to its families with EPSDT-eligible children when appropriate periodic assessments or needed services are due. The Contractor shall coordinate appointments for care. The Contractor shall follow-up with families with EPSDT-eligible children who have failed to access Well Baby Care services after one hundred and twenty (120) Calendar Days of Enrollment in the GHP.

7.9.2.3 The Contractor shall inform its newly enrolled families with EPSDT-Eligible children about the EPSDT Program upon Enrollment with the Plan. This requirement includes informing pregnant women and new mothers, either before or within fourteen

(14) Calendar Days after the birth of their children, that EPSDT services are available.

7.9.2.4 The Contractor shall provide each PCP, on a monthly basis, with a list of the PCP's EPSDT-eligible children who have not had an appointment during the initial one hundred and twenty (120) Calendar Days of Enrollment, and/or are not in compliance with the EPSDT periodicity schedule. The Contractor and/or the PCP shall subsequently contact the Enrollees' parents or guardians to schedule an appointment.

7.9.2.5 Outreach and education shall include a combination of written and oral (on the telephone, face-to-face, or films/tapes) methods, and may be done by Contractor personnel or by Providers. All Outreach and education shall be documented and shall be conducted in non-technical language at or below a fourth (4^{th}) -grade reading level. The Contractor shall use accepted methods for informing persons who are blind or deaf, or cannot read or understand the Spanish language.

7.9.2.6 The Contractor may provide nominal, non-cash incentives of fifteen dollars ($15) or less to Enrollees and no more than seventy-five dollars ($75) in the aggregate annually per Enrollee, to motivate compliance with periodicity schedules if prior approved in writing by ASES.

7.9.3 Screening

7.9.3.1 The Contractor is responsible for periodic screens ("EPSDT Checkups") in accordance with the Puerto Rico Medicaid Program's periodicity schedule and the American Academy of Pediatrics EPSDT periodicity schedule. Such EPSDT Checkups shall include, but not be limited to, the Well Baby Care checkups described in Section 7.5.3.1.

7.9.3.2 The Contractor shall provide an initial health and screening visit to all newly enrolled CHIP Eligible children within ninety (90) Calendar Days and within twenty-four (24) hours of birth to all newborns; and, after the initial Checkup, annually.

7.9.3.3 The Contractor must advise the Enrollee child, his or her parents, or his or her legal guardian of his or her right to have an EPSDT Checkup.

7.9.3.4 EPSDT Checkups must include all of the following:

7.9.3.4.1 A comprehensive health and developmental history;

7.9.3.4.2 Developmental assessment, including mental, emotional, and Behavioral Health development;

7.9.3.4.3 Measurements (including head circumference for infants);

7.9.3.4.4 An assessment of nutritional status;

7.9.3.4.5 A comprehensive unclothed physical exam;

7.9.3.4.6 Immunizations according to the guidance issued by the Advisory Committee on Immunization Practices (ACIP). All immunizations shall be provided for Pediatric Enrollees, and those necessary according to age, gender, and health condition of the Enrollee, including but not limited to influenza and pneumonia, vaccines for Enrollees over 65 years and vaccines for children and adults with high risk conditions such as pulmonary, renal, diabetes and heart disease, among others.

7.9.3.4.6.1 The Puerto Rico Department of Health shall provide and pay for vaccines to Enrollees ages 0-18 through the Children's Immunization Program. The Contractor shall cover the administration of the vaccines provided by the Puerto Rico Department of Health.

7.9.3.4.6.2 The Contractor shall provide and pay for the immunizations of Enrollees ages 19-20 and those necessary according to age, gender and health condition of the Enrollee, including but not limited to influenza and pneumonia vaccines for beneficiaries over 65 years and adults with high risk conditions such as pulmonary, renal, diabetes, and heart disease, among others.

7.9.3.4.6.3 The Contractor shall cover the administration of all the vaccines according to the fee schedule established by the Puerto Rico Health Department. The Contractor shall contract with immunization providers, duly certified by the Puerto Rico Department of Health, to provide immunization services.

7.9.3.4.6.4 The Contractor shall administer the immunizations without any charge or deductible.

7.9.3.4.7 Certain laboratory tests;

7.9.3.4.8 Anticipatory guidance and health education;

7.9.3.4.9 Vision screening;

7.9.3.4.10 Tuberculosis;

7.9.3.4.11 Hearing screening; and

7.9.3.4.12 Dental and oral health assessment.

7.9.3.5 Lead screening is a required component of an EPSDT Checkup, and the Contractor shall implement a screening program for the detection of the presence of lead toxicity. The screening program shall consist of two (2) parts: verbal risk assessment (from thirty-six (36) to seventy-two (72) months of age), and blood screening for lead. Regardless of risk, the Contractor shall provide for a blood screening testing for lead for all EPSDT-Eligible children at twelve (12) and twenty-four (24) months of age. Children between twenty-four (24) months of age and seventy-two (72) months of age should receive a blood lead screening testing for lead if there is no record of a previous test.

7.9.3.6 The Contractor shall have procedures for Provider Referral to and follow-up with dental service Providers, including annual dental examinations and services by an oral health Provider.

7.9.3.7 The Contractor shall have procedures for Provider Referral of children for further diagnostic and/or treatment services to correct or ameliorate defects, physical and mental illnesses, and conditions discovered by the EPSDT checkup. Referral to the Provider conducting the screening or to another Provider may be made, as appropriate, as well as any follow-up appointments.

7.9.3.8 The Contractor shall ensure at a minimum fifty percent (50%) compliance during the first Contract year, sixty percent (60%) compliance during the second Contract year, and seventy-five percent (75%) compliance during the third and fourth Contract year, with the EPSDT screening requirements, including blood screening for lead and annual dental examinations and services, using the methodology prescribed by CMS to determine the screening rate. ASES may impose penalties, sanctions, and/or fines under Articles 19 and 20 if the Contractor fails to comply with the minimum requirements.

7.9.4 Tracking

7.9.4.1 The Contractor shall establish a tracking system that provides Information on compliance with EPSDT requirements. This system

shall have in a place a reminder/notification system and shall track, at a minimum, the following areas:

7.9.4.1.1 Initial newborn Well Baby Care hospital checkups;

7.9.4.1.2 Periodic EPSDT checkups as required by the periodicity schedule;

7.9.4.1.3 Diagnostic and treatment services, including Referrals; and

7.9.4.1.4 Immunizations, lead, tuberculosis, and dental services.

7.9.4.2 All Information generated and maintained in the tracking system shall be consistent with Encounter Data requirements as specified in Section 17.3.3 of this Contract.

7.9.5 Diagnostic and Treatment Services

7.9.5.1 If a suspected problem is detected by a screening examination as described above, the child shall be evaluated as necessary for further diagnosis. This diagnosis is used to determine treatment needs.

7.9.5.2 EPSDT requires coverage for all follow-up diagnostic and treatment services deemed Medically Necessary to ameliorate or correct a problem discovered during an EPSDT checkup. Such Medically Necessary diagnostic and treatment services must be provided regardless of whether such services are covered by the State Medicaid Plan, as long as they are Medicaid-coverable Services as defined in Title XIX of the Social Security Act. The Contractor shall provide Medically Necessary, Medicaid-coverable diagnostic and treatment services.

7.9.6 EPSDT Reporting is addressed in Section 18.2.4 of this Contract.

7.10 **Advance Directives**

7.10.1 In compliance with 42 CFR 438.3 (j), 42 CFR 422.128(a), 42 CFR 422.128(b), 42 CFR 489.102(a), and Law No. 160 of November 17, 2001, the Contractor shall maintain written policies and procedures for Advance Directives. Such Advance Directives shall be included in each Enrollee's Medical Record. The Contractor shall provide these policies and procedures written at a fourth (4^{th}) grade reading level in English and Spanish to all Enrollees eighteen (18) years of age and older and shall advise Enrollees of:

7.10.1.1 Their rights under the laws of Puerto Rico, including the right to accept or refuse medical or surgical treatment and the right to formulate Advance Directives;

7.10.1.2 The Contractor's written policies respecting the implementation of those rights, including a statement of any limitation that incorporates the requirements set forth under 42 CFR 422.128(b)(1)(ii) regarding the implementation of Advance Directives as a matter of conscience; and

7.10.1.3 The Enrollee's right to file Complaints concerning noncompliance with Advance Directive requirements directly with ASES or with the Puerto Rico Office of the Patient Advocate.

7.10.2 The Information must include a description of Puerto Rico law and must reflect changes in laws as soon as possible and no later than ninety (90) Calendar Days after the effective change.

7.10.3 The Contractor shall educate its staff about its policies and procedures on Advance Directives, situations in which Advance Directives may be of benefit to Enrollees, and the staff's responsibility to educate Enrollees about this tool and assist them in making use of it.

7.10.4 The Contractor shall educate Enrollees about their ability to direct their care using Advance Directives and shall specifically designate which staff members or Network Providers are responsible for providing this education.

7.11 **Enrollee Cost-Sharing**

7.11.1 The Contractor shall ensure that Providers collect the Enrollee's cost-sharing portion only as specified in Attachment 8 to this Contract, as developed in accordance with 42 CFR 438.108.

7.11.2 The Contractor shall ensure that it accurately differentiates the categories of GHP Enrollees in its Marketing Materials and communications, to clarify the cost-sharing rules that are applied to each group. The Contractor shall ensure that the Enrollee's eligibility category appears on the Enrollee ID Card, so that cost-sharing is correctly determined.

7.11.3 The Contractor shall ensure that, in keeping with the Co-Payment policies included in Attachment 8 to this Contract, Medicaid and CHIP Eligibles bear no cost-sharing responsibility under the GHP for services provided within the Contractor's PPN.

7.11.4 As provided in Attachment 8 to this Contract, the Contractor shall impose Co-Payments for services provided in an emergency room outside the Enrollee's PPN, but only in limited circumstances.

7.11.4.1 For Medicaid and CHIP Eligibles, the Contractor shall not impose any Co-Payment for the treatment of an Emergency Medical Condition or a Psychiatric Emergency. The Contractor shall, however, as provided in Attachment 8 to this Contract, impose Co-

Payments for services provided in an emergency room to treat a condition that the attending physician determines, at the time of the visit, does not meet the definition of a Psychiatric Emergency or an Emergency Medical Condition and if the Enrollee does not consult the GHP Service Line Medical Advice Line before visiting the emergency room, and provide his or her call identification number at the emergency room. If the Enrollee presents the call identification number, no Co-Payment shall be imposed.

7.11.4.2 No Co-Payments shall be charged for Medicaid and CHIP children under twenty-one (21) years of age under any circumstances.

7.11.4.3 For Other Eligible Persons, the Contractor shall impose a Co-Payment for any emergency room visit outside the Enrollee's PPN, if the Enrollee does not consult the GHP Service Line Medical Advice Line before visiting the emergency room, and provide his or her call identification number at the emergency room. If the Enrollee presents the call identification number, no Co-Payment shall be imposed.

7.11.5 As provided in 42 CFR 447.53(e), if a Medicaid or CHIP Eligible expresses his or her inability to pay the established Co-Payment at the time of service, the Contractor (through its contracted Providers) shall not deny the service.

7.11.6 Enrollees of Indian background, as defined in Article 2, are exempt from all Co-Payments.

7.11.7 The Contractor shall ensure that any cost sharing complies with the parity requirements for Financial Requirements in 42 CFR 438.910 addressed in Section 7.5.11.7.

7.12 **Dual Eligible Beneficiaries**

7.12.1 Dual Eligible Beneficiaries enrolled in the GHP are eligible, with the limitations provided below, for the Covered Services described in this Article 7, with the addition of some coverage of Medicare cost-sharing.

7.12.1.1 Dual Eligible Beneficiaries Who Receive Medicare Part A Only

7.12.1.1.1 The Contractor shall provide regular GHP coverage as provided in this Article 7, excluding services covered under Medicare Part A (hospitalization). However, the GHP shall cover hospitalization services after the Medicare Part A coverage limit has been reached.

7.12.1.1.2 The Contractor shall not cover the Medicare Part A premium or Deductible.

7.12.1.2 Dual Eligible Beneficiaries Who Receive Medicare Part A and Part B

7.12.1.2.1 The Contractor shall provide regular GHP coverage as detailed in this Article 7, excluding services covered under Medicare Part A or Part B. However, the GHP shall cover hospitalization services after the Medicare Part A coverage limit has been reached.

7.12.1.2.2 The Contractor shall not cover the Medicare Part A premium or Deductible.

7.12.1.2.3 The Contractor shall cover Medicare Part B Deductibles and co-insurance in accordance with Section 23.5.1.

7.12.1.3 Dual Eligible Beneficiaries enrolled in a Medicare Part C and/or Platino Plan are not eligible for services under this Contract.

7.12.1.4 Barbiturates and Benzodiazepines for Dual Eligible Beneficiaries with Medicare Part D are covered by Medicare Part D.

7.12.2 Any GHP cost-sharing for Dual Eligible Beneficiaries shall be determined according to Section 7.11 and Attachment 8 to this Contract.

7.12.3 The Contractor must enter into a Coordination of Benefits Agreement with Medicare within sixty (60) Calendar Days from the Effective Date of the Contract and participate in the automated claims crossover process in order to appropriately allocate reimbursement for Dual Eligible Beneficiaries. Any crossover claims not appropriately reimbursed by the applicable Medicare program will be considered an Overpayment and shall be reported and returned in accordance with Section 22.1.19.

7.12.3.1 ASES may extend the sixty (60) Calendar Day time frame set forth in Section 7.12.3 if the Contractor can provide evidence, satisfactory to ASES, that documents the Contractor's reasonable efforts to enter into a Coordination of Benefits Agreement with Medicare.

7.13 **Moral or Religious Objections**

7.13.1 If, during the course of the Contract period, pursuant to 42 CFR 438.102, the Contractor elects not to provide, not to reimburse for, or not to provide a Referral or Prior Authorization for a service within the scope of the detailed Covered Services, because of an objection on moral or religious grounds, the Contractor shall notify:

7.13.1.1 ASES within one hundred and twenty (120) Calendar Days before adopting the policy with respect to any service;

7.13.1.2 Enrollees within ninety (90) Calendar Days after adopting the policy with respect to any service; and

7.13.1.3 Enrollees and Potential Enrollees before and during Enrollment.

7.13.2 The Contractor shall furnish information about the services it does not cover based on a moral or religious objection to ASES with its GHP Program application. The Contractor acknowledges that such objections will be factored into the calculation of rates paid to the Contractor and, when made during the course of the Contract period, may serve as grounds for recalculation of the rates paid.

7.13.3 If the Contractor does not cover counseling or referral services because of moral or religious objections and chooses not to furnish information to Enrollees on how and where to obtain such services, ASES must provide that information to Enrollees.

ARTICLE 8 INTEGRATION OF PHYSICAL AND BEHAVIORAL HEALTH SERVICES

8.1 General Provisions

8.1.1 The Contractor shall ensure that physical and Behavioral Health Services are fully integrated, to ensure optimal detection, prevention, and treatment of physical and Behavioral Health illness.

8.1.2 The Contractor (through contracted PCPs, PMGs, and other Network Providers) shall be responsible, for identifying Enrollees' needs and coordinating proper Access to both physical and Behavioral Health Services.

8.1.3 In implementing an integrated model of service delivery, the Contractor shall observe all the protections of the Mental Health Code (Act No. 408) and the Puerto Rico Patient's Bill of Rights Act, as well as other applicable Federal and Puerto Rico legislation.

8.2 Co-Location of Staff

8.2.1 The Contractor shall require the placement of a psychologist or other type of Behavioral Health Provider as part of the PMG's PPN. The Behavioral Health Provider shall be present and available to provide assessment, screening, consultation, and Behavioral Health Services to Enrollees. The standard minimum criteria for weekly access will be four (4) hours per week for one thousand (1,000) or fewer Enrollees assigned to the PMG and increments of four (4) hours per every additional one thousand (1,000) Enrollees thereafter as detailed in Attachment 10 to this Contract. Total Behavioral Health Provider hours will be determined by the number of Enrollees assigned to the PMG regardless of the Contractor selected by the Enrollee. The Contractor must

ensure that each PMG complies with the ASES Guidelines for Co-location of the Behavioral Health Provider in PMG settings established in Attachment 10 to this Contract.

8.2.2 The Contractor shall ensure that the PMG provides adequate space and resources for the Behavioral Health Provider to provide care and consultations in a confidential setting.

8.2.3 The Behavioral Health Provider housed within the PMG shall conduct screening evaluations (PHQ-9, ASQ, ASQ SE, Conners Scales, DAST-10, GAD, PC-PTSD, LOCUS, CALOCUS, ACES, ASAM, among others), crisis intervention, screening for social determinants of health needs, and limited psychotherapy (between four (4) and six (6) sessions), according to the needs of the Enrollee). Formal and informal case discussions between the PCP and Behavioral Health Providers are required. The Contractor shall ensure that the services provided are compliant with Act No. 408.

8.3 **Reverse Co-location**

8.3.1 The Contractor shall contract with Short-term Intervention Centers (Stabilization Units) based on the needs of the population, and with a geographic distribution approved by ASES. Based on the needs of the population, ASES has the sole discretion of requiring the Contractor to contract additional Behavioral Health Services Facilities.

8.3.2 The Contractor must comply with the ASES Guidelines for Reverse Co-location of the PCP in Behavioral Health Facilities detailed in Attachment 21 of this Contract.

8.3.3 The Contractor shall ensure that a PCP is on site or on call as specified in the Guidelines for Reverse Collocation (see Attachment 21 to this Contract) to monitor the physical health of the Enrollees.

8.3.4 The Contractor shall ensure that the Behavioral Health Facility provides adequate space and resources for the PCP to provide care and consultations in a confidential setting.

8.3.5 In the event that a Behavioral Health Facility does not allow Contractor to place a PCP in the Behavioral Health Facility for the minimum time required, the Contractor shall proceed according to the Guidelines for Reverse Collocation (see Attachment 21 to this Contract).

8.4 **Referrals**

8.4.1 GHP Enrollees with Behavioral Health conditions requiring more intensive or continuous care than can be provided within the PMG environment as set forth in Section 8.2, shall be referred to a Behavioral Health Provider for on-going services. In the same way, Enrollees who require more intensive or continuous

care than can be provided within the Behavioral Health Facility as set forth in Section 8.3 shall be referred to the appropriate physical provider for level of treatment. For any physical urgent care that an Enrollee may have at the Behavioral Health Facility they could be seen by the reverse co-located physician to receive such evaluation. However, Enrollees with SMI shall be assisted by the reverse co-located physician for all acute or chronic physical conditions at the same point of service.

8.4.2 An Enrollee may access Behavioral Health services through the following means:

8.4.2.1 A Referral from the PCP or other PMG physician;

8.4.2.2 Self-referral (walk-in);

8.4.2.3 The GHP Service Line Service;

8.4.2.4 The telephone Call Center provided by ASSMCA, known as "Linea PAS";

8.4.2.5 Hospitals; and

8.4.2.6 Emergency rooms.

8.5 Information Sharing

8.5.1 To the extent the Contractor utilizes a Subcontractor to provide Behavioral Health services, the Contractor and the Subcontractor shall share documents in their respective possession (including agreements, processes, guidelines and clinical protocols), in order to understand the other's operations to ensure optimal cooperation and integration of physical and Behavioral Health Services.

8.5.2 The Contractor shall develop forms to facilitate electronic communication between physical health and Behavioral Health Providers, such as:

8.5.2.1 An information sheet for Enrollees on HIPAA requirements;

8.5.2.2 A Referral sheet; and

8.5.2.3 An informed consent form.

8.5.3 The Contractor shall establish a process for monitoring exchange of Information, documenting receipt of Information and following up on Information not submitted in a timely manner.

8.5.4 The Contractor shall require PMG staff to follow-up with Behavioral Health Providers concerning the care of Enrollees referred by the PMG to a Behavioral Health Provider.

8.5.5 The Contractor shall ensure that the Providers implement a certified EHR and a HIE platform with the capacity of centralizing the management of the referred EHR for all the PMG Providers including all Behavioral Health Providers. Also, the Contractor shall provide ASES all the necessary data to assure that the Providers comply with the Medicaid encounters patient volume as required by 42 CFR 495.306. The Contractor must submit to ASES the certification document included as Attachment 24 to this Contract within seven (7) Business Days of ASES's request of the certification.

8.6 Staff Education

8.6.1 The Contractor shall train PMG and the Behavioral Health Facility staff on the goals and operational details of the integrated model of care, and, as appropriate, the identification of Behavioral Health issues and conditions.

8.6.2 The Contractor shall require PMGs to Immediately refer Enrollees to the Behavioral Health Provider located within the PMG (or, if the Provider is not available, to the emergency room) when an Enrollee displays suicidal behavior.

8.7 Cooperation with Puerto Rico and Federal Government Agencies

8.7.1 The Contractor acknowledges that governmental entities, including ASSMCA and SAMHSA regulate, as applicable, Behavioral Health services under the GHP. The Contractor shall consult such governmental entities where appropriate.

8.8 Integration Plan

8.8.1 The Contractor shall submit to ASES, for its review and approval, an Integration Plan incorporating the elements in this Article 8, according to the timeframe specified in Attachment 12 to this Contract. The Integration Plan shall cover at a minimum:

8.8.1.1 How (1) Reverse Co-location and (2) co-location will be arranged, implemented, and monitored;

8.8.1.2 Target dates for full compliance with reverse co-location and co-location;

8.8.1.3 Contingency plans for PMGs and Behavioral Health Facilities who do not have appropriate space for co-location or reverse co-location or refuse to participate;

8.8.1.4 How Referrals are communicated, implemented, and tracked; and

8.8.1.5 Schedule for staff education and measurement of compliance.

ARTICLE 9 PROVIDER NETWORK

9.1 General Provisions

9.1.1 The Contractor shall comply with the requirements specified in 42 CFR 438.68, 438.206, 438.207, 438.214 and all applicable Puerto Rico requirements regarding Provider Networks. The Contractor shall have policies and procedures that reflect these requirements that are prior approved in writing by ASES in accordance with the timeframes in Attachment 12 to this Contract. The Contractor shall also:

9.1.1.1 Establish and maintain a comprehensive network of Providers capable of serving all Enrollees who enroll in the Contractor's Plan;

9.1.1.2 Pursuant to Section 1932(b)(7) of the Social Security Act, not discriminate against Providers that serve high-risk populations or specialize in conditions that require costly treatment;

9.1.1.3 Not discriminate with respect to participation, reimbursement, or indemnification of any Provider acting within the scope of that Provider's license or certification under applicable Puerto Rico law solely on the basis of the Provider's license or certification;

9.1.1.4 Upon declining to include a Provider or group of Providers that have requested inclusion in the Contractor's General Network, the Contractor shall give the affected Provider(s) written notice explaining the reason for its decision;

9.1.1.5 Be allowed to negotiate different reimbursement amounts for different specialties or for different practitioners in the same specialty;

9.1.1.6 Be allowed to establish measures that are designed to maintain quality of services and control of costs and are consistent with its responsibility to Enrollees;

9.1.1.7 Not make payment to any Provider who has been barred from participation based on existing Medicare, Medicaid or CHIP sanctions, except for Emergency Services; and

9.1.1.8 Provide Enrollees with special health care needs direct access to a specialist, as appropriate for the Enrollee's health care condition, as specified in 42 CFR 438.208(c)(4).

9.1.1.9 Contract with any Provider that satisfies Contractor's credentialing standards and agrees to the terms of the Provider Contract. Such Provider Contract, including all its attachments, must use a contract form or template that was previously approved in writing by ASES. The Contractor must complete the credentialing process no later than thirty (30) Business Days after submission by the Provider of all credentialing documentation. The effective date of the Provider Contract shall not exceed the first day of the month following the execution of the Provider Contract.

9.1.2 The Contractor shall have an adequate network of available Network Providers meeting all Contract requirements in order to (i) ensure timely Access to Covered Services (including complying with all Federal and Puerto Rico requirements concerning timeliness, amount, duration, and scope of services); and (ii) provide sufficient Network Providers to satisfy the demand of Covered Services with adequate capacity and quality service delivery.

9.1.3 When establishing and maintaining an adequate network of Providers, the Contractor shall consider and comply with each of the following criteria, in accordance with 42 CFR 438.206(b)(1):

9.1.3.1 Estimated eligible population and number of Enrollees;

9.1.3.2 Estimated use of services, considering the specific characteristics of the population and special needs for physical and Behavioral Health care;

9.1.3.3 Integration of physical health services and Behavioral Health Services using state facilities, academic medical centers, municipal health services and facilities;

9.1.3.4 Number and type of Providers required to offer services taking experience, training, and specialties into account;

9.1.3.5 Maximum number of patients per Provider;

9.1.3.6 The number of Providers in the PPN and General Network that are not accepting new patients; and

9.1.3.7 Geographic location of Providers and Enrollees, taking into account distance as permitted by law, the duration of trip, the means of transportation commonly used by Enrollees, and whether the facilities provide physical access for Enrollees with physical disabilities or special needs.

9.1.3.8 Sufficient family planning Providers to ensure timely access to family planning Covered Services.

9.1.4 If the Contractor declines to include individual or groups of Providers in its network, it must give the affected Providers written notice of the reason for its decision. 42 CFR 438.12(a) may not be construed to:

9.1.4.1 Require the Contractor to contract with Providers beyond the number necessary to meet the needs of its Enrollees;

9.1.4.2 Preclude the Contractor from using different reimbursement amounts for different specialties or for different practitioners in the same specialty; or

9.1.4.3 Preclude the Contractor from establishing measures that are designed to maintain quality of services and control costs and is consistent with its responsibilities to Enrollees.

9.1.5 The provider's facilities must comply with Federal and Puerto Rico laws regarding the physical condition of medical facilities and the Provider's facilities, and must also comply with ASES's requirements including, but not limited to, physical accessibility, reasonable accommodations, accessible equipment for Enrollees with physical or mental disabilities, cleanliness and proper hygiene. ASES reserves the right to evaluate the appropriateness of such facilities to provide the Covered Services. After receiving a written notice from ASES, the Contractor must timely notify the Provider, propose and enforce a corrective plan to be completed within ninety (90) Calendar Days to make the facilities appropriate to provide the Covered Services.

9.1.5.1 The Contractor shall collaborate with the Providers to provide integrated GHP physical and Behavioral Health Services in order to achieve a fully integrated and holistic approach to providing Enrollee care.

9.1.5.2 The Contractor shall implement procedures in conjunction with the Providers to ensure that each GHP Enrollee has Access to both physical and Behavioral Health outpatient and inpatient services.

9.1.5.3 The Contractor shall develop policies and procedures that ensure timely Access to physical and Behavioral Health Services and integration of care.

9.1.5.4 The Contractor shall submit its policies and procedures to ASES for prior written approval according to the timeframe set forth in Attachment 12 to this Contract

9.1.5.5 The Contractor must contract directly with ASSMCA as a Behavioral Health Services Provider for the Enrollees, regardless of the direct contracting or subcontracting model selected by Contractor.

9.1.6 The Contractor's Network shall not include a Provider if the Provider, or any person who has an ownership or controlling interest in the Provider or is an agent or managing employee of the Provider, is included on the List of Excluded Individuals/Entities ("LEIE") (which is maintained by HHS-OIG), or who are on the Excluded Parties List System ("EPLS") or on Puerto Rico's list of excluded Providers. The Contractor shall check LEIE and EPLS upon the Provider's Enrollment, Re-Enrollment, and on a monthly basis. Upon enrollment and Re-Enrollment the Contractor must also check the SSA Death Master File to make sure the Provider is not deceased and the National Plan and Provider Enumeration System ("NPPES") to make sure the Provider has a NPI as required in Section 9.1.7.

9.1.7 The Contractor shall require that each Provider have a unique National Provider Identifier ("NPI"). When the NPI is reported to ASES, the NPI must be in the NPPES standard format.

9.1.8 Ambulatory clinics shall have a sufficient number of Providers to efficiently and promptly provide Behavioral Health Services to Enrollees visiting such clinics, including Vieques and Culebra. Contractor shall provide ASES with a report within the first ten (10) Business Days of each month indicating the number of Enrollees (including walk-ins) receiving Behavioral Health Services therein and the number of Providers providing these services during such period.

9.1.9 ASES shall have the right to previously approve Contractor's clinical protocols to render Behavioral Health Services and substance abuse to Enrollees in ambulatory care.

9.1.10 In the event that a determined type of Provider cannot be contracted by the Contractor due to lack of such Providers or due to such Provider's refusal to contract for this GHP Program, the Contractor must carry out all efforts to contract with those Providers. The Contractor must validate and submit all supporting documents evidencing the lack of Providers or refusal to contract to ASES using Form A-102 provided as Attachment 15 to this Contract. ASES will make a determination based on the evidence submitted if any further action is required of the Contractor.

9.1.11 The Contractor is responsible for establishing and monitoring Medical Record guidelines which include documentation of all services provided by the Primary Care Providers as well as any participating Providers in the contracted Provider Network.

9.1.12 Direct Relationship

9.1.12.1 The Contractor shall ensure that all Network Providers have knowingly and willingly agreed to participate in the Contractor's General Network.

9.1.12.2 The Contractor shall be prohibited from acquiring established networks without contacting each individual Provider to ensure knowledge of the requirements of this Contract and to confirm the Provider's complete understanding and agreement to fulfill all terms of the Provider Contract.

9.1.12.3 ASES reserves the right to confirm and validate, through collection of information, documentation from the Contractor and on-site visits to Network Providers, the existence of a direct relationship between the Contractor and the Network Providers.

9.1.13 Contractor Documentation of Adequate Capacity and Services

9.1.13.1 Before the Effective Date of this Contract and Immediately upon request by ASES after the Implementation Date of the Contract, the Contractor shall provide documentation demonstrating that it:

9.1.13.1.1 Offers an appropriate range of assessment and treatment, preventive, Primary Care, and specialty services that is adequate for the anticipated number of Enrollees and meets ASES's Network Adequacy standards in accordance with Section 9.4; and

9.1.13.1.2 Maintains a Provider Network that is sufficient in number, mix, and geographic distribution to meet the needs of the anticipated number of Enrollees and meets ASES's Network Adequacy Standards in accordance with Section 9.4.

9.1.13.2 The Contractor shall provide documentation of the Network Adequacy Standards stated in this Section 9.4 on an annual basis, and Immediately any time that there has been a significant change in the Contractor's operations that would affect adequate capacity and services, including:

9.1.13.2.1 When there is a change in Benefits, composition of or payments to its Network Providers; or

9.1.13.2.2 Upon the Enrollment of a new eligibility group in the Contractor's Plan.

9.2 **Provider Qualifications**

9.2.1 The following requirements apply to Network Providers in the Contractor's network:

FQHC	A Federally Qualified Health Center is an entity that provides outpatient care under Section 330 of the Public Health Service Act (42 U.S.C. 254b) and complies with the standards and regulations established by the Federal Government and is an eligible Provider enrolled in the Medicaid Program.
PHYSICIAN	A person with a license to practice medicine as an M.D. or a D.O. in Puerto Rico, whether as a PCP or in the area of specialty under which he or she will provide medical services through a contract with the Contractor; and is a Provider enrolled in the Puerto Rico Medicaid Program; and has a valid registration number from the Drug Enforcement Agency and the Certificate of Controlled Substances of Puerto Rico, if required in his or her practice.
HOSPITAL	An institution licensed as a general or special hospital by the Puerto Rico Health Department under Chapter 241 of the Health and Safety Code of Private Psychiatric Hospitals under Chapter 577 of the Health and Safety Code (or who is a Provider which is a component part of the Puerto Rico or local governmental entity which does not require a license under the laws of Puerto Rico) which is enrolled as a Provider in the Puerto Rico Medicaid Program.
NON-MEDICAL PRACTICING PROVIDER	A person who possesses a license issued by the licensing agency of Puerto Rico enrolled in the Puerto Rico Medicaid Program or a properly trained person who practices under the direct supervision of a licensed Provider offering support in health care services.
CLINICAL LABORATORY	An entity that has a valid certificate issued by the Clinical Laboratory Improvement Act (“CLIA”) and which has a license issued by the licensing agency of the Puerto Rico. The Contractor shall ensure that all of the clinical laboratories under contract have a CLIA registration certificate and the registration number or a waiver certificate.

RURAL HEALTH CLINIC (RHC)	A health facility that the Secretary of Health and Human Services has determined meets the requirements of Section 1861(a)(2) of the Social Security Act; and that has entered into an agreement with the Secretary to provide services in Rural Health Clinics or Centers under Medicare and in accordance with 42 CFR 405.2402.
LOCAL HEALTH DEPARTMENT	Local Health Department established under Act 81 from March 14, 1912.
NON-HOSPITAL PROVIDING FACILITY	A Provider which is duly licensed and credentialed to provide services and is enrolled in the Puerto Rico Medicaid Program.
SCHOOLS OF MEDICINE	Clinics located on the medical campus that provides Primary Care and Preventive Services to children and adolescents.
MEDICAL PSYCHIATRIST	A person who possesses a license to practice medicine and a psychiatrist specialty license issued by the licensing agency of Puerto Rico and is enrolled in the Puerto Rico Medicaid Program or a properly trained person who practices psychiatry under the direct supervision of a licensed Provider.
PSYCHOLOGIST	A person who possesses a Doctoral or Master's Degree in clinical or counseling psychology and a license issued by the licensing agency of Puerto Rico and is enrolled in the Puerto Rico Medicaid Program or a properly trained person who practices psychology under the direct supervision of a licensed Provider.
SOCIAL WORKER	A person who possesses a Master's Degree in social work and a current license issued by the licensing agency of Puerto Rico and is enrolled in the Puerto Rico Medicaid Program or a properly trained person who practices social work under the direct supervision of a licensed Provider.
DETOXIFICATION FACILITY	An entity or health facility that has a valid certificate and license to provide detoxification treatments issued by the licensing agency of Puerto Rico.
SHORT TERM INTERVENTION CENTER (Stabilization Unit)	An entity or health facility that has a valid certificate and license to provide Behavioral Health Services issued by the licensing agency of Puerto Rico.

9.2.2 The Contractor shall also ensure that Network Providers meet any other qualifications as prescribed by ASES.

9.2.3 Provider Credentialing

9.2.3.1 Providers of the GHP Program will be credentialed through a centralized state-contracted Credentialing Verification Organization ("CVO"). ASES intends to transition the credentialing process to such CVO, and will establish an implementation plan that will allow for a transition between the MCOs and the CVO. ASES will notify MCOs sixty (60) days in advance of its intent of transitioning to the CVO. The implementation plan to be established by ASES will specify the tasks to be completed by each party, due dates and a timeline of not less than twelve (12) months to allow for a successful transition. The MCOs are required to collaborate with this transition, and to implement coordinated processes for the operation such credentialing activities with the CVO.

Any impact in PMPM Payments based on the transition of credentialing activities will be evaluated and assessed by ASES with the MCOs.

9.2.3.2 Prior to the transition to the CVO, the Contractor shall be responsible for Credentialing and Re-Credentialing its Network Providers as set forth in Section 9.2.3.5. After the transition, the Contractor shall ensure that all Network Providers are appropriately credentialed by the CVO as qualified to provide services under the terms of this Contract and in accordance with all applicable Federal and Puerto Rico law.

9.2.3.3 Credentialing is required for:

9.2.3.3.1 All physicians who provide services to the Contractor's Enrollees,

9.2.3.3.2 All other types of Providers who provide services to the Contractor's Enrollees, and who are permitted to practice independently under Puerto Rico law including but not limited to: hospitals, X-ray facilities, clinical laboratories, and ambulatory service Providers.

9.2.3.4 Credentialing is not required for:

9.2.3.4.1 Providers who are permitted to furnish services only under the direct supervision of another practitioner;

9.2.3.4.2 Hospital-based Providers who provide services to Enrollees Incident to hospital services, unless those Providers are

separately identified in Enrollee literature as available to Enrollees; or

9.2.3.4.3 Students, residents, or fellows.

9.2.3.5 Before ASES transitions to a state-centralized Contracted CVO, the following Standards for Credentialing must be followed by the MCOs.

9.2.3.5.1 The Contractor shall document the mechanism for Credentialing and Re-Credentialing of Network Providers or Providers it employs to treat Enrollees outside of the inpatient setting and who fall under its scope of authority and action. This documentation shall include, but is not limited to, defining the scope of Providers covered, the criteria and the primary source verification of Information used to meet the criteria, the process used to make decisions that shall not be discriminatory and the extent of delegated Credentialing and Re-Credentialing arrangements. The Contractor shall:

9.2.3.5.1.1 Have written policies and procedures for the Credentialing and Re-Credentialing process. Such process must permit providers to apply for Credentialing and Re-Credentialing online;

9.2.3.5.1.2 Meet Puerto Rico and Federal regulations for Credentialing and Re-Credentialing, including 42 CFR 455.104, 455.105, 455.106 and 1002.3(b);

9.2.3.5.1.3 Use one (1) standard Credentialing form prescribed by ASES;

9.2.3.5.1.4 Designate a Credentialing committee or other peer review body to make recommendations regarding Credentialing/Re-Credentialing issues;

9.2.3.5.1.5 Complete the Credentialing process within forty-five (45) Calendar Days from receipt of completed application with all required primary source documentation;

9.2.3.5.1.6 Ensure Credentialing/Re-Credentialing forms require ownership and control disclosures, disclosure of business transactions, and criminal conviction information in accordance with Section 9.2.3.5.3;

9.2.3.5.1.7 Verify that Network Providers maintain a current and valid license to practice. Verification must show that the license was in effect at the time of the Credentialing decision with a copy of a good standing; or with the Junta de Licenciamiento Médico/Junta de Profesionales de la Salud CD;

9.2.3.5.1.8 Ensure education and training records, including, but not limited to, Internship, Residency, Fellowships, Specialty Boards etc., are validated and current. As per CMS chapter VI, section 60, education verification is required only for the highest level of education or training attained;

9.2.3.5.1.9 Ensure board certification, when applicable, in each clinical specialty area for which the Provider is being credentialed;

9.2.3.5.1.10 Ensure clinical privileges are in good standing at the hospital designated by the Provider, when applicable, as the primary admitting facility. This information may be obtained by contacting the facility, obtaining a copy of the participating facility directory or attestation by the Provider;

9.2.3.5.1.11 Ensure Network Providers maintain current and adequate malpractice insurance. This information may be obtained via the malpractice carrier, a copy of the insurance face sheet or attestation by the Provider;

9.2.3.5.1.12 Obtain Information about sanctions or limitations on licensure from the applicable Puerto Rico licensing agency or board, or from a group such as the Federation of State Medical Boards;

9.2.3.5.1.13 Ensure a valid Drug Enforcement Agency (“DEA") or Controlled Dangerous Substances (“CDS”) certificate in effect at the time of the Credentialing. This information can be obtained through confirmation with CDS, entry into the National Technical Information Service (“NTIS”) database, or by obtaining a copy of the certificate;

9.2.3.5.1.14 Review Network Provider’s history of professional liability claims that resulted in

settlements or judgments paid by or on behalf of the Provider: This information can be obtained from the malpractice carrier or from the National Practitioner Data Bank;

9.2.3.5.1.15 Ensure that Behavioral Health Network Providers (as applicable) are trained and certified by the Substance Abuse and Mental Health Services Administration ("SAMHSA") to provide the opiate addiction treatment certifications stated in Section 7.5.11.3;

9.2.3.5.1.16 Ensure Credentialing of health care facilities shall be governed by, but not limited to, Law 101 of June 26, 1965, as amended, known as "Law of Facilities of Puerto Rico;"

9.2.3.5.1.17 Screen all Providers against the Federal databases specified in 42 CFR 455.436 on a monthly basis to ensure Providers are not employing or contracting with excluded individuals;

9.2.3.5.1.18 Have written policies and procedures, that have been prior approved in writing by ASES, to ensure and verify that providers have appropriate licenses and certifications to perform services outlined in their respective Provider Contracts; and

9.2.3.5.1.19 Maintain records that verify its Credentialing and Re-Credentialing activities, including primary source verification and compliance with Credentialing/Re-Credentialing requirements.

9.2.3.6 The Contractor shall ensure all Network Providers are enrolled as Providers with Puerto Rico Medicaid, and prohibit payments to any unenrolled Providers unless authorized under federal law, e.g. for Emergency Services.

9.2.3.7 The Contractor shall perform the following functions:

9.2.3.7.1.1 Ensure potential and actual Network Providers are credentialed and enrolled with ASES as Puerto Rico Medicaid Providers;

9.2.3.7.1.2 Require any Network Provider to be enrolled with the GHP as a managed care Provider;

9.2.3.7.1.3 Perform Site Visits. The Contractor's site visit policy will be reviewed pursuant to CMS' monitoring protocol. At a minimum, the Contractor should consider requiring initial Credentialing site visits of the offices of Primary Care practitioners, obstetrician- gynecologists, or other high-volume Providers, as defined by the organization;

9.2.3.7.1.4 Verify that Network Providers are Re-Credentialed by the CVO every three (3) years;

9.2.3.7.1.5 Ensure all required documents and licenses are current at the time of initial Credentialing or Re-Credentialing;

9.2.3.7.1.6 Maintain a Provider file for all Network Providers. The Provider file shall be updated annually and consist of, at a minimum, the following documents: annual Puerto Rico review, DEA license, malpractice insurance and ASSMCA license.

9.2.3.7.1.7 The Contractor shall ensure, and be able to demonstrate at the request of ASES, that Out-of-Network Providers are credentialed through the CVO.

9.2.3.7.1.8 If the Contractor determines, through the Credentialing or Re-Credentialing process, or otherwise, that a Provider could be excluded pursuant to 42 CFR 1001.1001, or if the Contractor determines that the Provider has failed to make full and accurate disclosures as required in Sections 13.5.13, the Contractor shall deny the Provider's request to participate in the Provider Network, or, for a current Network Provider, as provided in Section 10.4.1.2, terminate the Provider Contract. The Contractor shall notify ASES of such a decision, and shall provide documentation of the bar on the Provider's Network participation, within twenty (20) Business Days of communicating the decision to the Provider. The Contractor shall screen its employees, Network Providers, and Subcontractors initially and on an ongoing monthly basis to determine whether any of them

have been excluded from participation in Medicare, Medicaid, CHIP, or any other Federal health care program (as defined in Section 1128B(f) of the Social Security Act). ASES or the Puerto Rico Medicaid Program shall, upon receiving notification from a Contractor that the Contractor has denied Credentialing, notify the HHS Office of the Inspector General of the denial with twenty (20) Business Days of the date it receives the Information, in conformance with 42 CFR 1002.4.

9.2.3.7.1.9 The Contractor shall report to ASES on a monthly basis the Credentialing and Re-Credentialing status of Providers. The details of this report are described in Section 18.2.5.3 of this Contract.

9.2.4 Network Provider Enrollment as Medicaid Providers

9.2.4.1 Contractors shall ensure that all Network Providers, when initially contracted and as periodically revalidated thereafter, are Medicaid-enrolled Providers consistent with the Provider disclosure, screening and enrollment requirement of 42 CFR part 455, subparts B and E as incorporated in 42 CFR 438.608(b).

9.2.4.2 Contractors may execute temporary Provider Contracts pending the outcome of the Medicaid provider enrollment process of up to one hundred twenty (120) Calendar Days but must terminate a Network Provider Immediately upon notification from ASES that the Network Provider cannot be enrolled, or the expiration of the one hundred twenty (120) Calendar Day period without enrollment of the Provider, and notify affected Enrollees.

9.2.4.3 Contractors shall assist ASES in facilitating the Medicaid Provider enrollment process, in the manner requested by ASES, including but not limited to the production or certification of Provider Credentialing records, distribution of ASES Provider agreements and all other verbal and/or written communications related to the Medicaid Provider enrollment process.

9.3 **Network Description**

9.3.1 General Network

9.3.1.1 The General Network shall be comprised of all Providers available to Enrollees including those Providers who are designated as

preferred providers and those Providers who are not associated with a PMG.

9.3.1.2 The Contractor shall ensure that its General Network of Providers is adequate to assure Access to all Covered Services, and that all Providers are appropriately credentialed, maintain current licenses, and have appropriate locations to provide the Covered Services.

9.3.1.3 The Contractor shall include and make a part of its General Network any Behavioral Health Provider who is qualified for the GHP (including meeting all Credentialing standards in this Contract) and willing to participate in the Network.

9.3.1.4 If the Contractor's General Network is unable to provide Medically Necessary Covered Services to an Enrollee within the requirements set forth in Section 9.5, the Contractor shall adequately and timely (as defined in Section 9.5) cover these services using Providers outside of its Network without penalty or additional Co-Payments imposed on the Enrollee.

9.3.1.5 Primary Care Providers (PCPs)

9.3.1.5.1 PCPs will be responsible for providing, managing and coordinating all the services of the Enrollee, including the coordination with Behavioral Health personnel, in a timely manner, and in accordance with the guidelines, protocols, and practices generally accepted in medicine.

9.3.1.5.2 The Contractor shall offer its Enrollees freedom of choice in selecting a PCP. The Contractor shall have policies and procedures describing how Enrollees select their PCPs. The Contractor shall submit these policies and procedures to ASES for review and prior written approval according to the timeframes specified in Attachment 12 to this Contract.

9.3.1.5.3 The PCP is responsible for maintaining each Enrollee's Medical Record, which includes documentation of all services provided by the PCP as well as any specialty services.

9.3.1.5.4 The following shall be considered PCPs for purposes of contracting with a PMG:

9.3.1.5.4.1 General practitioners;

9.3.1.5.4.2 Internists;

9.3.1.5.4.3 Family practice;

9.3.1.5.4.4 Pediatricians (optional for minors under the age of twenty-one (21)); and

9.3.1.5.4.5 Gynecologists-Obstetricians (obligatory when the woman is pregnant or age twelve (12) or older; this Provider will also be selected for usual gynecological visits).

9.3.1.5.5 No PCP may own any financial control or have a direct or indirect economic interest (as defined in Act 101 of July 26, 1965) in any Ancillary Services facility or any other Provider (including clinical laboratories, pharmacies, etc.) under contract with the PMG.

9.3.1.5.6 Nurse practitioners and physician assistants may not be PCPs.

9.3.1.5.7 The Contractor shall guarantee that women who are pregnant select a gynecologist-obstetrician as their PCP. Additionally, the Contractor will permit female Enrollees to select a gynecologist-obstetrician for their routine gynecological visits at initial Enrollment.

9.3.1.6 Behavioral Health Providers

9.3.1.6.1 The Contractor shall have a sufficient number of Behavioral Health Providers to attend to the Behavioral Health needs of the Enrollees. The Contractor shall make available all specialties specified in this Section 9.3.1.6.

9.3.1.6.2 The Contractor shall have available and under contract a sufficient number of the following types of Network Providers to render services to all Enrollees:

9.3.1.6.2.1 Psychiatrist;

9.3.1.6.2.2 Clinical or Counseling Psychologist;

9.3.1.6.2.3 Social Workers (“MSW”);

9.3.1.6.2.4 Care Managers;

9.3.1.6.2.5 Certified Addiction Counselors; and

9.3.1.6.2.6 Behavioral Health Facilities, as specified in Article 2.

9.3.1.7 Network Provider Types

9.3.1.7.1 For both the General Network and the PPN, the Contractor shall have available the following types of Network Providers:

9.3.1.7.2 Specialists:

9.3.1.7.2.1 Podiatrists, Optometrists, Ophthalmologists, Radiologists, Endocrinologists, Nephrologists, Pneumologists, Otolaryngologists (ENTs), Cardiologists, Urologists, Gastroenterologists, Rheumatologists, Dermatologists, Oncologists, Neurologists, Infectious Disease Specialists, Orthopedists, Physical & Rehabilitative Specialists (Physiatrist), General Surgeons, and Chiropractors.

9.3.1.7.2.2 The Contractor shall offer its Enrollees freedom of choice in selecting a dentist.

9.3.1.7.2.3 The Contractor shall offer its Enrollees freedom of choice in selecting Behavioral Health Providers.

9.3.1.7.3 Facilities

9.3.1.7.3.1 Clinical Laboratories;

9.3.1.7.3.2 X-Ray Facilities;

9.3.1.7.3.3 Hospitals;

9.3.1.7.3.4 Providers and facilities for Behavioral Health (Mental Health and Substance Use Disorder) Services;

9.3.1.7.3.5 Specialized service Providers;

9.3.1.7.3.6 Urgent care centers and emergency rooms; and

9.3.1.7.3.7 Any other Providers or facilities needed to offer Covered Services, except pharmacies, considering the specific health needs of Enrollees.

9.3.1.8 Out-Of-Network Providers

9.3.1.8.1 If the Contractor's General Network is unable to provide Medically Necessary Covered Services to an Enrollee, the

Contractor shall adequately and timely (within the standards in Section 9.5) cover these services using Providers outside of its General Network.

9.3.1.8.2 Except as provided with respect to Emergency Services (see Section 7.5.9), if the Contractor offers the service through a Provider in the General Network but the Enrollee chooses to access the service from an Out-of-Network Provider, the Contractor is not responsible for payment.

9.3.1.8.3 The Contractor must ensure that Out-of-Network Providers are duly credentialed and shall pay them, at a minimum, the same rates the Contractor pays its Network Providers dependent on Provider type. To be considered Duly Credentialed, the Contractor shall demonstrate and evidence that the Out-of-Network Provider is properly licensed for the practice of medicine in Puerto Rico, properly certified for the specialty needed, participating provider of the Medicare Program or have privileges in good standing at a hospital from the Contractor's provider's network and complies with section 13.4 and 13.5.13.5 of this Contract.

9.3.1.9 The Contractor shall not restrict the choice of the Provider from whom an Enrollee may receive family planning services and supplies.

9.3.1.10 The Contractor shall provide female Enrollees with direct access to a women's health specialist within the General Network for Covered Services necessary to provide women's routine and preventive health care services in addition to the Enrollee's designated source of primary care if that source is not a woman's health specialist.

9.3.2 The Contractor shall ensure, in collecting Co-Payments, that in the event that a Co-Payment is imposed on Enrollees for an Out-of-Network service, the Co-Payment shall not exceed the Co-Payment that would apply if services were provided by a Provider in the General Network.

9.3.3 The Contractor shall also develop, as a subset of its General Network of Providers, a Preferred Provider Network ("PPN"). The objectives of the PPN model are to increase access to Providers and needed services, improve timely receipt of services, improve the quality of Enrollee care, enhance continuity of care, and facilitate effective exchange of Protected Health Information between Providers and the Contractor. The PPN must satisfy the requirements for the General Network described in this section.

9.3.3.1 The PPN is established utilizing a PMG to deliver services to the Enrollees who select a PCP that is a member of an individual PMG.

9.3.3.2 The Contractor shall offer a PPN to all Enrollees. Each provider in the PPN shall be associated with an individual PMG whose group includes PCPs, psychologists or Behavioral Health Providers in compliance with Section 8.2 and Attachment 10 to this Contract, clinical laboratories, x-ray facilities, specialists and other providers that meet network requirements described in this section.

9.3.3.3 Enrollees shall be allowed to receive services from all Providers within their PMG's PPN without Referral or restriction.

9.3.3.4 Enrollees who receive a prescription from a Network Provider within the PPN/PMG shall be allowed to fill the prescription without the requirement of a Countersignature from their PCP.

9.3.3.5 Additional Preferred Provider Network ("PPN") Standards

9.3.3.5.1 The Contractor shall establish policies and procedures that, at a minimum, include:

9.3.3.5.1.1 Criteria for participating in the PPN versus the General Network;

9.3.3.5.1.2 Standards for monitoring Provider performance;

9.3.3.5.1.3 Methodologies for monitoring Access to care,

9.3.3.5.1.4 Methodologies for identifying compliance issues; and

9.3.3.5.1.5 Measures to address identified compliance issues.

9.3.3.5.2 The Contractor shall submit its policies and procedures to ASES for review and prior written approval according to the timeframe specified in Attachment 12 to this Contract.

9.4 **Network Adequacy Standards**

9.4.1 The Contractor must maintain an Island-wide provider network that complies with the Network Adequacy Standards specified in Section 9.4. The Contractor must use Geographical-access and thermal mapping to demonstrate that the contracted network is distributed across Puerto Rico such that it meets the needs of Enrollees. The Contractor shall provide adequate Access to Enrollees at all times.

9.4.2 In the event the Contractor cannot meet a Network Adequacy Standard in Section 9.4, an exception must be requested and approved in writing by ASES. The request must provide detailed information justifying the need for an

exception and actions underway to meet compliance. The exception does not relieve the Contractor from remedying non-compliance with defined Network Adequacy Standards within a reasonable timeframe, or complying with a Corrective Act Plan established in collaboration with ASES. All approved exceptions must be reported in the annual Provider Network and Evaluation plan described in Section 18.3

9.4.2.1 The standard by which ASES will evaluate the exception request will be based, at a minimum, on the number of Providers in that specialty practicing in Puerto Rico.

9.4.3 The Contractor shall comply with the following Provider-to-Enrollee Ratios, Provider Per Municipality requirements, and Required Network Providers standards for the General Network:

9.4.3.1 PCP Provider-to-Enrollee Ratios

9.4.3.1.1 The following specialties are considered PCPs: Family Practice, Internal Medicine (for Adults), General Medicine, and Pediatrics.

9.4.3.1.2 The Contractor's provider network must ensure a PCP is not assigned more than one thousand seven hundred (1,700) Enrollees (excluding Gynecologists);

9.4.3.1.3 The Contractor's provider network must ensure a Gynecologist, selected as the Enrollee's PCP, if the Enrollee is female and twelve (12) years of age or older, is not assigned more than two thousand eight hundred (2,800) Enrollees (1:2,800);

9.4.3.1.4 On a monthly basis, the Contractor must review Enrollment Counselor PCP assignments to ensure ratios do not exceed the ratio requirements defined in Sections 9.4.3.1.2 and 9.4.3.1.3. In the event the Contractor assigns Enrollees to a PCP that exceeds the stated Provider-to-Enrollee Ratio requirement, the Contractor must obtain prior written approval for an exception from ASES to continue to assign Enrollees to the PCP. All approved exceptions must be reported in the Geographic Access Report and the annual Provider Network and Evaluation plan described in Section 18.3.

9.4.3.2 Hospital Provider-to-Enrollee Ratios

9.4.3.2.1 The Contractor's provider network must have one (1) Hospital per fifty thousand (50,000) Enrollees (1:50,000).

9.4.3.3 Provider Per Municipality Requirements

9.4.3.3.1 The Contractor's provider network must have at least two (2) Adult PCPs and one (1) Pediatric PCPs, as defined in Sections 9.4.4.1.1 and 9.4.4.2.1, respectively, in each municipality.

9.4.3.3.2 The Contractor's provider network must have at least one (1) Psychiatrist, Psychologist, Licensed Clinical Social Worker, or other Licensed Behavioral Health Provider in each municipality.

9.4.3.4 Required Network Providers

9.4.3.4.1 The Contractor's provider network must have one (1) FQHC.

9.4.3.4.2 The Contractor's provider network must include all Government Health Care Facilities identified in Section 9.6.

9.4.3.4.3 The Contractor's provider network must include all psychiatric hospitals identified in Section 9.7.

9.4.3.4.4 The Contractor's provider network must include available emergency stabilization units and psychiatric partial hospitalization facilities to meet the needs of Enrollees Island-wide.

9.4.4 The Contractor shall comply with the minimum Time and Distance Standards for the General Network specified herein. Time and Distance Standards are developed for Urban and Non-Urban Areas as defined in Article 2 of this Contract.

9.4.4.1 Adult Primary Care Providers (PCP)

9.4.4.1.1 Providers classified as Adult PCPs for purposes of Time and Distance Standards are Internal Medicine, Family Practice, and General Practice.

9.4.4.1.2 Enrollees living in Urban Areas and Non-Urban Areas must have a choice of at least two (2) PCPs within fifteen (15) miles/thirty (30) minutes.

9.4.4.2 Pediatric PCPs

9.4.4.2.1 Providers classified as Pediatric PCPs for purposes of Time and Distance Standards are the following: Family Practice, General Practice, and Pediatrics.

9.4.4.2.2 Enrollees living in Urban Areas and Non-Urban Areas must have a choice of at least two (2) PCPs within fifteen (15) miles/thirty (30) minutes.

9.4.4.3 Obstetrics and Gynecology (OB/GYN) Providers

9.4.4.3.1 For female Enrollees age twelve (12) and older, the Contractor must ensure the provider network for OB/GYN Providers meet the following Time and Distance standards:

9.4.4.3.2 Enrollees living in Urban Areas and Non-Urban Areas must have a choice of at least two (2) OB/GYN Providers within fifteen (15) miles/thirty (30) minutes.

9.4.4.4 High Volume Specialty Care Providers

9.4.4.4.1 High Volume Specialty Care Providers are Providers that serve Enrollees with high volume chronic conditions, as identified by ASES. The Contractor must meet the following Time and Distance standards as specified in this section.

9.4.4.4.1.1 Adult High Volume Specialty Care Providers

9.4.4.4.1.1.1 Providers classified as Adult High Volume Specialty Care Providers for purposes of Time and Distances standards are the following: Cardiology, Endocrinology, Oncology, Nephrology, and Pulmonology.

9.4.4.4.1.1.2 Enrollees living in Urban Areas must have one (1) of each type of Adult High Volume Specialty Care Provider within thirty (30) miles/sixty (60) minutes.

9.4.4.4.1.1.3 Enrollees living in Non-Urban Areas must have one (1) of each type Adult High Volume Specialist within forty-five (45) miles/ninety (90) minutes.

9.4.4.4.1.2 Pediatric High Volume Specialty Care Providers

9.4.4.4.1.2.1 Providers classified as Pediatric High Volume Specialty Care Providers for purposes of Time and Distance standards are the following:

Cardiology, Endocrinology, Oncology, Pulmonology, and Speech, Language and Hearing.

9.4.4.4.1.2.2 Enrollees living in Urban Areas must have one (1) of each type Pediatric High Volume Specialty Care Provider within thirty (30) miles/sixty (60) minutes.

9.4.4.4.1.2.3 Enrollees living in Non-Urban Areas must have one (1) of each type Pediatric High Volume Specialty Provider within forty-five (45) miles/ninety (90) minutes.

9.4.4.5 Adult and Pediatric Dental Providers

9.4.4.5.1 Enrollees living in Urban Areas must have one (1) Dental Provider within thirty (30) miles/sixty (60) minutes.

9.4.4.5.2 Enrollees living in Non-Urban Areas must have one (1) Dental Provider within forty-five (45) miles/ninety (90) minutes.

9.4.4.6 Adult and Pediatric Mental Health Providers

9.4.4.6.1 Enrollees living in Urban Areas and Non-Urban Areas must have at least one (1) Psychologist within fifteen (15) miles/thirty (30) minutes.

9.4.4.6.2 Enrollees living in Urban Areas and Non-Urban Areas must have at least one (1) Psychiatrist within fifteen (15) miles/thirty (30) minutes.

9.4.4.6.3 Enrollees living in Urban Areas and Non-Urban Areas must have one at least (1) Licensed Clinical Social Worker and/or Licensed Professional Counselor within fifteen (15) miles/thirty (30) minutes.

9.4.4.7 Adult and Pediatric Substance Use Disorder (SUD) Providers

9.4.4.7.1 Enrollees living in Non-Urban Areas must have at least one (1) detoxification and rehabilitation Provider within forty-five (45) miles/ninety (90) minutes.

9.4.4.7.2 Enrollees living in Urban Areas must have at least one (1) Intensive Outpatient (IOP) or Partial Hospitalization (PHP) thirty (30) miles/sixty (60) minutes.

9.4.4.7.3 Enrollees living in Non-Urban Areas must have at least one (1) Intensive Outpatient (IOP) or Partial Hospitalization (PHP) provider within forty-five (45) miles/ninety (90) minutes;

9.4.4.7.4 Enrollees living in Urban Areas must have at least one (1) addiction medicine/withdrawal management provider within (PHP) thirty (30) miles/sixty (60) minutes; and

9.4.4.7.5 Enrollees living in Non-Urban Areas must have at least one (1) addiction medicine/withdrawal management provider within forty-five (45) miles/ninety (90) minutes.

9.4.4.8 Hospitals

9.4.4.8.1 The Contractor must ensure Enrollees have access to all necessary specialty hospitals as needed based on the needs of the enrolled population.

9.4.4.8.2 Enrollees living in Urban Areas must have one (1) Hospital within thirty (30) miles/sixty (60) minutes.

9.4.4.8.3 Enrollees living in Non-Urban Areas must have one (1) Hospital within forty-five (45) miles/ninety (90) minutes.

9.4.4.9 Emergency Room (Hospital and Freestanding)

9.4.4.9.1 Facilities subject to the Time and Distance standard in this section are emergency rooms, either in a Hospital or a freestanding facility.

9.4.4.9.2 Enrollees living in any area of Puerto Rico must have one (1) Emergency Room within twenty (20) miles/thirty (30) minutes.

9.4.5 Network Adequacy Standards for the Preferred Provider Network (PPN)

9.4.5.1 The Contractor must ensure the PPN complies with the Network Adequacy Standards in Sections 9.4.3 and 9.4.4 for applicable Providers.

9.4.5.2 Each PMG shall be considered a PPN based on the number of Enrollees who have selected a PCP associated with the individual PMG.

9.4.6 The Parties acknowledge that there are shortages of certain Providers. The Contractor will work with the Provider community to address Enrollee Access to Providers to the extent possible. The Contractor will then develop policies and procedures to be prior approved in writing by ASES to ensure Enrollees have Access to services as necessary.

9.4.7 Subject to Section 9.4 of this Contract, the aforementioned Provider-to Enrollee Ratios, Provider Per Municipality, Required Network Provider, and Time and Distance standards must be maintained for Enrollees, regardless of whether the Contractor offers treatment to other private patients.

9.4.8 ASES reserves the right to modify the Network Adequacy requirements herein based on a pattern of complaints from Enrollees or Providers regarding Access.

9.4.9 ASES reserves the right to modify Network Adequacy requirements herein based on a pattern of Access concerns in the Contractor's Geographical Access and Appointment Availability reports.

9.4.10 ASES reserves the right to modify the Network Adequacy requirements herein based on the health needs of Enrollee populations, for example, increased Access to Providers specializing in certain medical conditions in response to a higher incidence of such conditions in these populations.

9.5 **Access**

9.5.1 Appointment Standards and Minimum Requirements for Access to Providers

9.5.1.1 The Contractor shall provide adequate Access to Enrollees at all times and are subject to the appointment requirements described in Section 9.5. The Contractor shall provide Access to Covered Services in accordance with the following terms:

9.5.1.1.1 Non-Urgent Conditions

9.5.1.1.1.1 Routine physical exams shall be provided for all Enrollees within thirty (30) Calendar Days of the Enrollee's request for the service, taking into account both the medical and Behavioral Health need and condition. For Enrollees less than twenty-one (21) years of age, the Contractor shall meet the EPSDT timeframes specified in Section 7.9.3 of this Contract and in accordance with Act No. 408.

9.5.1.1.1.2 Routine evaluations for Primary Care shall be provided within thirty (30) Calendar Days, unless the Enrollee requests a later time;

9.5.1.1.1.3 Covered Services for non-urgent conditions shall be provided within fourteen (14) Calendar Days following the request for service;

9.5.1.1.1.4 Specialist Services shall be provided within thirty (30) Calendar Days of the Enrollee's original request for service;

9.5.1.1.1.5 Dental services shall be provided within sixty (60) Calendar Days following the request, unless the Enrollee requests a later date;

9.5.1.1.1.6 Behavioral Health Services shall be provided within fourteen (14) Calendar Day following the request, unless the Enrollee requests a later date;

9.5.1.1.1.7 Diagnostic laboratory, diagnostic imaging and other testing appointments shall be provided consistent with the clinical urgency, but no more than fourteen (14) Calendar Days, unless the Enrollee requests a later time;

9.5.1.1.1.8 Diagnostic laboratory, diagnostic imaging and other testing, if a "walk-in" rather than an appointment system is used, the Enrollee wait time shall be consistent with severity of the clinical need; and

9.5.1.1.2 Urgent Conditions

9.5.1.1.2.1 Emergency Services shall be provided, including Access to an appropriate level of care as quickly as warranted based on the condition;

9.5.1.1.2.2 Primary medical, dental, and Behavioral Health Care outpatient appointments for urgent conditions shall be available within twenty-four (24) hours;

9.5.1.1.2.3 Urgent outpatient diagnostic laboratory, diagnostic imaging and other testing, appointment availability shall be consistent with the clinical urgency, but no longer than forty-eight (48) hours;

9.5.1.1.2.4 Behavioral Health crisis services, face-to-face appointments shall be available within two (2) hours; and

9.5.1.1.2.5 Detoxification services shall be provided Immediately according to clinical necessity;

9.5.1.1.3 The timing of scheduled follow-up outpatient visits with practitioners shall be consistent with the clinical need; and

9.5.1.1.4 FQHC Services shall be provided in an FQHC setting. The Contractor shall adequately and timely cover these services out-of-network at no cost to Enrollees for as long as the FQHC Services are unavailable in the Contractor's General Network. All out-of-network services require a Referral from the Enrollee's PCP.

9.5.2 Access to Services for Enrollees with Special Health Needs

9.5.2.1 The Contractor shall require that its Network Providers evaluate any progressive condition of an Enrollee with special health needs that requires a course of regular monitored care or treatment. This evaluation will include the use of Providers for each identified case.

9.5.2.2 The Contractor shall establish a protocol to screen Enrollees for Special Coverage and Care Management in order to facilitate direct access to specialists. The Contractor shall submit its operational protocol to ASES for prior written approval according to the timeframe specified in Attachment 12 to this Contract.

9.5.3 Hours of Service

9.5.3.1 The Contractor shall prohibit its Network Providers from having different hours and schedules for GHP Enrollees than what is offered to commercial Enrollees.

9.5.3.2 The Contractor shall prohibit its Providers from establishing specific days for the delivery of Referrals and requests for Prior Authorization for GHP Enrollees, and the Contractor shall monitor compliance with this rule and take corrective action if there is failure to comply.

9.5.3.3 The Contractor shall require Psychiatric Hospitals (or a unit within a general hospital), Emergency or Stabilization Units to have open service hours covering twenty-four (24) hours a day, seven (7) days a week. The Contractor shall require Partial Hospitalization Facilities to have open service hours covering ten (10) hours per day at least five (5) days per week and shall have available one (l) nurse,

one (1) social worker and one (1) psychologist/psychiatrist. The Contractor shall require all other Behavioral Health Facilities to have open service hours covering twelve (12) hours per day, at least (5) days per week and shall have available one (1) nurse, one (1) social worker and one (1) psychologist/psychiatrist.

9.5.4 Preferential Turns

9.5.4.1 The Contractor shall agree to establish a system of Preferential Turns for residents of the island municipalities of Vieques and Culebra. Preferential Turns refers to a policy of requiring Providers to give priority in treating Enrollees from these island municipalities, so that they may be seen by a physician within a reasonable time after arriving in the Provider's office. This priority treatment is necessary because of the remote locations of these municipalities, and the greater travel time required for the residents to seek medical attention. This requirement was established in Laws No. 86 enacted on August 16, 1997 (Arts. 1 through 4) and Law No. 200 enacted on August 5, 2004 (Arts. 1 through 5). The Contractor shall include this requirement in the Provider Guidelines (see Section 10.2.1.4).

9.5.5 Extended Schedule of PMGs

9.5.5.1 PMGs shall be available to provide primary care services or consultations Monday through Saturday of each Week, from 8:00 a.m. to 6:00 p.m. (Atlantic Time). The following Holidays the PMG will not have to comply with this requirement: January 1st, January 6th, Good Friday, Thanksgiving Day and December 25th. The PMG has the sole discretion to decide whether or not to provide Primary Care services during the previously listed holidays.

9.5.5.2 In addition, each Provider that offers urgent care services, as well as any other qualified Provider willing to provide urgent care services, shall have sufficient personnel to offer urgent care services during extended periods Monday through Friday from 6:00 p.m. to 9:00 p.m. (Atlantic Time), in order to provide Enrollees greater Access to their PCPs and to urgent care services.

9.5.5.3 PMGs may collaborate with each other to establish extended office hours at one (1) or multiple facilities.

9.5.5.4 The Contractor shall submit to ASES its policies and procedures for how it will determine the adequacy and appropriateness of Providers' available hours, approve such arrangements, and monitor their operation and take corrective action if there is failure to comply. The policies and procedures shall be submitted for prior

approval according to the timeframe specified in Attachment 12 to this Contract.

9.5.6 Provider Services Call Center

9.5.6.1 The Contractor shall operate a Provider services call center with a separate toll-free telephone line to respond to Provider questions, comments, inquiries and requests for prior authorizations.

9.5.6.2 The Contractor shall develop Provider service line policies and procedures that address staffing, training, hours of operation, access and response standards, monitoring of calls via recording or other means, and compliance with standards. Such policies and procedures shall be prior approved in writing by ASES.

9.5.6.3 The Contractor shall ensure that the Provider service line is staffed adequately to respond to Providers' questions at a minimum from 7 a.m. to 7 p.m. (Atlantic Time), Monday through Friday, excluding Puerto Rico holidays.

9.5.6.4 The Contractor shall have an automated system available during non-business hours. This automated system shall include, at a minimum, information on how to obtain after hours UM requests and a voice mailbox for callers to leave messages. The Contractor shall ensure that the automated system has adequate capacity to receive all messages. The Contractor shall return messages on the next Business Day.

9.5.6.5 The Provider service line shall also be adequately staffed to provide appropriate and timely responses regarding authorization requests as described in Article 11.4.2 of this Contract. The Contractor may meet this requirement by having a separate Utilization Management line.

9.5.6.6 The call center staff shall have access to electronic documentation from previous calls made by a Provider.

9.5.6.7 The Contractor shall adequately staff the provider service line to ensure that the line, including the Utilization Management line/queue, meets the following minimum performance standards on a monthly basis:

9.5.6.7.1 Less than five percent (5%) call abandonment rate;

9.5.6.7.2 Eighty percent (80%) of calls are answered by a live voice within thirty (30) seconds;

9.5.6.7.3 Blocked call rate does not exceed three percent (3%); and

9.5.6.7.4 One hundred percent (100%) of voicemails are returned within one (1) Business Day.

9.5.6.8 The Contractor shall submit a Call Center Report in a format prescribed by ASES.

9.6 **Government Health Care Facilities**

9.6.1 The Contractor shall include and make part of its General Network, health care facilities administered or operated by the Central Government and State Academic Medical Centers providing services to the GHP, including at least the following:

9.6.1.1 Hospital Universitario Ramón Ruiz Arnau (HURRA);

9.6.1.2 Hospital Universitario de Adultos;

9.6.1.3 Hospital Federico Trilla;

9.6.1.4 Hospital Pediátrico Universitario;

9.6.1.5 Centro Cardiovascular de PR y del Caribe;

9.6.1.6 Administración de Servicios Médicos de PR ("ASEM");

9.6.1.7 Comprehensive Cancer Center of Puerto Rico ("Centro Comprensivo de Cancer");

9.6.1.8 Práctica Intramural del Recinto de Ciencias Médicas of the University of Puerto Rico operating at any hospital facility; and

9.6.1.9 Hospital Municipio de San Juan.

9.7 Psychiatric Hospitals

9.7.1 The Contractor shall include the following psychiatric hospitals in its General Network:

9.7.1.1 Hospital Dr. Ramón Fernández Marina, San Juan

9.7.1.2 Hospital San Juan Capestrano

9.7.1.3 Hospital Metropolitano Psiquiátrico, Cabo Rojo

9.7.1.4 Hospital Panamericano, Cidra

9.7.2 The Contractor shall include the following hospitals with dedicated psychiatric beds in its General Network:

9.7.2.1 Metro Pavía, Hato Rey

9.7.2.2 San Jorge Children and Women's, San Juan

9.7.2.3 Hospital Menonita CIMA, Aibonito

9.7.2.4 Hospital Metropolitano de la Montaña, Utuado

9.7.2.5 Hospital Pavía Yauco, Tito Mattei

9.7.2.6 Hospital Panamericano San Juan (Auxilio Mutuo)

9.7.2.7 Hospital Univ. Dr. Federico Trilla, Carolina

9.7.2.8 Hospital San Lucas, Ponce

9.8 Contractor Participation on the Government Health Care Facilities Advisory Committee

9.8.1 ASES intends to establish a committee, the Government Health Care Facilities Advisory Committee, for the purpose of providing recommendations and ongoing input to ASES regarding the financial and operational concerns and challenges of the Government Health Care Facilities.

9.8.1.1 This Committee will consist of at least one (1) representative from each Government Health Care Facility listed in Sections 9.6 and 9.7, as well as one (1) representative from each of the MCOs, including the Contractor.

9.8.1.2 The Contractor agrees to engage at least one (1) member of its staff to collaborate in good faith in the discussions aimed at identifying and remedying the challenges faced by the Government Health Care Facilities, if applicable.

9.8.1.3 The Committee will convene at least once every three (3) months or at any time if requested by the ASES.

9.9 Per Diem Rate Negotiation with Government Hospitals

9.9.1 When Contractor negotiates per diem rates with any government-owned hospitals, Contractor shall ensure that such rates are comparable to the per diem rates negotiated by the Contractor with private hospitals that provide the same or similar level of care and services.

9.9.2 Contractor's non-compliance with reasonably comparable per diem rates for public and private hospitals may subject Contractor to sanctions, liquidated damages, and/or fines in accordance with Articles 19 and 20 of this Contract by ASES.

9.9.3 The hospital reimbursement requirements of this Section 9.9 shall apply unless and until ASES implements a DRG reimbursement methodology in its State Plan as set forth in Section 10.5.1.5.5 of this Contract.

ARTICLE 10 PROVIDER CONTRACTING

10.1 General Provisions

10.1.1 The Contractor shall establish a care model in which the PCP, located within a PMG, manages and coordinates the Enrollee's care in a timely manner.

10.1.2 The PCP shall provide, manage, and coordinate services to the Enrollee, including coordination with Behavioral Health personnel, in a timely manner, and in accordance with the guidelines, protocols, and practices generally accepted in medicine.

10.1.3 The Contractor and each of its Network Providers shall work to ensure that physical and Behavioral Health Services are delivered in a coordinated manner and conform to the standards as provided in Article 8.

10.1.4 Subject to Section 10.1.6, the Contractor shall contract with enough PMGs and PCPs to serve the Enrollees, and shall be willing to contract with any Provider that complies with the credentialing criteria and agrees to the terms of the Provider Contract, and shall not engage in any anti-competitive practices, including the use of exclusivity provisions, when contracting with Network Providers. However, if a contract with a new Provider impacts the financial arrangement of an existing contract between a PMG and the Contractor, the Contractor must amend the contract with the PMG to account for any adverse financial impact. Such amendment must be approved by ASES before its execution and no later than 30 days after the execution of the new Provider Contract. Contractor's non-compliance with this Section may result in the imposition of sanctions, liquidated damages, and/or fines in accordance with Articles 19 and 20 of this Contract by ASES. .As a precondition to executing any Provider Contract, the Contractor shall comply with the requirements stated in Section 10.1.7.1 regarding the submission to ASES for written approval a model for each type of Provider Contract and contract with PMGs, including all attachments and addenda.

10.1.5 The Contractor shall not contract with any Provider without confirming and documenting that the Provider meets all of the Credentialing requirements specified in Section 9.2.3 of this Contract. Failure by the Contractor to adequately monitor the Credentialing of Providers may result in sanctions, liquidated damages, and/or fines in accordance with Articles 19 and 20 or termination of this Contract.

10.1.5.1 The Contractor shall ensure that facilities subject to the federal emergency preparedness requirements as conditions of participation

in Medicare and Medicaid are compliant with such requirements. A facility's certification of compliance for Medicare participation is sufficient for purposes of Medicaid participation. The impacted facilities and requirements are specified in Appendix Z of CMS' State Operations Manual.

10.1.6 The Contractor cannot be a Provider of Covered Services under this Contract. Furthermore, Contractor will not contract with as Network Providers any Affiliates, Related Parties, subsidiaries, or affiliated companies unless it is necessary to comply with the network adequacy standards of 42 CFR 438.68 and Section 9.4 of this Agreement. In such cases, the Contractor must submit for ASES's prior approval a certified request justifying the need to enter into such contracts for the purpose of complying with network adequacy requirements. Any compensation or profit resulting from agreements between the Contractor and its Related Parties may not result in greater compensation or profit than would be attained if Contractor were to enter into a Provider Contract with an unrelated party. Accordingly, the Contractor must compensate Related Parties no more than they would compensate an unrelated party for the same Covered Services. Related Party contracts shall strictly conform to the legal requirements of federal and Puerto Rico laws and regulations, including but not limited to all applicable anti-fraud and anti-kickback laws and regulations Contractor's non-compliance with this Section may result in the imposition of sanctions, liquidated damages, and/or fines in accordance with Articles 19 and 20 of this Contract by ASES.

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10.1.7 Provider Contracts

10.1.7.1 The Contractor shall submit a model for each type of Provider Contract to ASES for review and prior written approval, including any amendments, attachments, exhibits or addenda, to ASES for review and prior approval, according to the timeframe specified in Attachment 12 to this Contract. The Contractor shall include in such submission, at a minimum, model contracts for PMGs, PCPs, Ancillary Service Providers, Hospitals, Emergency Rooms, and Ambulance Services. The Contractor shall provide ASES with digitized copies of each finalized Provider Contract within thirty (30) Calendar Days of the effective date of the Provider Contract. At the time of submitting the finalized Provider Contract, the Contractor shall disclose to ASES whether the Provider falls under the prohibition stated in Sections 29.1, 29.2, or 29.6 of this Contract. The Contractor must also submit with the finalized Provider Contract a description of the financial arrangement agreed to between the parties, including the basis for payment and the amount of risk being assumed by each party.

10.1.7.2 ASES may review and audit at any time any executed Provider Contracts against the approved models of Provider Contracts. ASES reserves the right to cancel Provider Contracts or to impose sanctions or fees against the Contractor for the omission of clauses required in Provider Contracts. Contractor must calculate a Medical Loss Ratio at the PMG or Provider level to ensure rates have appropriately taken into account administrative expenses and other costs that should be considered in rate-setting. Such MLR calculations will be subject to audit at any time by ASES.

10.1.7.3 Contractor must prepare and send to Provider for execution a written amendment to Provider Contracts in connection with any proposed modifications to an executed Provider Contract. Contractor may not rely on an ASES Normative Letter, amendments to this Contract, or other guidance from ASES to automatically amend a Provider Contract, and may not use a written notice to notify Providers of a change to the Provider Contract without including an actual written amendment to the Provider Contract. On an ongoing basis, any modifications to models of Provider Contracts shall be submitted to ASES for review and prior written approval before the amendment may be executed. Similarly, any amendments to Provider Contracts shall be submitted to ASES for review and prior written approval. Modifications and amendments subject to review and prior written approval include any templates or forms to be used as attachments or exhibits to the Provider Contract.

10.1.8 The Contractor shall not discriminate against a Provider that is acting within the scope of its license or certification under applicable Puerto Rico law, in decisions concerning contracting, solely on the basis of that license or certification. This Section shall not be construed as precluding the Contractor from using different payment amounts for different specialties, or for different Providers in the same specialty.

10.2 **Provider Training**

10.2.1 Provider Guidelines

10.2.1.1 The Contractor shall prepare Provider Guidelines, to be distributed to all Network Providers (General Network and PPN), summarizing the GHP program. The Provider Guidelines shall, in accordance with 42 CFR 438.236, (i) be based on valid and reliable clinical evidence or a consensus of Providers in the particular field; (ii) consider the needs of the Contractor's Enrollees; (iii) be adopted in consultation with Providers; and (iv) be reviewed and updated periodically, as appropriate.

10.2.1.2 The Provider Guidelines shall describe the procedures to be used to comply with the Provider's duties and obligations pursuant to this Contract, and under the Provider Contract.

10.2.1.3 The Contractor shall submit the Provider Guidelines to ASES for review and prior written approval according to the timeframe specified in Attachment 12 to this Contract.

10.2.1.4 The content of the Provider Guidelines will include, without being limited to, the following topics: the duty to verify eligibility; selection of Providers by the Enrollee; Covered Services; procedures for Access to and provision of services; Preferential Turns, as applicable; coordination of Access to Behavioral Health Services; required service schedule; Medically Necessary Services available twenty-four (24) hours ; report requirements; Utilization Management policies and procedures; Medical Record maintenance requirements; Complaint, Grievance, and Appeal procedures (see Article 14); Co-Payments; HIPAA requirements; the prohibition on denial of Medically Necessary Services; Electronic Health Records and sanctions or fines applicable in cases of non-compliance; and Fraud, Waste and Abuse compliance.

10.2.1.5 The Provider Guidelines shall be delivered to each Network Provider as part of the Provider contracting process, and shall be made available to Enrollees and to Potential Enrollees upon request. The selected Contractor shall maintain evidence of having delivered the Provider Guidelines to all of its Network Providers within fifteen (15) Calendar Days of award of the Provider Contract. The evidence of receipt shall include the legible name of the Network Provider, NPI, date of delivery, and signature of the Network Provider and shall be made available to ASES Immediately upon request.

10.2.1.6 The Contractor shall have policies and procedures (that have been prior approved in writing by ASES in accordance with the timeframes in Attachment 12 to this Contract in place, including both updates to the Provider Guidelines and other communications) to inform its Provider Network, in a timely manner, of programmatic changes such as changes to drug formularies, Covered Services, and protocols.

10.2.2 Provider Education

10.2.2.1 The Contractor shall develop a training curriculum for Providers consisting of twenty (20) hours per year divided into five (5) hours per quarter. The curriculum shall be submitted to ASES for review and prior written approval according to the timeframe specified in Attachment 12 to this Contract. ASES shall have the right to make

recommendations or request coverage of specific topics for inclusion in the curriculum. The Contractor is obligated to offer twenty (20) hours per year of Provider training of which fifteen (15) hours shall be considered mandatory at least every two (2) years. Trainings may be coordinated and provided jointly with other Plan Vital contractors. Provider participation lists shall be shared with other Plan Vital contractors, and all mandatory training hours taken by Providers with other Plan Vital contractors shall be accepted by Contractor as meeting the requirements of this section. The curriculum will focus on topics of importance to professional practice, financial and risk sharing/risk management issues, and Vital program requirements. The curriculum shall include a description of how the Contractor will educate Providers on Contract requirements and shall also include, at a minimum:

10.2.2.1.1 Initial and ongoing Provider training and education literacy in Public Health, management of Rheumatoid Arthritis, management of diabetes, and Medicaid with specific emphasis on EPSDT and Behavioral Health Integration, the conditions of participation in the Contractor's GHP Plan, billing processes, and the Provider's responsibilities to the Contractor and its Enrollees; and

10.2.2.1.2 Initial and ongoing Provider education and training to address clinical issues and improve the service delivery system, including, but not limited to, assessments, treatment plans, plans of care, discharge plans, evidence-based practices and models of care such as integrated care and trauma-informed care.

10.2.2.2 The Contractor shall coordinate topics with the PBM's *Academic Detailing Program* to develop educational activities addressing:

10.2.2.2.1 Management and implications of polypharmacy;

10.2.2.2.2 Condition management;

10.2.2.2.3 Management of prescriptions; and

10.2.2.2.4 Working with patients with conditions of special concern, including autism, ADHD, depression, and diabetes among others.

10.2.2.3 The Contractor shall use various forms of delivery when providing Providers' training sessions, including web-based sessions, group workshops, face-to-face individualized education, newsletters, communications, and office visits.

10.2.2.4 The Contractor shall make the dates and locations of sessions available to Providers, as soon as possible, but no later than five (5) Business Days prior to the event.

10.2.2.5 Training shall be offered throughout the different geographic regions of Puerto Rico and at different times of the day in order to accommodate participating Providers' schedules.

10.2.2.6 The Contractor shall have a process to document Provider participation in continuing education, and shall provide ASES with, upon request, documentation that Provider education and training requirements have been met.

10.2.2.7 The Contractor shall provide technical assistance to Providers as determined necessary by the Contractor or by ASES.

10.2.2.8 The Contractor shall maintain a record of its training and technical assistance activities, which it shall make available to ASES upon request.

10.2.2.9 The Contractor shall adopt practice guidelines in accordance with the criteria in 42 CFR 438.236. Practice guidelines shall be disseminated to all affected Providers, and upon request to Enrollees and Potential Enrollees.

10.2.2.9.1 Decisions for utilization management, Enrollee education, coverage of services, and other areas to which the guidelines apply are consistent with the guidelines. This includes consultation and application of USPSTF recommendations when the Contractor is making coverage and utilization management decisions.

10.3 **Required Provisions in Provider Contract**s

10.3.1 All Provider Contracts shall be labeled with the Provider's NPI, if applicable. In general, the Contractor's Provider Contracts shall:

10.3.1.1 Include a section summarizing the Contractor's obligations under this Contract, as they affect the delivery of health care services under the GHP, and describing Covered Services and populations (or, include the Provider Guidelines as an attachment);

10.3.1.2 Include a signature page that contains the Contractor and Provider names which are typed or legibly written, Provider company with titles, and dated signatures of all appropriate parties;

10.3.1.3 Specify the effective dates of the Provider Contract;

10.3.1.4 Require that the Provider work to advance the integrated model of physical and Behavioral Health Services and advance the implementation of the mental health parity statutory and regulatory requirements;

10.3.1.5 Require that the Provider comply with the applicable Federal and Puerto Rico laws listed in Attachment 1 to this Contract, and with all CMS requirements;

10.3.1.6 Require that the Provider verify the Enrollee's Eligibility before providing services or making a Referral;

10.3.1.7 Prohibit any unreasonable denial, delay, or rationing of Covered Services to Enrollees; and violation of this prohibition shall be subject to the provisions of Article VI, Section 6 of Act 72 and of 42 CFR Part 438, Subpart I (Sanctions);

10.3.1.8 Prohibit the Provider from making claims for any un-allowed administrative expenses, as listed in Section 22.1.15;

10.3.1.9 Prohibit the unauthorized sharing or transfer of ASES Data, as defined in Section 28.1;

10.3.1.10 Notify the Provider that the terms of the contract for services under the GHP program are subject to subsequent changes in legal requirements that are outside of the control of ASES;

10.3.1.11 Require the Provider to comply with all reporting requirements contained in Article 18 of this Contract, as applicable, and particularly with the requirements to submit timely, accurate and complete Encounter Data, including allowed and paid amounts, for all services provided, and to report all instances of suspected Fraud, Waste, or Abuse;

10.3.1.12 Require the Provider to acknowledge that ASES Data (as defined in Section 28.1.1) belongs exclusively to ASES, and that the Provider may not give access to, assign, or sell such Data to Third Parties, without Prior Authorization from ASES. The Contractor shall include penalty clauses in its Provider Contracts to prohibit this practice, and require that the fines be determined by and payable to ASES;

10.3.1.13 Prohibit the Provider from seeking payment from the Enrollee for any Covered Services provided to the Enrollee within the terms of the Contract, and require the Provider to look solely to the Contractor for compensation for services rendered to Enrollees, with the exception of any nominal cost-sharing, as provided in Section 7.11;

10.3.1.14 Require the Provider to cooperate with the Contractor's quality improvement and Utilization Management activities, including those activities set forth in the HCIP, and any related reporting. Contractor is not permitted to grant any individual Provider an exception to the requirements under this Section;

10.3.1.15 Not prohibit a Provider from acting within the lawful scope of practice, from advising or advocating on behalf of an Enrollee for the Enrollee's health status, medical care, or treatment or non-treatment options per 42 CFR 438.102(a)(1);

10.3.1.16 Not prohibit a Provider from advocating on behalf of the Enrollee in any Grievance and Appeal System or Utilization Management process, or individual authorization process to obtain necessary health care services;

10.3.1.17 Require Providers to meet the timeframes for Access to services pursuant to Section 9.5 of this Contract;

10.3.1.18 Provide for continuity of treatment in the event that a Provider's participation in the Contractor's Network terminates during the course of an Enrollee's treatment by that Provider;

10.3.1.19 Require Providers to monitor and as necessary and appropriate register Enrollee patients to determine whether they have a medical condition that suggests Care Management services are warranted;

10.3.1.20 Prohibit Provider discrimination against high-risk populations or Enrollees requiring costly treatments;

10.3.1.21 Prohibit Providers who do not have a pharmacy license from directly dispensing medications, as required by the Puerto Rico Pharmacy Act (with the exception noted in Section 7.5.12.3.2);

10.3.1.22 Specify that ASES, CMS, the Office of Inspector General, the Comptroller General, the Medicaid Fraud Control Unit, and their designees, shall have the right at any time to inspect, evaluate, and audit any pertinent records or documents, including Enrollee records and financial records and transactions, and may inspect the premises, physical facilities, and equipment where activities or work related to the GHP program is conducted. Upon request, the Provider shall assist in such reviews, including the provision of complete copies of medical records. The right to audit exists for ten (10) years from the final date of the contract period or from the date of completion of any audit, whichever is later;

10.3.1.23 Include the definition and standards for Medical Necessity, pursuant to the definition in Section 7.2.1 of this Contract;

10.3.1.24 Require that the Provider attend promptly to requests for Prior Authorizations and Referrals, when Medically Necessary, in compliance with the timeframes set forth in Section 9.5 and in 42 CFR 438.210 and the Puerto Rico Patient's Bill of Rights;

10.3.1.25 Prohibit the Provider from establishing specific days for the delivery of Referrals or requests for Prior Authorization;

10.3.1.26 Notify the Provider that, in order to participate in the Medicare Platino Program, the Provider shall accept GHP Enrollees;

10.3.1.27 Specify rates of payment, as detailed in Section 10.5, and require that Providers accept such payment as payment in full for Covered Services provided to Enrollees, less any applicable Enrollee Co-Payments pursuant to Section 7.11 of this Contract;

10.3.1.28 Specify acceptable billing and coding requirements including ICD-10;

10.3.1.29 Require that the Provider comply with the Contractor's Cultural Competency plan;

10.3.1.30 Require that any Marketing Materials developed and distributed by the Provider be submitted to the Contractor for submission to ASES for prior written approval;

10.3.1.31 Specify that the Contractor shall be responsible for any payment owed to Providers for services rendered after the Effective Date of Enrollment, as provided in Section 5.2.2, including during the retroactive period described in Section 5.1.3.1;

10.3.1.32 Require Providers to collect Enrollee Co-Payments as specified in Attachment 8 to this Contract;

10.3.1.33 Require that Providers not employ or subcontract with individuals on the Puerto Rico or Federal LEIE, or with any entity that could be excluded from the Medicaid program under 42 CFR 1001.1001 (ownership or control in sanctioned entities) and 1001.1051 (entities owned or controlled by a sanctioned person);

10.3.1.34 Require that Medically Necessary Services shall be available twenty-four (24) hours per day, seven (7) days per Week;

10.3.1.35 Prohibit the Provider from operating on a different schedule for GHP Enrollees than for other patients, and from in any other way discriminating in an adverse manner between GHP Enrollees and other patients;

10.3.1.36 Provide notice that the Contractor's negotiated rates with Providers shall be adjusted in the event that the Executive Director of ASES directs the Contractor to make such adjustments in order to reflect budgetary changes to the Medical Assistance program;

10.3.1.37 Impose fees or penalties if the Provider breaches the contract or violates Federal or Puerto Rico laws or regulations;

10.3.1.38 Require that the Provider make every effort to cost-avoid claims and identify and communicate to the Contractor available Third Party resources, as required in Section 23.4 of this Contract, and require that the Contractor cover no health care services that are the responsibility of the Medicare Program;

10.3.1.39 Provide that the Contractor shall not pay Claims for services covered under the Medicare Program, and that the Provider may not bill both the GHP and the Medicare Program for a single service to a Dual Eligible Beneficiary;

10.3.1.40 Require the Provider to sign a release giving ASES access to the Provider's Medicare billing Data for GHP Enrollees who are Dual Eligible Beneficiaries, provided that such access is authorized by CMS and compliant with all HIPAA requirements;

10.3.1.41 Set forth the Provider's obligations under the Physician Incentive Programs outlined in Section 10.7 of this Contract;

10.3.1.42 Require the Provider to notify the Contractor Immediately if or whether the Provider falls within the prohibitions stated in Sections 29.1, 29.2, or 29.6 of this Contract or has been excluded from the Medicare, Medicaid, or Title XX Services Programs;

10.3.1.43 Include a penalty clause to require the return of public funds paid to a Provider that falls within the prohibitions stated in Section 29.1, 29.2 or 29.6 of this Contract;

10.3.1.44 Require that all reports submitted by the Provider to the Contractor be labeled with the Provider's NPI, if applicable;

10.3.1.45 Require the Provider to participate in the Provider education activities described in Section 10.2.2;

10.3.1.46 Include Provider dispute process as described in Section 14;

10.3.1.47 Require the Provider to disclose information on ownership and control as specified in Section 54.2;

10.3.1.48 Require the Provider to disclose information as listed in Section 23.7.4; and

10.3.1.49 Require the Provider to comply with any transition of care requirements set forth in 42 CFR 438.62 and as specified in Section 5.5.

10.3.1.50 Require Providers to submit timely, complete and accurate Encounter Data, including allowed and paid amounts. Failure to comply with Encounter Data requirements may, at the Contractor's discretion, subject the Provider to financial penalties.

10.3.1.51 Notify the Provider that Overpayments may be recouped by ASES or the Contractor on behalf of ASES.

10.3.1.52 Include a statement that HIPAA does not bar disclosure of protected health information (PHI) to Federal and State health oversight agencies, including, but not limited to, HHS-OIG, ASES, Medicaid Fraud Control Unit, and CMS, for oversight activities permitted under HIPAA, and provide that any such authorized agency or entity may use these records and information for administrative, civil, or criminal investigations, or other uses as permitted under HIPAA.

10.3.1.53 Specify that in the event that ASES, MFCU, HHS-OIG, or CMS identify that an Overpayment occurred due to suspected or confirmed fraud, the Provider may not claim recoupment by the Contractor or ASES as a defense to any criminal charges brought by a Federal or State entity of competent jurisdiction.

10.3.1.54 Require Providers to fully cooperate with any investigation performed by ASES, OIG, MFCU, or other State or Federal entities with competent jurisdiction, involving the GHP, and in any subsequent actions that may result from such an investigation.

10.3.1.55 Require that PCPs administer the Ages and Stages Questionnaire ("ASQ") to the parents of child Enrollees as required under Section 7.7.9.3 of this Contract, as applicable.

10.3.1.56 Require that the PCP carry out the *Modified Checklist for Autism in Toddlers* ("M-CHAT R/F") pursuant to Section 7.7.9.2 of this Contract, as applicable.

10.3.1.57 Include a statement that the Provider understands and agrees that each claim the Provider submits to the State or the Contractor constitutes a certification that the Provider has complied with all applicable federal and Puerto Rico laws and regulations, including, but not limited to any anti-fraud and anti-kickback laws and

regulations in connection with such claims and the services provided therein.

10.3.2 In addition to the required provisions in Section 10.3.1, the following requirements apply to specific categories of Provider contracts.

10.3.2.1 The Contractor's contracts with PMGs shall:

10.3.2.1.1 Require that the PMG provide services on a regular time schedule, Monday through Saturday, from 8:00 a.m. to 6:00 p.m. (Atlantic Time); PMG will not have to comply with this requirement during the following holidays: January 1st, January 6th, Good Friday, Thanksgiving and December 25th. The PMG has sole discretion to decide whether or not to provide services during the previously listed holidays;

10.3.2.1.2 Require that the PMG employs enough personnel to offer urgent care services between 6:00 p.m. and 9:00 p.m. (Atlantic Time), Monday through Friday;

10.3.2.1.3 Require that the PMG coordinates with Behavioral Health personnel to ensure integrated physical and Behavioral Health Services, as provided in Article 8;

10.3.2.1.4 Require the PMG to work, to the extent possible, within the Contractor's established PPN, in directing care for Enrollees and coordinating services;

10.3.2.1.5 Authorize the Contractor to adjudicate disputes between the PMG and its Network Providers about the validity of claims by any Network Provider; and

10.3.2.1.6 Require PMGs to provide assurances that the Encounter Data submitted by the PMG to the Contractor encompass all services provided to GHP Enrollees and that Encounter Data is timely, accurate and complete, and compliant with 42 CFR 438.242 as applicable to Network Providers compensated through Subcapitation Arrangements. The Contractor shall establish and enforce penalties on the PMG and/or PCP for failure to submit timely, accurate and complete Encounter Data.

10.3.2.1.7 Require PMGs reimbursed by Contractor under a Subcapitation Arrangement to certify that the PMG has passed through any increase of Subcapitation amounts to its affiliated physicians not organized under a wage compensation model (staff model). For physicians under a staff model, pass through may be through actions separate

from the agreed salary and/or salary scales used by the PMGs to compensate their medical providers. These actions may include, without limitation: bonuses, payment of professional/continued education courses, payment of licenses, or any other payment or benefit arrangement to incentivize the hired or staff medical providers. None of the foregoing prevents the PMGs with wage compensation or staff model arrangements with its providers to allow salary increases to its hired medical staff should an individual PMG decide to do so. ASES and Contractor shall track any complaints filed by PMG-affiliated physicians and conduct the appropriate investigation and diligence to ensure compliance with this section. The Contractor shall provide to ASES an attestation to certify compliance with this section. If PMGs refuse to certify the pass-through of the increase of subcapitated amounts to its affiliated physicians, or otherwise fail to comply with this section's requirements, Contractor may escalate the issue to ASES and shall not be obligated to remit to impacted PMGs the increased amounts set forth under Section 10.5.1.5.3 until ASES has resolved the issue.

10.3.2.2 The Contractor's Provider Contracts with PCPs shall require the PCP to inform and distribute Information to Enrollee patients about instructions on Advance Directives, and shall require the PCP to notify Enrollees of any changes in Federal or Puerto Rico law relating to Advance Directives, no more than ninety (90) Calendar Days after the effective date of such change.

10.3.2.3 The Contractor's Provider Contracts with a Network Provider who is a member of the PPN shall prohibit the Provider from collecting Co-Payments from GHP Enrollees, subject only to the exceptions established in Article 9 of this Contract and the Attachment 8 to this Contract (Co-Payment Chart).

10.3.2.4 The Contractor's Provider Contracts with Hospitals and Emergency Rooms shall prohibit the Hospital or Emergency Room from placing a lower priority on GHP Enrollees than on other patients, and from referring GHP Enrollees to other facilities for reasons of economic convenience. Such contracts shall include sanctions penalizing this practice.

10.4 **Termination of Provider Contracts**

10.4.1 The Contractor shall comply with all Puerto Rico and Federal laws regarding Provider termination. The Provider Contracts shall:

10.4.1.1 Contain provisions allowing termination of the Provider Contract by the Contractor "for cause." Termination of the Provider Contract will not be permitted without cause. Cause for termination includes, but is not limited to, gross negligence in complying with contractual requirements or obligations; a pattern of noncompliance with contractual requirements or obligations that the Provider fails to correct after being notified of such noncompliance by the Contractor; noncompliance with federal and state law requirements applicable to the Provider; insufficiency of funds of ASES or the Contractor, which prevents them from continuing to pay for their obligations; or changes in Federal or State law that requires termination of the Provider Contract. The Contractor shall not terminate a Provider Contract in retaliation for the Provider exercising his or her Appeal rights, advocating on behalf of the Provider, or for advocating on behalf of an Enrollee.

10.4.1.2 Specify that in addition to any other right to terminate the Provider Contract, and notwithstanding any other provision of this Contract, ASES may demand Provider termination Immediately, or the Contractor may Immediately terminate on its own, a Provider's participation under the Provider Contract if:

10.4.1.2.1 The Provider fails to abide by the terms and conditions of the Provider Contract, as determined by ASES, or, in the sole discretion of ASES, if the Provider fails to come into compliance within fifteen (15) Calendar Days after a receipt of notice from the Contractor specifying such failure and requesting such Provider to abide by the terms and conditions hereof; or

10.4.1.2.2 The Contractor or ASES learns that the Provider:

10.4.1.2.2.1 Falls within the prohibition stated in Section 29.1 or 29.2, or has a criminal conviction as provided in Section 29.6;

10.4.1.2.2.2 Has been or could be excluded from participation in the Medicare, Medicaid, or CHIP Programs;

10.4.1.2.2.3 Could be excluded from the Medicaid Program under 42 CFR 1001.1001 (ownership or control in sanctioned entities) and 1001.1051 (entities owned or controlled by a sanctioned person); and/or

10.4.1.2.2.4 Fails to comply with the Provider Credentialing process and requirements or is not a Medicaid enrolled Provider.

10.4.1.3 Specify that any Provider whose participation is terminated under the Provider Contract for any reason shall utilize the applicable Appeals procedures outlined in the Provider Contract. No additional or separate right of Appeal to ASES or the Contractor is created as a result of the Contractor's act of terminating, or decision to terminate any Provider under this Contract. Notwithstanding the termination of the Provider Contract with respect to any particular Provider, this Contract shall remain in full force and effect with respect to all other Providers.

10.4.2 The Contractor shall notify ASES at least forty-five (45) Calendar Days prior to the effective date of the suspension, termination, or withdrawal of a Provider from participation in the Contractor's General Network. If the cause for termination falls under Section 10.4.1.2, the Contractor shall provide to ASES an explanation of the reasons for termination Immediately.

10.4.2.1 Notices provided to ASES under Section 10.4.2 must be accompanied by an explanation regarding how Network Adequacy will be met regardless of the termination, and a plan to transition Enrollees to a different Provider without interruptions to their care. Contractor shall amend or suspend the transition plan at ASES's request.

10.4.3 Unless otherwise specified by ASES, the Contractor shall, within the later of thirty (30) Calendar Days prior to the effective date of a Provider's termination or fifteen (15) Calendar Days after receipt or issuance of a notice of termination, provide written notice of the termination to Enrollees who received his or her Primary Care from, or was seen on a regular basis by, the terminated Provider, and shall assist the Enrollee as needed in finding a new Provider.

10.5 **Provider Payment**

10.5.1 General Provisions

10.5.1.1 The Contractor guarantees payment for all Medically Necessary Services rendered by Providers on a person's Effective Date of Enrollment, including during the retroactive period described in Section 5.1.3.1.

10.5.1.2 The Contractor shall require, as a condition of payment, that the Provider accept the amount paid by the Contractor or appropriate denial made by the Contractor (or, if applicable, payment by the Contractor that is supplementary to the Enrollee's Third Party

payer) plus any applicable amount of Co-Payment responsibilities due from the Enrollee as payment in full for the service.

10.5.1.3 The Contractor shall ensure that Enrollees are held unaccountable by the Provider for the costs of Medically Necessary Services except for applicable Co-Payment amounts (described in Section 9.3 of this Contract and Attachment 8 to this Contract).

10.5.1.4 The insolvency, liquidation, bankruptcy, or breach of contract of any Provider will not release the Contractor from its obligation to pay for all services rendered as authorized under this Contract.

10.5.1.5 With the exceptions noted below, the Contractor shall negotiate rates with Providers, and such rates shall be specified in the Provider Contract. Payment arrangements may take any form allowed under Federal law and the laws of Puerto Rico, including Capitation payments, Fee-for-Service payment, and salary, if any, subject to Section 10.6 concerning permitted risk arrangements.

10.5.1.5.1 Claims submitted for professional services that are listed in the current Medicare Part B fee schedule, as established under Section 1848(b) of the Social Security Act, and as applicable to Puerto Rico for 2020 (70% MFS) and subsequent revisions as approved by CMS, shall be reimbursed by the Contractor at not less than seventy percent (70%) of the payment that would apply to covered services and benefits, if they were furnished under Medicare Part B, disregarding services that are paid through Subcapitation Arrangements. Any claims subject to reimbursement in accordance with this Section 10.5.1.5.1 that have been reimbursed at less than seventy percent (70%) of the corresponding rates on the Medicare Part B fee schedule shall be re-adjudicated for payment in compliance with this Section. In the event the MCO and the provider have a contracted rate greater than the 70% at the time of this Amendment, the MCO may (i) maintain the current rate contracted with the provider for the effectiveness of that agreement, or (ii) contract a different rate as long as such rate is 70% MFS or higher. The Contractor shall comply with all data collection and reporting requests from ASES, in the manner and frequency set forth by ASES, to validate the Contractor's compliance with this Section.

10.5.1.5.2 ASES may establish a minimum fee schedule, based on a percentage of the Medicare Part B fee schedule or otherwise, for specified provider types (e.g., specialists or others) of high need in Puerto Rico. Such minimum reimbursement

requirements will be subject to CMS approval per 42 CFR 438.6(c). If the minimum fee schedule established by ASES will have an impact on current Provider rates, ASES shall conduct an actuarial evaluation of such impact, identifying the source of funds available for payment of the minimum fee schedule and shall provide notice of any adjustment to the PMPM Payments to reflect such impact. Any approved adjustment in PMPM Payments must be transferred to the PMGs and other Providers contracted under risk-sharing agreements to ensure such agreements are actuarially sound.

10.5.1.5.3 Dental services as described in Section 7.6 shall be reimbursed in an amount no less than those amounts specified in Attachment 11-A to this Contract and shall not be subject to the requirements set forth in Section 10.5.1.5.1.

Contractor must increase payments to PMGs and Behavioral Health Providers under a Subcapitation Arrangement in accordance with the directed payment implemented for each contract year and approved by CMS in accordance with 42 CFR 438.6(c). Subcapitation Arrangements shall not be subject to the requirements set forth in Sections 10.5.1.5.1 and 10.5.1.5.2. The requirements in Section 10.3.2.1.7 apply to the increase in subcapitation to PMGs and Behavioral Health Providers in that the Providers affiliated with the PMG or the Subcapitated Behavioral Health Provider must receive the full amount of the increase. The foregoing is applicable without limitation to future changes in reimbursement for Providers not currently included in the Medicare Part B definition, as ASES intends to provide subcapitated reimbursement increases to Providers not included in the Medicare Part B definition at least equal to the seventy percent (70%) of the Medicare Fee Schedule ("MFS") as referenced in Section 10.5.1.5.1. Furthermore, ASES may require at any time that certain professionals not defined as physicians under the Medicare Part B definition be compensated at least 70% of the MFS with prior authorization by CMS, and also require that these professionals be contracted by Contractor on a non-capitated arrangement basis unless the Provider voluntarily opts out of such arrangement.

10.5.1.5.4 Contractors shall collaborate with ASES in good faith to adopt a DRG reimbursement methodology for hospitals within the timeframe specified by ASES. In addition, Contractors shall engage in good faith with the Provider community and ASES to identify providers and services that

should be subject to future implementation of alternative payment methodologies (APMs) that align with Medicare APMs and/or the Health Care Payment Learning and Action Network (LAN) framework for classifying APMs to derive value and improved outcomes for the Plan Vital population. The Contractor shall identify dedicated staff to engage in these efforts and participate in meetings convened by ASES. ASES will adjust the PMPM rates to reflect the changes after said rates are approved by CMS. Any changes in DRG methodology that may impact capitation rates of the PMGs and Providers at risk should be adjusted by the Contractor to account for sound estimations in the PMPM Payments. ASES may audit or analyze such estimations at any time to guarantee actuarial soundness. Should another payment methodology be implemented with the hospital prior or during the implementation by the Contractor of a DRG reimbursement methodology, such as Subcapitation, it must be reviewed and annually re-evaluated with the hospital's administration to ensure that it does not jeopardize or infringe upon the quality of the services provided by the provider. Such other payment methodology cannot impact agreements with PMGs at risk without written amendment agreed to by Contractor and PMGs and approved by ASES.

10.5.1.5.5 Contractor shall make directed payments to qualifying short-term acute care hospitals in the amount and frequency set forth by ASES. Contractor shall make those payments as soon as ASES disburses such payments to the Contractor. Such directed payments shall reflect a uniform dollar increase per All Patient Refined Diagnosis Related Groups (APR-DRG) case-mix adjusted discharges for qualifying public and private short-term acute care hospitals. Such increases shall be funded through payments disbursed by ASES to Contractor as lump sum amounts payable throughout the year, quarterly or with the frequency mandated by ASES, and separate from PMPM Payments. Contractor shall cooperate in any efforts made by ASES to reconcile projected and actual APR-DRG case-mix adjusted discharges, including but not limited to complying with all data collection and reporting requests from ASES, in the manner and frequency set forth by ASES, and any required, post-reconciliation recoupment of directed payments previously made to qualifying short-term acute care hospitals. The hospital reimbursement requirements of this Section shall apply unless and until ASES implements a DRG reimbursement methodology in its State Plan.

10.5.1.6 The Contractor and ASES acknowledge that PMGs, among other Providers, are at risk for Covered Services under this Agreement. Hence, any subcapitated payment made by the Contractor to Providers shall be based on sound actuarial methods in accordance with 42 CFR 438.4. The Contractor shall submit data supporting the actuarial soundness of Capitation Payments and any supporting documentation to ASES, including the base data generated by the Contractor prior to the execution of the Provider Contract if requested. All Provider payments by the Contractor shall be actuarially sound, and the amount paid shall not jeopardize or infringe upon the quality of the services provided. ASES shall at any time review, monitor or audit such payment methods, and shall require Contractor to establish a minimum required PMPM rate payable to Providers under Subcapitation Arrangement in order to guarantee compliance with this Section.

10.5.1.7 Even if the Contractor does not enter into a Subcapitation Arrangement with a Provider, the Provider shall nonetheless be required to submit to the Contractor detailed Encounter Data (see Section 16.8 of this Contract).

10.5.1.8 The Contractor shall be responsible for issuing to the forms required by the Department of the Treasury, in accordance with all Puerto Rico laws, regulations, and guidelines.

10.5.1.9 The Contractor shall make timely payments to Providers in accordance with the timeliness standards outlined in Section 16.10 of this Contract.

10.5.2 Payments to FQHCs and RHCs. When the Contractor negotiates a contract with an FQHC and/or an RHC, as defined in Section 1905(a)(2)(B) and 1905(a)(2)(C) of the Social Security Act, the Contractor shall pay to the FQHC or RHC rates that are not less than the rates paid to other similar Providers providing similar services. The Contractor shall cooperate with ASES and the Department of Health in ensuring that payments to FQHCs and RHCs are consistent with Sections 1902(a)(15) and 1902(bb)(5) of the Social Security Act.

10.5.3 Requirement to Verify Eligibility. The Contractor warrants that all of its Network Providers shall verify the eligibility of Enrollees before the Provider provides Covered Services. This verification of eligibility is a condition of receiving payment from the Contractor for Covered Services.

10.5.4 Payments to Providers Owing Funds to ASES. Upon receipt of notice from ASES that ASES is owed funds by a Provider due to an Overpayment or other reasons, the Contractor shall reduce payment to the Provider for all Claims submitted by that Provider by one hundred percent (100%), or such other

amount as ASES may elect, until the amount owed to ASES is recovered. The Contractor shall promptly remit any such funds recovered to ASES in the manner specified by ASES. To that end, the Contractor's Provider Contracts shall contain a provision giving notice of this obligation to the Provider, such that the Provider's execution of the Contract shall constitute agreement with the Contractor's obligation to ASES.

10.5.5 Payment Rates Subject to Change. The Contractor shall adjust its negotiated rates with Providers to reflect budgetary changes, as directed by the Executive Director of ASES, to the extent that such adjustments can be made within funds appropriated to ASES and available for payment to the Contractor. The Contractor's Provider Contracts shall contain a provision giving notice of this obligation to the Provider, such that the Provider's execution of the Provider Contract shall constitute agreement with the Contractor's obligation to ASES.

10.5.6 Payments for Hospitalization Services or Services Extending for More than Thirty (30) Calendar Days. In the event of hospitalization or extended services that exceed thirty (30) Calendar Days, the Provider may bill and collect payments for services rendered to the Enrollee at least once per month. These services shall be paid according to the procedures discussed in this Article 10.

10.5.7 Payments for Services to Dual Eligible Beneficiaries. The Contractor shall include in its Provider Contracts a notice that the Contractor shall not pay Claims for services covered under the Medicare Program except as set forth in Section 23.5. No Provider may bill both the GHP and the Medicare Program for a single service rendered to a Dual Eligible Beneficiary. The Contractor shall include in its Provider Contracts a requirement that the Provider shall comply with 42 CFR 447.15 to accept Medicaid payments as payment in full.

10.5.8 Payment for Pharmacy Services. The Contractor shall abide by and comply with the following payment process hereby established:

10.5.8.1 In covering pharmacy services, the Contractor shall adhere to the retail pharmacy reimbursement levels established in Attachment 6 to this Contract.

10.5.8.2 On a bi-monthly payment cycle to be set by the PBM, the PBM will provide the Contractor with the proposed Claims listing. The Contractor shall promptly review the payment listing.

10.5.8.3 The PBM will submit to the Contractor the invoice and summary, which includes the amount of Claims cost to be paid to participating Pharmacies. The Contractor shall electronically transfer funds to the PBM's bank account within two (2) Business Days after receiving the invoice from the PBM. The Contractor shall certify the listing of medications dispatched and paid bi-weekly to confirm the PBM's and/or other Contractors' administrative payment.

10.5.8.4 The Contractor, ASES, and the PBM shall cooperate to identify additional savings opportunities, including special purchasing opportunities, changes in network fees, etc.

10.5.9 Payments to Providers Outside the PPN. The Contractor shall provide for adequate payment in its contracts with Providers outside the PPN.

10.5.10 Payments for Emergency Services and Post-Stabilization Services

10.5.10.1 The Contractor shall not deny a Claim from a Provider for Emergency Services and shall make payment to a Provider for responding to an Enrollee's Emergency Medical Condition or Psychiatric Emergency by performing medical screening examinations and stabilizing treatment.

10.5.10.2 Pursuant to Section 1932(b)(2)(D) of the Social Security Act, the Contractor shall limit payments to Out-of-Network Providers of Emergency Services to the amount that would have been paid if the service had been provided by a Network Provider.

10.5.11 Payments to State Health Facilities. The Contractor shall establish a payment system, upon request in writing by ASES, to improve cash flow to health care facilities administered or operated by the Central Government identified in Section 9.6.1 that participate in the General Network. Such payment system shall not be structured as a pass-through payment.

10.6 Reimbursement Requirements for Providers under Subcapitation and/or Financial Risk Sharing Arrangements

10.6.1 Subcapitation Arrangements negotiated between the Contractor and a PMG must be developed in accordance with sound actuarial principles as required in Section 10.5.1.6. Such Agreements, including all of its attachments, must use the templates or forms submitted to ASES for written approval prior to execution, and must include detailed allocation of rates or subcapitation agreements to be charged to the PMGs. In addition, the following requirements apply to negotiated Subcapitation Arrangements:

10.6.1.1 The Subcapitation Arrangement must be based on the utilization experience, services complexity of the PMGs, and the Risk Score of the PMG's attributed Enrollees.

10.6.1.2 PMGs' Subcapitation agreements must be based on the utilization experience and services complexity of the PMGs, and the risk score of each of the PMG's attributed Enrollees. PMGs' Subcapitation agreements should be actuarially sound and will be adjusted to account for any changes in costs or services for which they are at risk under their contracts with the Contractor. Any changes or

amendments to the PMGs' contract will be submitted to ASES for written approval.

Furthermore, before including any new treatment, technology, medical or surgical procedure, physical or behavioral therapy, drug therapy or other items or services as Covered Services, ASES will, at its discretion, conduct an actuarial evaluation to assess the impact of such new Covered Services. Based on the actuarial evaluation, the PMPM Payments may be adjusted to reflect the costs of the new Covered Services. Any adjustment in the PMPM Payments may also require, if applicable, adjustment of the capitated rates of the PMGs and other Providers at risk.

10.6.1.2.1 The Contractor, PMGs and other Providers at risk will have up to ninety (90) days to complete negotiations of the Subcapitation agreements. This term will only be extended for an additional period of thirty (30) days if agreed by the Contractor, PMGs or other Providers at risk.

10.6.1.3 The Contractor shall establish quality incentive payments for the PMG's satisfaction of quality performance measures. Quality performance measures should be expressly defined in the PMGs Agreement, must be quantifiable, and must adhere to quality performance measures specified in this Agreement. The quality incentive payments are separate from the Subcapitation Agreement of the PMGs, and must be paid without regard to the PMG's financial performance for the contract year (i.e., realized surplus or losses under the financial risk arrangement), and in addition to, not withheld from, the Subcapitation Arrangement. Furthermore, the Contractor shall remit such incentive payments to the PMG without regard for the Contractor's performance under the Retention Fund as set forth in Section 22.4 for the contract year or the Contractor's receipt of risk adjusted PMPM Payments from ASES. The Contractor must ensure payments related to the quality incentive are transferred to the PCPs in the PMGs.

10.6.1.4 Any withholding made by the Contractor from the PMGs' Subcapitation Agreement to match the Retention Fund set forth in Section 12.5.2 and Section 22.4 must be fully paid to the PMGs within fifteen (15) days after the ASES reimburses the Retention Fund to the Contractor. The Contractor will not deduct any amount of the Retention Fund withheld from the PMGs' Subcapitation Agreement if the Retention Fund is reimbursed in full to the Contractor regardless of the results of the performance indicators specified in the HCIP Manual or the PMG's financial performance for the contract year. The PMPM Retention Fund shall be disbursed without regard to categories of Enrollees.

10.6.1.5 The Contractor must reconcile and settle any sums owed to the PMGs no later than one hundred and eighty (180) days after the end of each contract year. Noncompliance of the Contractor with this term will result in monetary penalties.

10.6.2 The Contractor's Provider Contracts with PMGs shall establish a financial risk arrangement agreed upon between the Contractor and the PMG which shall be clearly stated in the PMG contract with the Contractor. The financial risk arrangement must be compliant with 42 CFR 438.3(i), which incorporates the requirements and limitations for physician incentive plans at 42 CFR 422.208 and 42 CFR 422.210.

Before PMGs and other Providers can be at risk for any changes in fees, costs, services, drugs, treatments, technology or Covered Service, such changes will be subject to an actuarial analysis and the Subcapitation arrangements will be adjusted to guarantee that the financial risk arrangements are actuarially sound. No amounts will be deducted from the Subcapitation arrangements to account for the results of the quality incentive program.

10.6.2.1 The financial risk arrangement between the Contractor and the PMG (e.g., whether the PMG shares in gains only, in gains and losses, and the associated thresholds for gains and/or losses) must be based on the PMG's group size, on the utilization experience, services complexity of the PMGs, and the Risk Score of each of the PMG's attributed Enrollees. To the extent ASES, through its actuary, establishes financial risk criteria based on PMG's group size, the Contractor must adhere to the criteria in the negotiation and execution of financial risk arrangements with the PMG.

10.6.2.2 The services for which the Provider is at risk must reflect normal referral patterns for that Provider so that the Contractor does not place unreasonable financial requirements that are not appropriately within the Provider's practice and referral patterns. Contractor must observe Medical Loss Ratio requirements in this Contract when contracting with Providers at risk.

10.6.2.3 The Contractor shall establish a stop-loss limit amount that is in compliance with the limits specified in 42 CFR 422.208(f). The limit shall be activated when the expense of providing Covered Services to an Enrollee, including all outpatient and inpatient expenses, reaches this sum. The Contractor shall have mechanisms in place to identify the stop loss once it is reached for an Enrollee, and shall establish monthly reports to inform PMGs of Enrollees who have reached the stop-loss limit. Contractor's non-compliance with the submission of stop-loss monthly reports to PMGs would constitute cause for the imposition of sanctions under this Contract. The Contractor shall assume all losses exceeding the stop-loss limit.

10.6.2.4 The Contractor's stop-loss responsibility shall not be transferred to a PMG unless the PMG and the Contractor expressly agree in writing to the PMG's assuming this risk. In this event, Contractor shall evaluate and accept any stop-loss insurance and reinsurance obtained by the PMG from a licensed insurer or reinsurer that meets agreed-upon coverage amounts and other requirements and shall neither refuse to accept such qualifying coverage nor obligate the PMG to utilize insurance provided by the Contractor. Contractor may not refuse the reinsurance/stop loss coverage obtained by the PMGs unless ASES determines such reinsurance/stop-loss coverage is insufficient and does not approve its purchase. Stop-loss and reinsurance coverage must comply with Puerto Rico insurance law, as applicable.

10.6.2.5 ASES intends to transition to a new Stop Loss/ Reinsurance Model where ASES will be making available to the Contractors and the PMGs reinsurance/stop-loss coverage. Contractors and PMGs must purchase this coverage unless they can obtain prior approval from ASES by demonstrating that they have comparable and satisfactory coverage from another source that complies with Puerto Rico insurance law. To that end, ASES will establish an implementation plan that will allow for a transition to the new Stop Loss/Reinsurance Model. ASES will notify MCOs sixty (60) days in advance of its intent of transitioning. The implementation plan to be established by ASES will specify the tasks to be completed by each party, due dates and a timeline of not less than twelve (12) months to allow a successful transition. The MCOs are required to collaborate with this transition.

Any impact in premiums will be evaluated and assessed by ASES with the MCOs.

10.6.3 The Contractor shall ensure that PMGs subject to a Subcapitation Arrangement with the Contractor are not responsible for the difference between current fee for service reimbursements for which the PMG is At Risk and increases in reimbursement amounts necessary to meet new minimum reimbursement thresholds, established at Section 10.5.1.5.1, unless a new Subcapitation Arrangement is negotiated between and agreed upon by the Contractor and the PMG to account for said increase.

10.6.4 The requirements of Section 10.6, except Section 10.6.1.2, and the requirements in Sections 10.3.2.1.6, 10.3.2.1.7, and 10.8.4 apply to any negotiated Subcapitation and/or financial risk sharing Arrangements between the Contractor and Providers that are not PMGs. Contractor must observe Medical Loss Ratio requirements in this Contract when contracting with Providers at risk.

10.7 **Physician Incentive Programs**

10.7.1 General Provisions

10.7.1.1 The Contractor may, upon prior written approval from ASES, design and implement one (1) Physician Incentive Plan, and shall incorporate the requirements of this plan into Provider Contracts. In no event shall the Physician Incentive Plan impact negotiated rates with PMGs or other at risk Providers. The Contractor shall submit a written request to ASES before implementing any such incentive program by providing a summary of the program for ASES review and approval at least sixty (60) Calendar Days before the projected implementation date for the program. ASES has the absolute right to approve or disapprove the Physician Incentive program, and the program may be implemented only upon receipt of prior written approval from ASES.

10.7.1.2 ASES will approve a Physician Incentive Program only if it, in ASES's discretion, meets the following requirements:

10.7.1.2.1 The program contains credible medical standards in support of the improvement of quality health services and reduces or eliminates any adverse effects on patients' care;

10.7.1.2.2 All incentive payments to Providers are related to or made under quality initiatives supported or otherwise approved by CMS;

10.7.1.2.3 The implementation of the program in no way reduces or otherwise limits Enrollee Access to Medically Necessary Services (including a reduction in prescription drugs, diagnostic tests or treatments, hospitalization, and other treatment available regardless of the incentives);

10.7.1.2.4 The Contractor shall employ continuous monitoring by an independent Third Party to confirm that Enrollee care is not adversely affected by the program;

10.7.1.2.5 The intent of the program is to improve the quality of the services to Enrollees. Enrollees shall be informed of the existence of the Physician Incentive program, and the Provider shall be made fully responsible for the proper care to the Enrollee; and

10.7.1.2.6 Incentives are not used to penalize Providers who serve Enrollees whose treatment needs, according to the Provider's medical judgment, do not fall within the Contractor's fixed clinical protocols.

10.7.2 Pay for Performance for Hospitals. ASES approves the use of incentive programs targeting hospitals, provided that the incentive programs:

10.7.2.1 Encourage the use of medical standards that support quality improvement and reduce adverse effects in Enrollee care;

10.7.2.2 Advance the quality initiatives supported by CMS;

10.7.2.3 Are not geared toward, and do not have the likely effect of, reducing or limiting services that the Enrollee needs or may need (for example, reduction of diagnostic exams, hospitalization, or treatment);

10.7.2.4 Are not used solely as a mechanism for reducing payments to or recovering payments from Providers;

10.7.2.5 Contain clearly defined objectives, effectively communicated to both Providers and (upon request) Enrollees;

10.7.2.6 Aim to reduce "never events," such as health care-associated infections and other hospital-acquired conditions (including reaction to foreign substances accidentally left in during procedure, air embolism, blood incompatibility, pressure ulcers, and falls);

10.7.2.7 Address inappropriate admissions and readmissions; and

10.7.2.8 Address over-utilization of caesarian sections.

10.8 **PMG Transparency Requirements**

10.8.1 In accordance with ASES Normative Letter 21-0414, Contractor shall provide certification to ASES regarding any special disbursement of funds to PMGs, including but not limited to directed payments, quality payments, incentive payments, and any other amounts that may be distributed by ASES to Contractor for the purposes of distribution directly to PMGs in connection with services provided and assumption of risk. This certification must be submitted to ASES no later than thirty (30) days after the distribution of such funds to the PMGs.

10.8.2 In accordance with Section 10.1.6.3 of the Contract, Contractor must submit any modification to Provider Contracts with PMGs for review and prior approval before any amendments may be executed. Submissions must include a general description of the amendment proposed, the reason and justification for the proposed modification, and the specific language that would be included in the proposed amendment to the Provider Contract. ASES shall review amendment requests within forty-five (45) days of receipt of the proposed amendment. If ASES determines that the proposed amendment materially impacts the rights and responsibilities of the PMG or PMG Providers that are

set forth by applicable federal and state laws or regulations, ASES may request from Contractor additional information related to the proposed amendment within the forty-five (45) day review period in order to make its determination.

10.8.3 Any and all Provider Contracts, models, data and other information related to claim submissions, adjudication, reconciliation and outcomes must be made available by Contractor to ASES within thirty (30) days of ASES's request for such information. ASES will at all times take necessary and reasonable measures to maintain the confidentiality of such information.

10.8.4 Contractor shall disclose to PMGs on a timely basis and no later than one hundred and twenty (120) days after the close of the preceding contract year a final and complete report regarding the PMG's financial and operational performance (e.g., risk sharing, an evaluation of compliance with encounter data submission requirements, application of stop loss protection, if applicable, etc.), and payment reconciliation and adjustments. Contractor shall also disclose any such information in strict compliance with any corresponding terms that may be set forth in its Provider Contracts with PMGs or PMG Providers, including but not limited to, as applicable, risk sharing estimates and projected retrospective and prospective payment adjustments. Upon ASES's request, the Contractor shall submit such final reports to ASES for review within fifteen (15) Business Days of the request. ASES reserves the right to issue a standardized template for the Contractor's final report to PMGs.

10.8.5 In any instances where Provider Contracts allow for the appropriate, automatic recovery offset by Contractor of PMG reimbursement, the Contractor must first present to the PMG an updated, complete and accurate accounting of the underlying amounts accrued by PMG that would be automatically recovered or offset. Contractor must comply with all applicable provisions related to appeals or disputes by PMG as set forth in the Provider Contract.

10.8.6 Requirements set forth in this Section 10.8 shall not waive, supersede or replace any disclosure, reporting, or other obligations of the Contractor as set forth in this Contract.

ARTICLE 11 UTILIZATION MANAGEMENT

11.1 General

11.1.1 The Contractor shall comply with Puerto Rico and Federal requirements for Utilization Management ("UM") including but not limited to 42 CFR Part 456.

11.1.2 The Contractor shall ensure the involvement of appropriate, knowledgeable, currently practicing Providers in the development of UM procedures.

11.1.3 The Contractor shall manage the use of a limited set of resources and maximize the effectiveness of care by evaluating clinical appropriateness, and authorizing the type and volume of services through fair, consistent, and Culturally

Competent decision-making processes while ensuring equitable Access to care and a successful link between care and outcomes.

11.1.4 The Contractor shall submit to ASES on an annual basis existing UM edits in the Contractor's Claims processing system that control Utilization and prevent payment for Claims that are duplicates, unbundled when they should be bundled, already covered under another charge, etc.

11.1.5 ASES reserves the right require the Contractor to submit any Utilization Management report.

11.2 **Utilization Management Policies and Procedures**

11.2.1 The Contractor shall provide assistance to Enrollees and Providers to ensure the appropriate Utilization of resources. The Contractor shall have written Utilization Management policies and procedures included in the Provider Guidelines (see Section 10.2.1.4) that:

11.2.1.1 Include protocols and criteria for evaluating Medical Necessity, authorizing services, and detecting and addressing over, under, and inappropriate Utilization. Such protocols and criteria shall comply with Federal and Puerto Rico laws and regulations.

11.2.1.2 Address which services require PCP Referral, which services require Prior Authorization, and how requests for initial and continuing services are processed, and which services will be subject to concurrent, retrospective, or prospective review.

11.2.1.3 Describe mechanisms in place that ensure consistent application of review criteria for Prior Authorization decisions and consult with the requesting Provider when appropriate.

11.2.1.4 Require that all Medical Necessity determinations be made in accordance with ASES's Medical Necessity definition as stated in Section 7.2. Divergence from standards set forth in clinical protocols and guidelines cannot be the sole reason for denying a Covered Service if the divergence is documented by the treating physician and supported by clinical evidence and generally accepted medical norms; appropriate in type, frequency, grade, setting and duration; and not solely for the convenience of the Enrollee, treating or other Provider, or the Contractor.

11.2.1.5 Facilitate the delivery of high quality, low cost, efficient, and effective care.

11.2.1.6 Ensure that services are based on the history of the problem or illness, its context, and desired outcomes.

11.2.1.7 Emphasize relapse and crisis prevention, not just crisis intervention.

11.2.1.8 Detect over, under, and inappropriate Utilization of services to assess quality and appropriateness of services and to assess quality and appropriateness of care furnished to Enrollees with special health care needs.

11.2.1.9 Ensure that any decision to deny a Service Authorization Request or to authorize a service in an amount, duration, or scope that is less than requested, be made by a Provider who has appropriate clinical expertise to understand the treatment of the Enrollee's condition or disease, such as the Contractor's medical director.

11.2.2 The Contractor shall submit its Utilization Management policies and procedures to ASES for review and prior written approval according to the timeframe specified in Attachment 12 to this Contract.

11.2.3 The Contractor's Utilization Management policies and procedures shall define when a conflict of interest for a Provider involved in Utilization Management activities may exist and shall describe the remedy for such conflict.

11.2.4 The Contractor, and any delegated Utilization Management agent, shall not permit or provide compensation or anything of value to its employees, Agents, or contractors based on:

11.2.4.1 Either a percentage of the amount by which a Claim is reduced for payment or the number of Claims or the cost of services for which the person has denied authorization or payment; or

11.2.4.2 Any other method that encourages a decision to deny, limit, or discontinue a Medically Necessary Covered Service to any Enrollee, as set forth by 42 CFR 438.210(e).

11.2.5 If the Contractor delegates any of its utilization management responsibilities under this Section 11.2 or 11.4 to any delegated Utilization Management agent or Subcontractor, such agent or Subcontractor shall also comply with written policies and procedures for processing requests for authorizations of services in accordance with 42 CFR 438.210(b)(1).

11.3 **Utilization Management Guidance to Enrollees**

11.3.1 As provided in Section 6.4.5.22, the Contractor shall provide clear guidance in its Enrollee Handbook on Utilization Management policies. Upon request, the Contractor shall provide Utilization Management decision criteria to Providers, Enrollees, their families, and the public.

11.4 **Prior Authorization and Referral Policies**

11.4.1 Referrals

11.4.1.1 The Contractor shall not require a Referral from a PCP when an Enrollee seeks care from a Provider in the Contractor's PPN.

11.4.1.2 A written Referral from the PCP shall be required:

11.4.1.2.1 For the Enrollee to access specialty care and services within the Contractor's General Network but outside the PPN; and

11.4.1.2.2 For the Enrollee to access an Out-of-Network Provider (with the exception of Emergency Services).

11.4.1.3 A Referral for either the General Network or out-of-network services will be provided during the same visit with the PCP but no later than twenty-four (24) hours of the Enrollee's request.

11.4.1.4 When a Provider does not make the Referral in the required timeframe specified, or refuses to make a Referral, the Contractor shall issue an Administrative Referral.

11.4.1.5 Neither the Contractor nor any Provider or Subcontractor may impose a requirement that Referrals be submitted for the approval of committees, boards, Medical Directors, etc. The Contractor shall strictly enforce this directive and shall issue Administrative Referrals (see Section 11.4.1.4) whenever it deems medically necessary.

11.4.1.6 If the Provider Access requirements of Section 9.5 of this Contract cannot be met within the PPN within thirty (30) Calendar Days of the Enrollee's request for the Covered Service, the PMG shall refer the Enrollee to a specialist within the General Network, without the imposition of Co-Payments. However, the Enrollee shall return to the PPN specialist once the PPN specialist is available to treat the Enrollee.

11.4.1.7 The Contractor shall ensure that PMGs comply with the rules stated in this Section concerning Referrals, so that Enrollees are not forced to change PMGs in order to obtain needed Referrals.

11.4.1.8 If the Referral system that is developed by the Contractor requires the use of electronic media, such equipment shall be installed in Network Providers' offices at the Contractor's expense.

11.4.2 Timeliness of Prior Authorization

11.4.2.1 The Contractor shall ensure that Prior Authorization is provided for the Enrollee in the following timeframes, including on holidays and outside of normal business hours.

11.4.2.1.1 With the exception of Prior Authorization of covered prescription drugs as described in Section 7.5.12.4.2, the decision to grant or deny a Prior Authorization shall not exceed seventy-two (72) hours from the time of the Enrollee's Service Authorization Request for all Covered Services; except that, where the Contractor or the Enrollee's Provider determines that the Enrollee's life or health could be endangered by a delay in accessing services, the Prior Authorization shall be provided as expeditiously as the Enrollee's health requires, and no later than twenty-four (24) hours from the Service Authorization Request.

11.4.2.1.2 The Contractor may extend the time allowed for Prior Authorization decisions for up to fourteen (14) Calendar Days, where:

11.4.2.1.2.1 The Enrollee, or the Provider, requests the extension; or

11.4.2.1.2.2 The Contractor justifies to ASES a need for the extension in order to collect additional Information, such that the extension is in the Enrollee's best interest.

11.4.2.1.3 If the timeframe is extended in accordance with 11.4.2.1.2.2, the Contractor shall give the Enrollee written notice of the reason behind granting the extension and inform the Enrollee of the right to file a Grievance if he or she disagrees with that decision. The notice of the determination shall be sent as expeditiously as the Enrollee's health condition requires and no later than the expiration date of the extension.

11.4.2.2 For services that require Prior Authorization by the Contractor, the Service Authorization Request shall be submitted promptly by the Provider for the Contractor's approval, so that Prior Authorization may be provided within the timeframe set forth in this Section 11.4.2.

11.4.2.3 The Contractor shall notify the Enrollee and Provider, verbally or in writing, of the approval of a Service Authorization Request Immediately after such determination is made. Notices of Adverse Benefit Determinations must comply with the requirements set forth in Section 14.4.

11.4.3 The Contractor shall submit to ASES Utilization Management clinical criteria, including the source, to be used for services requiring Prior Authorization. ASES shall prior approve in writing such Utilization Management clinical criteria. The Contractor shall ensure criteria are consistent with applicable federal and Puerto Rico laws and regulations.

11.4.4 Prohibited Actions

11.4.4.1 Any denial, unreasonable delay, or rationing of Medically Necessary Services to Enrollees is expressly prohibited. The Contractor shall ensure compliance with this prohibition from Network Providers or any other entity related to the provision of Behavioral Health services to GHP Enrollees. Should the Contractor violate this prohibition, the Contractor shall be subject to the provisions of Article VI, Section 6 of Act 72 and 42 CFR 438, Subpart I (Sanctions).

11.4.5 The Contractor shall employ appropriately licensed professionals to supervise all Prior Authorization decisions and shall specify the type of personnel responsible for each type of Prior Authorization in its policies and procedures. Any decision to deny a Service Authorization Request or to authorize a service in an amount, duration, or scope that is less than requested shall be made by a Provider who possesses the appropriate clinical expertise for treating the Enrollee's condition. For Service Authorization Requests for dental services, only licensed dentists are authorized to make such decisions.

11.4.6 Emergency Services

11.4.6.1 Neither a Referral nor Prior Authorization shall be required for any Emergency Service, no matter whether the Provider is within the PPN, and notwithstanding whether there is ultimately a determination that the condition for which the Enrollee sought treatment from an Emergency Services Provider was not an Emergency Medical Condition or Psychiatric Emergency.

11.4.7 Dental Services

11.4.7.1 The Contractor shall not require a Prior Authorization or a Referral for dental services except for maxillofacial surgery which requires Prior Authorization from a PCP.

11.4.8 Pharmacy Services

11.4.8.1 The Contractor shall require Prior Authorization for filling a drug prescription for certain drugs specified on the FMC, as provided in Section 7.5.12.10.

11.4.8.2 The Contractor shall require a Countersignature from the Enrollee's PCP in order to fill a prescription written by a Provider who is not in the PPN.

11.4.8.3 Any required Prior Authorization or Countersignature for pharmacy services shall be conducted within the timeframes provided in Sections 7.5.12.4.

11.4.8.4 The Contractor shall comply with the Utilization Management policies and procedures in Section 7.5.12 of this Contract for pharmacy services.

11.4.9 Special Coverage

11.4.9.1 In order to obtain services under Special Coverage, an Enrollee shall be registered in the program, as provided in Section 7.7. Registration is a form of Utilization control, to determine whether the Enrollee's health condition warrants Access to the expanded services included in Special Coverage.

In addition, as noted in Section 7.7.12, some individual Special Coverage services require Prior Authorization even for Enrollees who have registered under Special Coverage.

11.4.10 Behavioral Health Services. The Contractor shall not require a Prior Authorization or a Referral for Behavioral Health services except for Partial Hospitalizations, Electroconvulsive Therapy and some medications as indicated in the FMC.

11.5 **Use of Technology to Promote Utilization Management**

11.5.1 ASES strongly encourages the Contractor to develop electronic, web-based Referral processes and systems. In the event that a Referral is made via the telephone, the Contractor shall ensure that Referral Data are maintained in a Data file that can be accessed electronically by the Contractor, the Provider, and ASES.

11.5.2 In conjunction with its other Utilization Management policies, the Contractor shall submit the Referral processes to ASES for review and prior written approval in accordance with Attachment 12 to this Contract.

11.6 **Court-Ordered Evaluations and Services**

11.6.1 In the event that an Enrollee requires Medicaid-covered services ordered by a court, the Contractor shall fully comply with all court orders while maintaining appropriate Utilization Management practices.

11.7 **Second Opinions**

11.7.1 The Contractor shall provide a second opinion in any situation when there is a question concerning a diagnosis, the options for surgery, or alternative treatments of a health condition when requested by any Enrollee, or by a parent, guardian, or other person exercising a custodial responsibility over the Enrollee.

11.7.2 The second opinion shall be provided by a qualified Network Provider, or, if a Network Provider is unavailable, the Contractor shall arrange for the Enrollee to obtain a second opinion from an Out-of-Network Provider.

11.7.3 The second opinion shall be provided at no cost to the Enrollee.

ARTICLE 12 QUALITY IMPROVEMENT AND PERFORMANCE PROGRAM

12.1 **General Provisions**

12.1.1 The Contractor shall provide for the delivery of quality care to all Enrollees with the primary goal of improving health status or, in instances where the Enrollee's health is not amenable to improvement, maintaining the Enrollee's current health status by implementing measures to prevent any further deterioration of his or her health status.

12.1.2 The Contractor shall seek input from, and work with, Enrollees, Providers, community resources, and agencies to actively improve the quality of care provided to Enrollees.

12.1.3 The Contractor shall ensure that its Quality Assessment and Performance Improvement Program effectively monitors the program elements listed in 42 CFR 438.66.

12.1.4 ASES, in strict compliance with 42 CFR 438.340 and other Federal and Puerto Rico regulations, shall evaluate the delivery of health care by the Contractor. Such quality monitoring shall include monitoring of all the Contractor's Quality Management/Quality Improvement ("QM/QI") programs described in this Article 12 of this Contract.

12.1.5 The Contractor shall cooperate with any Puerto Rico or Federal monitoring of its performance under this Contract, which may include but is not limited to external quality reviews, operational reviews, performance audits and evaluations.

12.1.6 The Contractor shall identify, collect and provide any Data, Medical Records or other Information requested by ASES or its authorized representative or the Federal agency or its authorized representative in the format specified by ASES/Federal agency or its authorized representative. The Contractor shall ensure that the requested Data, Medical Records, and other Information is

provided at no charge to ASES, all Federal agencies, or their authorized representative.

12.1.7 If requested, the Contractor shall provide workspace at the Contractor's local offices for ASES, any Federal agencies, or their authorized representative to review requested Data, Medical Records, or other Information.

12.1.8 Advisory Board

12.1.8.1 The Contractor shall convene and facilitate an advisory board. Advisory board members shall serve to advise the Contractor on issues concerning service delivery and quality of all Covered Services (e.g., Behavioral Health, physical health), Enrollee rights and responsibilities, resolution of Enrollee Grievances and Appeals and the needs of groups represented by advisory board members as they pertain to Medicaid.

12.1.8.2 The advisory board shall consist of representatives from all GHP populations, family members, and Providers. The Contractor shall have an equitable representation of its representatives in terms of race, gender, special populations, and Puerto Rico's geographic areas.

12.1.8.3 The Contractor's advisory board shall keep a written record of all attempts to invite and include its representatives in its meetings. The Advisory Board roster and minutes shall be made available to ASES ten (10) Calendar Days following the meeting date.

12.1.8.4 The Contractor shall hold quarterly, centrally located advisory board meetings throughout the Contract Term. The Contractor shall advise ASES ten (10) Calendar Days in advance of meetings to be held. At least two (2) of the quarterly meetings shall focus on Enrollee issues to help ensure that Enrollee issues and concerns are heard and addressed. Attendance rosters and minutes for these two (2) meetings shall be made available to ASES within ten (10) Calendar Days following the meeting date.

12.1.8.5 The Contractor shall ensure that all advisory board representatives actively participate in deliberations and that no one board representative dominates proceedings in order to foster an inclusive meeting environment.

12.2 **Quality Assessment Performance Improvement ("QAPI") Program**

12.2.1 The Contractor shall comply with Puerto Rico and Federal standards for Quality Management/Quality Improvement ("QM/QI").

12.2.1.1 The Contractor shall establish QAPI that specifies the Contractor's quality measurement and performance improvement activities using clinically sound, nationally developed and accepted criteria. The Contractor's QAPI Program shall align with the goals and objectives outlined in ASES's Plan Vital Quality Management Strategy ("QMS").

12.2.2 For Medicaid and CHIP Eligibles, the QAPI program shall be in compliance with Federal requirements specified at 42 CFR 438.330.

12.2.3 The Contractor's QAPI program shall be based on the latest available research in the area of quality assurance and at a minimum shall include:

12.2.3.1 A method of monitoring, analyzing, evaluating, and improving the delivery, quality and appropriateness of health care furnished to all Enrollees (including over, under, and inappropriate Utilization of services) and including those with special health care needs, as defined by ASES in the quality strategy;

12.2.3.2 Written policies and procedures for quality assessment, Utilization Management, and continuous quality improvement that are periodically assessed, no less than annually, for efficacy and to clearly reflect Enrollee and Network Provider input;

12.2.3.3 Include an Information System sufficient to support the collection, integration, tracking, analysis, and reporting of Data, in compliance with 42 CFR 438.242;

12.2.3.4 Designated staff with expertise in quality assessment, Utilization Management, and continuous quality improvement;

12.2.3.5 A review of quality performance and health outcome Data at least quarterly for performance improvement recommendations and interventions;

12.2.3.6 A mechanism to detect over, under, and inappropriate Utilization of services;

12.2.3.7 Reports that have been evaluated, indicated recommendations that are implemented, and provided feedback to Providers and Enrollees;

12.2.3.8 A methodology and process for conducting Provider Credentialing and Re-Credentialing;

12.2.3.9 Procedures for validating completeness and quality of Encounter Data;

12.2.3.10 Annual PIPs as specified by ASES;

12.2.3.11 Development of an emergency room (ER) quality initiative program (see Section 12.4);

12.2.3.12 Development of a Health Care Improvement Program (see Section 12.5);

12.2.3.13 Reporting on specified performance measures (see Section 12.5.3);

12.2.3.14 Conducting Provider and Enrollee satisfaction surveys (see Section 12.7);

12.2.3.15 Quarterly reports on program results, conclusions, recommendations, and implemented system changes, as specified by ASES; and

12.2.3.16 Process for evaluating at least annually the impact and effectiveness of the Contractor's QAPI program and the results of the annual evaluation used to inform the annual QAPI program description and work plan.

12.2.4 The Contractor's annual QAPI program description and work plan shall be submitted to ASES for review and prior written approval according to the timeframe specified in Attachment 12 to this Contract and the annual reporting requirements outlined in Article 18. The annual QAPI program description and workplan must outline the Contractor's goals for the quality improvement program, performance improvement projects, interventions, HCIP program quality improvements, and desired outcomes for the year.

12.2.5 The Contractor shall submit any changes to its annual QAPI program description and work plan to ASES for review and prior written approval sixty (60) Calendar Days prior to implementation of the change.

12.2.6 Upon the request of ASES, the Contractor shall provide any Information and documents related to the implementation of the QAPI program.

12.2.7 As per 42 CFR 438.332(a) and (b), the Contractor shall inform ASES as to whether it has been accredited by a private, independent accrediting entity, and if so, shall provide or authorize the accrediting entity to provide ASES, as applicable, a copy of its most recent accreditation review (including its accreditation status, expiration date of the accreditation, and survey type and level) recommended actions or improvements, corrective action plans, and summaries of findings.

12.3 **Performance Improvement Projects (PIPs)**

12.3.1 At a minimum, the Contractor shall have a PIPs work plan and activities that are consistent with Federal and Puerto Rico statutes, regulations, CMS EQR Protocol 1: Validation of PIPs, and Quality Assessment and Performance

Improvement Program requirements for pursuant to 42 C.F.R. 438.330. For more detailed information refer to the "EQR Managed Care Organization Protocol" available at http://www.medicaid.gov/Medicaid-CHIP- Program-Information/By-Topics/Quality-of-Care/Quality-of-Care-External- Quality-Review.html.

12.3.2 PIPs shall be designed to achieve, through ongoing measurements and intervention, significant improvement, sustained over time, in clinical care and administrative areas that are expected to have a favorable effect on health outcomes and Enrollee satisfaction.

12.3.3 The Contractor shall implement PIPs in at least the following areas:

12.3.3.1 One (1) clinical care project in the area of improving kidney health evaluation rates in order to identify early stages of decreased kidney function. The PIP must use, but is not limited to, HEDIS ® measure Kidney Health Evaluation for Patients with Diabetes (KED) measure as one of the PIP performance measures;

12.3.3.2 One (1) clinical care project in the area of increasing screening for depression, anxiety, substance use disorders for all covered populations using nationally recognized screening tools (e.g., Beck Depression Inventory, PHQ-2, PHQ-9, CRAFFT, CAGE-AID, Depression Scale for Children, GAD-7, DAST, ACES, and ASAM);

12.3.3.3 One (1) clinical care project designed to improve outcomes for Enrollees with diabetes that includes but is not limited to, HEDIS ® measure Comprehensive Diabetes Care: Hemoglobin A1c (HbA1c) Poor Control (<9.0%) as one of the PIP performance measures;

12.3.3.4 One (1) administrative project designed to improve EPSDT screening rates;

12.3.3.5 One (1) administrative project to increase use of reverse co-location and co-location of physical and Behavioral Health and their integration; and

12.3.3.6 The Contractor shall conduct additional PIPs as specified by ASES during the Contract Term.

12.3.4 In designing its PIPs, the Contractor shall:

12.3.4.1 Show that the selected area of study is based on a comprehensive evaluation of need and is expected to achieve measurable benefit to Enrollee (rationale);

12.3.4.2 Establish clear, defined and measurable goals and objectives that the Contractor shall achieve in each year of the project;

12.3.4.3 Measure performance using quality indicators that are objective, measurable, clearly defined, allow tracking of performance and improvement over time, and are measures the Contractor has reliable data sources for reporting;

12.3.4.4 Implement interventions that are specifically designed to achieve the quality improvements outlined in the PIP;

12.3.4.5 Institute a rapid-cycle improvement process to evaluate the effectiveness of the interventions and adjust interventions as appropriate throughout the study period;

12.3.4.6 Use standardized performance measures (such as HEDIS or another similarly standardized product) whenever possible and prioritize the use of CMS Adult and Child Core Set Measures;

12.3.4.7 Plan and initiate activities for increasing or sustaining improvement; and

12.3.4.8 Document the Data collection methodology used (including sources) and steps taken to assure Data is valid and reliable.

12.3.5 The Contractor shall submit all descriptions of PIPs and program details to ASES annually as part of the QAPI Program Description.

12.3.6 Each PIP shall follow the CMS EQR Protocol and will be evaluated by the EQRO. The Contractor shall provide information to the EQRO on the status and outcomes of the PIP upon request.

12.3.7 When requested, the Contractor shall submit Data to ASES or the EQRO for standardized PIPs. The Contractor shall collect valid and reliable Data, using qualified staff and personnel to collect the Data. Failure of the Contractor to follow Data collection and submission requirements may result in sanctions.

12.4 **ER Quality Initiative Program**

12.4.1 The Contractor shall develop an emergency room (ER) quality initiative program, implementing efficient and timely monitoring of Enrollees' use of the emergency room, including whether such use was justified by a legitimate Emergency Medical Condition or Psychiatric Emergency.

12.4.2 The ER quality initiative program shall be designed to identify high users of Emergency Services for non-emergency situations and to allow for early interventions in order to ensure appropriate Utilization of services and resources.

12.4.3 The ER quality initiative program shall specify all strategies to be used by the Contractor to address high users of inappropriate Emergency Services and include, at a minimum, the following components:

12.4.3.1 Description of system(s) for tracking, monitoring, and reporting high users of ER services for non-emergency situations;

12.4.3.2 Criteria for defining non-emergency situations;

12.4.3.3 Educational component to inform (i) Enrollees about the proper use of ER services and how to access ER services and (ii) PCPs about identifying high users or potential high users of ER services and reporting to the Contractor;

12.4.3.4 Protocols for identifying high users of inappropriate ER services and referring them to Care Management for needs assessment and identification of other more appropriate services and resources;

12.4.3.5 Process for ensuring the provision of physical and Behavioral Health Services in an appropriate setting upon identification of the need.

12.4.3.6 Quarterly reporting on ER services Utilization; and

12.4.3.7 Process for monitoring and evaluating program effectiveness, identifying issues, and modifying the ER quality initiative program as necessary to improve service Utilization.

12.4.3.8 Process for rapid-cycle, continuous improvement that includes evaluating interventions for effectiveness and adjusting interventions throughout the initiative period.

12.4.4 The Contractor shall submit its ER quality initiative program to ASES as part of its QAPI program.

12.5 **Health Care Improvement Program (HCIP)**

12.5.1 The HCIP consists of four (4) initiatives subject to performance indicators specified in the Health Care Improvement Program Manual ("HCIP Manual"), Attachment 19 to this Contract). The initiatives and accompanying performance indicators and measurement periods for the Contract Term are further defined in the HCIP Manual.

12.5.1.1 High Cost Conditions Initiative;

12.5.1.2 Chronic Conditions Initiative;

12.5.1.3 Healthy People Initiative; and

12.5.1.4 Emergency Room High Utilizers Initiative

12.5.2 ASES shall establish a Retention Fund, whereby, per Section 22.4, ASES shall withhold two percent (2%) of PMPM Payments on a monthly basis otherwise payable to the Contractor in order to incent the Contractor to meet performance indicators and targets under Health Care Improvement Program specified in the HCIP Manual. The HCIP Manual will be the authoritative document for specifying the allocation of the overall withhold amount of the PMPM Payments across the initiatives in Section 12.5.1. The Retention Fund shall be reimbursed on a quarterly basis to the Contractor when a determination is made by ASES that the Contractor has complied with the quality standards and criteria established by ASES in accordance with Section 22.4 of this Contract.

12.5.2.1 As part of its QAPI program, the Contractor shall submit its quality incentive program with detail on its quality performance improvement plan and how Contractor ensures that appropriate services are being delivered to Enrollees. The QAPI program must be designed to detect Enrollees' unique healthcare needs. The description must include, but is not limited to, the following: (i) details regarding specific goals and how they will be measured; (ii) the complete process by which the Contractor will collect, analyze, and evaluate quality performance measures from the PMGs and other Providers and report on quality performance by using specified data sources, performance and outcome measures; (iii) details regarding how the specific measurable goals and health outcomes objectives are integrated in the overall QAPI program; and (4) performance measures on Social Determinants of Health ("SDOH").

12.5.3 When requested, the Contractor shall submit Data to ASES for standardized performance measures, within specified timelines and according to the established procedures Data collection and reporting. The Contractor shall collect valid and reliable Data, using qualified staff and personnel to collect the Data. Failure of the Contractor to follow Data collection and reporting requirements may result in sanctions. HCIP performance rates shared with Providers must be in a standardized format or reported as directed by ASES.

12.6 **Wellness Plan**

12.6.1 In order to advance the goals of strengthening Preventive Services, providing integrated physical, Behavioral Health, and dental services to all Eligible Persons, and educating Enrollees on health and wellness, the Contractor shall develop a Wellness Plan.

12.6.1.1 The Wellness Plan shall include a strategy for coordination with government agencies of Puerto Rico integral to disease prevention efforts and education efforts, including the Health Department, the

Department of the Family, and the Department of Education. The Wellness Plan shall incorporate strategies to reach all Enrollees including those living in remote areas.

12.6.1.2 The Wellness Plan shall present strategies for encouraging Enrollees to:

12.6.1.2.1 Seek an annual health checkup, including child and adolescent wellness visits and age appropriate immunizations;

12.6.1.2.2 obtain screening for breast cancer and colon cancer;

12.6.1.2.3 Receive the COVID-19 vaccination and take other preventive measures; this strategy must include education and support of the Provider Network;

12.6.1.2.4 Appropriately use the services of the GHP, including GHP Service Line;

12.6.1.2.5 Seek women's health screenings including mammograms, pap smears, cervical screenings, and tests for sexually transmitted infections;

12.6.1.2.6 Maintain a healthy body weight, through good nutrition and exercise;

12.6.1.2.7 Seek an annual dental exam;

12.6.1.2.8 Seek Behavioral Health screening;

12.6.1.2.9 Attend to the medical and developmental needs of children and adolescents, including vaccinations; and

12.6.1.2.10 Receive education regarding the diagnosis and treatment of high-risk diagnoses including:

12.6.1.2.10.1 Depression;

12.6.1.2.10.2 Schizophrenia;

12.6.1.2.10.3 Bipolar disorders;

12.6.1.2.10.4 Attention Deficit Disorder and Attention Deficit Hyperactivity Disorder;

12.6.1.2.10.5 Substance abuse; and

12.6.1.2.10.6 Anxiety disorders.

12.6.1.2.11 The Contractor shall ensure that its Wellness Plan reaches, at a minimum, eighty-five percent (85%) of GHP Enrollees. To achieve the eighty-five (85%) goal, the Contractor shall, in compliance with the requirements of HIPAA and the rules and regulations thereunder, utilize wellness advertisements, campaigns and/or seminars, including without limitation, health fairs, educational activities, visits to enrollees, and others. The Contractor shall also ensure that educational activities are offered by duly licensed professionals, within the scope of their clinical career, who are knowledgeable enough in the specific areas to be addressed in the educational activity. These professionals include, but are not limited to: Health Educators, Nutritionists, Nurses, Psychologists and Physicians.

12.6.1.3 The Contractor shall, according to the timeframe specified in Attachment 12 to this Contract, present its Wellness Plan to ASES for review and prior written approval.

12.7 **Provider and Enrollee Satisfaction Surveys**

12.7.1 The Contractor shall perform an annual satisfaction survey for Providers and Enrollees. The survey for Enrollees shall be the Consumer Assessment of Health Care Providers and Systems ("CAHPS") and the Experience of Care and Health Outcomes ("ECHO") survey instruments.

12.7.2 The sample size for both surveys shall equal the number of respondents needed for a statistical confidence level of ninety-five percent (95%) with a margin of error not more than five percent (5%) and shall not have a response rate less than fifty percent (50%).

12.7.3 The results of the annual Provider and Enrollee satisfaction surveys shall be submitted to ASES and to the Puerto Rico Medicaid Program. The results of the surveys shall be used by the Contractor to inform quality of care and network improvements and be evaluated by the Contractor's quality department.

12.7.4 The Contractor shall have a process for notifying Providers and Enrollees about the availability of survey findings and making survey findings available upon request.

12.7.5 The Contractor shall have a process for utilizing the results of the Provider and Enrollee surveys for monitoring service delivery and quality of services and for making program enhancements, including a formal evaluation of results of both surveys by the Contractor's quality committee and Advisory Board.

12.8 **External Quality Review**

12.8.1 In compliance with Federal requirements at 42 CFR 438.358, ASES will contract with an External Quality Review Organization ("EQRO") to conduct annual, external, independent reviews of the quality outcomes, timeliness of, and Access to, the services covered in this Contract. The Contractor shall collaborate with ASES's EQRO to develop studies, surveys, and other analytic activities to assess the quality of care and services provided to Enrollees and to identify opportunities for program improvement. To facilitate this process the Contractor shall supply Data, including but not limited to Claims Data and Medical Records, to the EQRO. Upon the request of ASES, the Contractor shall provide its protocols for providing Information, participating in review activities, and using the results of the reviews to improve the quality of the services and programs provided to Enrollees.

12.8.2 The EQRO shall also audit the Contractor's Performance Improvement Projects ("PIPs"), performance measure program, and the Contractor's performance against quality standards based on CMS criteria. The Contractor shall cooperate fully with the EQRO.

12.8.3 The Contractor shall participate with the EQRO in various other tasks and projects identified by ASES to gauge performance in a variety of areas, including the integration of physical and Behavioral Health, care coordination, and treatment of special populations.

12.8.4 The EQRO retained by ASES shall not be a competitor of the Contractor and shall comply with 42 CFR 438.354.

12.9 **Comprehensive Oversight and Monitoring Plan (COMP)**

12.9.1 The Comprehensive Oversight and Monitoring Plan ("COMP") as developed and implemented by ASES pursuant to federal requirements, sets forth clinical, operational and financial performance metrics and benchmarks to evaluate the efficiency, type and volume of care provided to Enrollees by all MCOs. As part of this oversight effort, Contractor shall timely comply with all ASES requests for COMP reporting and data collection as well as operational reviews, corrective action and targeted interventions as deemed necessary based on ASES's review of such COMP reports and data. ASES shall issue further guidance as to Contractor's expectations and obligations under the COMP. Should COMP requirements materially impact the obligations of Contractor under this Contract, ASES shall seek an amendment to this Contract to accommodate said requirement.

ARTICLE 13 FRAUD, WASTE, AND ABUSE

13.1 General Provisions

13.1.1 The Contractor shall have and implement a comprehensive internal administrative and management controls, policies, and procedures in place designed to prevent, detect, report, investigate, correct, and resolve potential or confirmed cases of Fraud, Waste, and Abuse in the administration and delivery of services detailed in this Contract.

13.1.2 For Medicaid and CHIP Eligibles, the Contractor's internal controls, policies, and procedures shall comply with all Federal requirements regarding Fraud, Waste, and Abuse and program integrity, including but not limited to Sections 1128, 1128A, 1156, 1842(j)(2), 1902(a)(68), and 1903(i)(2)(C) of the Social Security Act, 42 CFR 438.608, the CMS Medicaid Integrity program, and the Deficit Reduction Act of 2005. The Contractor shall exercise diligent efforts to ensure that no payments are made to any person or entity that has been excluded from participation in Federal health care programs. (See State Medicaid Director Letter #09-001, January 16, 2009.)

13.1.3 The Contractor shall have surveillance and Utilization control programs and procedures (see 42 CFR 456.3, 42 CFR 456.4, 42 CFR 456.23) to safeguard against under-utilization, unnecessary or inappropriate use of Covered Services and against excess payments for Covered Services.

13.1.4 The Contractor shall have adequate staffing and resources to identify and investigate unusual incidents and develop and implement Corrective Action plans to assist the Contractor in preventing and detecting potential Fraud, Waste, and Abuse.

13.1.5 The Contractor shall establish effective lines of communication between the Contractor's compliance officer and the Contractor's employees to facilitate the oversight of systems that monitor service Utilization and Encounters for Fraud, Waste, and Abuse.

13.1.6 The Contractor shall submit its proposed compliance plan, Fraud, Waste, and Abuse policies and procedures, its, and its program integrity plan to ASES for prior written approval according to the timeframe specified in Attachment 12 to this Contract.

13.1.7 Any changes to the Contractor's written compliance plan or Fraud, Waste, and Abuse policies and procedures shall be submitted to ASES for approval within fifteen (15) Calendar Days of the date the Contractor plans to implement the changes and the changes shall not go into effect until ASES provides prior written approval.

13.1.8 The Contractor shall comply with all program integrity provisions of the PPACA including:

13.1.8.1 Enhanced Provider screening and enrollment, Section 6401;

13.1.8.2 Termination of Provider participation, Section 6501;

13.1.8.3 Provider disclosure of current or previous affiliation with excluded Provider(s), Section 6401; and

13.1.8.4 Provider screening and enrollment, 42 CFR Part 455, Subpart E.

13.1.9 The Contractor shall inform ASES in writing Immediately upon becoming aware of a compliance breach related to the Contractor and/or Network Provider.

13.1.10 The Contractor shall inform the Medicaid Fraud Control Unit and ASES of any meetings it holds with any other GHP MCOs related to compliance and program integrity issues at least forty-eight (48) hours prior to the meeting. The Contractor shall provide a copy of the meeting minutes as well as the results of any follow-up investigations to ASES in writing Immediately.

13.1.11 The Contractor shall have policies and procedures prior approved in writing by ASES to address (i) Immediately notifying ASES of pending Network Provider investigations, suspensions and debarment and (ii) transitioning Enrollees from suspended and debarred Network Providers.

13.1.12 The Contractor shall participate in any efforts by ASES, the Medicaid Program Integrity Office, or the Medicaid Fraud Control Unit to engage MCOs and facilitate outreach, discussion and coordination on Fraud, Waste and Abuse prevention, including attendance at meetings and trainings covering Fraud, Waste and Abuse prevention and detection techniques and best practices. ASES, the Medicaid Program Integrity Office and Medicaid Fraud Control Unit preserve the right to directly pursue Fraud, Waste and Abuse efforts, in the event of any noncompliance by the Contractor. Likewise, should Medicaid Program Integrity Office or Medicaid Fraud Control Unit for any reason decide to not pursue cases referred, ASES shall address such cases according to the terms and conditions of the Contract. Such efforts and other compliance activities shall be conducted by ASES, the Medicaid Program Integrity Office and the Medicaid Fraud Control Unit in accordance with the signed Memorandum of Understanding between the agencies.

13.2 **Effective Compliance Program**

13.2.1 The Contractor shall implement an effective compliance program. The program's goals and objectives, scope, and methodology shall be documented in a comprehensive compliance plan to be maintained and updated by Contractor. A paper and electronic copy of the compliance plan shall be provided to ASES annually for prior written approval. ASES shall provide notice of approval, denial, or modification to the Contractor within thirty (30)

Calendar Days of receipt. The Contractor shall make any necessary changes required by ASES within an additional thirty (30) Calendar Days of the request.

13.2.2 At a minimum, the Contractor's Fraud, Waste, and Abuse compliance plan shall, in accordance with 42 CFR 438.608 and the U.S. Department of Justice's Federal Sentencing Guidelines:

13.2.2.1 Ensure that all of its officers, directors, managers and employees know and understand the elements of the Contractor's compliance program;

13.2.2.2 Require the designation of a compliance officer and a compliance committee that are accountable to the Contractor's senior management. The compliance officer shall have express authority to provide unfiltered reports directly to the Contractor's most senior leader and governing body;

13.2.2.3 Ensure and describe effective training and education for the compliance officer and the Contractor's employees;

13.2.2.4 Ensure that Providers and Enrollees are educated about Fraud, Waste, and Abuse identification and reporting in the materials provided to them;

13.2.2.5 Ensure effective lines of communication between the Contractor's compliance officer and the Contractor's employees to ensure that employees understand and comply with the Contractor's compliance program;

13.2.2.6 Ensure enforcement of standards of conduct through well-publicized disciplinary guidelines;

13.2.2.7 Ensure internal monitoring and auditing with provisions for prompt response to potential offenses, along with the prompt referral of any such offenses to MFCU, and for the development of corrective action initiatives relating to the Contractor's compliance efforts;

13.2.2.8 Describe standards of conduct that articulate the Contractor's commitment to comply with all applicable Puerto Rico and Federal requirements and standards;

13.2.2.9 Ensure that no individual who reports Provider violations or suspected cases of Fraud, Waste, and Abuse is retaliated against; and

13.2.2.10 Include a monitoring program that is designed to prevent and detect potential or suspected Fraud, Waste, and Abuse. This monitoring program shall include but not be limited to:

13.2.2.10.1 Monitoring the billings of its Providers to ensure Enrollees receive services for which the Contractor is billed;

13.2.2.10.2 Requiring the investigation of all reports of suspected cases of Fraud and over-billings;

13.2.2.10.3 Reviewing Providers for over, under and inappropriate Utilization;

13.2.2.10.4 Verifying with Enrollees the delivery of services as claimed; and

13.2.2.10.5 Reviewing and trending Enrollee Complaints regarding Providers.

13.2.3 The Contractor, and any Subcontractors delegated the responsibility by the Contractor for coverage of services and payment of claims under this Contract, shall include in all employee handbooks a specific discussion of the False Claims Act and its Fraud, Waste, and Abuse policies and procedures, the rights of employees to be protected as whistleblowers, and the Contractor and Subcontractor's procedures for detecting and preventing Fraud, Waste, and Abuse.

13.2.4 The Contractor shall include in the Enrollee Handbook, as set forth by ASES, a description of its compliance program, instructions on how to report Fraud, Waste, and Abuse, and the protections for whistleblowers.

13.3 **Program Integrity Plan**

13.3.1 The Contractor shall develop a program integrity plan that at a minimum:

13.3.1.1 Defines Fraud, Waste, and Abuse;

13.3.1.2 Specifies methods to detect Fraud, Waste, and Abuse;

13.3.1.3 Describes a process to perform investigations on each suspected case of Fraud, Waste, and Abuse;

13.3.1.4 Describes the Contractor's staff responsible for conducting the investigations and reporting of potential Fraud, Waste, or Abuse, including an organizational chart documenting roles and responsibilities;

13.3.1.5 Includes a variety of methods for identifying, investigating, and referring suspected cases to appropriate entities;

13.3.1.6 Includes a systematic approach to Data analysis;

13.3.1.7 Defines mechanisms to monitor frequency of Encounters and services rendered to Enrollees billed by Providers, and to flag suspicious activity and potential incidents of Fraud, Waste and Abuse that warrant further investigation;

13.3.1.8 Identifies requirements to complete the preliminary investigation of Providers and Enrollees;

13.3.1.9 Include provisions regarding prompt terminations of inactive Providers due to inactivity in the past twelve (12) months;

13.3.1.10 Include a risk assessment of the Contractor's various Fraud, Waste, and Abuse processes. The risk assessment shall include a listing of the Contractor's top three (3) vulnerable areas and outline action plans to mitigate risks;

13.3.1.11 Include procedures for the confidential reporting of potential Fraud, Waste, and Abuse, including potential Contractor violations, to the appropriate agency, including the prompt referral of potential Fraud, Waste, and Abuse to MFCU; and

13.3.1.12 Include procedures to ensure that there is no retaliation against an individual who reports Contractor violations or other potential Fraud, Waste, or Abuse to the Contractor or an external entity.

13.3.2 The Contractor's program integrity plan shall comply in all respects with the ASES Guidelines for the development of a program integrity plan, included as Attachment 14 to this Contract. Upon review of the Contractor's Program Integrity Plan (see Section 13.3), ASES will promptly (within twenty (20) Business Days) notify the Contractor of any needed revisions in order for the program integrity plan to comply with the guidelines and with Federal law. The Contractor, in turn, shall promptly (within twenty (20) Business Days of receipt of the ASES comments) re-submit its Plan for ASES review and prior written approval.

13.4 **Prohibited Affiliations with Individuals Debarred by Federal Agencies**

13.4.1 The Contractor shall not knowingly have a relationship with the following:

13.4.1.1 An individual who is debarred, suspended, or otherwise excluded from participating in procurement activities under the Federal Acquisition Regulation or from participating in non-procurement activities under Executive Order No. 12549 or under any guidelines implementing the Executive Order.

13.4.1.2 An individual who is an Affiliate, as defined in the Federal Acquisition Regulation, of a person described in Section 13.4.1.1. The relationship is defined as follows:

13.4.1.2.1 A director, officer, or partner of the Contractor;

13.4.1.2.2 A person with beneficial ownership of five percent (5%) or more of the Contractor's equity; or

13.4.1.2.3 Any Subcontractor or other person with an employment, consulting, or other arrangement with the Contractor for the provision of items or services that are significant and material the Contractor's obligations under this Contract.

13.4.1.2.4 A Network Provider or person with an employment, consulting or other arrangement with the Contractor for the provision of items and services that are significant and material to the Contractor's obligations under the Contract.

13.4.2 The Contractor shall not have a relationship with an individual or entity that is excluded from participation in any Federal health care program under section 1129 or 1128A of the Social Security Act.

13.4.3 If ASES learns that a Contractor has a prohibited relationship with an individual or entity that is debarred, suspended, or otherwise excluded from participating in procurement activities under the Federal Acquisition Regulation or from participating in non-procurement activities under regulations issued under Executive Order No. 12549 or under guidelines implementing Executive Order No. 12549, or if the Contractor has relationship with an individual who is an Affiliate of such an individual, this Contract may continue unless the Secretary directs otherwise. However, this Contract may not be renewed or otherwise extended in duration unless the Secretary provides to ASES and to Congress a written statement describing compelling reasons that exist for renewing or extending this Contract despite the prohibited affiliations.

13.5 **Reporting and Investigations**

13.5.1 The Contractor shall cooperate with all duly authorized Federal and Puerto Rico agencies and representatives in reporting, investigating and prosecuting Fraud, Waste, and Abuse.

13.5.2 The Contractor shall have methods for identifying, investigating, and referring suspected Fraud, Waste, and Abuse pursuant to 42 CFR 455.1, 42 CFR 455.13, 42 CFR 455.14 and 42 CFR 455.21 and Immediately notifying ASES. All suspected or confirmed instances of Provider Fraud and Enrollee abuse and neglect shall be referred Immediately by the Contractor to ASES, the Puerto Rico Medicaid Program, and the Medicaid Fraud Control Unit.

13.5.3 The Contractor shall Immediately report to ASES the identity of any Provider or other person who is debarred, suspended, or otherwise prohibited from participating in procurement activities. ASES shall promptly notify the

Secretary of Health and Human Services of the noncompliance, as required by 42 CFR 438.610(d).

13.5.4 The Contractor shall notify ASES within two (2) Business Days of any initiated investigation of a suspected case of Fraud, Waste, or Abuse. The Contractor shall conclude its preliminary investigation within ten (10) Business Days of identifying the potential Fraud, Waste, or Abuse and shall provide the findings of its preliminary investigation in writing to ASES within two (2) Business Days of completing the preliminary investigation.

13.5.5 The Contractor shall subsequently report preliminary results of such investigation activities to ASES and other appropriate State and Federal entities. ASES will provide the Contractor with guidance during the pendency of the investigation and will refer the matter to the US Department of Justice and the Medicaid Fraud Control Unit as appropriate. If directed by ASES and/or the Medicaid Fraud Control Unit, the Contractor shall conduct a full investigation.

13.5.6 The Contractor shall provide the results of its full investigations in writing to ASES within two (2) Business Days of completing the investigation. The Contractor shall consult with ASES, whom shall notify the Medicaid Fraud Control Unit, prior to taking any proposed action regarding an instance of suspected or confirmed fraud or Enrollee abuse.

13.5.7 The Contractor and all Subcontractors shall cooperate fully with Federal and State agencies, including the Medicaid Fraud Control Unit, in Fraud, Waste, and Abuse investigations and subsequent legal actions, whether administrative, civil, or criminal. Such cooperation shall include actively participating in meetings, providing requested Information, access to records, and access to interviews with employees and consultants, including but not limited to those with expertise in the administration of the program and/or medical or pharmaceutical matters or in any matter related to an investigation or prosecution. Such cooperation shall also include providing personnel to testify at any hearings, trials, or other legal proceedings on an as-needed basis.

13.5.8 In accordance with Section 1903(i)(2)(C) of the Social Security Act and 42 CFR 455.23, the Contractor shall have a mechanism in place to suspend payments to any Provider or other Subcontractor when there is a pending investigation of a Credible Allegation of Fraud under the Medicaid program. Suspension of payment shall be approved by ASES following instructions in Attachment 14 to this Contract. In addition, for any cases related to Provider Fraud, which ASES must refer to the Medicaid Fraud Control Unit, the Contractor shall refrain from, or suspend any attempt to, recoup amounts related to the reported instance of Provider Fraud from the referred Provider for a period of thirty (30) Calendar Days while the Medicaid Fraud Control Unit conducts its preliminary evaluation. The Contractor may resume recoupment efforts subsequent to the thirty (30) Calendar Days unless otherwise instructed by the Medicaid Fraud

Control Unit or ASES. A determination by the Medicaid Fraud Control Unit not to pursue further action on a referred case of Provider Fraud shall in no way be interpreted to restrict attempts by the Contractor to continue to recoup outstanding amount from the Provider, or to pursue further correction action or penalty otherwise permitted by law or under the Provider Contract.

13.5.9 If a Provider is suspended or terminated from participation in the Puerto Rico Medicaid Program by ASES, the Contractor shall also suspend or terminate the Provider.

13.5.10 If a Provider is terminated from Medicare or another state's Medicaid or State Children's Health Insurance Program, the Contractor shall terminate its Provider participation agreement with that Provider (see Section 1902(a)(39) of the Social Security Act and 42 CFR 455.416) and notify ASES Immediately.

13.5.11 The Contractor shall notify ASES at least two (2) Business Days prior to taking any action against a Provider for program integrity reasons, including, but not limited to, denial of a Provider Credentialing/Re-Credentialing application, corrective action or limiting the ability of a Provider to participate in the program (e.g., suspending or terminating a Provider). The notification shall include but not be limited to identification of the Provider and a description of the action, the reason for the action, and documentation to support the reason. The Contractor shall provide additional Information upon ASES's request.

13.5.12 The Contractor shall submit a risk assessment on an "as needed" basis and Immediately after a program integrity-related action against a Provider. The Contractor shall inform ASES of such action and provide details of such financial action.

13.5.12.1 The Contractor shall Immediately disclose to ASES any and all criminal convictions of its managing employees (see 42 CFR 455.106).

13.5.13 Regarding Provider disclosures, the Contractor shall:

13.5.13.1 Not make payment to a Provider unless the Provider has submitted completed disclosures required by Federal law either to ASES or the Contractor. This includes but is not limited to disclosure regarding ownership and control, business transactions, and criminal convictions (see 42 CFR Part 455, Subpart B).

13.5.13.2 Track information received from ASES identifying Providers from whom ASES has received completed disclosures.

13.5.13.3 For participating Providers for whom ASES has not received completed disclosures, as reported to the Contractor, collect and retain completed Provider disclosures as part of initial Credentialing

and then annually, using a disclosure form prior approved by ASES in writing.

13.5.13.4 In accordance with 42 CFR 455.106, Immediately report any criminal conviction disclosures to ASES and explain what action it will take (e.g., terminate the Provider).

13.5.13.5 In accordance with Section 1866(j)(5) of the Social Security Act and implementing regulations, as part of Credentialing and Re-Credentialing, collect disclosures from Out-of-Network Providers regarding any current or previous affiliations with a Provider or supplier that has uncollected debt, has been or is subject to a payment suspension under a Federal health care program (as defined in Section 1128B(f)), has been excluded from participation under Medicare, Medicaid, CHIP, or has had its billing privileges denied or revoked. The Contractor shall notify ASES if the Contractor determines that such affiliation poses an undue risk of Fraud, Waste, or Abuse and denies the application.

13.6 **Service Verification with Enrollees**

13.6.1 In accordance with 42 CFR 438.608(a)(5), the Contractor shall implement a process for verifying with Enrollees whether services billed by Providers were received.

13.6.2 The Contractor shall employ a methodology and sampling process prior approved by ASES to verify with its Enrollees on a monthly basis whether services billed to the Contractor by Providers were actually received. The methodology and sampling process shall include criteria for identifying "high-risk" services and Provider types. A methodology and sampling process that must be employed by the Contractor on a monthly basis is the use of explanation of benefits for the sample of enrollees within forty-five (45) Calendar Days of payment of claims. Verification that services were received based on explanation of benefits may occur by mail or by phone.

13.7 **Stark Law Compliance**

13.7.1 The Contractor shall have mechanisms in place to ensure that payments are not made in violation of Section 1903(s) of the Social Security Act with respect to certain physician Referrals as defined in Section 1877 of the Social Security Act. The Contractor shall ensure that disclosing Parties provide a financial analysis that includes the total amount actually or potentially due and owed as a result of the disclosed violation, a description of the methodology used to determine the amount due and owing, the total amount of remuneration involved physicians (or an immediate family member of such physicians) received as a result of an actual or potential violation, and a summary of audit activity and documents used in the audit. In accordance with Section 6409 of

the PPACA, the Contractor will encourage provider use of the self-referral disclosure protocols, under which providers of services and suppliers may self-disclose actual or potential violations of the physicians' self-referral statute (Section 1877 of the Social Security Act).

ARTICLE 14 GRIEVANCE AND APPEAL SYSTEM

14.1 General Requirements

14.1.1 In accordance with 42 CFR Part 438, Subpart F, the Contractor shall establish an internal Grievance and Appeal System under which Enrollees, or Providers acting on their behalf, may express dissatisfaction with the Contractor or challenge the denial of coverage of, or payment for, Covered Services.

14.1.2 The Contractor's Grievance and Appeal System shall include (i) a Complaint process, (ii) Grievance process, (iii) Appeal process, and (iv) access to the Administrative Law Hearing process.

14.1.3 The Contractor shall designate, in writing, an officer who shall have primary responsibility for ensuring that Complaints, Grievances, and Appeals are resolved pursuant to this Contract and for signing all Notices of Adverse Benefit Determination. For such purposes, an officer shall mean a president, vice president, secretary, treasurer, chairperson of the board of directors of the Contractor's organization, the sole proprietor, the managing general partner of a partnership, or a person having similar executive authority in the organization.

14.1.4 The Contractor shall develop a written Grievance and Appeal System and the policies and procedures that detail the operation of the Grievance System. The Grievance and Appeal System policies and procedures shall be submitted to ASES for review and prior written approval according to the timeframe specified in Attachment 12 to this Contract.

14.1.5 At a minimum, the Contractor's Grievance and Appeal System policies and procedures shall include the following:

14.1.5.1 Process for filing a Complaint, Grievance, or Appeal, or seeking an Administrative Law Hearing;

14.1.5.2 Process for receiving, recording, tracking, reviewing, reporting, and resolving Grievances filed verbally, in writing, or in-person;

14.1.5.3 Process for receiving, recording, tracking, reviewing, reporting, and resolving Appeals filed verbally or in writing;

14.1.5.4 Process for requesting an expedited review of an Appeal;

14.1.5.5 Process and timeframe for a Provider to file a Complaint, Grievance or Appeal on behalf of an Enrollee;

14.1.5.6 Process for notifying Enrollees of their right to file a Complaint, Grievance, or Appeal with the Patient Advocate Office and how to contact the Patient Advocate Office;

14.1.5.7 Procedures for the exchange of Information with Providers, ASES, and the Enrollees regarding Complaints, Grievances, and Appeals;

14.1.5.8 Process and timeframes for notifying Enrollees in writing regarding receipt of Complaints, Grievances, Appeals, resolution, action, delay of review, and denial of request for expedited review.

14.1.6 The Contractor's Grievance and Appeal System shall fully comply with the Puerto Rico Patient's Bill of Rights Act, to the extent that such provisions do not conflict with, or pose an obstacle to Federal regulations.

14.1.7 The Contractor shall process each Complaint, Grievance, or Appeal in accordance with applicable Puerto Rico and Federal statutory and regulatory requirements, this Contract, and the Contractor's written policies and procedures. Pertinent facts from all Parties shall be collected during the process.

14.1.8 The Contractor shall include educational information in the Enrollee Handbook regarding the Contractor's Grievance and Appeal System which at a minimum includes:

14.1.8.1 A description of the Contractor's Grievance and Appeal System;

14.1.8.2 Instructions on how to file Complaints, Grievances and Appeals including the timeframes for filing;

14.1.8.3 The Contractor's toll-free telephone number and office hours;

14.1.8.4 Information regarding an Enrollee's right to file a Complaint, Grievance, or Appeal with the Patient Advocate Office and how to file a Complaint, Grievance, or Appeal with the Patient Advocate Office;

14.1.8.5 Information describing the Administrative Law Hearing process and governing rules, including that the Enrollee must first exhaust the Contractor's Grievance and Appeal System before accessing the Administrative Law Hearing process; and

14.1.8.6 Timelines and limitations associated with filing Grievances or Appeals.

14.1.9 The Contractor shall give Enrollees reasonable assistance in completing forms and taking other procedural steps for Complaints, Grievances and Appeals. This includes, but is not limited to, providing interpreter services and toll-free numbers that have adequate TDD and interpreter capability.

14.1.10 The Contractor shall include information regarding the Grievance and Appeal System in the Provider Guidelines and upon joining the Contractor's Network, all Providers and Subcontractors, as applicable shall receive training and education regarding the Contractor's Grievance and Appeal System, which includes but is not limited to:

14.1.10.1 The Enrollee's right to file Complaints, Grievances and, Appeals and the requirements and timeframes for filing;

14.1.10.2 The Enrollee's right to file a Complaint, Grievance, or Appeal with the Patient Advocate Office;

14.1.10.3 The Enrollee's right to an Administrative Law Hearing, how to obtain an Administrative Law Hearing, and representation rules at an Administrative Law Hearing;

14.1.10.4 The availability of assistance in filing a Complaint, Grievance, or Appeal;

14.1.10.5 The toll-free numbers to file oral Complaints, Grievances, and Appeals;

14.1.10.6 The Enrollee's right to request continuation of Benefits during an Appeal, or an Administrative Law Hearing filing, and that if the Contractor's Adverse Benefit Determination is upheld in an Administrative Law Hearing, the Enrollee may be liable for the cost of any continued Benefits; and

14.1.10.7 Any Puerto Rico-determined Provider Appeal rights to challenge the failure of the Contractor to cover a service.

14.1.11 The Contractor shall have procedures in place to notify all Enrollees in their primary language of Complaint, Grievance, and Appeal dispositions.

14.1.12 The Contractor shall develop Grievance and Appeal System forms to be submitted for prior written approval by ASES according to the timeframe specified in Attachment 12 to this Contract. The approved forms shall be made available to all Enrollees, shall meet all requirements listed in Sections 6.2 and 6.3 for written materials, and shall, at a minimum:

14.1.12.1 Instruct the Enrollee or Enrollee's Authorized Representative that documentary evidence should be included, if available; and

14.1.12.2 Include instructions for completion and submission.

14.1.13 All ASES prior approved Complaints, Grievances, and Appeals files and forms shall be made available to ASES for auditing. All Complaint, Grievance, and Appeal documents and related information shall be considered as containing protected health information and shall be treated in accordance with HIPAA regulations and other applicable laws of Puerto Rico.

14.1.14 The Contractor shall ensure that the individuals who make decisions on Grievances and Appeals are individuals:

14.1.14.1 Who were not involved in any previous level of review or decision-making, or who were subordinates of any individual involved in a previous review or decision-making;

14.1.14.2 Who, if deciding any of the following, are Providers who have the appropriate clinical expertise, as determined by ASES, in treating the Enrollee's condition or disease if deciding any of the following:

14.1.14.2.1 An Appeal of a denial that is based on lack of Medical Necessity;

14.1.14.2.2 A Grievance regarding denial of expedited resolutions of Appeal; and

14.1.14.2.3 Any Grievance or Appeal that involves clinical issues; and

14.1.14.3 Who take into account all comments, documents, records and other information submitted by Enrollee without regard to whether such information was submitted or considered in the initial Adverse Benefit Determination.

14.1.15 The Contractor shall ensure that punitive action is not taken against a Provider who requests a Grievance, Appeal or an Administrative Law Hearing, requests an expedited resolution, or supports an Enrollee's Grievance, Appeal or Administrative Law Hearing.

14.1.16 The Contractor and Subcontractors, as applicable, shall have a system in place to collect, analyze, and integrate Data regarding Complaints, Grievances, and Appeals. At a minimum, the record shall be accessible to ASES and available upon request to CMS and include the following information:

14.1.16.1 Date Complaint, Grievance, or Appeal was received;

14.1.16.2 Enrollee's name;

14.1.16.3 Enrollee's Medicaid ID number, if applicable;

14.1.16.4 Name of the individual filing the Complaint, Grievance, or Appeal on behalf of the Enrollee;

14.1.16.5 Date of acknowledgement that receipt of Grievance or Appeal was mailed to the Enrollee;

14.1.16.6 Summary of Complaint, Grievance, or Appeal;

14.1.16.7 Date of each review or review meeting and resolution at each level, if applicable;

14.1.16.8 Date Notice of Disposition or Notice of Adverse Benefit Determination was mailed to the Enrollee;

14.1.16.9 Corrective Action required; and

14.1.16.10 Date of resolution.

14.1.17 Contractor shall have sufficient staffing to timely address Grievances, Complaints, Appeals, Provider disputes and to provide attorney representation or the attendance of other required personnel at administrative hearings, when applicable.

14.2 **Complaint**

14.2.1 The Complaint process is the procedure for addressing Enrollee Complaints, defined as expressions of dissatisfaction about any matter other than an Adverse Benefit Determination that are resolved at the point of contact rather than through filing a formal Grievance.

14.2.2 An Enrollee or Enrollee's Authorized Representative may file a Complaint either orally or in writing. The Enrollee or Enrollee's Authorized Representative may follow-up an oral request with a written request. However, the timeframe for resolution begins with the date the Contractor receives the oral request.

14.2.3 An Enrollee or Enrollee's Authorized Representative shall file a Complaint within fifteen (15) Calendar Days after the date of occurrence that initiated the Complaint. If the Enrollee or Enrollee's Authorized Representative attempts to file a Complaint beyond the fifteen (15) Calendar Days, the Contractor shall instruct the Enrollee or Enrollee's Authorized Representative to file a Grievance.

14.2.4 The Contractor shall have procedures in place to provide Notice of Dispositions of Complaints to all Enrollees in their primary language.

14.2.5 The Contractor shall resolve each Complaint within seventy-two (72) hours of the time the Contractor received the initial Complaint, whether orally or in

writing. If the Complaint is not resolved within this timeframe, the Complaint shall be treated as a Grievance. The Contractor cannot require the Enrollee to file a separate Grievance before proceeding to Appeal.

14.2.6 The Notice of Disposition shall include the results and date of the resolution of the Complaint and shall include notice of the right to file a Grievance or Appeal and information necessary to allow the Enrollee to request an Administrative Law Hearing, if appropriate, including contact information necessary to pursue an Administrative Law Hearing.

14.3 **Grievance Process**

14.3.1 An Enrollee or Enrollee's Authorized Representative may file a Grievance with the Contractor or with the Office of the Patient's Advocate of Puerto Rico either orally or in writing. A Provider cannot file a Grievance on behalf of an Enrollee unless written consent is granted by the Enrollee.

14.3.2 An Enrollee may file a Grievance at any time.

14.3.3 The Contractor shall acknowledge receipt of each Grievance in writing to the Enrollee (and the Provider, if the Provider filed the Grievance on the Enrollee's behalf) within ten (10) Business Days of receipt.

14.3.4 The Contractor shall provide written notice of the disposition of the Grievance as expeditiously as the Enrollee's health condition requires, but in any event, within ninety (90) Calendar Days from the day the Contractor receives the Grievance. If the Grievance originated from a Complaint that was not resolved within the seventy-two (72) hour timeframe set forth in Section 14.2.5, the time already spent by the Contractor to resolve the original Complaint must be deducted from this ninety (90) Calendar Day timeframe.

14.3.5 The Notice of Disposition shall include the following:

14.3.5.1 The resolution of the Grievance,

14.3.5.2 The basis for the resolution, and

14.3.5.3 The date of the resolution.

14.3.6 The Contractor may extend the timeframe to provide a written notice of disposition of a Grievance for up to fourteen (14) Calendar Days if the Enrollee requests the extension or the Contractor demonstrates (to the satisfaction of ASES, upon its request) that there is a need for additional Information and how the delay is in the Enrollee's interest. If the Contractor extends the timeframe, it shall, for any extension not requested by the Enrollee:

14.3.6.1 Make reasonable efforts to provide Enrollee prompt oral notice of the delay;

14.3.6.2 Give the Enrollee written notice of the reason for the delay within two (2) Calendar Days; and

14.3.6.3 Inform the Enrollee of the right to file a Grievance if the Enrollee disagrees with the decision to extend the timeframe.

14.4 Notice of Adverse Benefit Determination

14.4.1 Pusuant to 42 CFR 438.210(c), the Contractor shall provide written notice to the requesting Provider and the Enrollee of any decision by the Contractor to deny a Service Authorization Request, or to authorize a service in an amount, duration, or scope that is less than requested. The Contractor's notices shall meet the requirements of 42 CFR 438.404.

14.4.2 The Contractor's written Notice of Adverse Benefit Determination to Enrollees must meet the language and format requirements in Section 6.2 and 6.3 and be set in accordance with the timeframes described in Section 14.4.4.

14.4.3 The Notice of Adverse Benefit Determination shall contain the following:

14.4.3.1 The Adverse Benefit Determination the Contractor has taken or intends to take;

14.4.3.2 The reasons for the Adverse Benefit Determination;

14.4.3.3 The right of Enrollee to be provided, upon request and at no expense to Enrollee, reasonable access to and copies of all documents, records and other information relevant to the Adverse Benefit Determination.

14.4.3.4 The Enrollee's right to file an Appeal through the Contractor's internal Grievance and Appeal System and the procedure for filing an Appeal;

14.4.3.5 The Enrollee's right to request an Administrative Law Hearing after exhaustion of the Contractor's Grievance and Appeal System;

14.4.3.6 The Enrollee's right to allow a Provider to file an Appeal or an Administrative Law Hearing on behalf of the Enrollee, upon written consent;

14.4.3.7 The circumstances under which expedited review is available and how to request it; and

14.4.3.8 The Enrollee's right to have Benefits continue pending resolution of the Appeal with the Contractor or during the Administrative Law Hearing in accordance with 42 CFR 438.420, how to request that

Benefits be continued, and the circumstances under which the Enrollee may be required to pay for the costs of these services.

14.4.4 The Contractor shall mail the Notice of Adverse Benefit Determination within the following timeframes:

14.4.4.1 For termination, suspension, or reduction of previously authorized Covered Services, at least ten (10) Calendar Days before the date of Adverse Benefit Determination. However, notice must be mailed no later than the date of Adverse Benefit Determination, unless otherwise specified, if one of the following exceptions applies:

14.4.4.1.1 The Contractor has factual Information confirming the death of an Enrollee.

14.4.4.1.2 The Contractor receives a clear written statement signed by the Enrollee that he or she no longer wishes to receive services or gives Information that requires termination or reduction of services and indicates that he or she understands that this must be the result of supplying that Information.

14.4.4.1.3 The Enrollee is accepted for Medicaid services by another local jurisdiction, state, territory or commonwealth.

14.4.4.1.4 The Enrollee has been admitted to an institution where he or she is ineligible for further services.

14.4.4.1.5 The Enrollee's whereabouts are unknown and the post office returns the Contractor's mail directed to the Enrollee indicating no forwarding address (refer to 42 CFR 431.231(d) for procedures if the Enrollee's whereabouts become known).

14.4.4.1.6 The Enrollee's Provider prescribes a change in the level of medical care.

14.4.4.1.7 The notice involves an Adverse Benefit Determination with regard to the preadmission screening requirements set forth in Section 1919(e)(7) of the Social Security Act.

14.4.4.1.8 The transfer or discharge from a facility will occur in an expedited fashion.

14.4.4.1.9 The Contractor may shorten the period of advance notice to five (5) Calendar Days before the date of Adverse Benefit Determination if the Contractor has facts indicating that Adverse Benefit Determination should be taken because of

probable Enrollee Fraud and the facts have been verified, if possible, through secondary sources.

14.4.4.2 For denial of payment, at the time of any Adverse Benefit Determination affecting the Claim.

14.4.4.3 For standard authorization decisions that deny or limit Covered Services within the timeframes required in Section 11.4.

14.4.4.4 If the Contractor extends the timeframe for the authorization decision and issuance of Notice of Adverse Benefit Determination according to Section 14.4.3, the Contractor shall give the Enrollee written notice of the reasons for the decision to extend if he or she did not request the extension and the Enrollee's right to file a Grievance if he or she disagrees with that decision. The Contractor shall issue and carry out its determination as expeditiously as the Enrollee's health requires and no later than the date the extension expires.

14.4.4.5 For authorization decisions not reached within the timeframes required in Section 11.4 for either standard or expedited authorizations, the Notice of Adverse Benefit Determination shall be mailed on the date the timeframe expires, as this constitutes a denial and is thus an Adverse Benefit Determination.

14.5 **Appeal Process**

14.5.1 The Enrollee, the Enrollee's Authorized Representative, or the Provider may file an Appeal either orally or in writing.

14.5.2 Oral inquiries seeking to appeal an Adverse Benefit Determination are treated as Appeals (to establish the earliest possible filing date for the Appeal).

14.5.3 The requirements of the Appeal process shall be binding for all types of Appeals, including expedited Appeals, unless otherwise established for expedited Appeals. Only one (1) level of Appeal is permitted before proceeding to an Administrative Law Hearing.

14.5.4 The Enrollee, the Enrollee's Authorized Representative, or the Provider acting on behalf of the Enrollee with the Enrollee's written consent, may file an Appeal to the Contractor within sixty (60) Calendar Days from the date on the Contractor's Notice of Adverse Benefit Determination.

14.5.5 Appeals shall be filed directly with the Contractor, or its delegated representatives. The Contractor may delegate this authority to an Appeal committee, but the delegation shall be in writing.

14.5.6 The Appeals process shall provide the Enrollee, the Enrollee's Authorized Representative, or the Provider acting on behalf of the Enrollee with the Enrollee's written consent, a reasonable opportunity to present evidence and allegations of fact or law, in person, as well as in writing. The Contractor shall inform the Enrollee of the limited time available to provide this in case of expedited review.

14.5.7 The Appeals process shall provide the Enrollee, the Enrollee's Authorized Representative, or the Provider acting on behalf of the Enrollee with the Enrollee's written consent, opportunity, before and during the Appeals process, to examine the Enrollee's case file, including Medical Records, and any other documents and records considered during the Appeals process as well as any new or additional evidence considered, relied upon or generated by Contractor, and provide copies of documents contained therein without charge and sufficiently in advance of the resolution timeframe for the Appeal.

14.5.8 The Appeals process shall include as Parties to the Appeal the Enrollee, the Enrollee's Authorized Representative, the Provider acting on behalf of the Enrollee with the Enrollee's written consent, or the legal representative of a deceased Enrollee's estate.

14.5.9 The Contractor shall resolve each standard Appeal and provide written notice of the disposition, as expeditiously as the Enrollee's health condition requires but no more than thirty (30) Calendar Days from the date the Contractor receives the Appeal.

14.5.10 The Contractor shall establish and maintain an expedited review process for Appeals, subject to prior written approval by ASES, when the Contractor determines (based on a request from the Enrollee) or the Provider indicates (in making the request on the Enrollee's behalf) that taking the time for a standard resolution could seriously jeopardize the Enrollee's life or health or ability to attain, maintain, or regain maximum function. The Enrollee, the Enrollee's Authorized Representative, or the Provider acting on behalf of the Enrollee with the Enrollee's written consent, may file an expedited Appeal either orally or in writing.

14.5.11 The Contractor shall resolve each expedited Appeal and provide a written Notice of Disposition, as expeditiously as the Enrollee's health condition requires, but no longer than seventy-two (72) hours after the Contractor receives the Appeal and make reasonable efforts to provide oral notice.

14.5.12 If the Contractor denies an Enrollee's request for expedited review, it shall utilize the timeframe for standard Appeals specified herein and shall make reasonable efforts to give the Enrollee prompt oral notice of the denial, and follow-up within two (2) Calendar Days with a written notice. If the Enrollee disagrees with the decision to extend the prescribed timeframe, he or she shall be informed of the right to file a Grievance and the Grievance shall be resolved

within twenty-four (24) hours. The Contractor shall also make reasonable efforts to provide oral notice for resolution of an expedited review of an Appeal.

14.5.13 The Contractor may extend the timeframe for standard or expedited resolution of the Appeal by up to fourteen (14) Calendar Days if the Enrollee, Enrollee's Authorized Representative, or the Provider acting on behalf of the Enrollee with the Enrollee's written consent, requests the extension or the Contractor demonstrates (to the satisfaction of ASES, upon its request) that there is need for additional information and how the delay is in the Enrollee's interest. If the Contractor extends the timeframe, it shall, for any extension not requested by the Enrollee:

14.5.13.1 Make reasonable efforts to provide Enrollee prompt oral notice of the delay;

14.5.13.2 Give the Enrollee written notice of the reason for the delay within two (2) Calendar Days;

14.5.13.3 Inform the Enrollee of the right to file a Grievance if the Enrollee disagrees with the decision to extend the timeframe; and

14.5.13.4 Resolve the Appeal as expeditiously as the Enrollee's health condition requires, and no later than the date the extension expires.

14.5.14 The Contractor shall provide written Notice of Disposition of an Appeal to the Enrollee (and the Provider, if the Provider filed the Appeal on the Enrollee's behalf) as well as a copy to ASES within two (2) Business Days of the resolution.

14.5.15 The written notice of Disposition shall be in a format and language that, at a minimum, meets applicable notification standards and shall include:

14.5.15.1 The results and date of the Appeal resolution; and

14.5.15.2 For decisions not wholly in the Enrollee's favor:

14.5.15.3 The right to request an Administrative Law Hearing;

14.5.15.4 How to request an Administrative Law Hearing;

14.5.15.5 The right to continue to receive Benefits pending an Administrative Law Hearing;

14.5.15.6 How to request the continuation of Benefits; and

14.5.15.7 Notification that if the Contractor's Adverse Benefit Determination is upheld in a hearing, the Enrollee may liable for the cost of any continued Benefits.

14.6 **Administrative Law Hearing**

14.6.1 The Contractor is responsible for explaining the Enrollee's right to and the procedures for an Administrative Law Hearing, including that the Enrollee must exhaust the Contractor's Grievance, Complaints, and Appeals process before requesting an Administrative Law Hearing. However, if the Contractor fails to adhere to all notice and timing requirements set forth in 42 CFR 438.408, the Enrollee is deemed to have exhausted the Contractor's Appeals process and may proceed with initiating an Administrative Law Hearing.

14.6.2 The parties to the Administrative Law Hearing include the Contractor as well as the Enrollee or his or her Authorized Representative, or the representative of a deceased Enrollee's estate.

14.6.3 If the Contractor takes an Adverse Benefit Determination, the Enrollee appeals the Adverse Benefit Determination and the resolution of the Appeal is not in the Enrollee's favor, and the Enrollee requests an Administrative Law Hearing, ASES shall grant the Enrollee such hearing. The right to such Administrative Law Hearing, how to obtain it, and the rules concerning who may represent the Enrollee at such hearing shall be explained to the Enrollee and by the Contractor.

14.6.4 ASES shall permit the Enrollee to request an Administrative Law Hearing within one hundred and twenty (120) Calendar Days of the Notice of Resolution of the Appeal.

14.6.5 Before the Administrative Law Hearing, the Enrollee and the Enrollee's Authorized Representative, if applicable, can ask to look at and copy the documents and records the Contractor will use at the Administrative Law Hearing or that the Enrollee may otherwise need to prepare his/her case for the hearing. The Contractor shall provide such documents and records at no charge to the Enrollee.

14.6.6 The Administrative Law Hearing resolution shall be:

14.6.6.1 For standard resolution: within ninety (90) Calendar Days of the date the Enrollee filed the appeal with the Contractor (excluding the days the Enrollee took to subsequently file for an Administrative Law Hearing).

14.6.6.2 For an expedited resolution: within three (3) Business Days from agency receipt of an Administrative Law Hearing request for a denial of a service.

14.6.7 The Contractor shall comply with all determinations rendered as a result of Administrative Law Hearings. Nothing in this Section 14.6 shall limit the remedies available to ASES or the Federal government relating to any non-

compliance by the Contractor with an Administrative Law Hearing determination or by the Contractor's refusal to provide disputed services.

14.6.8 The decision issued as a result of the Administrative Law Hearing is subject to review before the Court of Appeals of Puerto Rico.

14.6.9 The Contractor shall comply with all determinations rendered as a result of Administrative Law Hearings. Nothing in this Section 14.6 shall limit the remedies available to Puerto Rico or the Federal government relating to any non-compliance by the Contractor with an Administrative Law Hearing determination or by the Contractor's refusal to provide disputed services.

14.7 Continuation of Benefits while the Appeal and Administrative Law Hearing are Pending

14.7.1 As used in this Section, "timely" filing means filing on or before the later of the following:

14.7.1.1 Within ten (10) Calendar Days of the Contractor mailing the Notice of Adverse Benefit Determination; or

14.7.1.2 The intended effective date of the Contractor's proposed Adverse Benefit Determination.

14.7.2 The Contractor shall continue the Enrollee's Benefits if the Enrollee or the Enrollee's Authorized Representative files the Appeal within sixty (60) Calendar Days following the date on the Adverse Benefit Determination notice; the Appeal involves the termination, suspension, or reduction of a previously authorized course of treatment; the services were ordered by an authorized Provider; the period covered by the original authorization has not expired; and the Enrollee timely files for continuation of the Benefits.

14.7.3 If, at the Enrollee's request, the Contractor continues or reinstates the Enrollee's Benefits while the Appeal or Administrative Law Hearing is pending, the Benefits shall be continued until one of the following occurs:

14.7.3.1 The Enrollee withdraws the Appeal or request for the Administrative Law Hearing.

14.7.3.2 The Enrollee does not request an Administrative Law Hearing with continuation of Benefits within ten (10) Calendar Days from the date the Contractor sends the Notice of Adverse Benefit Determination..

14.7.3.3 An administrative law judge issues an Administrative Law Hearing decision adverse to the Enrollee.

14.7.3.4 The time period or service limits of a previously authorized service has been met.

14.7.4 If the final resolution of Appeal or Administrative Law Hearing is adverse to the Enrollee, that is, upholds the Contractor's Adverse Benefit Determination, the Contractor may recover from the Enrollee the cost of the services furnished to the Enrollee while the Appeal/Administrative Law Hearing was pending, to the extent that they were furnished solely because of the requirements of this Section.

14.7.5 If the Contractor or ASES reverses a decision to deny, limit, or delay services that were not furnished while the Appeal/Administrative Law Hearing was pending, the Contractor shall authorize or provide the disputed services promptly and as expeditiously as the Enrollee's health condition requires but no later than seventy-two (72) hours from the date the Contractor receives notice reversing the determination.

14.7.6 If the Contractor or ASES reverses a decision to deny authorization of services, and the Enrollee received the disputed services while the Appeal/Administrative Law Hearing was pending, the Contractor shall pay for those services. The Contractor shall submit evidence of compliance.

14.8 **Reporting Requirements**

14.8.1 The Contractor shall log and track all Complaints, Grievances, Notices of Adverse Benefit Determination, Appeals, including extensions of time granted by the Contractor for these items, as well as Administrative Law Hearing requests (see Section 14.1.16 for details regarding Information collected).

14.8.2 ASES may publicly disclose summary Information regarding the nature of Complaints, Grievances, and Appeals and related dispositions or resolutions in consumer Information materials.

14.8.3 The Contractor shall submit quarterly Grievance and Appeal System reports to ASES using a format prescribed by ASES and incorporate the findings of these reports into its Quality Strategy.

14.9 Remedy for Contractor Non-Compliance with Advance Directive Requirements.

In addition to the Complaint, Grievance, and Appeal rights described in this Article, an Enrollee may lodge with ASES a Complaint concerning the Contractor's non-compliance with the Advance Directive requirements stated in Section 7.10 of this Contract.

ARTICLE 15 ADMINISTRATION AND MANAGEMENT

15.1 **General Provisions**

15.1.1 The Contractor shall be responsible for the administration and management of all requirements of this Contract, and consistent with the Medicaid Managed Care regulations of 42 CFR Part 438.

15.1.2 All costs and expenses related to the administration and management of this Contract shall be the responsibility of the Contractor.

15.2 **Place of Business and Hours of Operation**

15.2.1 Given that Enrollment occurs chiefly on site in the Contractor's administrative offices, the Contractor shall ensure that its administrative offices are physically accessible to all Enrollees and fully equipped to perform all functions related to carrying out this Contract.

15.2.2 The Contractor shall maintain a number and geographic distribution of administrative offices to provide reasonable physical accessibility for Enrollees. The plan for administrative offices must be approved in writing by ASES.

15.2.3 The Contractor shall accommodate any request by ASES to visit the Contractor's administrative offices to ensure that the offices are compliant with the Americans with Disabilities Act's ("ADA") requirements for public buildings, and with all other applicable Federal and Puerto Rico rules and regulations.

15.2.4 The Contractor must maintain one (1) central administrative office and additional administrative offices as described in section 15.2.2 of this Contract.

15.2.5 The Contractor's office shall be centrally located and in a location accessible by foot and by vehicle traffic.

15.2.6 Contractor's written communications to Enrollees must contain the address of the location identified as the legal, duly-licensed, central administrative office. This administrative office must be open at least between the hours of 9:00 a.m. and 5:00 p.m. (Atlantic Time) during Business Days; In addition, pursuant to the Contractor's Enrollment Outreach plan (see Section 6.12), the Contractor's administrative office must have extended open hours (until 7:00 p.m. (Atlantic Time) at least one (1) Business Day per Week; and must be open (to the extent necessary to permit Enrollment activities) one Saturday per month, from 9:00 a.m. to 5:00 p.m. (Atlantic Time)).

15.2.7 The Contractor shall ensure that the office(s) are adequately staffed, throughout the Contract Term, to ensure that Potential Enrollees may visit the office to enroll at any time during Contractor's hours of operation. This provision will ensure that Enrollees and Providers receive prompt and accurate responses to inquiries.

15.2.8 The Contractor shall provide access to Information to Enrollees through GHP Service Line, during the hours provided in Section 6.8.3 of this Contract.

15.2.9 The Contractor shall provide access twenty-four (24) hours a day, seven (7) days per Week to its website.

15.3 **Training and Staffing**

15.3.1 The Contractor shall conduct ongoing training for all of its staff, in all departments, to ensure appropriate functioning in all areas and to ensure that staff:

15.3.1.1 Understand the GHP program and the Medicaid Managed Care requirements;

15.3.1.2 Are aware of all programmatic changes; and

15.3.1.3 Are trained in the Contractor's Cultural Competency plan.

15.3.2 The Contractor shall submit a staff training plan and a current organizational chart to ASES for review and prior written approval according to the timeframe specified in Attachment 12 to this Contract.

15.4 **Data Certification**

15.4.1 The Contractor shall certify all Data pursuant to 42 CFR 438.606. The Data that must be certified include, but are not limited to, Enrollment Information, Encounter Data, and other Information required by ASES and contained in Contracts, the Contractor's Proposal, and related documents. The Data must be certified by one of the following: the Contractor's Chief Executive Officer ("CEO"), the Contractor's Chief Financial Officer ("CFO"), or an individual who has delegated authority to sign for, and who reports directly to the Contractor's CEO or CFO. The certification must attest, based on best knowledge, Information, and belief, as follows:

15.4.1.1 To the accuracy, completeness and truthfulness of the Data; and

15.4.1.2 To the accuracy, completeness, and truthfulness of the documents specified by ASES.

15.4.2 The Contractor shall submit the certification concurrently with the certified Data.

15.4.3 Contractor shall sign the Trading Partner Agreement included as Attachment 30 to this Contract.

15.5 Implementation Plan and Submission of Initial Deliverables

15.5.1 The Contractor shall develop an Implementation Plan that verifies that the Contractor will submit the Deliverables listed in the chart in Attachment 12 to this Contract, and that details any additional procedures and activities that will be accomplished during the period between the Effective Date of this Contract and November 1, 2018, which is the Implementation Date of this Contract. The

Implementation Plan shall include coordination and cooperation with ASES and its representatives during all phases.

15.5.2 The Contractor shall submit its implementation plan to ASES for ASES's review and written approval according to the timeframe specified in Attachment 12 to this Contract. Implementation of the Contract shall not commence prior to ASES written approval.

15.5.3 The Contractor will not receive any additional payment to cover start up or implementation costs.

ARTICLE 16 PROVIDER PAYMENT MANAGEMENT

16.1 General Provisions

16.1.1 The Contractor shall administer an effective, accurate and efficient Provider payment management function that (i) under this Contract's risk arrangement adjudicates and settles Provider Claims for Covered Services that are filed within the timeframes specified by this Article 16 and in compliance with all applicable Puerto Rico and Federal laws, rules, and regulations; (ii) processes PMPM Payments to applicable Providers within the timeframes specified by this Article; and (iii) performs Claims payment administrative functions for all Providers as specified by this Article 16.

16.1.2 The Contractor shall maintain a Claims management system that can accurately identify the date of receipt (the date the Contractor receives the Claim as indicated by the date-stamp), real-time-accurate history of actions taken on each Provider Claim (i.e. paid, denied, suspended, appealed, etc.), and the date of payment (the date of the check or other form of payment).

16.1.3 To the extent feasible, the Contractor shall implement an Automated Clearinghouse ("ACH") mechanism that allows Providers to request and receive Electronic Funds Transfer ("EFT") of Claims payments. The Contractor shall encourage its Providers, as an alternative to the filing of paper-based Claims, to submit and receive Claims Information through Electronic Data Interchange ("EDI"), i.e., electronic Claims. Electronic Claims must be processed in adherence to Information exchange and Data management requirements specified in Article 17. As part of this electronic Claims management ("ECM") function, the Contractor shall also provide on-line and phone-based capabilities to obtain Claims processing status Information.

16.1.4 If the Contractor does not receive Claims through an EDI system, the Contractor shall either provide a central address to which Providers must submit Claims; or provide to each Network Provider a complete list, including names, addresses, electronic mail and phone number, of entities to which the Providers must submit Claims.

16.1.5 The Contractor shall notify Network Providers in writing of any changes in the policies and procedures, subject to prior written approval of ASES, for filing Claims at least thirty (30) Calendar Days before the effective date of the change. If the Contractor is unable to provide thirty (30) Calendar Days of notice, it must give Providers a thirty (30) Calendar Day extension on their Claims filing deadline to ensure Claims are routed to the correct processing center.

16.1.6 To be processed, all Claims submitted for payment shall comply with the Clean Claim standards as established by Federal regulation (42 CFR 447.46), and with the standards described in Section 16.6.2 of this Contract.

16.1.7 The Contractor shall generate explanations of benefits and remittance advices in accordance with ASES standards for formatting, content, and timeliness.

16.1.8 The Contractor shall not pay any Claim submitted by a Provider during the period of time when such Provider is excluded or suspended from the Medicare, Medicaid, CHIP or Title V Maternal and Child Health Services Block Grant programs for Fraud, Waste, or Abuse or otherwise included on the Department of Health and Human Services Office of the Inspector General exclusions list, or employs someone on this list, and when the Contractor knew, or had reason to know, of that exclusion, after a reasonable time period after reasonable notice has been furnished to the Contractor. The Contractor shall not pay any Claim submitted by a Provider that is on Payment Hold.

16.1.9 The Contractor is prohibited from paying for an item or service with respect to any amount expended for which funds may not be used under the Assisted Suicide Funding Restriction Act of 1997.

16.1.10 Network Providers may not receive payment other than by the Contractor for services covered under this Agreement, except when such payments are specifically required to be made by ASES under Title XIX of the Social Security Act, or its implementing regulations, or when ASES makes direct payments to Network Providers for graduate medical education costs approved under the Medicaid State Plan. The Contractor is prohibited from making payment on any amount expended for any item or service not covered under the Medicaid State Plan.

16.1.11 Pursuant to Section 1903(i) of the Social Security Act the Contractor is prohibited from paying for organ transplants unless the State Plan provides, and the Contractor follows, written standards that provide for similarly situated individuals to be treated alike and for any restriction on facilities or practitioners to be consistent with the accessibility of high quality of care to Enrollees.

16.2 **Payment Schedule**

16.2.1 At a minimum, the Contractor shall run one (1) Provider payment cycle per Week, on the same day each Week, as determined by the Contractor. The Contractor shall develop a payment schedule to be submitted to ASES for

review and its prior written approval according to the timeframe specified in Attachment 12 to this Contract.

16.2.2 Other than for cause explicitly stated in the Provider Contract, payment to Providers made in the form of a Capitation payment shall be issued not later than the fifteenth (15th) Calendar Day of the month. Any Provider Capitation payment retained by the Contractor past the 15th Calendar Day of each month shall accrue interest at the prevailing highest legal interest rate for personal loans as such rate is determined by the Board of the Office of the Commissioner of Financial Institutions, and interest shall be paid along with the Capitation payment to the Provider for that month. The Contractor shall make such payment regardless of receiving the PMPM Payment under Section 22.1.1 of the Contract.

16.3 **Required Claims Processing Reports**

16.3.1 The Contractor shall submit to ASES a monthly report not later than the fifth (5th) Calendar Day after the last day of the month listing all paid, pending, and denied Claims during that month. The report shall be made available in an electronic format and shall detail all paid, pending, and denied Claims for all Providers.

16.3.2 The report shall list, by Provider, Claims paid from the preceding month, and those that are pending payment and the reason for the payment delay or the reason for the Contractor's decision to deny the Claim.

16.3.3 In the event that Providers associated with a PMG consent to the disbursement of payment directly to the PMG, the Contractor shall so specify in its report.

16.4 **Submission of Encounter Data**

16.4.1 Providers shall furnish Encounter Data to the Contractor per Section 17.3.3 and Attachment 26 to this Contract on a monthly basis. The Data shall be submitted regardless of the payment arrangement, fee-for-service, subcapitated, or otherwise, agreed upon between the Contractor and the Provider. Encounter Data for all items and services provided by Network Providers, even if the Network Provider is reimbursed on a subcapitated basis, must be submitted with the paid field indicating the allowed amount, even if the amount is zero (0) dollars. The Contractor is ultimately responsible for submission of Encounter Data to ASES according to the requirements in 42 CFR 438.242, with the understanding that one hundred percent (100%) of encounters are submitted for services provided to Enrollees, so that ASES can meet CMS's expectations for submission of Encounter Data consistent with 42 CFR 438.818 and other federal guidance. ASES may impose penalties on the Contractor for noncompliance with this requirement. Contractor must provide the means to achieve these reporting standards inasmuch as it is ultimately responsible for

meeting the requirements at 42 CFR 438.242, which enable ASES to meet its obligations regarding T-MSIS reporting.

16.4.2 Encounter Data must comply with HIPAA security and privacy standards and be submitted in the format and timeframe required by the Transformed Medicaid Statistical Information System (T-MSIS) or format required by any successor system in accordance with 42 CFR 438.818.

16.4.3 ASES will perform quarterly Encounter Data validation to evaluate level of accuracy, which will be used to determine if liquidated damages should be assessed on the Contractor.

16.5 Relationship with Pharmacy Benefit Manager (PBM)

16.5.1 The Contractor shall work with the PBM engaged by ASES to facilitate the processing of pharmacy services Claims submitted by the PBM, as provided in Section 7.5.12.11.

16.5.2 To facilitate Claims processing, the Contractor shall send to the PBM, on a Daily Basis, the Enrollee Data described in Section 5.3.8.

16.6 Timely Payment of Claims

16.6.1 The Contractor shall comply with the timely processing of Claims standards contained in Section 1902(a)(37) of the Social Security Act and Federal regulations at 42 CFR 447.46. The Contractor may not arbitrarily retain payments due to Providers for claims that are otherwise Clean Claims and ready for disbursement.

16.6.2 Provider Contracts shall include the following provisions for timely payment of Clean Claims.

16.6.2.1 A Clean Claim under 42 CFR 447.46(b), as defined in 42 CFR 447.45(b), is a Claim received by the Contractor for adjudication, which can be processed without obtaining additional Information from the Provider of the service or from a Third Party. It includes a Claim with errors originating in the Contractor's Claims system. It does not include a Claim from a Provider who is under investigation for Fraud, Waste, or Abuse, or a Claim under review for Medical Necessity.

16.6.2.2 Provider Contracts shall provide that ninety-five percent (95%) of all Clean Claims must be paid by the Contractor not later than thirty (30) Calendar Days from the date of receipt of the Claim (including Claims billed by paper and electronically), and one hundred percent (100%) of all Clean Claims must be paid by the Contractor not later than fifty (50) Calendar Days from the date of receipt of the Claim.

16.6.2.3 Any Clean Claims not paid within thirty (30) Calendar Days shall bear interest in favor of the Provider on the total unpaid amount of such Claim, according to the prevailing highest legal interest rate fixed by the Puerto Rico Commissioner of Financial Institutions. Such interest shall be considered payable on the day following the terms of this Section, and interest shall be paid together with the claim.

16.6.3 An Unclean Claim is any Claim that falls outside the definition of Clean Claim in Section 16.10.2.1. The Contractor shall include the following provisions in its Provider Contracts for timely resolution of Unclean Claims.

16.6.3.1 Ninety percent (90%) of Unclean Claims must be resolved and processed with payment by the Contractor, if applicable, not later than ninety (90) Calendar Days from the date of initial receipt of the Claim. This includes Claims billed on paper or electronically.

16.6.3.2 Of the remaining ten percent (10%) of total Unclean Claims that may remain outstanding after ninety (90) Calendar Days,

16.6.3.2.1 Nine percent (9%) of the Unclean Claims must be resolved and processed with payment by the Contractor, if applicable, not later than six (6) calendar months from the date of initial receipt (including Claims billed on paper and those billed electronically); and

16.6.3.2.2 One percent (1%) of the Unclean Claims must be resolved and processed with payment by the Contractor, if applicable, not later than one year (twelve (12) months) from the date of initial receipt of the Claim (including Claims billed on paper and those billed electronically).

16.6.4 The Contractor shall not establish any administrative procedures, such as administrative audits, authorization number, or other formalities under the control of the Contractor, which could prevent the Provider from submitting a Clean Claim.

16.6.5 The foregoing timely payment standards are more stringent than those required in the Federal regulations, at 42 CFR 447.46. The Contractor shall include the foregoing standards in each Provider Contract and, per 42 CFR 447.46(c).

16.6.6 The Contractor shall deliver to Providers, within fifteen (15) Calendar Days of award of the Provider Contract (along with the Provider Guidelines described in Section 10.2.1), Claims coding and processing guidelines for the applicable Provider type, and the definition of a Clean Claim, as requested in this Article 16, to be applied.

16.6.7 The Contractor shall give Providers ninety (90) Calendar Days' notice in advance of the effective date of any change in Claims coding and processing deadlines.

16.7 Contractor Denial of Claims and Resolution of Contractual and Claims Disputes

16.7.1 Not later than the fifth (5th) Business Day after the receipt of a Provider Claim that the Contractor has deemed not to meet the Clean Claim requirements, the Contractor shall suspend the Claim and request in writing (notification via e-mail, the Contractor's website, or an interim remittance advice satisfies this requirement) all outstanding Information such that the Claim can be deemed clean. Upon receipt of all the requested Information from the Provider, the Contractor shall complete processing of the Claim in accordance with the standards outlined in this Section..

16.7.2 Claims suspended for additional Information must be closed (paid or denied) such that compliance with the timely payment rules outlined in Section 16.10 is achieved.

16.7.3 The Contractor must process, and finalize, all appealed Claims to a paid or denied status within thirty (30) Calendar Days of receipt of the appealed Claim; for Claims for which the Contractor has requested further information, per Section 16.7.1, the Contractor shall pay or deny the Claim within thirty (30) Calendar Days of receipt of the requested Information.

16.7.4 The Contractor shall send Providers written notice (notification via e-mail, surface mail, the Contractor's website, or a remittance advice satisfies this requirement) for each Claim that is denied, including an explanation of the reason(s) for the denial, the date the Contractor received the Claim, and a reiteration of the outstanding Information required from the Provider to adjudicate the Claim.

16.7.5 Provider Dispute Resolution System

16.7.5.1 The Contractor shall establish and use a procedure to resolve billing, payment, and other administrative disputes between Providers and the Contractor arising under Provider Contracts including a Provider Complaint resolution process implemented by the Contractor to address, among others, lost or incomplete Claims forms or electronic submissions; Contractor requests for additional explanation as to services or treatment rendered by a Provider; and inappropriate or unapproved Referrals issued by Providers. This dispute resolution system shall exclude Grievances filed by Providers on behalf of Enrollees pursuant to Section 14.3 of this Contract. When a Provider receives a payment denial notice or any adverse determination notice from the Contractor, the Provider can choose to start an open negotiation period that lasts thirty (30)

business days. At the end of the thirty (30) business day period, if the Contractor and Provider have not agreed on a payment amount, the Provider can file a written complaint in accordance with the dispute resolution system implemented by Contractor under the terms of this Contract.

16.7.5.2 Providers disputing the denial of payment for a submitted Claim, or the payment of an amount that is less than the amount for which the Claim was submitted, shall be afforded a term of one hundred twenty (120) Calendar Days to submit a written Complaint. Contractor shall issue a determination regarding such Claims within one hundred twenty (120) Calendar Days.

16.7.5.3 If the Provider is not satisfied with the decision on its complaint within the Contractor's dispute resolution system, the Provider may pursue an Administrative Law Hearing. The parties to the Administrative Law Hearing shall be the Contractor and the Provider. ASES shall grant a Provider request for an Administrative Law Hearing, provided that the Provider submits a written appeal, accompanied by supporting documentation, not more than thirty (30) Calendar Days following the Provider's receipt of the Contractor's written decision.

16.7.5.4 Judicial Review. A decision issued as a result of the Administrative Law Hearing provided for in Section 16.11.6.3 shall be subject to review before the Court of Appeals of Puerto Rico.

16.8 Contractor Recovery from Providers

16.8.1 When the Contractor determines after the fact that it has paid a Claim incorrectly the Contractor may request applicable reimbursement from the Provider through written notice, stating the basis for the request. The notice shall list the Claims and the amounts to be recovered.

16.8.2 The Provider will have a period of sixty (60) Calendar Days to make the requested payment, to agree to Contractor retention of said payment, or to dispute the recovery action.

16.9 ASES Review of Contractor, Subcontractor, and Provider Use of Puerto Rico and Federal Funds

16.9.1 The Contractor shall cooperate fully and diligently with ASES and/or its auditors in their review of the use of Puerto Rico and Federal funds provided to the Contractor under the GHP Program. The Contractor, its Subcontractors, and Network Providers shall, upon request, make available to ASES and/or its auditors any and all administrative, financial, and Medical Records relating to the administration of and the delivery of items or services for which Puerto Rico and Federal monies are expended. In addition, the Contractor and its

Subcontractors including Network Providers shall provide ASES and/or its auditors with access during normal business hours to its respective place of business and records.

16.10 **ASES Recovery from Contractor**

16.10.1 ASES and the Contractor shall diligently work in good faith together to resolve any audit findings identified through audits by ASES. All audit findings shall be resolved or a Corrective Action Plan shall be implemented within ninety (90) Calendar Days of issuance of a final audit report. Any Overpayment remittance due to ASES from the Contractor will be offset from future payments to the Contractor, or invoiced by ASES to the Contractor.

ARTICLE 17 INFORMATION MANAGEMENT AND SYSTEMS

17.1 **General Provisions**

17.1.1 The Contractor shall have Information management processes and Information Systems (hereafter referred to as Systems) that enable it to meet GHP requirements, ASES and Federal reporting requirements, all other Contract requirements, and any other applicable Puerto Rico and Federal laws, rules and regulations including but not limited to the standards and operating rules in Section 1104 of the PPACA and associated regulations, the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), Health Information Technology for Economic and Clinical Health Act (HITECH) and associated regulations and 42 CFR 438.242.

17.1.2 The Contractor's Data and Systems shall comply with the standards and operating rules for EFT, eligibility, Claim status and health care payment/remittance advice transactions, in accordance with 45 C.F.R. parts 160 and 162..

17.1.3 The Contractor's Systems shall possess capacity sufficient to handle the workload projected for the start of the program and will be scalable and flexible so they can be adapted as needed, within negotiated timeframes, in response to program or Enrollment changes.

17.1.4 The Contractor's Systems shall have the capability of adapting to any future changes necessary as a result of modifications to the service delivery system and its requirements, including Data collection, records and reporting based upon unique Enrollee and Provider identifiers to track services and expenditures across funding streams. The Systems shall be scalable and flexible so they can be adapted as needed, within negotiated timeframes, in response to changes in Contract requirements, increases in Enrollment estimates, etc. The System architecture shall facilitate rapid application of the more common changes that can occur in the Contractor's operation, including but not limited to:

17.1.4.1 Changes in pricing methodology;

17.1.4.2 Rate changes;

17.1.4.3 Eligibility criteria changes;

17.1.4.4 Changes in Utilization Management criteria;

17.1.4.5 Additions and deletions of Provider types; and

17.1.4.6 Additions and deletions of procedure, diagnosis and other service codes.

17.1.4.7 Changes in the Enrollment methodology.

17.1.5 The Contractor shall provide secure, online access to select system functionality to at least three (3) ASES personnel to facilitate resolution of Enrollee inquiries and to research Enrollee-related issues as needed.

17.1.6 The Contractor shall participate in systems work groups organized by ASES. The Systems work groups will meet on a designated schedule as agreed to by ASES and the Contractors.

17.1.7 The Contractor shall provide a continuously available electronic mail communication link (E-mail system) with ASES. This system shall be:

17.1.7.1 Available from the workstations of the designated Contractor contacts; and

17.1.7.2 Capable of attaching and sending documents created using software products other than Contractor systems, including Puerto Rico's currently installed version of Microsoft Office and any subsequent upgrades as adopted.

17.2 **Global System Architecture and Design Requirements**

17.2.1 The Contractor shall comply with Federal and Puerto Rico policies, standards and regulations in the design, development and/or modification of the Systems it will employ to meet the aforementioned requirements and in the management of information contained in those Systems. Additionally, the Contractor shall adhere to ASES and Puerto Rico-specific system and Data architecture standards and/or guidelines.

17.2.2 The Contractor's Systems shall meet Federal and industry standards of architecture, including but not limited to the following requirements:

17.2.2.1 Conform to HIPAA standards for Data and document management;

17.2.2.2 Contain controls to maintain information integrity. These controls shall be in place at all appropriate points of processing. The controls shall be tested in periodic and spot audits following a methodology to be developed jointly by and mutually agreed upon by the Contractor and ASES; and

17.2.2.3 Partner with ASES in the development of transaction/event code set, Data exchange and reporting standards not specific to HIPAA or other Federal efforts and will conform to such standards as stipulated in the plan to implement the standards.

17.2.3 Where web services are used in the engineering of applications, the Contractor's Systems shall conform to World Wide Web Consortium (W3C) standards such as XML, UDDI, WSDL and SOAP so as to facilitate integration of these Systems with ASES and other Puerto Rico systems that adhere to a service-oriented architecture.

17.2.4 Audit trails shall be incorporated into all Systems to allow information on source Data files and documents to be traced through the processing stages to the point where the information is finally recorded. The audit trails shall:

17.2.4.1 Contain a unique log-on or terminal ID, the date, and time of any create/modify/delete action and, if applicable, the ID of the system job that effected the action;

17.2.4.2 Have the date and identification "stamp" displayed on any on-line inquiry;

17.2.4.3 Have the ability to trace Data from the final place of recording back to its source Data file and/or document shall also exist;

17.2.4.4 Be supported by listings, transaction reports, update reports, transaction logs, or error logs;

17.2.4.5 Facilitate auditing of individual Claim records as well as batch audits; and

17.2.4.6 Be maintained for ten (10) years in either live and/or archival systems. The duration of the retention period may be extended at the discretion of and as indicated to the Contractor by ASES as needed for ongoing audits or other purposes.

17.2.5 The Contractor shall house indexed images of documents used by Enrollees and Providers to transact with the Contractor in the appropriate database(s) and document management systems so as to maintain the logical relationships between certain documents and certain Data. The Contractor shall follow all applicable requirements for the management of Data in the management of documents.

17.2.6 The Contractor shall institute processes to insure the validity and completeness of the Data it submits to ASES. At its discretion, ASES will conduct general Data validity and completeness audits using industry-accepted statistical sampling methods. Data elements that will be audited include but are not limited to: Enrollee ID, date of service, Provider ID, category and sub category (if applicable) of service, diagnosis codes, procedure codes, revenue codes, date of Claim processing, and date of Claim payment.

17.2.6.1 Where a System is herein required to, or otherwise supports, the applicable batch or on-line transaction type, the system shall comply with HIPAA-standard transaction code sets.

17.2.6.2 The Contractor shall assure that all Contractor staff is trained in all HIPAA requirements, as applicable.

17.2.7 The layout and other applicable characteristics of the pages of Contractor websites shall be compliant with Federal "Section 508 standards" and Web Content Accessibility Guidelines developed and published by the Web Accessibility Initiative.

17.3 System and Data Integration Requirements

17.3.1 The Contractor's systems shall be able to transmit, receive and process Data in HIPAA-compliant formats that are in use as of the Contract Implementation Date.

17.3.2 Data and Report Validity and Completeness. The Contractor shall institute processes to ensure the validity and completeness of the data, including reports, it submits to ASES. At its discretion, ASES will conduct general data validity and completeness audits using industry-accepted statistical sampling methods. Data elements that will be audited include, but are not limited to: enrollee ID, date of service, assigned Medicaid provider ID, category and subcategory (if applicable) of service, diagnosis codes, procedure codes, revenue codes, date of claim processing, and (if and when applicable) date of claim payment. Control totals shall also be reviewed and verified

17.3.3 The Contractor's applications shall be able to interface with ASES's systems for purposes of Data exchange and will conform to standards and specifications set by ASES. These standards and specifications are subject to change. Current standards and specifications are detailed in Attachment 26 to this Contract.

17.3.4 The Contractor's System(s) shall be able to transmit and receive transaction Data to and from ASES's systems as required for the appropriate processing of Claims.

17.3.4.1 The Contractor will be required to perform any necessary changes to update interfaces to ASES's systems, including those required by the Medicaid Management Information System (MMIS) as well as

new Eligibility and Enrollment processes. These interface changes may require changes in the Contractors core systems.

17.3.4.2 The Contractor shall use standards and methodologies appropriate for Medicaid claims processing.

17.3.5 Each month the Contractor shall generate Encounter Data files from its Claims management system(s) and/or other sources. Such files must be submitted in standardized Accredited Standards Committee (ASC) X12N 837 and National Council for Prescription Drug Programs (NCPDP) formats, and the ASC X12N 835 format as appropriate. The files will contain settled Claims and Claim adjustments and Encounter Data from Providers for the most recent month for which all such transactions were completed. The Contractor shall provide these files electronically to ASES and/or its Agent at a frequency and level of detail to be specified by CMS and ASES based on program administration, oversight, and program integrity needs, and in adherence to the procedure, content standards and format indicated in Attachment 26 to this Contract. The Contractor shall make changes or corrections to any systems, processes or Data transmission formats as needed to comply with Encounter Data quality standards as originally defined or subsequently amended.

17.3.6 The Contractor's System(s) shall be capable of generating files in the prescribed formats for upload into ASES Systems used specifically for program integrity and compliance purposes.

17.3.7 The Contractor's System(s) shall possess mailing address standardization functionality in accordance with US Postal Service conventions.

17.3.8 To comply with MAGI requirements, the Contractor must update its Information Systems in accordance with the procedures and timelines set forth in Attachment 26 to this Contract and any other subsequent guidance issued by ASES.

17.4 System Access Management and Information Accessibility Requirements

17.4.1 The Contractor's System shall employ an access management function that restricts access to varying hierarchical levels of system functionality and Information. The access management function shall:

17.4.1.1 Restrict access to information on a "need-to-know" basis, e.g. users permitted inquiry privileges only will not be permitted to modify information;

17.4.1.2 Restrict access to specific System functions and Information based on an individual user profile, including inquiry only capabilities; global access to all functions will be restricted to specified staff jointly agreed to by ASES and the Contractor; and

17.4.1.3 Restrict attempts to access system functions to three (3), with a system function that automatically prevents further access attempts and records these occurrences.

17.4.2 The Contractor shall make System information available to duly Authorized Representatives of ASES and other Puerto Rico and Federal agencies to evaluate, through inspections or other means, the quality, appropriateness and timeliness of services performed.

17.4.3 The Contractor shall have procedures to provide for prompt transfer of System Information upon request to other Network or Out-of-Network Providers for the medical management of the Enrollee in adherence to HIPAA and other applicable requirements.

17.4.4 All Information, whether Data or documents, and reports that contain or make references to said Information, involving or arising out of this Contract, are owned by ASES. The Contractor is expressly prohibited from sharing or publishing ASES Information and reports without the prior written consent of ASES. In the event of a dispute regarding the sharing or publishing of Information and reports, ASES's decision on this matter shall be final and not subject to appeal.

17.5 **Systems Availability and Performance Requirements**

17.5.1 The Contractor shall ensure that critical systems, including but not limited to the Enrollee and Provider portal and/or phone-based functions and information, such as confirmation of Contractor Enrollment ("CCE") and electronic Claims management (ECM), Enrollee services and Provider services, are available to the applicable System users twenty-four (24) hours a day, seven (7) Calendar Days a Week, except during periods of scheduled System Unavailability agreed upon by ASES and the Contractor. Unavailability caused by events outside of a Contractor's Span of Control is outside of the scope of this requirement.

17.5.2 The Contractor shall ensure that at a minimum all non-critical system functions and information is available to the applicable system users between the hours of 7:00 a.m. and 7:00 p.m. Monday through Friday (Atlantic Time).

17.5.3 The Contractor shall develop an automated method of monitoring critical systems on at least a thirty (30) minute basis twenty-four (24) hours a day, seven (7) days per Week.

17.5.4 Upon discovery of any problem within its Span of Control that may jeopardize System availability and performance as defined in this Section of the Contract, the Contractor shall notify the applicable ASES staff in person, via phone, and/or electronic mail. The Contractor shall deliver notification as soon as possible but no later than 7:00 pm (Atlantic Time) if the problem occurs during the Business Day and no later than 9:00 am (Atlantic Time) the following Business Day if the problem occurs after 7:00 pm (Atlantic Time).

17.5.5 Where the operational problem results in delays in report distribution or problems in on-line access during the Business Day, the Contractor shall notify the applicable ASES staff within fifteen (15) minutes of discovery of the problem, in order for the applicable work activities to be rescheduled or be handled based on System Unavailability protocols.

17.5.6 The Contractor shall provide to appropriate ASES staff information on System Unavailability events, as well as status updates on problem resolution. These up-dates shall be provided on an hourly basis and made available via electronic mail, telephone and, if applicable, the Contractor's website.

17.5.7 The following rules govern unscheduled System Unavailability.

17.5.7.1 CCE Functions

17.5.7.1.1 Unscheduled System Unavailability of CCE functions caused by the failure of systems and telecommunications technologies within the Contractor's Span of Control will be resolved, and the restoration of services implemented, within thirty (30) minutes of the official declaration of System Unavailability.

17.5.7.1.2 Throughout the Contract Term, the Contractor shall have in place a method to validate eligibility manually twenty-four (24) hours per day, seven (7) days a Week as a contingency to any unscheduled Systems Unavailability for CCE functions.

17.5.7.2 ECM Functions. Unscheduled System Unavailability of ECM functions caused by the failure of systems and technologies within the Contractor's Span of Control will be resolved, and the restoration of services implemented, within sixty (60) minutes of the official declaration of System Unavailability, if unavailability occurs during normal business hours; or within sixty (60) minutes of the start of the next Business Day, if unavailability occurs outside business hours.

17.5.7.3 All Other Contractor System Functions. Unscheduled System Unavailability of all other Contractor System functions caused by systems and telecommunications technologies within the Contractor's Span of Control shall be resolved, and the restoration of services implemented:

17.5.7.3.1 Within four (4) hours of the official declaration of Unscheduled System Unavailability, when unavailability occurs during business hours, and

17.5.7.3.2 Within two (2) hours of the start of the next Business Day, when unavailability occurs during non-business hours.

17.5.8 Cumulative System Unavailability caused by systems and telecommunications technologies within the Contractor's Span of Control shall not exceed one (1) hour during any continuous five (5) Calendar Day period for functions that affect GHP Enrollees and services. For functions that do not affect GHP Enrollees, cumulative System Unavailability caused by systems and telecommunications technologies within the Contractor's Span of Control shall not exceed four (4) hours during any continuous five (5) Business Day periods.

17.5.9 The Contractor shall not be responsible for the availability and performance of systems and telecommunications technologies outside of the Contractor's Span of Control.

17.5.10 For any System outage that is not corrected within the required time limits, the Contractor shall provide full written documentation that includes a Corrective Action Plan, describing how the problem will be prevented from occurring again, within five (5) Business Days of the problem's occurrence.

17.5.11 Regardless of the architecture of its Systems, the Contractor shall develop and be continually ready to invoke a Business Continuity and Disaster Recovery ("BC-DR") plan that at a minimum addresses the following scenarios: (i) the central computer installation and resident software are destroyed or damaged; (ii) System interruption or failure resulting from network, operating hardware, software, or operational errors that compromises the integrity of transactions that are active in a live system at the time of the outage; (iii) System interruption or failure resulting from network, operating hardware, software or operational errors that compromises the integrity of Data maintained in a live or archival system; and (iv) System interruption or failure resulting from network, operating hardware, software or operational errors that does not compromise the integrity of transactions or Data maintained in a live or archival system but does prevent access to the System, i.e. causes unscheduled System Unavailability. This BC-DR plan must be prior approved by ASES.

17.5.12 The Contractor shall on an annual basis test its BC-DR plan through simulated disasters and lower level failures in order to demonstrate to ASES that it can restore System functions per the standards outlined elsewhere in this Section 17.5 of the Contract. The results of these tests shall be reported to ASES within thirty (30) Calendar Days of completion of said tests.

17.5.13 In the event that the Contractor fails to demonstrate in the tests of its BC-DR plan that it can restore system functions per the standards outlined in this Contract, the Contractor shall be required to submit to ASES a Corrective Action Plan that describes how the failure will be resolved. The Corrective Action Plan will be delivered within five (5) Business Days of the conclusion of the test.

17.5.14 The Contractor shall submit a monthly Systems Availability and Performance Report to ASES as further described in Section18.2.8 of this Contract.

17.6 System Testing and Change Management Requirements

17.6.1 The Contractor shall absorb the cost of routine maintenance, inclusive of defect correction, System changes required to effect changes in Puerto Rico and Federal statute and regulations, and production control activities, of all Systems within its Span of Control.

17.6.2 The Contractor shall respond to ASES reports of System problems not resulting in System Unavailability according to the following timeframes:

17.6.2.1 Within five (5) Calendar Days of receipt, the Contractor shall respond in writing to notices of System problems.

17.6.2.2 Within fifteen (15) Calendar Days, the correction will be made or a requirements analysis and specifications document will be due.

17.6.3 The Contractor shall correct the deficiency by an effective date to be determined by ASES.

17.6.4 The Contractor's Systems will have a system-inherent mechanism for recording any change to a software module or subsystem.

17.6.5 The Contractor shall put in place procedures and measures for safeguarding ASES from unauthorized modifications to the Contractor's Systems.

17.6.6 Unless otherwise agreed to in advance by ASES, scheduled System Unavailability to perform System maintenance, repair and/or upgrade activities to Contractor's CCE systems shall take place between 11 p.m. on a Saturday and 6 a.m. on the following Sunday (Atlantic Time).

17.6.7 The Contractor shall work with ASES pertaining to any testing initiative as required by ASES.

17.6.8 The Contractor shall provide sufficient System access to allow verification of System functionality, availability and performance by ASES during the times required by ASES prior to April 1, 2015 which is the Implementation Date of the Contract, and as subsequently required during the Contract **Term.**

17.7 System Security and Information Confidentiality and Privacy Requirements

17.7.1 The Contractor shall provide for the physical safeguarding of its Data processing facilities and the Systems and Information housed therein. The Contractor shall provide ASES with access to Data facilities upon ASES's request. The physical security provisions shall be in effect for the life of this Contract.

17.7.2 The Contractor shall restrict perimeter access to equipment sites, processing areas, and storage areas through a card key or other comparable system, as well as provide accountability control to record access attempts, including attempts of unauthorized access.

17.7.3 The Contractor shall include physical security features designed to safeguard processor site(s) through required provision of fire retardant capabilities, as well as smoke and electrical alarms, monitored by security personnel.

17.7.4 The Contractor shall ensure that the operation of all of its Systems is performed in accordance with Puerto Rico and Federal regulations and guidelines related to security and confidentiality of the protected information managed by the Contractor, and shall strictly comply with HIPAA Privacy and Security Rules, as amended, and with the Breach Notification Rules under the HITECH Act.

17.7.5 The Contractor will put in place procedures, measures and technical security to prohibit unauthorized access to the regions of the Data communications network inside of a Contractor's Span of Control.

17.7.6 The Contractor shall ensure compliance with:

17.7.6.1 42 CFR Part 431 Subpart F (confidentiality of information concerning applicants and enrollees of public medical assistance programs);

17.7.6.2 42 CFR Part 2 (confidentiality of alcohol and drug abuse records); and

17.7.6.3 Special confidentiality provisions in Puerto Rico or Federal law related to people with HIV/AIDS and mental illness.

17.7.7 The Contractor shall provide its Enrollees with its HIPAA Notice of Privacy Practices that conforms to all applicable Federal and State laws. The Contractor shall provide ASES with a copy of this Notice.

17.8 Information Management Process and Information Systems Documentation Requirements

17.8.1 The Contractor shall ensure that written System Process and Procedure Manuals document and describe all manual and automated system procedures for its information management processes and Information Systems. These manuals shall be provided to ASES Immediately upon request.

17.8.2 The System User Manuals shall contain information about, and instructions for, using applicable System functions and accessing applicable system Data.

17.8.3 When a System change that would alter the conditions and services agreed upon in this Contract is subject to ASES sign off, the Contractor shall draft revisions to the appropriate manuals prior to ASES sign off of the change.

17.8.4 Updates to the electronic version of these manuals shall occur in real time; updates to the printed version of these manuals shall occur within ten (10) Business Days of the update taking effect.

17.8.5 ASES reserves the right to audit the Contractor's policies and procedures manuals and protocols compliance related to its Information Systems.

17.9 **Reporting Functionality Requirements**

17.9.1 The Contractor's Systems shall have the capability of producing a wide variety of reports that support program management, policymaking, quality improvement, program evaluation, analysis of fund sources and uses, funding decisions and assessment of compliance with Federal and Puerto Rico requirements.

17.9.2 The Contractor shall support a mechanism for obtaining service and expenditure reports by funding source, Provider, Provider type or other characteristic; and Enrollee, Enrollee group/category or other characteristic.

17.9.3 The Contractor shall extend access to this mechanism to select ASES personnel in a secure manner to access Data, including program and fiscal information regarding Enrollees served, services rendered, etc. and the ability for said personnel to develop and/or retrieve reports. This requirement could be met by the provision of access to a decision support system/Data warehouse. The Contractor shall provide training in and documentation on the use of this mechanism.

17.9.4 Within five (5) Calendar Days upon ASES's request, the Contractor will deliver a copy of the then current ASES's System information to ASES in a mutually acceptable form and format.

17.10 **Disaster Recovery, Disaster Declaration, Data Content Delivery to ASES**

17.10.1 The Contractor shall maintain a disaster recovery and business recovery plan in effect throughout the term of the Contract. The disaster recovery plan shall be subject to ASES review upon reasonable notice to the Contractor. The Contractor shall maintain reasonable safeguards against the destruction, loss, intrusion and unauthorized alteration of printed materials and data in its possession. At a minimum, the Contractor shall perform (i) incremental daily back-ups, (ii) weekly full backups, and (iii) such additional back-ups as the Contractor may determine to be necessary to maintain such reasonable safeguards.

17.10.2 Both Parties recognize that a failure by the Contractor's Network may adversely impact ASES business and operations, as the responsible party for the GHP. Therefore, in the event that the Contractor's Network designed to deliver the services herein contemplated becomes unable, or is anticipated to become unable, to deliver such services on a timely basis, Contractor shall Immediately notify ASES by telephone, and shall work closely with ASES to fix the problem. In the event that Contractor fails to provide such required notice to ASES and such delay in the notification has a material and adverse effect upon ASES and/or Enrollees, ASES may terminate this Contract for cause as provided in Article 35 of this Contract.

17.10.3 Within five (5) Calendar Days upon ASES's request, the Contractor will deliver a copy of the then current ASES's Data Content to ASES in a mutually acceptable form and format which is useable and readable and understandable by ASES.

17.11 Health Information Organization (HIO) and Health Information Exchange (HIE) Requirements

17.11.1 The Contractor shall initiate the active participation in any Health Information Organization (HIO) that offers Health Information Exchange (HIE) services, in order to integrate the Enrollees' Protected Health Information, facilitate access to and retrieval of their clinical Data to provide safer and more timely, efficient, effective, and equitable patient-centered care. The HIO participation is also required to support the analysis of the health of the population. As required by ASES, the Contractor shall be active in a HIO and cooperate with this effort.

17.11.2 ASES shall retain the right to request from the Contractor the active participation in the Puerto Rico Health Information Exchange Corporation (PRHIEC), the Puerto Rico HIO State Designated Entity, in order to achieve the effective alignment of activities across Medicaid and Puerto Rico public health programs, to avoid duplicate efforts and to ensure integration and support of a unified approach to information exchange for the GHP Program.

17.11.3 The Contractor shall verify that the HIO complies with all Information System standards and requirements for interoperability and security capabilities dictated by ONCHIT, and other Federal and Puerto Rico regulations.

17.11.4 The Contractor shall work with Network Providers and staff to encourage active participation in an HIO, as specified in the strategic plan found in Attachment 17 to this Contract.

17.12 Interoperability

17.12.1 The Contractor must implement an API as specified in 42 CFR 431.60 as if such requirements applied directly to the Contractor. Data maintained on or after January 1, 2016 must be made available to facilitate the creation and maintenance of an Enrollee's cumulative health record.

17.12.2 At a minimum, the Contractor must permit third-party applications to retrieve, with the approval and at the direction of the Enrollee, the Enrollee's:

17.12.2.1 Adjudicated claims, API as specified in 42 CFR 431.60 as if such requirements applied directly to the Contractor. Data maintained on or after January 1, 2016 must be made available to facilitate the creation and maintenance of a Member's cumulative health record.

17.12.2.2 Encounter Data, including Encounter Data from any Network Providers the Contractor is compensating on the basis of Capitation Payments and adjudicated claims and Encounter Data from any Subcontractors, no later than one (1) Business Day after receiving the data from Providers;

17.12.2.3 Clinical data, including laboratory results, no later than one (1) Business Day after the data is received by the Contractor; and

17.12.2.4 Information about outpatient drug coverage and updates to such information, including, where applicable, preferred drug list information, no later than one (1) Business Day after the effective date of any such information or updates to such information.

17.12.3 The Contractor may deny or discontinue any third-party application's connection to an API if it reasonably determines, consistent with its security risk analysis under the HIPAA Security Rule that continued access presents an unacceptable level of risk to the security of protected health information. The determination must be made using objective verifiable criteria that are applied fairly and consistently across all applications and developers, including but not limited to criteria that may rely on automated monitoring and risk mitigation tools.

ARTICLE 18 REPORTING

18.1 General Requirements

18.1.1 ASES may, at its discretion, require the Contractor to submit additional reports or any other data, documentation or information relating to the performance of the Contractor's obligations both on an ad hoc and recurring basis as required by ASES or CMS. If ASES requests any revisions to the reports already submitted, the Contractor shall make the changes and re-submit the reports, according to the time period and format specified by ASES.

18.1.2 The Contractor shall submit all reports to ASES in the manner and format prescribed by ASES and as prescribed in the reporting guide.

18.1.3 The Contractor shall submit all reports, including but not limited to those required by Law 72, Article 7, Section 2, in a manner and format prescribed by ASES.

18.1.4 All reports submitted to ASES containing information about a Provider must include the Provider's National Provider Identifier (NPI), if applicable.

18.1.5 All quantitative reports shall include a summary table that presents Data over time including monthly, quarterly and/or year-to-date summaries as directed by ASES.

18.1.6 ASES's requirements regarding reports, report content, and frequency of submission are subject to change at any time during the term of the Contract. A list of required reports is provided in Attachment 16 to this Contract. ASES shall notify the Contractor, in writing, of changes to existing required report content, format or schedule at least fourteen (14) Calendar Days prior to implementing the reporting change. ASES shall notify the Contractor, in writing, of new reports at least forty-five (45) Calendar Days prior to implementing the new report. The Contractor shall be held harmless if ASES fails to meet this requirement for any changes for existing reports. However, the Contractor is not otherwise relieved of any responsibility for the submission of late, inaccurate or otherwise incomplete reports. The first submission of a report revised by ASES to include a change in Data requirements or definition will not be subject to penalty for accuracy.

18.1.7 The Contractor shall submit reports timely and in proper format. The submission of late, inaccurate, or otherwise incomplete reports constitutes failure to report. "Timely submission" shall mean that the report was submitted on or before the date it was due. "Accuracy" shall mean the report was prepared according to the specific written guidance, including report template, provided by ASES to the Contractor. All elements must be met for each required report submission. Therefore, the report must be timely, accurate and contain an analysis. If any portion of the report element is not met, the report is deemed in "error" and the Contractor will be considered to not be in compliance with the Contract and will be subject to intermediate sanctions and or liquidated damages and/or fines in accordance with Articles 19 and 20 of this Contract. The Contractor shall not be penalized if an error in a previously submitted report is identified by the Contractor and reported to ASES prior to ASES's identification of the error. Corrected reports in this type of situation will be submitted to ASES in a timeframe determined by ASES after consulting with the Contractor. Failure to comply with the agreed upon timeframes for correction and resubmission shall be subject to intermediate sanctions and or liquidated damages and/or fines in accordance with Articles 19 and 20 of this Contract.

18.1.8 Each report must include an analysis, which shall include, at a minimum: (i) identification of any changes compared to previous reporting periods as well as trending over time; (ii) an explanation of said changes (positive or negative); (iii) an action plan or performance improvement activities addressing any negative changes; and (iv) any other additional information pertinent to the reporting period. ASES may assess intermediate sanctions, liquidated

damages and/or fines in accordance with Articles 19 and 20 of this Contract for failure to address any of these requirements. The above Data requirements may be represented in charts, graphs, tables and any other Data illustrations to demonstrate findings.

18.1.9 The Contractor shall review, as part of its continuous improvement activities, timeliness and accuracy of reports submitted to ASES to identify instances and patterns of non-compliance. The Contractor shall perform an analysis identifying any patterns or issues of non-compliance and shall implement quality improvement activities to improve overall performance and compliance.

18.1.10 The Contractor shall submit all reports to ASES, unless indicated otherwise in this Contract, according to the schedule below. Failure to report timely may result in intermediate sanctions, liquidated damages and/or fines in accordance with Articles 19 and 20. Reports or other required Data shall be received on or before scheduled due dates.

18.1.11 Unless otherwise specified in the Reporting Guide issued by ASES or this Contract, the Contractor shall submit all reports to ASES, according to the schedule below:

DELIVERABLES		DUE DATE
Weekly Reports		Friday of the following Week
Monthly Reports		Fifteenth (15th) Calendar Day of the following month
Quarterly Reports		Thirtieth (30th) Calendar Day of the following month
Semi-Annual Reports		March 31 and September 30 of the Contract year
Annual Reports		Ninety (90) Calendar Days after the end of Puerto Rico's Fiscal Year

18.1.12 If a report due date falls on a weekend or a Puerto Rico holiday, receipt of the report the next Business Day is acceptable.

18.1.13 Extensions to report submission dates will be considered by ASES after the Contractor has contacted the ASES designated point of contact via email at least twenty-four (24) hours in advance of the report due date. Extension for submission of reports should be under rare and unusual circumstances. If ASES grants an extension, and the report is submitted before the extended deadline, the report(s) will be considered timely and not subject to penalty for timeliness. Not requesting an extension within at least twenty-four (24) hours of the report due date is considered failure to report timely.

18.1.14 Anytime a report is rejected for any reason, the Contractor shall resubmit the report within ten (10) Business Days from notification of the rejection or as directed by ASES.

18.1.15 The Contractor shall submit all reports electronically to ASES's FTP site unless directed otherwise by ASES. ASES shall provide the Contractor with access to the FTP site. The email generated by the FTP upload will be used as the time stamp for the submission of the report(s).

18.1.16 ASES shall provide feedback, as necessary, to the Contractor regarding format and timeliness of reports within forty-five (45) Calendar Days from the due date of the report.

18.1.17 All reports in the reporting templates provided to the Contract require Contractor certification. The Authorized Certifier or an equivalent position as delegated by the Contractor and approved by ASES, shall review the accuracy of language, analysis, and Data in each report prior to submitting the report to ASES. The Authorized Certifier shall include a signed attestation each time the report is submitted. The attestation must include a certification, based on best knowledge, information, and belief, as to the accuracy, completeness and truthfulness of the Data in the report. Reports will be deemed incomplete if an attestation is not included.

18.1.18 The Contractor Data transfers shall occur in standard format as prescribed by ASES and will be compliant with HIPAA and Federal regulations. The Contractor shall submit in formats as prescribed by ASES so long as ASES's direction does not conflict with any Federal law.

18.2 **Specific Report Requirements**

18.2.1 The following section provides an overview and description of all reports required by this Contract. The details and requirements of the reports are subject to change at the discretion of ASES.

18.2.2 Administrative Reports

18.2.2.1 The Contractor shall submit a monthly *Call Center Report* that provides information about the Enrollee services, Provider services, and nurse advice lines. The report shall, at a minimum, include by language queue: (i) number of calls received; (ii) number of calls answered; (iii) abandonment rate; (iv) number of calls answered within thirty (30) seconds; and (v) call topics.

18.2.2.2 The Contractor shall submit a quarterly *Enrollee Enrollment Materials Report* regarding the mailing of initial and replacement Enrollee Enrollment materials including Enrollee ID cards, Enrollee handbooks, and Provider directories. The Data in the report shall be reported separately for initial mailings to new Enrollees and requests

for replacement materials for current Enrollees. The report shall include, at a minimum, the following: (i) number of ID cards, handbooks and Provider directories mailed during the month regardless of whether the request was made by phone, online or in person; (ii) number of ID cards, handbooks and Provider directories mailed within Contract standards; and (iii) number of ID cards, handbooks and Provider directories not mailed within Contract standards.

18.2.2.3 The Contractor shall submit a quarterly *Fraud, Waste, and Abuse Report*. The report contains three subsections:

18.2.2.3.1 Information regarding suspicious activity, Fraud, Waste, and Abuse cases, recoupments, Cost Avoidance, Referrals, and other information as directed by ASES. At a minimum, the report shall include: (i) Enrollee name and ID number; (ii) Provider name, Provider type and NPI; (iii) source and date of Complaint; (iv) nature of Complaint (including alleged persons or entities involved, category of services, factual explanation of the allegation and dates of contact); (v) all communications between the Contractor and the Provider about the Complaint; (vi) approximate dollars involved or amount paid to the Provider during the past three (3) years (whichever is greater); (vii) amount recouped; (viii) disciplinary measures imposed, if any; and (ix) legal disposition of the case.

18.2.2.3.2 List by name all Network Provider suspensions or terminations, at a minimum, (i) each Network Provider's name; (ii) the Network Provider's specialty; (iii) the Network Provider's NPI; (iv) the Network Provider's primary city; (v) reason(s) for the action taken; and (vi) the effective date of the suspension or termination. If the Contractor has taken no action against Providers during the quarter this should be documented in the report.

18.2.2.3.3 Include information pertaining to employees and Contractors that have been suspended or debarred from participating in the program.

18.2.2.4 The Contractor shall submit a monthly *Privacy and Confidentiality Report.* The report shall provide information on any Incidents that involve the loss, theft or unauthorized use or access of Enrollee PHI. The report shall include at a minimum: (i) the date of the Incident; (ii) the date of notification to ASES; (iii) the nature and scope of the Incident; (iv) the Contractor's response to the Incident; (v) the number of Enrolles actually or potentially impacted; (vi) any

mitigating measures taken by the Contractor to prevent similar incidents.

18.2.2.5 The Contractor shall submit a monthly *Systems Incident Report*. The report shall provide information on any Incidents that involve unauthorized access to the Contractor's systems, databases or servers. This report shall be provided at least annually, but the Contractor shall provide the report ten (10) Business Days following an Incident. The report shall include, at a minimum, the date of the Incident, the date of notification to ASES, the nature and scope of the Incident, the Contractor's response to the Incident, and the mitigating measures taken by the Contractor to prevent similar Incidents in the future. "Port scans" or other unsuccessful queries to the Contractor's Information System shall not be considered a privacy/security Incident for purposes of this report.

18.2.2.6 The Contractor shall submit a quarterly Federally Qualified Health Center (FQHC) Report as required by ASES and the Puerto Rico Medicaid Program. The report contains the following subsections:

18.2.2.6.1 Fee for Services Payment Report and Attestation includes all FFS payments by PMG.

18.2.2.6.2 Visits Data Support and Attestation includes information on face-to-face visits by type of Provider, population category, and other criteria.

18.2.2.6.3 PMG Population Detail and Attestation includes Enrollees by category (Federal, State, CHIP and Other) by PMG.

18.2.2.6.4 Capitation Settlement and Attestation includes a reconciliation of payments per capita.

18.2.2.7 The Contractor shall submit a monthly *Special Coverage Registry Report.* The report shall provide information on all registered Enrollees, PMG, PCP NPI, type of registry, Special Coverage category, diagnosis code, start and end dates, identify new cases, case status, reason(s) for closing the case. For the Obstetric category, the expected date of delivery, last menstrual period and Obstetric Specialist NPI.

18.2.2.8 The Contractor shall submit an annual *Disclosure of Information on Annual Business Transactions* as described in Section 23.7.4 of the Contract.

18.2.2.9 Within forty-five (45) days of the end of the Puerto Rico Government's fiscal year, Contractor shall submit the statistical

report required under Section 2, Article VII of Law 72-1993 in the layout specified by ASES.

18.2.3 Claims

18.2.3.1 The Contractor shall submit a monthly *Claims Activity Report*. At a minimum, this report shall identify: (i) the number of Claims received; (ii) number of Claims denied (by reason); (iii) number of Claims paid; (iv) number of Claims pending (by reason); (v) and the total amount paid for all Providers (by Provider category) specified by ASES in accordance with Section 16.2 of this Contract.

18.2.3.2 The Contractor shall submit *Encounter Data* in a standardized format as specified by ASES (see Section 16.3 of this Contract and Attachment 26) transmitted electronically to ASES on a monthly basis. The Contractor shall provide any information and/or Data requested in a format to be specified by ASES as required to support the validation, testing or auditing of the completeness and accuracy of Encounter Data submitted by the Contractor.

18.2.4 Covered Services

18.2.4.1 The Contractor shall submit an annual *CMS 416 Report* that measures and documents EPSDT screening and participation rates. In addition to the requirements in the *CMS 416 Report*, the Contractor shall report on any additional Data that ASES determines is necessary for monitoring and compliance purposes.

18.2.4.2 The Contractor shall submit a quarterly *Executive Director and Utilization Data Report* that provides information on selected GHP populations and Providers. The report shall include, at a minimum:

18.2.4.2.1 Enrollee, Special Conditions and Child: Information regarding (i) GHP Enrollees; (ii) Enrollees in special programs (including Enrollees with Special Coverage); (iii) PPN and Network Providers; (iv) services for children; (v) dental services; (vi) hospitalizations, and statistical data on the top ten (10) most prevalent diagnosis as specified by ASES.

18.2.4.2.2 Preventable Conditions. Information as defined in Sections 7.1.1.1.1 and 7.1.1.1.2 of this Contract. The report shall be provided on a quarterly basis as part of the *Executive Director and Utilization Data Report* and shall include, at minimum, a description of each identified instance of a Provider Preventable Condition, the name of the applicable Provider, and a summary of corrective actions taken by the

Contractor or Provider to address any underlying causes of the Provider Preventable Condition.

18.2.4.2.3 Dental, Hospital, Emergency Room

18.2.4.2.3.1 Dental. The total number of dental services and the cost on a quarterly basis.

18.2.4.2.3.2 Hospital Services. Total number of bed days and cost quarterly for Physical Health and Behavioral health, separately.

18.2.4.2.3.3 Emergency Room. On a quarterly basis, the total number of ER visits and costs; the top conditions for Physical Health admissions; and the top conditions for Behavioral Health admissions.

18.2.4.2.4 Outpatient/Ambulatory Services. The total number of Outpatient services by type on a quarterly basis. Types of services include: Office visits, PCP encounters, imaging Laboratory, Pathology, OP Surgery, Other Medical Procedures and Services and Other Ancillary Services. Behavioral Health OP services by type on a quarterly basis. Types of BH services include: Psychiatrist, Psychologist, BH treatment by a General Practitioner, Other, Partial Hospitalization, Clinical Labs and all Other Ancillary BH Services. Behavioral Ambulatory Clinics: the number of Enrollees (including walk-ins) receiving Behavioral Health Services therein and the number of Providers rendering these services during such period.

18.2.4.2.5 Admissions and Re-admissions. The number of discharges and re-admissions within thirty (30) Calendar Days of a previous discharge, distributed by Physical Health and Behavioral Health; the top three (3) diagnosis codes for Physical Health and Behavioral Health; and the top five (5) re-admission facilities by Physical Health and Behavioral Health.

18.2.4.2.6 Prior Authorization (PA). PA information by service, specifying (i) total PA requests received; (ii) total process by type of determination; (iii) denials by reason and type of service; and (iv) PA processed and denied by condition.

18.2.5 Provider Reports

18.2.5.1 The Contractor shall submit a monthly *Network Provider List Report* that provides information on the number of Providers with

and without assigned lives in the Contractor's General and PPN network. At a minimum, the report shall include information on the Network Provider's: (i) name; (ii) specialty; (iii) NPI; (iv) specialty code; (v) license number; (vi) primary office location; (vii) office hours; (viii) Credentialing status; (ix) PMG affiliation; (x) ratio to Enrollees (including PCPs, Behavioral Health Providers); and (xi) the number of assigned lives (if applicable); and (xii) credentialing and re-credentialing information. For facilities, the report shall include: (i) EIN; (ii) name of the entity; (iii) municipality code; (iv) Provider type code; and (v) the NPI.

18.2.5.2 The Contractor shall submit quarterly *Geographical Access* reports using geographic Information Systems software that allows ASES to analyze, at a minimum, the following: (i) description of geographic systems software utilized to generate geographic access reports; (ii) description of monitoring activities to ensure Access standards are met and that Enrollees have Access to services; (iii) description of gaps in geographic Access and methodologies used to identify them; (iv) Data on all service locations for PCP and all specialty Providers; and (v) number of Enrollees that are currently assigned to the Network Provider (PCPs only).

18.2.5.3 The Contractor shall submit a quarterly *Appointment Availability Report* that provides network assurance reviews and outreach to individual Providers. The report should include a 25% review of the Contractor's provider network. The report shall (i) verify appointment availability and timeliness; (ii) verify contact information, address, phone, email and fax numbers; (iii) verify open/closed panel status and identify Providers accepting new patients; (iv) verify disability access, equipment or limitations; (v) verify languages spoken and cultural specific training; and (vi) verification of co-location hours based on assigned Enrollees.

18.2.5.4 The Contractor shall submit an annual *Provider Satisfaction Report* that encompasses Physical and Behavioral Health Network Providers. The report shall include but not be limited to, a summary of the Provider survey methods and findings for Physical and Behavioral Health Network Providers separately and an analysis of opportunities for improvement. See Section 12.6 for additional information regarding Provider Satisfaction Surveys.

18.2.5.5 The Contractor shall submit a quarterly *Provider Training and Outreach Evaluation Report* to evaluate the initiatives in the plan and present findings and lessons learned. The report shall specify the training topic(s), the targeted Providers, the content of the training, the training schedule (including dates/times and locations),

training methods, funds expended, and number and types of attendees.

18.2.5.6 The Contractor shall submit an annual *Physician Incentive Program Report* in a narrative format including the information specified by regulation in order for ASES to adequately monitor the Contractor's program under the criteria in 42 CFR 422.208 and 422.210.

18.2.6 Quality

18.2.6.1 The Contractor shall submit a quarterly *Grievances and Appeals Report.* The Contractor shall submit reports of all Provider and Enrollee Grievances (informal and formal), Appeals, Notices of Adverse Benefit Determinations and Administrative Law Hearings utilizing the ASES-provided reporting templates and codes. The report will also capture Enrollee comments and inquiries made through the Contractor's website.

18.2.6.2 The Contractor shall submit a quarterly *Health Care Improvement Program (HCIP) Report.* The Contractor shall use measurements and performance guidelines outlined in the HCIP Manual, Attachment 19 to this Contract.

18.2.6.3 The Contractor shall submit an annual *Enrollee Satisfaction Survey Report* that includes, but is not limited to, a summary of the Enrollee survey methods, findings, analysis and evaluation. The report shall present information separately for CAHPS and ECHO. The survey and findings shall be presented by populations as determined by ASES (e.g., Adults, children, Behavioral Health and Chronic Conditions). The report must provide an action plan addressing areas for improvement of the Contractor as identified in the survey results. Refer to Section 12.6 of this Contract for additional information regarding the survey.

18.2.6.4 The Contractor shall submit an annual *Audited HEDIS Results Report*. The Contractor shall use only NCQA published HEDIS standardized measures that specify how MCOs collect, audit, calculate and report performance information.

18.2.6.4.1 Each HEDIS submission must require the following information:

18.2.6.4.1.1 A signed attestation that will provided by ASES;

18.2.6.4.1.2 Quantitative Data and Qualitative Data collected according to HEDIS technical specifications. This Data shall be reported to ASES in an excel

workbook and as a searchable .PDF document; and

18.2.6.4.1.3 A final HEDIS Compliance Audit Report and supporting documentation according to HEDIS Compliance Audit standards, policies and procedures. The Contractor shall contract with a certified HEDIS auditor to validate the processes of the Contractor. For Medicaid and CHIP Eligibles, the validation procedures shall be consistent with Federal requirements specified at 42 CFR 438.358(b)(2).

18.2.6.4.2 As specified in Section 12.3.4.6 of this Contract, the Contractor shall submit the standardized HEDIS measures in the format required by ASES. On January each year, ASES will notify Contractors on the HEDIS measures to be reported.

18.2.6.4.3 ASES may add, change, or remove HEDIS reporting requirements with notice sixty (60) Calendar Days in advance of the effective date of the addition, change, or removal.

18.2.6.4.4 When requested, the Contractor shall submit Data to ASES for standardized performance measures, within specified timelines and according to the established procedures Data collection and reporting. The Contractor shall collect valid and reliable Data, using qualified staff and personnel to collect the Data. Failure of the Contractor to follow Data collection and reporting requirements may result in sanctions, liquidated damages and/or other fines in accordance with Articles 19 and 20 of this Contract.

18.2.7 Utilization Management

18.2.7.1 The Contractor shall submit a quarterly *Integration Model Report* that includes information on Physical and Behavioral Health Services.

The report shall, at a minimum, include the following data as specified by ASES:

18.2.7.1.1 Co-location Services. By Provider, the total membership, BHP quarterly required hours and actual quarterly hours, the number of unique Enrollees, the total number of hours served by col-location, the number of initial assessments, the number of Enrollees receiving short intervention and the

number of Enrollees where case discussion took place with any Provider.

18.2.7.1.2 Reverse Co-location Services. By facility or clinic; the number of BHP quarterly required hours and actual quarterly hours; the total number of patients seen for Physical Health issues (by number of visits, not by unique Enrollees); number of services; number of Enrollees in the Serious Mental Illness (SMI) registry, and of those Enrollees seen for Physical Health, how many were in the SMI registry.

18.2.7.1.3 Beneficiary Educational Activities. By facility, the Enrollment number, the total number of Enrollees seen, the program name, date, duration, and number of attendees.

18.2.7.1.4 Provider Educational Activities. By date, the total number of education hours, the clinic name, the total number of staff members, and total number that attended the activity.

18.2.7.1.5 Care Management. Care management data by program category, Chronic Conditions data by diagnosis category, screenings by category, and referrals.

18.2.7.1.6 Pregnancy data on the pregnant population and Prenatal and Maternal Program.

18.2.7.1.7 Number of Enrollees in each category as registered in the quarter: Smoking cessation, autism, ADD, and Buprenorphine.

18.2.8 Systems

18.2.8.1 The Contractor shall submit a monthly *Systems Availability and Performance Report* that provides information on availability and unavailability by major system as well as response times for the Contractor's confirmation of Contractor's Enrollment and electronic Claims management functions, as measured within the Contractor's Span of Control. The report shall meet the requirements of Section 17.5.

18.2.8.2 The Contractor shall submit an annual *Business Continuity and Disaster Recovery ("BC-DR") Test Report* for review and written approval as specified by ASES in accordance with Section 17.5. The Contractor shall conduct annual tests of the BC-DR system and report the findings of the test results with the system generated log report within thirty (30) Calendar Days of the date of the test.

18.2.9 Financial Management

18.2.9.1 The Contractor shall submit a quarterly *Unaudited Financial Statement Report* in a format and level of detail as specified by ASES.

18.2.9.2 The Contractor shall submit an annual *Report on Controls Placed in Operation and Tests of Operating Effectiveness.* The report must meet all standards and requirements of the AICPA's SSAE 18 for the Contractor's operations performed for ASES under this Contract.

18.2.9.3 The Contractor shall submit an annual *Audited Financial Statements*. The Contractor shall provide ASES with copies of its audited financial statements following general accepted accounting principles and generally accepted auditing standards in the US, at its own cost and charge, for the duration of the Contract, and as of the end of each Contract Year during the Contract Term, regarding the financial operations related to the GHP Program. These reports shall be submitted to ASES no later the ninety (90) Calendar Days after the close of the Contract Year.

18.2.9.4 The Contractor shall submit a quarterly *Cost Avoidance Report.* The report shall describe, as specified by ASES, the Contractor's findings regarding routine audits of Network Providers to evaluate cost-avoidance performance.

18.2.9.5 The Contractor shall submit an annual *Report to Puerto Rico Insurance Commissioner's Office* in the format agreed upon by the National Association of Insurance Commissioners (NAIC).

18.2.9.6 The Contractor shall submit an *Annual Corporate Report* at the close of the Contractor's fiscal/calendar year.

18.2.9.7 The Contractor shall, in the format specified by ASES, submit a duly signed *Pharmacy Certification* every two weeks, including the amount of pharmacy claims paid, rejected, denied, reversed and adjusted.

18.2.9.8 The Contractor shall submit a quarterly *Incurred But Not Paid Report (IBNR)* in the format required by ASES.

18.2.9.9 The Contractor shall, in the format specified by ASES, submit a *Medical Loss Ratio Report* in accordance with Section 22.2 by July 31 following the end of the Contract Year.

18.3 **Annual Plans**

18.3.1 Departmental annual plans are required as follows:

18.3.1.1 The Contractor shall submit an annual *Maternal and Prenatal Plan* in accordance with Section 7.5.8.

18.3.1.2 The Contractor shall submit an annual *EPSDT Plan* as described in Section 7.9.

18.3.1.3 The Contractor shall submit an annual *Wellness Plan* in accordance with Section 12.6.

18.3.1.4 The Contractor shall submit an annual *Compliance Plan* that meets the requirements outlined in Section 13.2.

18.3.1.5 The Contractor shall submit an annual *Program Integrity Plan* that meets the requirements outlined in Section 13.3.

18.3.1.6 The Contractor shall submit an annual *Provider Training and Outreach Plan* describing Provider training initiatives including, but not limited to, the following: (i) Prior Authorizations; (ii) Claims/Encounter Data submissions; (iii) how to access Ancillary Service Providers; (iv) Enrollee rights and responsibilities; (v) quality improvement program/initiatives; (vi) Provider and Enrollee Appeals and Grievances; (vii) recoupment of funds processes and procedures; (viii) EPSDT benefit requirements, including Preventive Services guidelines; and (ix) Fraud, Waste and Abuse.

18.3.1.7 The Contractor shall submit an annual *Provider Network Development and Management Plan* setting forth how Contractor shall comply with timely access requirements set forth in 42 CFR 438.206(c)(1)(i)-(vi), taking into account the urgency of the need for services. This *Plan*, at a minimum, shall include: (i) summary of Network Providers, by type and geographic location in Puerto Rico; (ii) demonstration of monitoring activities to ensure that access standards are met and Enrollees have timely access to services, per the requirements of this Contract; (iii) a summary of Network Provider capacity issues by service and municipality, the Contractor's remediation and quality management/quality improvement activities and the targeted and actual completion dates for those activities; (iv) network deficiencies by service and by geographical area and interventions to address the deficiencies; and (v) ongoing activities for Provider network development and expansion taking into consideration identified participating provider capacity, network deficiencies, service delivery issues and future needs, and (vi) if an exception has been granted, an update on recruiting initiatives.

18.3.1.8 The Contractor shall submit an annual *UM Program Description/Work Plan*. The program description shall include a

description of the structure and accountability mechanisms. At a minimum, the description shall include: (i) scope of the UM program, (ii) goals and objective of the UM program, (iii) program structure including organizational structure, authority and accountability and committee structure; (iv) description of UM networking and support; and (v) a description of the following UM processes: pre-service review, concurrent review, post service review, discharge planning and emergency department services. The *UM Work Plan* shall include: (i) planned UM improvement activities that will address quality of service delivery; (ii) specific mechanism for periodic Data tracking and trending of UM performance indicators; and (iii) periodic evaluations of the effectiveness of UM interventions.

18.3.1.9 The Contractor shall submit an annual *BC-DR Plan* in accordance with Section 17.5.

18.3.1.10 The Contractor shall submit an annual *Physician Incentive Plan* in accordance with Section 23.6.

ARTICLE 19 ENFORCEMENT – INTERMEDIATE SANCTIONS

19.1 General Provisions

19.1.1 In monitoring Contractor's compliance with the terms of the Contract, ASES may impose intermediate sanctions, and/or liquidated damages, and/or fines pursuant to Puerto Rico Act No. 72-1993 and ASES Regulation No. 8446, for Contractor's failure to comply with the terms and conditions of this Contract (as further specified in Articles 19 and 20 of this Contract).

19.1.2 In the event the Contractor incurs any proscribed conduct or otherwise is in default as to any applicable term, condition, or requirement of this Contract, and in accordance with any applicable provision of 42 CFR 438.700 and Section 4707 of the Balanced Budget Act of 1997, at any time following the Effective Date of the Contract, the Contractor agrees that, in addition to the terms of Section 35.1.1 of this Contract, ASES may impose intermediate sanctions against the Contractor for any such default in accordance with this Article 19. ASES may impose both intermediate sanctions and fines pursuant to Puerto Rico Act No. 72-1993 and ASES Regulation 8446. The assessment or non-assessment of intermediate sanctions under this Contract cannot and will not limit the power or authority of ASES to impose any other fines, civil money penalties, sanctions, or other remedies recognized by Puerto Rico or Federal laws or regulations, including, but not limited to, Puerto Rico Act No. 72-1993 and ASES Regulation No. 8446.

19.1.3 Notwithstanding any intermediate sanctions imposed upon the Contractor under this Article 19, other than Contract termination, the Contractor shall continue to provide all Covered Services and other Benefits under this Contract.

19.1.4 ASES shall have the right impose the following intermediate sanctions:

19.1.4.1 Civil Money Penalty. ASES may impose a civil money penalty for the following categories of events.

19.1.4.1.1 Category 1. A civil money penalty in accordance with any applicable provision of 42 CFR 438.700 up to one-hundred thousand dollars ($100,000) per determination shall be imposed for this category. The following constitute Category 1 events:

19.1.4.1.1.1 Acts that discriminate among Enrollees on the basis of their health status or need for health care services. This includes termination of Enrollment or refusal to reenroll a Potential Enrollee, except as permitted under the Medicaid program, or any practice that would reasonably be expected to discourage Enrollment by beneficiaries whose medical or Behavioral Health condition or history indicates probable need for substantial future medical or Behavioral Health Services. Notwithstanding the foregoing, ASES may impose a civil money penalty in the amount of fifteen thousand dollars ($15,000) per each (i) Potential Enrollee that was not enrolled because of discriminatory practices as described above and/or (ii) discriminatory practices imposed on Enrollees, subject to the overall limit of one-hundred thousand dollars ($100,000) per each determination.

19.1.4.1.1.2 The misrepresentation or falsification of information submitted to ASES and/or CMS.

19.1.4.1.2 Category 2. A civil money penalty in accordance with any applicable provision of 42 CFR 438.700 up to twenty-five thousand dollars ($25,000) per determination shall be imposed for this category. The following constitute Category 2 events:

19.1.4.1.2.1 Failure by the Contractor to substantially provide Medically Necessary Services that the Contractor is required to provide, under applicable law or

under this Contract, to an Enrollee under this Contract.

19.1.4.1.2.2 Misrepresentation or falsification by the Contractor of information that it furnishes to an Enrollee, Potential Enrollee, or Provider.

19.1.4.1.2.3 Failure by the Contractor to comply with the requirements for Physician Incentive Plans, as set forth in 42 CFR 422.208 and 422.210.

19.1.4.1.2.4 The distribution by the Contractor, directly or indirectly through any Agent or independent contractor, of Marketing Materials that have not been prior approved by ASES or that contain false or materially misleading information.

19.1.4.1.3 Category 3. Pursuant to 42 CFR 438.704(c), ASES may impose a civil money penalty for the Contractor's imposition of premiums or charges in excess of the amounts permitted under the Medicaid program. The maximum amount of the penalty is the greater of twenty-five thousand dollars ($25,000) or double the amount of the excess charges. ASES will deduct from the penalty the amount of overcharge and return it to the affected Enrollees.

19.1.4.2 Temporary Management. ASES may appoint temporary management for the Contractor's GHP operations, as provided in 42 C.F.R. 438.702 and 42 C.F.R. 438.706 as a result of Contractor's:

19.1.4.2.1 Continued egregious behavior, including but not limited to behavior described in Categories 1 through 3 of this Article 19;

19.1.4.2.2 Behavior that is contrary to, or is non-compliant with, Sections 1903(m) or 1932 of the Social Security Act, as amended, found at 42 U.S.C. §§ 1396b (m) and 1396u-2;

19.1.4.2.3 Actions which have caused substantial risk to an Enrollee's health; and/or

19.1.4.2.4 Behavior which has led ASES to determine that temporary management is necessary to ensure the health of Contractor's Enrollees while improvements to remedy Category 1 through 3 violations are being made, or until the Contractor's orderly termination or reorganization.

19.1.4.2.5 If temporary management is appointed for any reason specified in Sections 19.1.4.2 above, such temporary management will cease once ASES has, in its discretion, determined that the sanctioned behavior will not re-occur.

19.1.4.3 Enrollment Termination. ASES may grant Enrollees the right to terminate Enrollment without cause, and notify the affected Enrollees of their right to disenroll when:

19.1.4.3.1 The Contractor has engaged in continued egregious behavior, including but not limited to behavior described in Categories 1 through 3 of this Article 19;

19.1.4.3.2 The Contractor has engaged in behavior that is contrary to, or is non-compliant with, Sections 1903(m) or 1932 of the Social Security Act, as amended, found at 42 U.S.C. §§ 1396b (m) and 1396u-2;

19.1.4.3.3 The Contractor has taken actions that have caused substantial risk to Enrollees' health;

19.1.4.3.4 ASES determines that temporary management is necessary or convenient to ensure the health of the Contractor's Enrollees; or

19.1.4.3.5 ASES determines that such Enrollment termination is necessary or appropriate to remedy Category 1 through 3 violations.

19.1.4.4 Enrollment Suspension. ASES may suspend all new Enrollments, including default Enrollment, after the effective date of the intermediate sanction and until the intermediate sanction is no longer in effect.

19.1.4.5 Payment Suspension. ASES may suspend payment of the PMPM Payment for Enrollees enrolled after the effective date of the intermediate sanction and until CMS or ASES is satisfied that the reason for imposition of the intermediate sanction no longer exists and is not likely to re-occur or upon the Termination Date of the Contract.

19.1.4.6 Mandatory Imposition of Certain Intermediate Sanctions. ASES shall impose the temporary management and Enrollment suspension intermediate sanctions described in Sections 19.1.4.2 and 19.1.4.3 above, if ASES finds that the Contractor has repeatedly failed to meet substantive requirements in Sections 1903(m) or 1932 of the Social Security Act, as amended, found at 42 U.S.C. §§ 1396b (m) and 1396u-2.

19.1.4.7 Subject to Article 35 of this Contract, in lieu of imposing a sanction allowed under this Article 19, ASES may terminate this Contract, and place Enrollees with a different Contractor or provide GHP benefits through another state plan authority, without any liability whatsoever (but subject to making any payments due under this Contract through any such date of termination), if the terms of a Corrective Action Plan implemented pursuant to this Article 19 to address a failure specified in Category 1 or Category 2 of this Article 19 are not implemented to ASES's approval or if such failure continues or is not corrected, to ASES's satisfaction.

19.2 **Notice of Administrative Inquiry**

19.2.1 ASES may issue the Contractor a notice of imposition of sanctions in lieu of a notice of administrative inquiry if ASES determines, in its sole discretion, that the Contractor's non-compliance will not be cured with a Corrective Action Plan. In all other cases, ASES shall issue a notice of administrative inquiry informing Contractor about ASES's compliance, monitoring, and auditing activities regarding potential non-compliance as described in this Article 19. This notice of administrative inquiry shall include the following:

19.2.1.1 A brief description of the facts;

19.2.1.2 Citations to Puerto Rico and Federal laws and regulations, or Contract provisions that the Contractor has breached;

19.2.1.3 The Contractor's non-compliance with Puerto Rico and Federal laws and regulations or Contract provisions as referenced in the Contract;

19.2.1.4 The Contractor's breach of applicable intermediate sanction Contract provisions;

19.2.1.5 ASES's authority to determine and impose intermediate sanctions under this Article 19;

19.2.1.6 The amount of potential, or Contractor's exposure to intermediate sanctions, when they will be imposed and how they were computed; and

19.2.1.7 If applicable, a statement requiring the Contractor to submit a Corrective Action Plan within fifteen (15) Calendar Days of receipt of the notice of administrative inquiry under this Article 19.

19.2.2 The Contractor shall submit a Corrective Action Plan within fifteen (15) Calendar Days of receipt of the notice of administrative inquiry. However, the submission of a Corrective Action Plan shall not limit ASES's power and authority to impose intermediate sanctions, fines, liquidated damages, or any

other remedy allowed under this Contract or under Federal or Puerto Rico laws and regulations.

19.2.3 A notice of administrative inquiry shall not be deemed to constitute and is not ASES's final or partial determination of intermediate sanctions. Thus, any administrative inquiries issued by ASES are not subject to administrative review under Section 19.5, and would be considered premature rendering any administrative examiner without jurisdiction to review the matter.

19.2.4 If the Contractor fails to comply with any material provision under a Corrective Action Plan submitted to ASES pursuant to Section 19.2.2 above, ASES may impose:

19.2.4.1 A daily $5,000 civil money penalty, up to a maximum total of $100,000, for Contractor's ongoing failure to comply with any material provision of the Corrective Action Plan; or

19.2.4.2 The applicable intermediate sanction for any or all behavior that resulted in the Contractor's submission of the Corrective Action Plan pursuant to Section 19.2 above.

19.3 **Notice of Imposition of Intermediate Sanctions**

19.3.1 Prior to the imposition of intermediate sanctions, ASES will issue a notification, delivered thorough US Postal Service Certified Mail, to the Contractor that includes the following:

19.3.1.1 A brief description of the facts;

19.3.1.2 Citations to Puerto Rico and Federal laws and regulations, or Contract provision(s) that the Contractor has breached;

19.3.1.3 ASES's determination to impose intermediate sanctions;

19.3.1.4 Intermediate sanctions imposed and their effective date;

19.3.1.5 Methodology for the civil money penalty calculation or determination of the intermediate sanctions; and

19.3.1.6 A statement that the Contractor has a right to object and request an administrative review of the imposition of intermediate sanctions pursuant to the procedures in ASES Regulation 8446.

19.3.2 ASES shall notify CMS in writing of the imposition of intermediate sanctions within thirty (30) Calendar Days of imposing sanctions and concurrently provide the Contractor with a copy of such notice

19.4 **Administrative Review.** Contractor has the right to object and seek administrative review of the imposition of intermediate sanctions, including but not limited to civil money penalties, by ASES, pursuant to the procedures in ASES Regulation No. 8446.

19.4.1 The Contractor has the right within fifteen (15) Calendar Days following receipt of the notice of imposition of intermediate sanctions to seek administrative review in writing of ASES's determination and any such immediate sanctions, pursuant to Act 72 or under any other applicable law or regulation. This time period can be extended for an additional fifteen (15) Calendar Days if the Contractor submits a written request that includes a credible explanation of why it needs additional time, the request is receipted by ASES before the end of the initial period, and ASES has determined that the Contractor's conduct does not pose a threat to an Enrollee's health or safety.

19.4.2 As part of the administrative review, the Parties shall cooperate with the examining officer, and follow all applicable procedures for the administrative review.

19.4.3 Upon completion of the administrative review, the examining officer may recommend to:

19.4.3.1 Confirm the intermediate sanctions;

19.4.3.2 Modify or amend the intermediate sanctions pursuant to applicable law or regulation; or

19.4.3.3 Eliminate the imposed intermediate sanctions.

19.4.4 Once the sanction becomes final ASES shall deduct the amount of the sanction from the PMPM Payment or the Retention Fund.

19.4.5 In addition to the actions described under Section 19.4.3, the examining officer may recommend the delivery and implementation of a Corrective Action Plan with respect to the Contractor's failure to comply with the terms of this Contract as set forth in ASES' notice of intermediate sanctions.

19.4.6 ASES shall notify CMS in writing of any modification in the imposition of intermediate sanctions through the administrative review process within thirty (30) Calendar Days of receipt of the examining officer's determination, and concurrently provide the Contractor with a copy of such notice.

19.5 **Judicial Review.** To the extent administrative review is sought by the Contractor pursuant to Section 19.4, the Contractor has the right to seek judicial review of ASES's

actions by the Puerto Rico Court of Appeals, San Juan Panel, within thirty (30) Calendar Days of the notice of final determination issued by ASES.

19.6 **Federal Sanctions.** Payments provided for under this Contract will be denied for new Enrollees when, and for so long as, payment for those Enrollees is denied by CMS in accordance with the requirements in 42 C.F.R. 438.730.

ARTICLE 20 ENFORCEMENT – LIQUIDATED DAMAGES AND OTHER REMEDIES

20.1 General Provisions

20.1.1 ASES may impose intermediate sanctions, liquidated damages, and/or fines pursuant to Puerto Rico Act No. 72-1993 and ASES Regulation No. 8446 (as indicated in Articles 19 and 20 of this Contract).

20.1.2 In the event the Contractor is in default as to any applicable term, condition, or requirement of this Contract, and in accordance with any applicable provision of 42 CFR 438.700 and Section 4707 of the Balanced Budget Act of 1997, at any time following the Effective Date of this Contract, the Contractor agrees that, in addition to the terms of Section 35.1.1 of this Contract, ASES may assess liquidated damages against the Contractor for any such default, in accordance with this Article 20. The Parties further acknowledge and agree that the specified liquidated damages are reasonable and the result of a good faith effort by the Parties to estimate the anticipated or actual harm caused by the Contractor's breach and are in lieu of any other financial remedies to which ASES may otherwise have been entitled. The assessment or non-assessment of liquidated damages under the Contract cannot and will not limit the power or authority of ASES to impose fines, civil money penalties, sanctions, or other remedies under Article 19 of this Contract or otherwise under Puerto Rico or Federal laws or regulations, including but not limited to Puerto Rico Act No. 72-1993 and ASES Regulation No. 8446.

20.1.3 Notwithstanding any sanction, including liquidated damages, imposed upon the Contractor, other than Contract termination, the Contractor shall continue to provide all Covered Services and other Benefits under this Contract.

20.1.4 The Contractor's breach or failure to comply with the terms and conditions of this Contract for which liquidated damages may be assessed under this Article 20 shall be divided into four (4) categories of events. ASES retains the discretion to impose liquidated damages or other sanctions for Contractor's non-compliance with an obligation of the Contractor under this Contract or Puerto Rico Law that is not specified under the categories in Sections 20.2, 20.3, 20.4 or 20.5.

20.2 **Category 1**

20.2.1 Liquidated damages in accordance with any applicable provision of this Contract of up to one-hundred thousand dollars ($100,000) per violation, Incident or occurrence may be imposed for Category 1 events. The following constitute Category 1 events:

20.2.1.1 Material non-compliance with an ASES or CMS directive, determination or notice to cease and desist not otherwise described in Article 19 or other provision of this Article 20, provided that the Contractor has received prior written notice with respect to such specific material non-compliance, and afforded an opportunity to cure within a reasonable period to be determined by ASES in its sole discretion.

20.3 **Category 2**

20.3.1 Liquidated damages in accordance with any applicable provision of this Contract of up to twenty-five thousand dollars ($25,000) per violation, Incident, or occurrence may be imposed for Category 2 events. The following constitute Category 2 events:

20.3.1.1 Subject to ASES compliance with its obligations under Article 22 of this Contract, repeated noncompliance by the Contractor with any material obligation that adversely affects the services that the Contractor is required to provide under Article 7 of this Contract;

20.3.1.2 Failure of the Contractor to assume its duties and obligations under this Contract in accordance with the transition timeframes specified herein;

20.3.1.3 Failure of the Contractor to terminate a Provider that imposes Co-Payments or other cost-sharing on Enrollees that are in excess of the fees permitted by ASES, as listed on Attachment 8 to this Contract (ASES will deduct the amount of the overcharge and return it to the affected Enrollees);

20.3.1.4 Failure of the Contractor to address Enrollees' Complaints, Appeals, and Grievances, and Provider disputes, within the timeframes specified in this Contract;

20.3.1.5 Failure of the Contractor to comply with the confidentiality provisions in accordance with 45 CFR 160 and 164; and

20.3.1.6 Failure of the Contractor to comply with a subcontracting requirement in the Contract.

20.4 **Category 3**

20.4.1 Liquidated damages in accordance with any applicable provision this Contract of five-thousand dollars ($5,000) per day may be imposed for Category 3 events. The following constitute Category 3 events:

20.4.1.1 Failure to submit required reports in the timeframes prescribed in Article 18;

20.4.1.2 Submission of incorrect or deficient Deliverables or reports in accordance with Article 18 of this Contract;

20.4.1.3 Failure to comply with the Claims processing standards as follows:

20.4.1.3.1 Failure to process and finalize to a paid or denied status ninety-five percent (95%) of all Clean Claims within thirty (30) Calendar Days of receipt;

20.4.1.3.2 Failure to process and finalize to a paid or denied status one hundred percent (100%) of all Clean Claims within fifty (50) Calendar Days of receipt; and

20.4.1.3.3 Failure to process Unclean Claims as specified in Section 16.6.3 of this Contract;

20.4.1.4 Failure to pay Providers interest at the rate identified in and otherwise in accordance with Section 16.6.2 of this Contract when a Clean Claim is not adjudicated within the Claims processing deadlines;

20.4.1.5 Failure to comply with the quarterly submission of EPSDT reports to ASES according to the guidelines to be issued by ASES under Section 7.9.1;

20.4.1.6 Failure to notify PCPs of the gaps in care analysis in accordance with the EPSDT guidelines to be issued by ASES under Section 7.9.1;

20.4.1.7 Failure to provide the Claims Payment Disbursement Illustration and Actuarial Report Information required in Section 18 of this Contract;

20.4.1.8 Failure to seek, collect and/or report Third Party Liability information as provided in Section 23.4 of this Contract; and

20.4.1.9 Failure of Contractor to issue written notice to Enrollees upon Provider's termination of a Provider as described in Section 10.4.3 of this Contract.

20.5 **Category 4**

20.5.1 Liquidated damages as specified below may be imposed for Category 4 events. The following constitute Category 4 events:

20.5.1.1 Failure to implement the BC-DR plan as follows:

20.5.1.1.1 Implementation of the (BC-DR) plan exceeds the proposed time by two (2) or less Calendar Days: five thousand dollars ($5,000) per day up to day 2;

20.5.1.1.2 Implementation of the (BC-DR) plan exceeds the proposed time by more than two (2) and up to five (5) Calendar Days: ten thousand dollars ($10,000) per each day beginning with day 3 and up to day 5;

20.5.1.1.3 Implementation of the (BC-DR) plan exceeds the proposed time by more than five (5) and up to ten (10) Calendar Days, twenty-five thousand dollars ($25,000) per day beginning with day 6 and up to day 10;

20.5.1.1.4 Implementation of the (BC-DR) plan exceeds the proposed time by more than ten (10) Calendar Days: fifty thousand dollars ($50,000) per each day beginning with day 11;

20.5.1.2 Unscheduled System Unavailability in violation of Article 17, in ASES's discretion, two hundred fifty dollars ($250) for each thirty (30) minute period or portions thereof;

20.5.1.3 Failure to make available to ASES or its Agent, valid extracts of Encounter Information for a specific month within fifteen (15) Calendar Days of the close of the month: five hundred dollars ($500) per day. After thirty (30) Calendar Days of the close of the month: two thousand dollars ($2,000) per Calendar Day;

20.5.1.4 Failure to correct a system problem not resulting in System Unavailability within the allowed timeframe, where failure to complete was not due to the action or inaction on the part of ASES as documented in writing by the Contractor:

20.5.1.4.1 One (1) to fifteen (15) Calendar Days late: two hundred and fifty dollars ($250) per Calendar Day for days 1 through 15;

20.5.1.4.2 Sixteen (16) to thirty (30) Calendar Days late: five hundred dollars ($500) per Calendar Day for days 16 through 30; and

20.5.1.4.3 More than thirty (30) Calendar Days late: one thousand dollars ($1,000) per Calendar Day for days 31 and beyond; and

20.5.1.5 Failure to meet the GHP Service Line performance standards:

20.5.1.5.1 One-thousand dollars ($1,000) for each percentage point that is below the target answer rate of eighty percent (80%) in thirty (30) seconds;

20.5.1.5.2 One-thousand dollars ($1,000) for each percentage point that is above the target of a three percent (3%) Blocked Call rate; and

20.5.1.5.3 One-thousand dollars ($1,000) for each percentage point that is above the target of a five percent (5%) Abandoned Call rate.

20.6 **Other Remedies**

20.6.1 Subject to Article 35 of this Contract, in lieu of imposing a Remedy allowed under this Article 20, ASES may elect to terminate this Contract, without any liability whatsoever (but subject to making any payments due, if any, under this Contract through any such date of termination), if the terms of a Corrective Action Plan implemented pursuant to this Article 20 to address a failure specified in Category 1 or Category 2 of this Article 20 are not implemented to ASES's satisfaction or if such failure continues or is not corrected, to ASES's sole satisfaction.

20.6.2 In the event of non-compliance by the Contractor with Article 18 of this Contract, ASES shall have the right to Withhold, with respect to Article 18, a sum not to exceed ten percent (10%) of the Per Member Per Month Payment for the following month and for continuous consecutive months thereafter until such noncompliance is cured and corrected to ASES' satisfaction in lieu of imposing any liquidated damages, penalties or sanctions against the Contractor hereunder. ASES shall release the Withhold of the PMPM Payment to the Contractor within two (2) Business Days after the corresponding event of noncompliance is cured to ASES's sole satisfaction.

20.7 **Notice of Administrative Inquiry regarding Liquidated Damages and/or Other Article 20 Remedies**

20.7.1 Administrative Inquiry. ASES may issue the Contractor a notice of imposition of liquidated damages and/or other Article 20 remedies in lieu of a notice of administrative inquiry regarding liquidated damages and/or other Article 20 remedies if ASES determines, in its sole discretion, that the Contractor's non-compliance will not be cured with a Corrective Action Plan. In all other cases, ASES shall issue a notice of administrative inquiry informing the Contractor

about ASES's compliance, monitoring, and auditing activities regarding potential non-compliance as described in this Article 20. This notice of administrative inquiry shall include the following:

20.7.1.1 A brief description of the facts;

20.7.1.2 Citations to Puerto Rico and Federal laws and regulations, or Contract provision(s) the Contractor has breached;

20.7.1.3 The Contractor's non-compliance with Puerto Rico and Federal laws and regulations or Contract provisions;

20.7.1.4 The Contractor's breach of applicable Contract provisions and event categories that could result in remedies or liquidated damages pursuant to this Article 20;

20.7.1.5 ASES's authority to determine and seek liquidated damages or other remedies against the Contractor under this Article 20;

20.7.1.6 The amount of potential, or Contractor's exposure to liquidated damages, or other Article 20 remedies, when they will be imposed and how they were computed; and

20.7.1.7 If applicable, a statement requiring the Contractor to submit a Corrective Action Plan within fifteen (15) Calendar Days of receipt of the notice of administrative inquiry under this Article 20.

20.7.2 The Contractor shall submit a Corrective Action Plan within fifteen (15) Calendar Days of receipt of the notice of administrative inquiry issued pursuant to this Article 20.

20.7.3 A notice of administrative inquiry shall not constitute ASES's final or partial determination of liquidated damages. Thus, any administrative inquiries made are not subject to administrative review under Section 20.7.6 and would be construed to be premature rendering any administrative examiner without jurisdiction to review the matter.

20.7.4 If the Contractor fails to comply with any material provision under a Corrective Action Plan submitted to ASES pursuant to Section 20.7.2 above, ASES may impose:

20.7.4.1 A daily amount of $5,000 in liquidated damages, up to a maximum total amount of $100,000, for the Contractor's failure to comply with any material provision part or condition of the Corrective Action Plan; and/or

20.7.4.2 The applicable Article 20 Remedy for any or all behavior that resulted in the submission of Corrective Action Plan pursuant to Section 20.7.2 above.

20.7.5 Notice of Imposition of Liquidated Damages and/or Other Remedies

20.7.5.1 Prior to the imposition of liquidated damages and/or any other remedies under this Article 20, ASES will issue a notification, delivered thorough US Postal Service Certified Mail, to the Contractor that includes the following:

20.7.5.1.1 A brief description of the facts;

20.7.5.1.2 Citations to Puerto Rico and Federal laws and regulations, or Contract provision(s) the Contractor has breached;

20.7.5.1.3 ASES's determination to assess and impose liquidated damages and/or any other Article 20 Remedy;

20.7.5.1.4 Liquidated damages and/or any other Article 20 Remedy imposed and their effective date;

20.7.5.1.5 Methodology for the liquidated damages and/or any other Article 20 Remedy calculation; and

20.7.5.1.6 A statement that the Contractor has a right to object and request an administrative review of the imposition of liquidated damages and other Article 20 remedies pursuant to the procedures in ASES Regulation 8446 and Puerto Rico Act No. 38-2017, as amended.

20.7.5.2 The Contractor shall submit a Corrective Action Plan to ASES within thirty (30) Calendar Days of receipt of a notice of liquidated damages or other remedies pursuant to this Article 20.

20.7.6 Administrative Review. The Contractor has the right to object and seek administrative review of the imposition of liquidated damages and/or any other Remedy under this Article 20.7, pursuant to the procedures in ASES Regulation No. 8446.

20.7.6.1 As part of the administrative review, the Parties shall cooperate with the examining officer, and follow all applicable procedures for the administrative review.

20.7.6.2 Once the sanction becomes final ASES shall deduct the amount of the sanction from the PMPM Payment or the Retention Fund.

20.8 **Judicial Review.** The Contractor has the right to seek reconsideration and judicial review of ASES's determination pursuant to the procedures in ASES Regulation No. 8446 and Puerto Rico Act No. 389-2017, as amended.

ARTICLE 21 CONTRACT TERM

21.1 Subject to and upon the terms and conditions herein, this Contract shall be in full force and effect on January 1, 2023 and shall terminate on September 30, 2026. The Contractor shall begin providing Covered Services to Enrollees on January 1, 2023, which shall be deemed to be the Implementation Date of the Contract. The foregoing notwithstanding, ASES, subject to Article 35 reserves the right, prior written notice of ninety (90) Calendar Days, to amend or partially terminate the Contract at any time to implement a demonstrative plan to incorporate the new public health policies and/or strategies of the Government. Upon written notice of amendment or partial termination of this Contract pursuant to this Article 21, ASES will evaluate in good faith a renegotiation of PMPM Payments payable under this Contract.

21.2 The Contract Term shall begin at 12:01 a.m., Puerto Rico Time, Effective Date of the Contract and shall continue until 11:59 p.m., Puerto Rico time, on January 1, 2023.

21.3 The provision of Covered Services and Benefits to Enrollees by the Contractor under this Contract shall begin on January 1, 2023, which is the Implementation Date of the Contract.

21.4 The PMPM Payments shall be negotiated for every rating period covered by the Contract [(specifically from January 1, 2023 to September 30, 2023, October 1, 2023 to September 30, 2024, October 1, 2024 to September 30, 2025, and October 1, 2025 to September 30, 2026).] Any increase in the PMPM Payment shall be subject to ASES's determination that the proposed new amount is actuarially sound.

21.5 The Contract shall expire at the close of the Contract Term unless earlier terminated under Article 35.

21.6 ASES is hereby granted the option to renew this Contract for an additional term of up to one (1) fiscal year, which shall begin on October 1, 2026 and end at midnight on September 30, 2027. The terms of the renewal shall be negotiated, but any increase in PMPM Payment shall be subject to ASES's determination that the proposed new amount is actuarially sound. The option to renew the Contract shall be exercisable solely and exclusively by ASES.

ARTICLE 22 PAYMENT FOR SERVICES

22.1 General Provisions

22.1.1 The actual PMPM Payment will be equal to the number of Enrollees as of the last day of the month proceeding the month in which payment is made,

multiplied by the negotiated PMPM Payment agreed to between the Contractor and ASES and the Enrollee's Risk Score provided in Section 22.1.3. The PMPM Payment rate is specified in Attachment 11 to this Contract. The due date for the PMPM Payment to the Contractor shall be the fifth (5^{th}) day of each month. However, ASES shall have the right to make partial payments throughout the month, provided that payment in full will be made on or before the last day of each month. The PMPM Payment made based upon the number of Enrollees as of the last day of the preceding month will be reconciled to the actual number of Enrollees for that month when that information is available and appropriate PMPM Payment adjustments will be made, including prorated PMPM Payments as applicable.

22.1.1.1 PMPM Payment rates included in Attachments 11 and 11-A to this Contract, as amended, shall be effective to account for any new requirements set forth in Sections 10.5.1.5.1 and 10.5.1.5.2. ASES will increase the PMPM Payments to account for the additional costs incurred by Contractor with respect to the minimum fee schedule and increase in sub-capitated amounts, as of the effective date of any necessary amendment to account for changes in the PMPM Payments. Any adjustment in the PMPM Payments to Contractors, if applicable, will also require adjustment of the PMPM Payments of the PMGs and other Providers at risk to guarantee such rates are actuarially sound.

22.1.1.2 In the event that ASES determines in its sole discretion that material changes in demographic composition, epidemiological considerations and/or morbidity risk factors have resulted from the temporary expansion of Medicaid coverage eligibility as set forth in Attachment 31 to this Contract, ASES will work with the Contractor to establish the appropriate adjustment to PMPM Payments due to the Contractor for any impacted Enrollee with retroactive coverage as per Section 5.1.3.1 of the Contract. Any adjustment in the PMPM Payments to Contractors, if applicable, will also require adjustment of the PMPM Payments of the PMGs and other Providers at risk to guarantee such rates are actuarially sound.

22.1.2 ASES shall provide PMPM Payments that may be retained by the Contractor only for those eligible Enrollees for whom ASES has received adequate notification of Enrollment from the Contractor as of the date specified by ASES, per Section 5.2.2. ASES will work with the Contractor to establish the amount of any PMPM Payments that are due to the Contractor for any Enrollee that has retroactive coverage per Section 5.1.3.1.

22.1.3 From the Effective Date of Eligibility ASES will assign a risk score to each Enrollee.

22.1.3.1 The Enrollee's Risk Score is a relative measure that depicts the health costs needed to meet the healthcare requirements of the Enrollee compared to those of an average Enrollee. The Enrollee will have the same Risk Score even if the Enrollee changes MCO or PMG.

22.1.3.2 New Enrollees: For new Enrollees eligible under criteria of indigence and no previous utilization experience, and Enrollees with less than six (6) months of eligibility history, the risk adjustment will be based on an average factor for scored Enrollees with the same CDPS+Rx age and gender band.

22.1.4 Risk Adjustment. PMPM Payments for the Rate Cells specified in Section 22.1.1 shall be risk adjusted per Enrollee, based on a prospective method, maintaining the risk score at the Enrollee-level, and then calculating a unique PMPM rate for each Enrollee by multiplying the Enrollee's risk score by the capitation base rate corresponding to the Enrollee's Rate Cell assignment. The average Enrollee risk score within each Rate Cell will be normalized to a 1.000 factor so funds are neither added nor subtracted during the risk adjustment process.

This normalization process is imperative to ensure that budget neutrality is maintained during the development of capitated rates. This risk adjustment will be conducted on a quarterly basis unless ASES and the Contractor agree to a different timeframe for application of prospective risk adjustment. The application of the risk adjustment methodology will be budget neutral consistent with 42 CFR 438.5(g). ASES will not utilize a Regional Factor to adjust the PMPM Payments to the Contractor.

22.1.4.1 Plan Vital's nine (9) Rate Cells that will be prospectively risk adjusted are: CHIP, Medicaid Child (Ages under 19), Medicaid Adult (Ages 19+), Commonwealth Child (Ages under 19), Commonwealth Adult (Ages 198+), SSI Non-Dual; SSI Dual (Part A and B), SSI Dual (Part A only), and Foster Care/Domestic Abuse. Plan Vital will also have two (2) Case Rates: a Maternity/Newborn Case Rate and an Incarcerated Inpatient Case Rate, both of which represent one-time payments based on the occurrence of a qualifying event, and are not risk adjusted.

22.1.4.2 Risk scores shall be established for each Enrollee of Plan Vital subject to risk adjustment in Section 22.1.4. The risk scores will be determined by ASES's actuary using the CDPS+Rx model to recognize benefit utilization differences by age, gender, medical diagnosis, and prescription drug usage and support the accuracy and sustainability of the model.

22.1.4.3 Risk Adjustment Periods. For every three (3) month period, Enrollee risk scores shall be recalculated using Enrollee eligibility, Claims, and Encounter Data, as applicable, from a prior twelve (12) month period. Risk adjustment will be calculated on a prospective basis. The Contractor shall adjust Provider's rates under risk sharing agreements in accordance with the quarterly risk adjustment period, as applicable.

22.1.4.3.1 ASES shall provide written notification to the Contractor of the risk adjustment factor, along with sufficient detail supporting the calculations. Contractors shall have thirty (30) Calendar Days after the date ASES sent such notice to review the calculations and detail provided and to submit questions, if any, to ASES regarding the same. No modification to the Contractor's PMPM Payment may be made during such thirty (30) Calendar Day review period.

22.1.4.3.2 If the Contractor disputes the risk adjustment factor during the review period, ASES shall meet with the Contractor within a reasonable timeframe to achieve a good faith resolution of the disputed matter.

22.1.4.3.3 Modifications to the Contractor's PMPM Payment resulting from the application of the applicable risk adjustment factor, if any, shall be effective for the duration of the applicable adjustment period, effective as of the first day thereof. Any adjustment in the PMPM Payments to Contractors, if applicable, will also require adjustment of the PMPM Payments of the PMGs and other Providers at risk to guarantee such rates are actuarially sound.

22.1.4.3.4 All risk scores shall be budget neutral to ASES or normalized to a 1.0000 value among the Contractors.

22.1.5 ASES will have the discretion to recoup payments made to the Contractor for ineligible Enrollees, including, but not limited to, the following:

22.1.5.1 Enrollees incorrectly enrolled with more than one Contractor;

22.1.5.2 Enrollees who die prior to the Enrollment month for which the payment was made;

22.1.5.3 Enrollees whom ASES later determines were not eligible for Medicaid during the Enrollment month for which payment was made.

22.1.5.4 Enrollees whom were not domiciled in Puerto Rico during the Enrollment month for which payment was made;

22.1.5.5 Enrollees whom were incarcerated during the Enrollment month for which payment was made.

22.1.6 Any payments due to ASES from the Contractor will be offset from future payments to the Contractor, or may be invoiced by ASES to the Contractor, at ASES's discretion.

22.1.7 The Contractor shall have the right to recoup from Providers or other persons to whom the Contractor has made payment for any payments made for which ASES has recouped the PMPM Payment.

22.1.8 The PMPM Payment for Enrollees not enrolled for the full month shall be determined on a pro rata basis by dividing the monthly Capitation amount by the number of days in the month and multiplying the result by the number of days including and following the Effective Date of Enrollment or the number of days prior to and including the Effective Date of Disenrollment, as applicable. The Contractor is entitled to a PMPM Payment for each Enrollee as of the Effective Date of Enrollment, including the period referred to in Section 5.2.2. The Contractor is entitled to a PMPM Payment for each Enrollee up to the Effective Date of Disenrollment, including the period referred to in Section 5.3.

22.1.9 Payment for services under this Contract will not commence before Implementation Date of the Contract.

22.1.10 Payments for the first month of program operations under this Contract will be made only upon a determination by ASES that the Contractor has complied with all of its obligations for the implementation of this Contract, including a finding by ASES that the Contractor has satisfied the readiness review, and the Contractor's submission of initial Deliverables as specified in Attachment 12 to this Contract.

22.1.11 In order to receive payments from ASES, the Contractor shall provide to ASES, and keep current, its tax identification number, billing address, and other contact information, as required by ASES.

22.1.12 The Contractor acknowledges that the payments agreed to under the terms of this Contract in addition to any applicable cost-sharing as provided in Attachment 8 to this Contract constitute full payment for Covered Services and Benefits under GHP. ASES will have no responsibility for payment for Covered Services and Benefits beyond that amount unless the Contractor has obtained prior written approval, in the form of a Contract amendment, authorizing an increase in the total payment.

22.1.13 Fee-for-Service amounts paid by the Contractor for Claims, or Capitation payments made by the Contractor derived or otherwise based on Encounter Data submitted by Providers, resulting from services determined not to be Medically Necessary by the Contractor, will not be considered in the Contract's experience for purposes of prospective rate adjustments.

22.1.14 Pursuant to the terms of this Contract, should ASES assess liquidated damages or other Remedies for the Contractor's noncompliance or deficiency with the terms of this Contract, such amount may be withheld from the PMPM Payment for the following month, and for continuous consecutive months thereafter until such noncompliance or deficiency is corrected at ASES's satisfaction.

22.1.15 The Contractor shall maintain all the Utilization and financial Data related to this Contract duly segregated from its regular accounting system including, but not limited to, the general ledger.

22.1.16 Administrative expenses to be included in determining the experience of the program are those directly related to this Contract. Separate allocations of expenses from the Contractor's insurance plans, other than GHP, from the Contractor's related companies, from the Contractor's parent company, or from other entities will be reflected or made a part of the financial Data described in the preceding section. Any pooling of operating expenses with other of the Contractor's groups, cost-shifting, financial consolidation or the implementation of other combined financial measures is expressly forbidden.

22.1.17 The following administrative expenses are unallowable for purposes of reporting program expenditures and prospective rate setting:

22.1.17.1 Costs of entertainment, festivities and other activities for the recreation of the personnel of the insurer, including employees, managers, directors, officers or Third Parties, such as: expenses for parties, dinners, food, alcoholic beverages, gifts, etc.;

22.1.17.2 Costs of advertising, public relations and marketing, except as provided in Section 6.15 of this Contract;

22.1.17.3 Costs of recruiting office, managerial and executive personnel;

22.1.17.4 Payroll costs related to corporate officers and employees exceeding the equivalent time dedicated to work related to the GHP program if these same officers and employees also perform duties in support of other lines of business. Payroll expenses to be charged to GHP shall be reasonable according to industry standards and the only time that may be charged is when they perform work specific to the GHP program;

22.1.17.5 Any payment related to the liquidation of payroll or marginal benefits due to termination (severance) and restructuring of the

company (downsizing), including "parachute" clauses, for board of directors, corporate officers or executives of the Contractor;

22.1.17.6 The Contractor's employer contributions to savings plans for employees, directors, officers or executives of the Contractor;

22.1.17.7 Costs related to the awarding and exercise of stock options of employees, directors, officers or executives of the Contractor;

22.1.17.8 Payment of productivity bonuses, or bonuses of another nature, to directors, officers, executives and employees, excluding the Christmas bonus as required by the law;

22.1.17.9 Costs of trips to the US or to foreign countries, whether for business, continued education or pleasure;

22.1.17.10 Expenses or payments related to vacations, including, but not limited to, stay expenses, hotel, air, land or sea transportation, food, gratuity, etc.;

22.1.17.11 First class fees for air tickets, and travel expenses including charter flights or in commercial lines, within or outside of Puerto Rico;

22.1.17.12 Payments related to attendance and stay at conventions, seminars, workshops, or continued education, for executives, directors, officers or employees of the Contractor, whether within or outside of Puerto Rico;

22.1.17.13 Payments related to educational expenses such as: training, retraining, studies, scholarships, memberships, dues, employee licenses, etc., except for, and limited to, the cost of professional licenses required for personnel directly providing health-related services to Enrollees;

22.1.17.14 Payments related to automobile expenses, including rent, lease, purchase and depreciation, car allowance, maintenance expenses, gasoline, repairs, etc., except for, and limited to, mileage costs incurred by nurses, doctors or care managers during the provision of Disease Management and/or Care Management services to Enrollees;

22.1.17.15 Costs of transportation, including taxi service, airplanes, charters, urban train, automobiles, and gasoline or diesel for motor vehicles;

22.1.17.16 Payment of cellular phone expenses, including Internet access;

22.1.17.17 Monies used for gifts, gratuity, contests, prizes, donations, charity, etc.;

22.1.17.18 Any commissions, management fees or similar charges from related parties without express approval from ASES;

22.1.17.19 Categorizing expenses under a general category such as overhead, other, miscellaneous, is expressly forbidden; and

22.1.17.20 Any other expense not allowed by ASES.

22.1.18 The Contractor shall provide ASES every month with a PMPM Payment Disbursement Report. This document shall present the distribution of the Capitation or other service payments to Providers, Claim expenses by coverage, reserves, and administrative expenses. Failure to comply with the requirements contained herein may be cause for the imposition of liquidated damages as outlined in Section 20 of this Contract.

22.1.19 The Contractor shall provide to ASES, on a monthly basis, actuarial Data in a format specified in the Actuarial Report provided by ASES. Failure to comply with the requirements contained herein may be cause for the imposition of liquidated damages as outlined in Section 20 of this Contract.

22.1.20 The Contractor shall report all of the profit of its partially- or wholly-owned subsidiaries or Affiliates realized from services rendered in relation to this Contract (the "Affiliated Profit"), unless the Contractor demonstrates and ASES agrees that the Affiliated Profit did not result from preferential contractual terms included in the Contractor's contracts or arrangements with its partially- or wholly-owned subsidiaries and Affiliates.

22.1.20.1 Preferential contract terms are those that result in a cost or expense that exceeds fair market value, or those that exceed other terms for the provisioning of same or similar goods and services as would be agreed to by a reasonable person under the same or similar circumstances prevailing at the time the decision was made for the same or similar good or service. In determining whether preferential contract terms exist, consideration must be given to factors including "sound business practices," "arm's length bargaining" and "market prices for comparable goods and services for the geographical area." Contractual terms shall also be deemed preferential if the Contractor's partially- or wholly-owned subsidiaries of Affiliates charge the Contractor a higher price for the same or similar goods or services than the lowest price charged by the Contractor's partially- or wholly-owned subsidiaries or Affiliates to any and all other clients.

22.1.20.2 Notwithstanding the above, if a Contractor's subsidiary or Affiliate charges the Contractor for goods or services provided under or associated with the GHP program and such charges exceed sixty

percent (60%) of the total revenue of the subsidiary or Affiliate, such charges must be at cost.

22.1.20.3 The Contractor shall report to ASES's Office of Finance all related-party transactions within thirty (30) Calendar Days and provide a copy of the contract for each transaction detailing the amounts paid or to be paid, charged or transferred and goods or services to be provided under the contract. A certification under penalty from criminal perjury from the Contractor's President, Vice-President, Chief Financial Officer, or Treasurer specifying what are the "at cost" and/or "fair market value" amounts of the contract, as applicable, shall be included with each submission.

22.1.21 To comply with 42 CFR 438.608(d) and 42 CFR 433.312, the Contractor shall, consistent with the procedures set forth in Attachment 23 to this Contract, refund (i) the share of the Overpayment due to ASES within eleven (11) months of the discovery and (ii) the share of an Overpayment due to ASES within fifteen (15) Calendar Days from a final judgment on a Fraud, Waste, or Abuse Action. The Contractor must also require and have a mechanism for a Provider to report to the Contractor when it has received an Overpayment, to return that Overpayment to the Contractor with a written reason for the Overpayment within sixty (60) Calendar Days after the date on which the Overpayment was identified. The Contractor shall report annually to ASES on their recoveries of all Overpayments.

22.2 **Medical Loss Ratio**

22.2.1 The Contractor shall report a Medical Loss Ratio (MLR) and related data, including the data on the basis of which ASES will determine the compliance of the Contractor with the Medical Loss Ratio Requirement, as required under 42 CFR 438.8(k) for each MLR reporting year. Such reporting shall be provided to ASES no later than ten (10) months following the close of the MLR reporting year. Contractor's compliance with this provision will also be measured against any additional contractual arrangements with Providers, risk sharing arrangements, fund reserve pools and/or the provision of arranged administrative and support services furnished by the Contractor either directly or through a third party to the Provider. Such agreements must be individually compliant with the Medical Loss Ratio requirements set forth in this Contract.

22.2.2 The Contractor shall calculate its MLR and related data based on the methodology set forth in 42 CFR 438.8 and any other instructions issued by CMS or ASES. The Contractor shall achieve a minimum MLR, as calculated per 42 CFR 438.8, of at least ninety-two percent (92%) for the MLR reporting year. Contractor must require any third party vendor providing claims adjudication services to provide all underlying data associated with MLR reporting within one hundred and eighty (180) days of the end of the MLR reporting year, or within thirty (30) Calendar Days of Contractor's request,

regardless of contractual limitations, whichever sooner, to calculate and validate the accuracy of this reporting. If a retroactive change to capitation payments for a MLR reporting year is made and the MLR report has already been submitted to ASES, the Contractor must re-calculate the MLR for all MLR reporting years affected by the change and submit a new MLR report that meets the applicable requirements.

22.2.3 If the Contractor's MLR is below ninety-two percent (92%), the Contractor must pay a remittance to ASES within thirty (30) Calendar Days of notification from ASES that a remittance is owed. The amount of the remittance owed is the difference between the Contractor's Medical Loss Ratio for the MLR reporting year and target Medical Loss Ratio of ninety-two percent (92%). The requirement to pay the remittance survives the termination of this Contract.

22.3 **Contractor Objections to Payment**

22.3.1 If the Contractor wishes to contest the amount of payments made by ASES in accordance with the terms outlined in Section 22.1 for services provided under the terms of this Contract, the Contractor shall submit to ASES, in the format defined by ASES, all relevant documentation supporting the Contractor's objection no later than (90) Calendar Days after payment is made. In the event ASES notifies changes to the files or file layouts necessary for payment reconciliation, the term for submitting an objection to payment shall start to run sixty (60) days after notice of changes to the files or file layouts has been issued by ASES. Once this term has ended, the Contractor forfeits its right to claim any additional amounts, regarding the period in dispute. The terms specified in this Section 22.3.1 shall be applicable from this Amendment's effective date.

22.3.2 Within thirty (30) Calendar Days after the Contractor's submission of all relevant information, the Contractor and ASES will meet to discuss the matter. If after discussing the matter and analyzing all relevant Data it is subsequently determined that an error in payment was made, the Contractor and ASES will develop a plan to remedy the situation, which must include a timeframe for resolution agreed to by both Parties, within a time period mutually agreed upon by both Parties. The remedial plan for any error in payment or ASES' response to the Contractor's objection to payment will be reduced to writing within ninety (90) Calendar Days from the date the objection was submitted by the Contractor. The total resolution and payment for the cases objected to and accepted by ASES shall not exceed one-hundred eighty (180) days from the date on which Contractor submitted the objection. The terms specified in this Section 22.3.1 shall be applicable from this Amendment's effective date.

22.4 **Retention Fund for Health Care Improvement Program**

22.4.1 ASES shall maintain a Retention Fund of the PMPM Payment each month as part of the Health Care Improvement Program (HCIP) described in Section 12.5 and Attachment 19 to this Contract. The overall Retention Fund Percentage is

two percent (2%) of the PMPM Payment according Attachment 19 to this Contract.

22.4.2 With respect to each HCIP initiative, ASES, as indicated herein, shall upon expiration of each quarter during the Contract Term conduct a review to determine if the Contractor has met the applicable performance targets for that period according to the following process:

22.4.2.1 The Contractor shall submit a quarterly report no later than ninety (90) Calendar Days after the end of each quarter regarding each of the performance indicators to be evaluated, as determined by ASES (from those listed in Attachment 19 to this Contract);

22.4.2.2 No later than thirty (30) Calendar Days after receipt of the Contractor's quarterly reports, ASES shall determine if the Contractor has met the applicable performance objectives for each measure for that period;

22.4.2.3 If the Contractor is in full compliance with the applicable performance targets for said period, ASES shall disburse to the Contractor, no later than thirty (30) Calendar Days after ASES determines compliance with the performance objectives, the portion of the PMPM Payment associated with each initiative for such period.

22.4.3 The Retention Fund for the HCIP and any other withhold arrangements between ASES and the Contractor must comply the requirements set forth in 42 CFR 438.6(b)(3).

ARTICLE 23 FINANCIAL MANAGEMENT

23.1 General Provisions

23.1.1 The Contractor shall be responsible for the sound financial management of Puerto Rico and Federal funds provided to the Contractor under the GHP Program.

23.1.2 The Contractor shall notify ASES in writing of any loans or other special financial arrangements made between the Contractor and any PMG or any other Provider. Any such loans shall strictly conform to the legal requirements of Federal and Puerto Rico anti-Fraud and anti-kickback laws and regulations.

23.1.3 The Contractor shall provide ASES with copies of its audited financial statements following Generally Accepted Accounting Principles ("GAAP"), at its own cost and expense, within ninety (90) Calendar Days following the end of each Contract Year during the Contract Term as specified in Section 18.2.9.3. The statements shall be provided in a format specified by ASES.

23.1.4 The Contractor shall provide to ASES a copy of its Annual Report required to be filed with the Puerto Rico Office of the Insurance Commissioner (OIC Report), as applicable, in the format agreed upon by the National Association of Insurance Commissioners (NAIC), for the year ended on December 31, 2017, and subsequently thereafter, during the Contract Term and any renewals, not later than March 31 of each year. The Contractor shall submit to ASES a reconciliation of the OIC Report with its annual audited financial statements filed pursuant to Section 23.1.3 and Section 18.2.9.8.

23.1.5 The Contractor shall provide to ASES unaudited financial statements for each quarter during the Contract Term, not later thirty (30) Calendar Days after the close of each quarter in a format specified by ASES.

23.1.6 The Contractor shall provide to ASES a copy of the annual corporate report of its parent company at the close of the calendar year.

23.1.7 The Contractor shall maintain adequate procedures and controls to ensure that any payments pursuant to this Contract are properly made. In establishing and maintaining such procedures, the Contractor shall provide for separation of the functions of certification and disbursement.

23.1.8 The Contractor acknowledges, and shall incorporate in contracts with Subcontractors, that the GHP is a government-funded program. As such, the administrative costs that are deemed allowable shall be in accordance with cost principles permissible, and with Federal and Puerto Rico applicable guidelines, including Office of Management and Budget Circulars, primarily recognizing that: (1) a cost shall be reasonable if it is of the type generally recognized as ordinary and necessary, and if in its nature and amount, and taking into consideration the purpose for which it was disbursed, it does not exceed that which would be incurred by a prudent person in the ordinary course of business under the circumstances prevailing at the time the decision was made to incur the cost; and (2) a cost shall be reasonable if it is allocable to or related to the cost objective that compels cost association. The Contractor will not allow administrative costs as specified in Section 22.1.15 above.

23.1.9 The Contractor shall maintain an accounting system for GHP separate from the rest of its commercial activities. This system will only include GHP Data.

23.1.10 The Contractor shall provide, throughout the Contract Term, any other necessary and related information that is deemed necessary by ASES in order to evaluate the Contractor's financial capacity and stability.

23.2 **Solvency and Financial Requirements**

23.2.1 The Contractor shall establish and maintain adequate net worth, working capital, and financial reserves to carry out its obligations under this Contract. An indemnity agreement containing terms and conditions acceptable to ASES

between the Contractor and its parent company may satisfy the requirements set forth in Sections 23.2.2 and 23.2.3.

23.2.2 The Contractor shall maintain at all times during the Contract Term a minimum two hundred percent (200%) of risk-based capital. ASES reserves the right to require additional capital guarantees as ASES deems reasonably necessary. The Contractor shall comply, as applicable, with Article 3.151 and Article 19.140 of the Puerto Rico Insurance Code relating to insolvency protection.

23.2.3 The Contractor shall provide assurances to ASES that its provision against the risk of insolvency is adequate, in compliance with the Federal standards set forth in 42 CFR 438.116, and shall submit data on the basis of which ASES will determine that the Contractor has made adequate provision against the risk of insolvency. In particular, the Contractor shall, according to the timeframe specified in Attachment 12 to this Contract, furnish documentation, certified by a Certified Public Accountant, of:

23.2.3.1 The relationship between PMPM Payments and capital, with the optimal relationship being 10:1, in order to prove capacity to assume risk;

23.2.3.2 A debt level of less than seventy-five percent (75%).and

23.2.3.3 Relationship of current assets to total liabilities shall be at least eighty percent (80%).

23.2.4 As part of its accounting and budgeting function, and in accordance with the Insurance Code of Puerto Rico, the Contractor shall establish an actuarially sound process for estimating and tracking potential liability associated with IBNR Claims. As part of its reserving process the Contractor shall conduct annual reviews to assess its IBNR reserving methodology and make adjustments as necessary.

23.2.5 The Contractor shall establish a reserve fund for IBNR Claims that under no circumstances may exceed ten percent (10%) of Capitation to PMGs. The reserve shall be reconciled and adjusted every ninety (90) Calendar Days and, if necessary, any excess will be liquidated. Once the PMG has the reserve necessary as determined by the Contractor, the monthly retention may not exceed three percent (3%) of Capitation. Any increase must be justified in information from the PMG file. One hundred and eighty (180) Calendar Days after the end of the Contract Term, the Contractor shall reconcile the IBNR reserve. Any remainder of the IBNR funds shall be returned to the PMGs within sixty (60) Calendar Days from the date that the Contractor conducts the reconciliation. This period may not be extended.

23.2.6 The Contractor agrees to provide any additional guarantees that ASES may require as a result of the periodical evaluation performed by the Office of the Commissioner of Insurance of the financial health of the Contractor.

23.3 **Reinsurance and Stop Loss**

23.3.1 The Contractor shall have and maintain a minimum of one million dollars ($1,000,000.00) in Reinsurance protection against financial loss due to outlier (catastrophic) cases or otherwise maintain self-insurance acceptable to ASES. The Contractor shall submit to ASES such documentation as is necessary to prove the existence of this protection, which may include policies and procedures of Reinsurance. The Contractor may request that ASES waive this requirement by providing sufficient documentation to ASES that the Contractor has adequate protection against financial loss due to outlier (catastrophic) cases. ASES shall review such documentation and, at its discretion, deem this requirement to be met.

23.4 **Third Party Liability and Cost Avoidance**

23.4.1 General Provisions

23.4.1.1 The GHP shall be the payer of last resort for all Covered Services rendered on behalf of Medicaid and CHIP Enrollees in accordance with Federal regulations at 42 CFR 433 Subpart D; ASES will enforce this rule with respect to all GHP Enrollees.

23.4.1.2 The Contractor shall exercise full assignment rights as applicable and shall be responsible for making every reasonable effort to determine the legal liability of Third Parties to pay for services rendered to Enrollees under this Contract and to cost avoid or recover any such liability from the Third Party. “Third Party,” for purposes of this Section, shall mean any person or entity that is or may be liable to pay for the care and services rendered to a GHP Enrollee. Examples of a Third Party include, but are not limited to, an Enrollee’s health insurer, casualty insurer, a managed care organization, and Medicare.

23.4.1.3 The Contractor, and by extension its Providers and Subcontractors, hereby agree to utilize for Claims Cost Avoidance purposes, within thirty (30) Calendar Days of learning of such sources, other available public or private sources of payment for services rendered to Enrollees in the Contractor’s Plan. If Third Party Liability (TPL) exists for part or all of the services provided directly by the Contractor to an Enrollee, the Contractor shall make reasonable efforts to recover from TPL sources the value of services rendered. If TPL exists for part or all of the services provided to an Enrollee by a Subcontractor or a Provider, and the Third Party will make payment within a reasonable time, the Contractor may pay the Subcontractor or Provider only the amount, if any, by which the Subcontractor’s or Provider’s allowable Claim exceeds the amount of TPL.

23.4.1.4 The Contractor shall deny payment on a Claim that has been denied by a Third Party payer when the reason for denial is the Provider's failure to follow prescribed procedures, including, but not limited to, failure to obtain Prior Authorization, failure to file Claims timely, etc.

23.4.1.5 The Contractor shall, within five (5) Business Days of issuing a denial of any Claim based on TPL, provide TPL Data to the Provider.

23.4.1.6 The Contractor shall treat funds recovered from Third Parties as offsets to Claims payments. The Contractor shall report all Cost Avoidance values to ASES in accordance with Federal guidelines and as provided for in this Section.

23.4.1.7 The Contractor shall post all Third Party payments or recoveries to Claim-level detail by Enrollee.

23.4.1.8 If the Contractor operates or administers a non-GHP program or other lines of business, the Contractor shall access the resources of those entities to assist ASES with the identification of Enrollees with access to other insurance or sources of payment.

23.4.1.9 The Contractor shall audit and review its Providers' Claims, using monthly the reports submitted pursuant to Section 16.7 of this Contract or other pertinent Data, to ensure that Providers are not receiving duplicate payment for services billable to Third Parties. The Contractor shall report to ASES on a quarterly basis its findings regarding Claims, invoices, or duplicate or inappropriate payments. According to the timeframe specified in Attachment 12 to this Contract, the Contractor shall submit to ASES for its review and prior written approval a plan for such routine audits.

23.4.1.10 The Contractor shall demonstrate, upon request, to ASES that reasonable effort has been made to seek, including through collaboration with Providers, to collect and report Third Party recoveries. ASES shall have the sole responsibility for determining whether or not reasonable efforts have been demonstrated. Said determination shall take into account reasonable industry standards and practices.

23.4.1.11 The Contractor shall comply with 42 CFR 433 Subpart D – Third Party Liability and 42 CFR 447.20 Provider Restrictions: State Plan Requirements, and work cooperatively with ASES to assure compliance with the requirements therein, as it relates to the Medicaid and CHIP populations served by the Contractor's plan and its Third Party Liability and Cost Avoidance responsibilities.

23.4.2 Legal Causes of Action for Damages. ASES or its designee will have the sole and exclusive right to pursue and collect payments made by the Contractor when a legal cause of action for damages is instituted on behalf of a GHP Enrollee against a Third Party, or when ASES receives notices that legal counsel has been retained by or on behalf of any Enrollee. The Contractor shall cooperate with ASES in all collection efforts, and shall also direct its Providers to cooperate with ASES in these efforts.

23.4.3 Estate Recoveries. ASES (or another agency of the Government) will have the sole and exclusive right to pursue and recover correctly paid benefits from the estate of a deceased Enrollee who was Medicaid Eligible in accordance with Federal and Puerto Rico law. Such recoveries will be retained by ASES.

23.4.4 Subrogation

23.4.4.1 Third Party resources shall include subrogation recoveries. The Contractor shall be required to seek subrogation amounts regardless of the amount believed to be available as required by Federal Medicaid guidelines and Puerto Rico law.

23.4.4.2 The amount of any subrogation recoveries collected by the Contractor outside of the Claims processing system shall be treated by the Contractor as offsets to medical expenses for the purposes of reporting.

23.4.4.3 The Contractor shall conduct diagnosis and trauma code editing to identify potential subrogation Claims. This editing should, at minimum, identify Claims with a diagnosis of 900.00 through 999.99 (excluding 994.6) or Claims submitted with an accident trauma indicator of 'Y.'

23.4.5 Cost Avoidance

23.4.5.1 When the Contractor is aware of health or casualty insurance coverage before paying for a Covered Service, the Contractor shall avoid payment by promptly (within fifteen (15) Business Days of receipt) rejecting the Provider's Claim and directing that the Claim be submitted first to the appropriate Third Party.

23.4.5.2 Exceptions to the Cost Avoidance Rule. In the following situations, the Contractor shall first pay its Providers and then coordinate with the liable Third Party, unless prior approval to take other action is obtained from ASES:

23.4.5.2.1 The coverage is derived from a parent whose obligation to pay support is being enforced by a government agency.

23.4.5.2.2 The Claim is for maternal and prenatal services to a pregnant woman or for EPSDT services that are covered by the Medicaid program.

23.4.5.2.3 The Claim is for labor, delivery, and post-partum care and does not involve hospital costs associated with an inpatient stay.

23.4.5.2.4 The Claim is for a child who is in the custody of ADFAN.

23.4.5.2.5 The Claim involves coverage or services mentioned in this Section in combination with another service.

23.4.5.3 If the Contractor knows that the Third Party will neither pay for nor provide the Covered Service, and the service is Medically Necessary, the Contractor shall neither deny payment for the service nor require a written denial from the Third Party.

23.4.5.4 If the Contractor does not know whether a particular service is covered by the Third Party, and the service is Medically Necessary, the Contractor shall promptly (within ten (10) Business Days of receipt of the Claim) contact the Third Party and determine whether or not such service is covered rather than requiring the Enrollee to do so. Further, the Contractor shall require the Provider to bill the Third Party if coverage is available.

23.4.6 Sharing of TPL Information by ASES

23.4.6.1 By the fifth (5^{th}) Calendar Day after the close of the month during which ASES learns of such information, ASES will provide the Contractor with a list of all known health insurance information on Enrollees for the purpose of updating the Contractor's files.

23.4.6.2 Additionally, by the fifteenth (15^{th}) Calendar Day after the close of the calendar quarter, ASES will provide to the Contractor a copy of a report containing all of the health insurers licensed by Puerto Rico as of the close of the previous quarter, and any other related information that is needed to file TPL Claims.

23.4.7 Sharing of TPL Information by the Contractor

23.4.7.1 The Contractor shall submit a monthly report to ASES (following ASES file content, format and transmission specifications) by the fifth (5^{th}) Calendar Day after the close of the month during which the Contractor learns that an Enrollee has new health insurance coverage, or casualty insurance coverage, or of any change in an Enrollee's health insurance coverage. The Contractor shall impose

a corresponding requirement on its Providers to notify the Contractor of any newly discovered coverage.

23.4.7.2 When the Contractor becomes aware that an Enrollee has retained counsel, who either may institute or has instituted a legal cause of action for damages against a Third Party, the Contractor shall notify ASES in writing, including the Enrollee's name and GHP Enrollee identification number, the date of the accident/incident, the nature of the injury, the name and address of the Enrollee's legal representative, copies of the pleadings, and any other documents related to the action in the Contractor's possession or control. This shall include, but not be limited to, the name of the Provider, the Enrollee's diagnosis, the Covered Service provided to the Enrollee, and the amount paid to the Provider for each service.

23.4.7.3 The Contractor shall notify ASES within thirty (30) Calendar Days of the date it becomes aware of the death of one of its Medicaid Eligible Enrollees age fifty-five (55) or older, giving the Enrollee's full name, Social Security number, and date of death. ASES will then determine whether it can recover correctly paid Medicaid benefits from the Enrollee's estate.

23.4.7.4 The Contractor agrees to share with ASES instances of Enrollee non-cooperation with the Contractor's and with Network Providers' efforts to determine sources of Third Party Liability.

23.4.7.5 The Contractor agrees to cooperate with ASES in its oversight and monitoring reviews of all Third Party Liability activities.

23.4.8 Historic Cost Avoidance due to the existence of liable Third Parties is embedded in the cost of health services delivery and is reflected in the rates upon which ASES will base PMPM Payments to the Contractor. The PMPM Payment does not include any reductions due to tort recoveries.

23.5 **GHP as Secondary Payer to Medicare**

23.5.1 In general, as provided in Section 7.12, except for services offered by Medicare Platino plans which operate independently of this Contract, the GHP does not duplicate coverage provided by Medicare to Dual Eligible Beneficiaries and the Contractor shall not be a secondary payer for services for which Medicare is liable.

23.5.1.1 However, in a situation in which a Covered Service is covered in whole or part by both Medicare and GHP (for example, hospitalization services for a Dual Eligible Beneficiary who is enrolled in Medicare Part A only and whose hospitalization costs exceed the Medicare limit, per Section 7.12. of this Contract), the Contractor shall determine liability as a secondary payer as follows:

23.5.1.1.1 If the total amount of Medicare's established liability for the services (Medicare paid amount) is equal to or greater than the negotiated contract rate between the Contractor and the Provider for the services, minus any GHP cost-sharing requirements, then the Provider is not entitled to, and the Contractor shall not pay, any additional amounts for the services.

23.5.1.1.2 If the total amount of Medicare's established liability (Medicare paid amount) is less than the negotiated contract rate between the Contractor and the Provider for the services, minus any GHP cost-sharing requirements, the Provider is entitled to, and the Contractor shall pay, the *lesser* of:

23.5.1.1.2.1 The Medicaid cost-sharing (Deductibles and coinsurance) payment amount for which the Dual Eligible Beneficiary is responsible under Medicare, and

23.5.1.1.2.2 An amount which represents the difference between (1) the negotiated contract rate between the Contractor and the Provider for the service minus any GHP cost-sharing requirements, and (2) the established Medicare liability for the services.

23.5.2 Enrollment Exclusions and Contractor Liability for the Cost of Care. Any Dual Eligible Beneficiary who is already enrolled in a Medicare Platino Plan may not be enrolled by the Contractor. However, if the Contractor operates its own Medicare Platino plan, the Contractor may enroll a Dual Eligible Beneficiary in the Platino plan, which furnishes GHP Benefits, per separate contract with ASES.

23.5.3 Protections for Medicaid Enrollees

23.5.3.1 The Contractor shall neither impose, nor allow Providers to impose, any cost-sharing charges of any kind upon Medicaid Eligibles enrolled in GHP, other than as authorized in this Contract.

23.5.3.2 Unless otherwise permitted by Federal or Puerto Rico law, Covered Services may not be denied to a Medicaid Enrollee because of a Third Party's potential liability to pay for the services, and the Contractor shall ensure that its Cost Avoidance efforts do not prevent Enrollees from receiving Medically Necessary Services.

23.6 **Physician Incentive Plans**

23.6.1 Any Physician Incentive Plans established by the Contractor shall comply with Federal and Puerto Rico regulations, including 42 CFR 422.208 and 422.210, and 42 CFR 438.3(i), and with the requirements in Section 10.7 of this Contract.

23.6.2 The Contractor shall obtain prior written approval from ASES before implementing any Physician Incentive Plan arrangements, as provided in Section 10.7, and shall provide information about such arrangements to Enrollees upon request, as required in Section 6.4.5 of the Contract. Such disclosure shall include:

23.6.2.1 Whether services not furnished by the Provider or PMG are covered by the incentive plan;

23.6.2.2 The type of incentive arrangement;

23.6.2.3 The percentage of Withhold or bonus;

23.6.2.4 The panel size and if patients are pooled, the method used; and

23.6.2.5 If the Provider or PMG is at substantial financial risk proof that the Provider or PMG has adequate stop loss coverage, including amount and type of stop loss.

23.6.3 Annually, the Contractor shall report the information specified by the regulations to ASES in order that ASES can adequately monitor the Contractor's plan, under the criteria set forth in 42 CFR 422.208 and 422.210.

23.6.4 Such Physician Incentive Plans may not provide for payment, either directly or indirectly, to a Provider or PMG as an inducement to reduce or limit Medically Necessary Services furnished to an Enrollee.

23.7 **Financial Reporting Requirements**

23.7.1 The Contractor shall submit to ASES all of the reports as indicated in Section 18.1.

23.7.2 Failure to submit the reports within the established timeframes, or failure to submit complete, accurate reports, may result in the imposition of liquidated damages and/or fines as outlined in Article 20 of this Contract.

23.7.3 The Contractor, at its sole expense, shall submit by May 15 (or a later date if approved by ASES) of each year a "Report on Controls Placed in Operation and Tests of Operating Effectiveness," meeting all standards and requirements of the SSAE 18 for the Contractor's operations performed for ASES under the GHP Contract.

23.7.3.1 The audit shall be conducted by an independent auditing firm, with prior audit experience using AICPA "Statements on Auditing Standards". The auditor shall meet all AICPA standards for independence. The selection of, and contract with the independent auditor shall be subject to the prior written approval of ASES. ASES reserves the right to, at the Contractor's expense; designate other auditors or reviewers to examine the Contractor's operations and records for monitoring and/or stewardship purposes.

23.7.3.2 The Contractor will deliver to ASES, along with the Report on Controls Placed in Operation and Tests of Operating Effectiveness, the findings and recommendations of the independent audit firm encountered in the preparation of such a report. The audit shall be conducted and the report shall be prepared in accordance with generally accepted auditing standards for such audits as defined in the publications of the AICPA, entitled "Statements on Auditing Standards" (SAS). In particular, SSAE 18 is to be used.

23.7.3.3 The Contractor shall respond to the audit findings and recommendations within thirty (30) Calendar Days of receipt of the final audit report. Also the Contractor must submit a Corrective Action Plan to ASES which will be subject to ASES' prior review and written approval within twenty (20) Calendars Days of the notification of the audit. The Contractor must implement the Corrective Action Plan, as a maximum, within fifteen (15) Calendar Days of its approval by ASES. The entity should request an extension by formal written request addressed to the Office of Compliance of ASES who will evaluate the request and provide the specific timeframe for the extension.

23.7.4 The Contractor shall submit to ASES a "Disclosure of Information on Annual Business Transactions." This report shall include:

23.7.4.1 Definition of A Party in Interest. As defined in Section 1318(b) of the Public Health Service Act, a party in interest is:

23.7.4.1.1 (i) Any director, officer, partner, or employee responsible for management or administration of the Contractor; (ii) any person or legal entity that is directly or indirectly the beneficial owner of more than five percent (5%) of the equity of the Contractor; (iii) any person or legal entity that is the beneficial owner of a mortgage, deed of trust, note, or other interest secured by, and valuing more than five percent (5%) of the Contractor; or, (iv) in the case of a Contractor organized as a nonprofit corporation, an incorporator or enrollee of such corporation under applicable Puerto Rico corporation law;

23.7.4.1.2 Any organization in which a person or a legal entity described in Section 23.7.4.1.1 is director, officer or partner; has directly or indirectly a beneficial interest of more than five percent (5%) of the equity of the Contractor; or has a mortgage, deed of trust, note, or other interest valuing more than five percent (5%) of the assets of the Contractor;

23.7.4.1.3 Any person directly or indirectly controlling, controlled by, or under common control with the Contractor; or

23.7.4.1.4 Any spouse, child, or parent of an individual described in Sections 23.7.4.1.1-23.7.4.1.3.

23.7.4.2 Types of Transactions Which Must Be Disclosed. Business transactions which must be disclosed include:

23.7.4.2.1 Any sale, exchange or lease of any property between the Contractor and a party in interest;

23.7.4.2.2 Any lending of money or other extension of credit between the Contractor and a party in interest; and

23.7.4.2.3 Any furnishing for consideration of goods, services (including management services) or facilities between the Contractor and the party in interest. This does not include salaries paid to employees for services provided in the normal course of their employment.

23.7.4.3 The information which must be disclosed in the transactions listed in this Section 23.7.4 between the Contractor and a party of interest includes:

23.7.4.3.1 The name of the party in interest for each transaction;

23.7.4.3.2 A description of each transaction and the quantity or units involved;

23.7.4.3.3 The accrued dollar value of each transaction during the fiscal year; and

23.7.4.3.4 Justification of the reasonableness of each transaction.

23.7.4.4 As per 42 CFR 455.105 the Contractor, within thirty-five (35) Calendar Days of the date of request by the HHS Secretary, ASES or the Puerto Rico Medicaid agency, and on an annual basis to ASES and the Puerto Rico Medicaid agency, shall report full and complete information about:

23.7.4.4.1 The ownership of any subcontractor with whom the provider has had business transactions totaling more than $25,000 during the twelve (12) month period ending on the day of the request; and

23.7.4.4.2 Any significant business transactions between the provider and any wholly owned supplier, or between the provider and any subcontractor, during the five (5) year period ending on the date of the request.

23.7.4.5 Disclosures of Information on Annual Business Transactions or other reports of transactions between the Contractor and parties in interest provided to ASES or other agencies must be made available to Enrollees upon reasonable request.

ARTICLE 24 PAYMENT OF TAXES

24.1 The Contractor certifies and guarantees that at the time of execution of this Contract:

24.1.1 It is an entity duly authorized to conduct business in Puerto Rico and has filed income tax returns for the previous five (5) years;

24.1.2 It complied with and paid unemployment insurance tax, disability insurance tax (Law 139), social security for drivers ("seguro social choferil"), if applicable;

24.1.3 It filed State Department reports for the five (5) previous years; and

24.1.4 It does not owe any kind of taxes to Puerto Rico.

24.2 The Contractor will forthwith pay all taxes lawfully imposed upon it with respect to this Contract or any product delivered in accordance herewith. ASES makes no representation whatsoever as to the liability or exemption from liability of Contractor to any tax imposed by any governmental entity.

24.3 Notwithstanding the above, if, as a result of the enactment of any Federal, state, local or municipal legal provision, administrative regulation, or government directive, the Contractor is burdened with a requirement to pay a fee, tax, imposition, levy, or duty with regards to any of the proceeds of this Contract, including but not limited to the imposition of any fees pertaining to the existence of any government contracts, or any sales and use tax (IVU, for its Spanish acronym), ASES will evaluate, in good faith, an adjustment to the PMPM Payment under this Contract, among other possible alternatives.

ARTICLE 25 RELATIONSHIP OF PARTIES

25.1 Neither Party is an Agent, employee, or servant of the other. It is expressly agreed that the Contractor and any Subcontractors and Agents, officers, and employees of the

Contractor or any Subcontractor in the performance of this Contract shall act as independent contractors and not as officers or employees of ASES. The Parties acknowledge, and agree, that the Contractor, its Agent, employees, and servants shall in no way hold themselves out as Agent, employees, or servants of ASES. It is further expressly agreed that this Contract shall not be construed as a partnership or joint venture between the Contractor or any Subcontractor and ASES.

ARTICLE 26 INSPECTION OF WORK

26.1 ASES, the Puerto Rico Medicaid Program, other agencies of the Government, the US Department of Health and Human Services, the General Accounting Office, the US Comptroller General, the Comptroller General of Puerto Rico, if applicable, or their Authorized Representatives, shall have the right to enter into the premises of the Contractor or all Subcontractors, or such other places where duties under this Contract are being performed for ASES, to inspect, monitor or otherwise evaluate the services or any work performed pursuant to this Contract. All inspections and evaluations of work being performed shall be conducted with prior notice and during normal business hours. All inspections and evaluations shall be performed in such a manner that will not unduly delay work.

ARTICLE 27 GOVERNMENT PROPERTY

27.1 The Contractor agrees that any papers, materials and other documents that are produced or that result, directly or indirectly, from, under or in connection with the Contractor's provision of the services under this Contract shall be the property of ASES upon creation of such documents, for whatever use that ASES deems appropriate, and the Contractor further agrees to prepare any and all documents, including the Deliverables listed in Attachment 12 to this Contract, or to take any additional actions that may be necessary in the future to effectuate this provision fully. In particular, if the work product or services include the taking of photographs or videotapes of individuals, the Contractor shall obtain the consent from such individuals authorizing the use by ASES of such photographs, videotapes, and names in conjunction with such use. The Contractor shall also obtain necessary releases from such individuals, releasing ASES from any and all claims or demands arising from such use.

27.2 The Contractor shall be responsible for the proper custody and care of any ASES-owned property furnished for the Contractor's use in connection with the performance of this Contract. The Contractor will reimburse ASES for its loss or damage, normal wear and tear excepted, while such property is in the Contractor's custody or use.

ARTICLE 28 OWNERSHIP AND USE OF DATA AND SOFTWARE

28.1 Ownership and Use of Data

28.1.1 All Information created from Data, documents, messages (verbal or electronic), reports, or meetings involving or arising out of or in connection with this Contract is owned by ASES (the information will be hereinafter referred to as "ASES Data and Information"). The Contractor shall make all Data and Information available to ASES, which will also provide the Data to CMS or other pertinent government agencies and authorities upon request. The Contractor is expressly prohibited from sharing, distributing, disseminating, or publishing ASES Data and Information without the express prior written consent of ASES. In the event of a dispute regarding what is or is not ASES Data and Information, ASES's decision on this matter shall be final and not subject to appeal.

28.1.2 ASES acknowledges that before executing this Contract and in contemplation of the same, the Contractor has developed and designed certain programs and systems such as standard operating procedures, programs, business plans, policies and procedures, which ASES acknowledges are the exclusive property of the Contractor. Nevertheless, in case of default by the Contractor, ASES is hereby authorized to use to the extent allowable by any applicable commercial software and hardware licensing that exists at that moment or with which agreement can be reached at that moment with the vendor to modify such licensing to permit its use by ASES, at no cost to ASES, such properties for a period of one hundred and twenty (120) Calendar Days to effect an orderly transition to any new Contractor or service provider. In any cases where the use of such systems from an operational perspective would also impact other lines of the Contractor's business or where licensing restrictions cannot be remedied, the Contractor shall operate such systems on behalf of ASES. Such operation by the Contractor on behalf of ASES can occur at ASES' discretion under the full supervision of their employees or appointed third party personnel. Under such a scenario, ASES' access to Data will be restricted through the most efficient means possible to the Contractor's Data segment. If the Contractor fails to operate such systems on ASES' behalf in a timely manner per normal previous operating schedule, ASES may claim ownership of such systems and operate them for its own purposes.

28.1.3 The Contractor shall not deny access to ASES's Data under any case or circumstances, nor retain ASES's Data while controversies between ASES and the Contractor are resolved and finally adjudicated

28.2 Responsibility for Information Technology Investments

28.2.1 The Parties understand and agree that the cost of any newly acquired or developed software programs or upgrades or enhancements to existing software programs, hardware, or other related information technology equipment or

infrastructure component, made in order to comply with the requirements of this Contract shall be borne in its entirety by the Contractor.

ARTICLE 29 CRIMINAL BACKGROUND CHECKS

29.1 ASES is prohibited by law from entering into contracts with any person or entity that has been, or whose affiliated subsidiary companies, or any of its shareholders, partners, officers, principals, managing employees, subsidiaries, parent companies, officers, directors, board members, or ruling bodies have been, under investigation for, accused of, convicted of, or sentenced to imprisonment, in Puerto Rico, the other USA jurisdictions, or any other jurisdiction, for any crime involving corruption, fraud, embezzlement, or unlawful appropriation of public funds, pursuant to Act 458, as amended, and Act 84 of 2002.

29.2 Before the Effective Date of this Contract, and in order for the Contract to take effect, the Contractor shall provide to ASES a certification that neither the Contractor nor the affiliated persons/entities listed in Section 29.1 falls under the prohibition stated in Section 29.1. In addition, the Contractor shall provide to ASES a certification as to whether, to the best of its knowledge after inquiry, any Network Provider, or any shareholder, partner, officer, principal, managing employee, subsidiary, parent company, officer, director, board member, or ruling body of a Network Provider, falls under the prohibition stated in Section 29.1.

29.3 ASES may terminate this Contract if ASES determines that the Contractor, or any of the natural persons listed in Section 29.1, falls within the prohibition stated in Section 29.1, or failed to provide an accurate certification as required in Section 29.2. In addition, the Contractor shall terminate a Provider Contract if it determines that a Provider, or any of the natural persons listed in Section 29.1, falls within the prohibition stated in Section 29.1.

29.4 During the Contract Term, the Contractor shall promptly (within twenty (20) Business Days of the date it receives the information) report any significant fact or event related to the rule stated in this Article.

29.5 In cases in which none of the events listed in Section 29.1 has occurred, but statements or admissions of crimes have been made by or against the Contractor or one of its shareholders, partners, officers, principals, subsidiaries, or parent companies, ASES shall provide all pertinent information about the matter, within twenty (20) Business Days from the date it receives the information, to the Secretary of Justice of Puerto Rico, who will make the pertinent findings and recommendations concerning the Contract.

29.6 In addition, as provided in 42 CFR 455.106(c), ASES may refuse to enter into or renew an agreement with any entity if any person who has an ownership or control interest in the entity, or is an Agent or managing employee of the entity, has ever 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. Before the Effective Date of this Contract, pursuant to 42 CFR 455.106(a), the Contractor shall disclose to ASES the identity of any person who has ever been convicted of a criminal offense related to the Medicare, Medicaid, or Title XX services programs. The Contractor shall collect the same information on criminal conviction for Providers during the Credentialing process, as provided in Section 9.2.3 and shall, immediately upon receipt of such information relating to a Provider, disclose the information to ASES. ASES will notify the HHS Inspector General of any disclosures related to criminal convictions within twenty (20) Business Days from the date that ASES receives the information, as required by 42 CFR 455.106.

ARTICLE 30 SUBCONTRACTS

30.1 Use of Subcontractors

30.1.1 In carrying out the terms of this Contract, the Contractor, with the prior written approval of ASES, may enter into written Subcontract(s) with other entities for the provision of administrative services or a combination of Covered Services and administrative services, under terms and conditions acceptable to ASES in its sole discretion.

30.1.2 The Contractor shall assume sole responsibility for all functions performed by a Subcontractor(s), as well as any payments to a Subcontractor(s) for services related to this Contract. In the event that a Subcontractor is incapable of performing the service contracted for by the Contractor, the Contractor shall (i) notify ASES within two (2) Business Days and (ii) assume responsibility for providing the services that the Subcontractor is incapable of performing. The Contractor shall remain obligated to provide any services that the Subcontractor is incapable of performing.

30.1.3 If the Contractor becomes aware of a Subcontractor's failure to comply with this Contract, the Contractor shall correct the failure within thirty (30) Calendar Days of becoming aware of the failure.

30.1.4 All Subcontracts between the Contractor and Subcontractors must be in writing, must comply with all applicable Medicaid laws and regulations, including subregulatory guidance and provisions set forth in this Contract, as applicable, and must specify the activities and responsibilities delegated to the Subcontractor containing terms and conditions consistent with this Contract and 42 CFR 438.230(c). The Subcontracts must also include provisions for revoking delegation or imposing other sanctions if the Subcontractor's performance is inadequate. The Contractor and the Subcontractors must also make reference to a business associate agreement between the Parties.

30.1.5 All Subcontracts between the Contractor and Subcontractors must ensure that the Contractor evaluates the prospective Subcontractor's ability to perform the

activities to be delegated; monitors the Subcontractor's performance on an ongoing basis and subjects it to formal review according to a periodic schedule established by ASES and consistent with industry standards or Puerto Rico laws and regulations; and identifies deficiencies or areas for improvement, ensuring that corrective action is taken as appropriate or required. The Contractor must provide to ASES, on behalf of the Subcontractor, any and all materials required under Puerto Rico law to enter into a contract with the Government of Puerto Rico, in accordance with Puerto Rico Department of Treasury Circular Letter Number 1300-16-16.

30.1.6 The Contractor shall not Subcontract or permit anyone other than Contractor personnel to perform any of the work, services, or other performances required of the Contractor under this Contract relating to functions associated with the provision of Benefits to Enrollees or assign any of its rights or obligations hereunder, without the prior written consent of ASES. Prior to hiring or entering into a Subcontract with any Subcontractor, any and all Subcontractors shall be previously approved in writing by ASES. ASES reserves the right to review all Subcontract agreements at any time during the Contract Term. Upon request from ASES, the Contractor shall provide in writing the names of all proposed or actual Subcontractors.

30.1.7 The Contractor shall not engage nor contract with a person or entity that is debarred or suspended or otherwise excluded from participating in procurement activities under the Federal Acquisition Regulation (FAR) or from participating in non-procurement activities under regulations issued under Executive Order No. 12549 or under guidelines implementing Executive Order No. 12549, or a person or entity that is an Affiliate, as defined in FAR, of a such a person or entity (see 42 CFR 438.610).

30.1.8 ASES shall have the right to review all financial or business transactions between the Contractor and a Subcontractor at any time upon request. ASES, CMS, or Office of Inspector General may inspect, evaluate and audit the Subcontractor at any time if ASES, CMS or Office of Inspector General determines there is a reasonable possibility of fraud or similar risk. ASES shall also retain the right to review all criminal background checks for all employees of the Subcontractor, as referenced in Article 29, as well as any past exclusion from Federal programs.

30.1.9 The Contractor shall provide ASES Immediate notice by certified mail, of any action or suit filed and of any claim made against the Contractor by the Subcontractor or against a Subcontractor(s) that, in the opinion of the Contractor, may result in litigation related in any way to this Contract. The Contractor shall provide notification in writing as to how this action or suit may affect the overall provision of services to Enrollees and the Contractor's plan to mitigate such affect.

30.1.10 When a Subcontract related to the provision of Covered Services or that includes Claims processing services is being terminated other than for cause, the Contractor shall give at least one hundred twenty (120) Calendar Days prior written notice of the termination to ASES. If the termination is for cause, the Contractor shall Immediately notify ASES.

30.1.11 The Contractor shall give ASES Immediate notice in writing by registered mail or certified mail of any action or suit filed by any Subcontractor and prompt notice of any claim made against the Contractor by any Subcontractor or vendor that, in the opinion of Contractor, may result in litigation related in any way to this Contract.

30.1.12 Pursuant to the requirements of 42 CFR 438.230(c)(3)(i) and 42 CFR 438.3(k), ASES, CMS, the Office of Inspector General, the Comptroller General, and their respective designees shall have the right at any time to inspect, evaluate, and audit any books, records, contractors, computer or other electronic systems of the Subcontractor, or of the Subcontractor's contractor, that pertain to any aspect of services and activities performed or determination of amounts payable under this Agreement. In addition, Contractor must ensure full and continued access by ASES and the agencies and designees listed herein to any data, information and documentation in a Subcontractor's possession, even if such access requires additional cost or expense borne by Contractor.

30.1.13 All Subcontractors must fulfill the requirements of 42 CFR 438.3, 438.6 and 438.230 as appropriate. Subcontractors shall also retain, as applicable, Enrollee grievance and appeal records as per 42 CFR 438.416, base data for setting actuarially sound capitation rates as per 42 CFR 438.5(c), Medical Loss Ratio reports as per 42 CFR 438.8(k), and the data, information and documentation specified in 42 CFR 438.604, 438.606, 438.608, and 438.610 for a period of no less than ten (10) years, as set forth in Section 33.1.1.

30.1.14 All Subcontracts entered into by the Contractor must comply with the applicable 42 CFR part 438 requirements that pertain to the service or activity performed by the Subcontractor.

30.2 **Cost or Pricing by Subcontractors**

30.2.1 The Contractor shall submit to ASES, and shall require any Subcontractors hereunder to submit to ASES, cost or pricing Data for any Subcontract to this Contract prior to award. The Contractor shall also certify that the information submitted by the Subcontractor is, to the best of the Contractor's knowledge and belief, accurate, complete and current as of the date of agreement, or the date of the negotiated price of the Subcontract or amendment to the Contract. The Contractor shall insert the substance of this Section in each Subcontract hereunder.

30.2.2 If ASES determines that any price, including profit or fee negotiated in connection with this Contract, or any cost reimbursable under this Contract was increased by any significant sum because of the inaccurate cost or pricing Data, then such price and cost shall be reduced accordingly and this Contract and the Subcontract shall be modified in writing to reflect such reduction.

ARTICLE 31 REQUIREMENT OF INSURANCE LICENSE

31.1 In order for this Contract to take effect, the Contractor must be licensed to underwrite health insurance by the Puerto Rico Insurance Commissioner. The Contractor must submit a copy of its insurance license according to the timeframe specified in Attachment 12 to this Contract.

31.2 The Contractor shall renew the license as required, and shall submit evidence of the renewal to ASES within thirty (30) Calendar Days of the expiration date of the license.

ARTICLE 32 CERTIFICATIONS

32.1 The Contractor shall provide to ASES within fifteen (15) Calendar Days of the Effective Date of this Contract, and thereafter by January 10 of each calendar year during the Contract Term, the certifications and other documents set forth below, according to the timeframe specified below. If any certification, document, acknowledgment, or other representation or assurance on the Contractor's part under this Article, or elsewhere in this Contract, is determined to be false or misleading, ASES shall have cause for termination of this Contract or to withhold the amount of any existing debt owed to the Government of Puerto Rico in order to make a payment on behalf of the Contractor. In the event that the Contract is terminated based upon this Article, the Contractor shall reimburse ASES all sums of monies received under the Contract; provided, however, that the amount reimbursed shall not exceed the amount of outstanding debt, less any payments made by the Contractor in satisfaction of such debt.

32.2 The Contractor shall submit the following certifications:

32.2.1 Certification issued by the Treasury Department of Puerto Rico (Model SC-2888) with evidence that that the Contractor has filed income tax returns in the past five (5) years or has non-profit status;

32.2.2 Certification from the Treasury Department of Puerto Rico that Contractor has no outstanding debt with the Department or, if such a debt exists, it is subject to a payment plan or pending administrative review under applicable law or regulation (Model SC-3537);

32.2.3 Certification from the Center for the Collection of Municipal Revenues certifying that there is no outstanding debt or, if a debt exists, that such debt is

subject to payment plan or pending administrative review under applicable law or regulations;

32.2.4 Certification from the Department of Labor and Human Resources certifying compliance with unemployment insurance, temporary disability insurance and/or chauffeur's social security, if applicable;

32.2.5 Evidence of Incorporation and of Good Standing issued by the Department of State of Puerto Rico;

32.2.6 Certification of current municipal license tax ("Patentes Municipales"), if applicable;

32.2.7 Certification issued by the Minor Children Support Administration ("ASUME", by its Spanish acronym) of no outstanding alimony or child support debts, if applicable;

32.2.8 A sworn statement certifying that it has no debt with the Government, or with any State agencies, corporations or instrumentalities that provide or are related to the provision of health services; or that such debt is subject to a payment plan with which the Contractor is in compliance, a work plan to reconcile amounts in controversy with which the Contractor is in compliance, or pending administrative review under applicable law or regulations; and

32.2.9 Certification from the Puerto Rico Administration of Medical Services ("ASEM", its Spanish acronym) certifying that there is no outstanding debt or, if a debt exists, that such debt is subject to a payment plan with which the Contractor is in compliance, a work plan to reconcile amounts in controversy with which the Contractor is in compliance, or pending administrative review under applicable law or regulations.

32.3 The Contractor shall, in addition, provide the following documents:

32.3.1 A list of all contracts the Contractor has with government agencies, public corporations or municipalities, including those contracts in the process of being executed;

32.3.2 A letter indicating if any of its directors serves as member of any governmental board of directors or commission;

32.3.3 A certificate of the Corporate Resolution, or appropriate resolution, authorizing the person signing this Contract to appear on behalf of the Contractor;

32.3.4 Evidence of compliance with the Compensation System for Work-Related Accidents Act ("Fondo del Seguro del Estado de Puerto Rico"); and

32.3.5 A copy of the Insurance Coverage Certificate as required in Article 37.

32.4 If the Contractor fails to meet the obligations of Sections 32.2 and 32.3 within the required timeframe, ASES shall cease payment to the Contractor until the documents have been delivered to the ASES's satisfaction, or adequate evidence is provided to ASES that reasonable efforts have been made to obtain the documents.

ARTICLE 33 RECORDS REQUIREMENTS

33.1 General Provisions

33.1.1 The Contractor and its Subcontractors, if any, shall preserve and make available all of its records pertaining to the performance under this Contract for inspection or audit, as provided below, throughout the Contract Term, for a period of ten (10) years from the date of final payment under this Contract, and for such period, if any, as is required by applicable statute or by any other section of this Contract. If the Contract is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for period of ten (10) years from the Termination Date of the Contract or of any resulting final settlement. The Contractor is responsible to preserve all records pertaining to its performance under this Contract, and to have them available and accessible in a timely manner, and in a reasonable format that assures their integrity. Records that relate to Appeals, litigation, or the settlements of Claims arising out of the performance of this Contract, or costs and expenses of any such agreements as to which exception has been taken by the Contractor or any of its duly Authorized Representatives, shall be retained by Contractor until such Appeals, litigation, Claims or exceptions have been disposed of.

33.2 Records Retention and Audit Requirements

33.2.1 Since funds from the Puerto Rico Plans under Title XIX and Title XXI of the Social Security Act Medical Assistance Programs (Medicaid and CHIP) are used to finance this project in part, the Contractor shall agree to comply with the requirements and conditions of the Centers for Medicare and Medicaid Services (CMS), the US Comptroller General, the Comptroller of Puerto Rico and ASES, as to the maintenance of records related to this Contract.

33.2.2 Puerto Rico and Federal standards for audits of ASES Agents, contractors, and programs are applicable to this section and are incorporated by reference into this Contract as though fully set out herein.

33.2.3 Pursuant to the requirements of 42 CFR 434.6(a)(5) and 42 CFR 434.38, ASES, CMS, the Office of Inspector General, the Comptroller General, the Medicaid Fraud Control Unit, and their respective designees shall have the right at any time to inspect, evaluate, and audit any pertinent records or documents of the Contractor and Subcontractors, and may inspect the premises, physical facilities, equipment, computers or other electronic systems where activities or

work related to the GHP program is conducted. The right to audit exists for ten (10) years from the final date of the contract period or from the date of completion of any audit, whichever is later. Any records requested hereunder shall be produced Immediately for on-site review or sent to the requesting authority by mail within fourteen (14) Calendar Days following a request. All records shall be provided at the sole cost and expense of the Contractor. ASES shall have unlimited rights to use, disclose, and duplicate all Information and Data in any way relating to this Contract in accordance with applicable Puerto Rico and Federal laws and regulations.

33.2.4 In certain circumstances, as follows, the authorities listed in Section 33.2.3 shall have the right to inspect and audit records in a timeframe that exceeds the timeframe set forth in Section 33.1.1.

33.2.4.1 ASES determines that there is a special need to retain a particular record or group of records for a longer period and notifies the Contractor at least thirty (30) Calendar Days before the expiration of the timeframe set forth in Section 33.1.1.

33.2.4.2 There has been a Contract termination, dispute, fraud, or similar fault by the Contractor, resulting in a final judgment or settlement against the Contractor, in which case the retention may be extended to three (3) years from the date of the final judgment or settlement.

33.2.4.3 ASES determines that there is a reasonable possibility of Fraud, and gives the Contractor notice, before the expiration of the timeframe set forth in Section 33.1.1, that it wishes to extend the time period for retention of records.

33.2.4.4 There has been, during the time period set forth in Section 33.1.1, an audit initiated by CMS, the Comptroller of Puerto Rico, the US Comptroller General, and/or ASES, in which case the timeframe for retention of records shall extend until the conclusion of the audit and publication of the final report.

33.2.5 All records retention requirements set forth in this Article or in any other Article shall be subject at all times and to the extent mandated by law and regulation, to the HIPAA regulations described elsewhere in this Contract.

33.3 **Medical Record Requests**

33.3.1 The Contractor shall ensure that a copy of each Enrollee's Medical Record is made available, without charge, upon the written request of the Enrollee or Authorized Representative within fourteen (14) Calendar Days of the receipt of the written request.

33.3.2 The Contractor shall ensure that Medical Records are furnished at no cost to a Provider, upon the Enrollee's request, no later than fourteen (14) Calendar Days following the written request.

ARTICLE 34 CONFIDENTIALITY

34.1 General Confidentiality Requirements

34.1.1 The Contractor shall protect all information, records, and Data collected in connection with the Contract from unauthorized disclosures. In addition, the Contractor shall agree to guard the confidentiality of Enrollee information. Access to all individually identifiable information relating to Medicaid Enrollees that is obtained by the Contractor shall be limited by the Contractor to Subcontractors, consultants, advisors or agencies that require the information in order to perform their duties in accordance with this Contract, and to such others as may be authorized by ASES in accordance with applicable law, including individuals seeking access to their own Protected Health Information, as defined by HIPAA (PHI).

34.1.2 The Contractor is responsible for understanding the degree to which information obtained through the performance of this Contract is confidential under Puerto Rico and Federal law, rules, and regulations.

34.1.3 Any other individual or entity shall be granted access to confidential Information only after complying with the requirements of Puerto Rico and Federal law pertaining to such access and the terms of this Contract. ASES shall have absolute authority to determine if and when any other individual or entity has properly obtained the right to have access to this confidential information. Contractor is permitted to de-identify PHI or create limited data sets, but such de-identification and use of de-identified data and limited data sets must be in full compliance with 45 CFR 164.514. Nothing herein shall prohibit the disclosure of information in summary, statistical, or other form that does not identify particular individuals if the information is de-identified in accordance with applicable laws and regulations. The Contractor shall retain the right to use information for its quality and Utilization Management and research purposes subject to the Data ownership and publicity requirements defined within the Contract. Notwithstanding the foregoing, Contractor may not use or disclose PHI for research unless such use or disclosure is in full compliance with applicable law, including HIPAA.

34.1.4 The Contractor, its employees, Agents, Subcontractors, consultants or advisors must treat all information that is obtained through Providers' performance of the services under this Contract, including, but not limited to, information relating to Enrollees, Potential Enrollees, as confidential Information to the extent that confidential treatment is provided under Puerto Rico and Federal law, rules, and regulations.

34.1.5 Any disclosure or transfer of confidential information by the Contractor, including information required by ASES, will be encrypted or otherwise secured in accordance with applicable law. If the Contractor receives a request for information deemed confidential under this Contract, the Contractor will Immediately notify ASES of such request, and will make reasonable efforts to protect the information from public disclosure.

34.1.6 In accordance with the timeframes outlined in Attachment 12 to this Contract, the Contractor shall develop and provide to ASES for review and approval written policies and procedures for the protection of all records and all other documents deemed confidential under this Contract including Medical Records/Enrollee information and adolescent/sexually transmitted disease appointment records. All Enrollee information, Medical Records, Data and Data elements collected, maintained, disclosed, transmitted, disposed or used in the administration of this Contract shall be protected by the Contractor from unauthorized disclosure per the HIPAA Privacy and Security standards codified at 45 CFR Part 160 and 45 CFR Part 164, Subparts A, C and E, and in accordance with Law 111 of September 7, 2005. The Contractor must provide safeguards that restrict the use, access, management, transmittal, disposal or disclosure of PHI concerning Enrollees to purposes directly connected with the administration of this Contract and as permitted by the HIPAA Business Associate Agreement.

34.1.7 The Contractor must comply with HIPAA notification requirements, including those set forth in HITECH. The Contractor must notify ASES's Privacy Officer and Director of Compliance by secure email of all Breaches or suspected Breaches of unspecified PHI, as defined by HITECH and Law 111 of September 7, 2005, without unreasonable delay and in no event later than twenty-four (24) hours, if so directed by ASES or required by law, must also notify individuals and the federal Department of Health and Human Services and provide any other notices required by law. If, in ASES's determination, the Contractor has not provided notice in the manner or format prescribed by HITECH, then ASES may require the Contractor to provide such notice or be subject to sanctions for non-compliance.

34.1.8 Assurance of Confidentiality

34.1.8.1 The Contractor shall take reasonable steps to ensure the physical security of Data under its control, including, but not limited to: fire protection; protection against smoke and water damage; alarm systems; locked files, guards, or other devices reasonably expected to prevent loss or unauthorized removal of manually held Data; passwords, access logs, badges, or other methods reasonably expected to prevent loss or unauthorized access to electronically or mechanically held Data; limited terminal access; limited access to input documents and output documents; and design provisions to limit use of Enrollee names.

34.1.8.2 The Contractor shall inform and provide quarterly trainings to each of its employees having any involvement with personal Data or other confidential information, whether with regard to design, development, operation, or maintenance, of the Puerto Rico and Federal law relating to confidentiality. The Contractor shall also set forth training requirements for its Agents, Subcontractors, consultants, advisors and Providers.

34.1.9 Return of Confidential Data

34.1.9.1 The Contractor shall return all Data, PHI, and other confidential information furnished pursuant to this Contract promptly at the request of ASES in whatever form it is maintained by the Contractor. Upon the termination or completion of the Contract, the Contractor may not use any such Data or any material derived from the Data for any purpose not permitted by Puerto Rico or Federal law or regulation and where so instructed by ASES shall destroy such Data or material if permitted and required by Puerto Rico or Federal law or regulation.

34.1.10 Publicizing Safeguarding Requirements

34.1.10.1 The Contractor shall comply with 42 CFR 431.304. The Contractor agrees to publicize provisions governing the confidential nature of information about Enrollees, including the legal sanctions imposed for improper disclosure and use. The Contractor must include these provisions in the Enrollee handbook and provide copies of these provisions to Enrollees and to other persons and agencies to which information is disclosed.

34.1.10.2 In addition to the requirements expressly stated in this Article, the Contractor must comply with any policy, rule, or reasonable requirement of ASES that relates to the safeguarding or disclosure of information relating to Enrollees, the Contractor's operations, or the Contractor's performance of this Contract.

34.1.10.3 In the event of the expiration of this Contract or termination thereof for any reason, all confidential information disclosed to and all copies thereof made by the Contractor and its Agents, Subcontractors, consultants, and advisors must be returned promptly to ASES at its request or, at ASES's option, erased or destroyed in the presence of ASES employees or representatives in compliance with applicable laws and regulations. The Contractor must provide ASES certificates evidencing such destruction.

34.1.10.4 The Contractor's contracts with practitioners and other Providers shall explicitly state expectations about the confidentiality of ASES's confidential information and Enrollee records.

34.1.10.5 The Contractor shall afford Enrollees and/or their Authorized Representatives the opportunity to approve or deny the release of identifiable personal information by the Contractor to a person or entity outside of the Contractor, except to duly authorized Subcontractors, Providers or review organizations, or when such release is required by law, regulation, or quality standards or as otherwise permitted in the HIPAA Business Associate Agreement.

34.1.10.6 This Article 34 does not restrict the Contractor from making any disclosure pursuant to any applicable law, or under any court or government agency, provided that the Contractor, prior to the disclosure, Immediately provides notice to ASES of such order.

34.1.11 Disclosure of ASES's Confidential Information

34.1.11.1 The Contractor shall Immediately report to ASES any and all suspected and actual unauthorized disclosures (breaches) or uses of confidential information of which it or its Subcontractors, consultants, or Agents are aware or have knowledge of. The Contractor acknowledges that any publication or disclosure of confidential information to unauthorized persons may cause immediate and irreparable harm to ASES and may constitute a violation of Puerto Rico or Federal statutes. If the Contractor, its Subcontractors, consultants, or Agents should publish or disclose Confidential Information to others without authorization, ASES will immediately be entitled to injunctive relief or any other remedies to which it is entitled under law or equity. ASES will have the right to recover from the Contractor all damages and liabilities caused by or arising from the Contractor's, its Subcontractors', Network Providers', representatives', consultants', or Agents' failure to protect confidential Information. The Contractor will defend with counsel approved by ASES, indemnify and hold harmless ASES from all damages, costs, liabilities, and expenses caused by or arising from the Contractor's, or its Subcontractors', Providers', representatives', consultants' or Agents' failure to protect confidential Information. ASES will not unreasonably withhold approval of counsel selected by the Contractor.

34.1.12 The Contractor shall remove any person from performance of services hereunder upon notice that ASES reasonably believes that such person has failed to comply with the confidentiality obligations of this Contract. The Contractor shall replace such removed personnel in accordance with the staffing requirements of this Contract.

34.1.13 ASES, the Government, Federal officials as authorized by Federal law or regulations, or the Authorized Representatives of these Parties shall have access to all confidential information in accordance with the requirements of Puerto Rico and Federal laws and regulations.

34.1.14 The confidentiality provisions contained in this Contract survive the termination of this contract and shall bind the Contractor, and its PMGs and Network Providers, so long as they maintain any PHI relating to Enrollees.

34.2 **HIPAA Compliance**

34.2.1 The Contractor shall assist ASES in its efforts to comply with HIPAA and its amendments, rules, procedures, and regulations. To that end, the Contractor shall cooperate with and abide by any data privacy, security or other requirements mandated by HIPAA or any other applicable laws. The Contractor acknowledges that HIPAA requires the Contractor and ASES to sign documents for compliance purposes, including but not limited to a business associate agreement. The parties agree to the terms of the HIPAA Business Associate Agreement included as Attachment 18 to this Contract, which is incorporated by reference. The Contractor shall cooperate with ASES on these matters and sign whatever documents may be required for HIPAA compliance and abide by their terms and conditions. This Agreement, including the HIPAA Business Associate Agreement, shall be construed in a manner that allows ASES to comply with applicable law. Contractor shall be responsible for ensuring that individuals have the right to access and amendment of PHI and accounting of disclosures, with respect to PHI created, received, maintained or transmitted by Contractor. Contractor shall ensure that Enrollees receive a Notice of Privacy Practices as required by HIPAA.

34.3 **Privacy of Information in Enrollment Database**

34.3.1 Any individually identifiable health information held in the Enrollment Database described in Section 5.3.8 of this Contract shall be kept confidential and shall be used and disclosed by the Contractor or its Network Providers only for purposes directly connected with performance of all obligations contained in this Contract and as permitted by the HIPAA Business Associate Agreement, and in strict compliance with HIPAA's privacy and security requirements and any applicable laws of Puerto Rico.

34.4 **Data Breach**

34.4.1 The Contractor shall Immediately report to ASES, as required in Section 13402 of the HITECH Act, of any actual or suspected event where ASES's Data could be exposed in a non-authorized or illegal circumstance, and/or when any Data Breach occurs. The Contractor must take all reasonable steps to mitigate the Breach, notify actual or potentially impacted Enrollees, and provide appropriate

notice to the applicable State and Federal regulatory agencies as required by law.

34.4.2 The Contractor agrees that without unreasonable delay, but no later than twenty-four (24) hours after it suspects or has determined that a Data Breach occurred, the Contractor shall notify ASES of such Breach. The notification shall include sufficient information for ASES to understand the nature of the Breach. For instance, such notification must include, at a minimum, and to the extent available at the time of the notification, the following information:

34.4.2.1 One or two sentence description of the event;

34.4.2.2 Description of the roles of the people involved in the Breach (e.g., employees, participant users, service Providers, unauthorized persons, etc.)

34.4.2.3 The type of Data/Information as well as Protected Health Information that was breached;

34.4.2.4 Enrollees likely impacted by the Breach;

34.4.2.5 Number of individuals or records impacted/estimated to be impacted by the Breach;

34.4.2.6 Actions taken by the Contractor to mitigate the Breach;

34.4.2.7 Current status of the Breach (under investigation or resolved);

34.4.2.8 Corrective action taken and steps planned to be taken to prevent a similar Breach.

34.4.3 The Contractor shall have a duty to supplement the information contained in the notification as it becomes available and to cooperate with ASES.

ARTICLE 35 TERMINATION OF CONTRACT

35.1 General Procedures

35.1.1 In addition to any other non-financial remedy set forth in this Contract or available by law, or in lieu of any financial Remedy contained in Articles 19 and 20 of this Contract or available by law, and subject to compliance with the termination procedures set forth in Section 35.8 below, ASES may terminate this Contract for any or all of the following reasons:

35.1.1.1 Default by the Contractor, upon thirty (30) Calendar Days' notice, unless ASES, in its reasonable discretion, determines that the

Contractor has cured the default to ASES's satisfaction within the notice period;

35.1.1.2 Immediately, in the event of insolvency or declaration of bankruptcy by the Contractor;

35.1.1.3 Immediately, when sufficient appropriated funds no longer exist for the payment of ASES's obligation under this Contract; or

35.1.1.4 In the event that the Contractor or any of its shareholders, director, officers, or employees fall under the prohibition stated in Section 29.1 or 29.6 of this Contract.

35.1.2 A decision by ASES not to renew this Contract, per Article 21, shall not constitute a Termination of the Contract.

35.1.3 The Contractor shall have a limited right of termination of this Contract only in the events described in Section 35.10 of this Contract.

35.1.4 Each Party shall have the opportunity to cure any default alleged in a termination notice sent pursuant to this Article 35, upon receiving a written termination notice the other Party. With respect to termination by ASES, the Contractor shall have the right to submit to ASES a written Corrective Action Plan containing terms and conditions acceptable to ASES in its sole discretion to cure such default or an explanation of non-default in the thirty (30) Calendar Day period from the date of receipt of ASES' written termination notice and such plan or explanation of non-default is accepted by ASES, in ASES' sole discretion, which acceptance shall not be unreasonably withheld, conditioned or delayed.

35.1.5 Notwithstanding the termination of this Contract pursuant to this Article 35 for any reason, the Contractor shall remain obligated to provide the Administrative Functions as described in Article 36, including but not limited to the payment of Claims for Covered Services provided to Enrollees prior to the Termination Date and as specified in the Patient's Bill of Rights Act through the Runoff Period.

35.1.6 Continuing Obligations of ASES. Notwithstanding the termination of this Contract for pursuant to this Article 35 for any reason, ASES shall remain obligated to pay to the Contractor the PMPM through the Termination Date (inclusive of the Transition Period).

35.1.7 Termination Procedures to be Strictly Followed. No termination of this Contract shall be effective unless the termination procedures under Section 35 of this Contract have been strictly followed or waived by the Parties.

35.2 **Termination by Default**

35.2.1 In the event ASES determines that the Contractor has defaulted by failing to carry out the terms or conditions of this Contract or by failing to meet the applicable requirements in sections 1932 and 1903(m) of the Social Security Act, or in the event that ASES determines that the Contractor falls within the prohibitions stated in Section 29.1 or 29.6, ASES may terminate the Contract and place Enrollees with a different Contractor or provide GHP benefits through another state plan authority, in addition to or in lieu of any other remedies set out in this Contract or available by law.

35.2.2 Before terminating this Contract, ASES will:

35.2.2.1 Provide written notice of the intent to terminate at least thirty (30) Calendar Days prior to the Termination Date, stating the reason for the termination and the time and place of a hearing, to take place at least fifteen (15) Calendar Days after the date of mailing of the notice of intent to terminate, to give the Contractor an opportunity to appeal the determination or cure the default;

35.2.2.2 Provide written notice of the decision affirming or reversing the proposed termination of the Contract, and for an affirming decision, the effective date of the termination; and

35.2.2.3 For an affirming decision, give Enrollees of the Contractor notice of the termination and information consistent with 42 CFR 438.10 on their options for receiving services following the Termination Date of the Contract.

35.3 **Termination for Convenience**

35.3.1 ASES may terminate this Contract for convenience and without cause upon thirty (30) Calendar Days written notice. Termination for convenience shall not be a breach of the Contract by ASES. The Contractor shall be entitled to receive, and shall be limited to just and equitable compensation for any satisfactory authorized work performed as of the Termination Date of the Contract.

35.4 **Termination for Insolvency or Bankruptcy**

35.4.1 The Contractor’s insolvency, or the Contractor’s filing of a petition in bankruptcy, shall constitute grounds for termination for cause. In the event of the filing of a petition in bankruptcy, the Contractor shall immediately advise ASES. If ASES reasonably determines that the Contractor's financial condition is not sufficient to allow the Contractor to provide the services as described herein in the manner required by ASES, ASES may terminate this Contract in whole or in part, Immediately or in stages. The Contractor's financial condition shall be presumed not sufficient to allow the Contractor to provide the services described herein, in the manner required by ASES if the Contractor cannot

demonstrate to ASES's satisfaction that the Contractor has risk reserves and a minimum net worth sufficient to meet the statutory standards for licensed health care plans, as required under this Contract. The Contractor shall cover continuation of services to Enrollees for the duration of period for which payment has been made, as well as for inpatient admissions up to discharge.

35.4.2 In the event that this Contract is terminated because of the Contractor's insolvency, the Contractor shall guarantee that Enrollees shall not be liable for:

35.4.2.1 The Contractor's debts;

35.4.2.2 The Covered Services provided to the Enrollee, for which ASES does not pay the Contractor or its Network Providers;

35.4.2.3 The Covered Services provided to the Enrollee, for which ASES or the Contractor does not pay a Provider who furnishes the services under a contractual, Referral, or other arrangement; or

35.4.2.4 Payment for Covered Services furnished under a contractual, Referral, or other arrangement, to the extent that those payments are in excess of the amount that the Enrollee would owe if the Contractor provided the services directly.

35.4.3 The Contractor shall cover continuation of services to Enrollees for the duration of the period for which payment has been made by ASES, as well as for inpatient admissions up to discharge.

35.5 **Termination for Insufficient Funding**

35.5.1 In the event that Federal and/or Puerto Rico funds to finance this Contract become unavailable or insufficient, ASES may terminate the Contract in writing, unless both Parties agree, through a written amendment, to a modification of the obligations under this Contract.

35.5.2 The Termination Date of the Contract when the Contract is terminated due to insufficient funding shall be ninety (90) Calendar Days after ASES delivers written notice to the Contractor, unless available funds are insufficient to continue payments in full during the ninety (90) Calendar Day period, in which case ASES shall give the Contractor written notice of an earlier date at which the Contract shall terminate.

35.5.3 Upon termination, the Contractor shall comply with the phase-out obligations established in Article 36 of this Contract.

35.5.4 In the event of termination for insufficient funding, the Contractor shall be entitled to receive, and shall be limited to, just and equitable compensation for any satisfactory authorized work performed as of the Termination Date of the Contract.

35.5.5 Availability of funds shall be determined solely by ASES.

35.6 **Termination Under Section 29.3**

35.6.1 If any of the events specified in Section 29.3 of this Contract occur, ASES may terminate this Contract as required under Act 458 and Act 84.

35.6.2 Upon Termination, the Contractor shall comply with the phase-out obligations established in Article 36 of this Contract.

35.7 ASES may terminate this Contract for any other just reason upon thirty (30) Calendar Days written notice.

35.8 **Termination Procedures**

35.8.1 ASES will issue a written notice of termination to the Contractor by certified mail, return receipt requested, or in person with evidence of delivery. The notice of termination shall cite the provision of this Contract giving the right to terminate, the circumstances giving rise to termination, and the Termination Date of the Contract. Termination shall be effective at 11:59 p.m. EST on the Termination Date of the Contract.

35.8.2 Upon receipt of notice of termination or on the date specified in the notice of termination and as directed by ASES, the Contractor shall:

35.8.2.1 Stop work under the Contract on the date and to the extent specified in the notice of termination;

35.8.2.2 Place no further orders or subcontract for materials, services, or facilities, except as may be necessary for completion of such portion of the work under the Contract prior to termination that is already in process;

35.8.2.3 Terminate all orders and subcontracts to the extent that they relate to the performance of work terminated by the notice of termination;

35.8.2.4 Assign to ASES, in the manner and to the extent directed by ASES, all of the right, title, and interest of Contractor under the orders or subcontracts so terminated, in which case ASES will have the right, at its discretion, to settle or pay any or all Claims arising out of the termination of such orders and subcontracts;

35.8.2.5 With the prior written approval of ASES, settle all outstanding liabilities and all Claims arising out of such termination or orders and subcontracts, the cost of which would be reimbursable in whole or in part, in accordance with the provisions of this Contract;

35.8.2.6 Complete the performance of such part of the work that was not terminated by the notice of termination;

35.8.2.7 Take such action as may be necessary, or as ASES may direct, for the protection and preservation of any and all property or information related to the Contract that is in the possession of the Contractor and in which ASES has or may acquire an interest;

35.8.2.8 Promptly make available to ASES, or to another MCO acting on behalf of ASES, any and all records, whether medical or financial, related to the Contractor's activities undertaken pursuant to this Contract. Such records shall be provided at no expense to ASES;

35.8.2.9 Promptly supply all information necessary to ASES, or another ASES plan acting on behalf of ASES, for reimbursement of any outstanding Claims at the time of termination; and

35.8.2.10 Submit a termination/transition plan to ASES for review and prior written approval that includes commitments to carry out at minimum the following obligations:

35.8.2.10.1 Provide Enrollees continuation of all the Covered Services and Benefits during a defined transition period, such transition period to be determined by ASES;

35.8.2.10.2 Comply with all duties and/or obligations incurred prior to the actual Termination Date of the Contract, including but not limited to, the Grievance and Appeal process as described in Article 14;

35.8.2.10.3 Maintain Claims processing functions as necessary for ten (10) consecutive months from the Termination Date of the Contract in order to complete adjudication of all Claims;

35.8.2.10.4 Create a task force to reconcile and certify any pending and outstanding balances in connection with services rendered by the Contractor under the Contract and previous contracts between ASES and the Contractor.

35.8.2.10.5 File all reports concerning the Contractor’s operations during the term of the Contract in the manner described in this Contract;

35.8.2.10.6 Assist ASES in making all necessary notices to Enrollees and Providers at least thirty (30) Calendar Days prior to the effective date of change and as may be required under the Contract, or otherwise required under applicable law, regarding notices to Enrollees;

35.8.2.10.7 Ensure the efficient and orderly transition of Enrollees from coverage under this Contract to coverage under any new arrangement developed or agreed to by ASES, including cooperation with another contractor, as provided in Article 35;

35.8.2.10.8 Ensure the proper identification of the Enrollees requiring the authorization for either prescription medications or DME to avoid any interruptions in services by providing such Data to ASES as contemplated in the transition plan;

35.8.2.10.9 Submit to ASES all scripts used at Call Centers to communicate with Enrollees during the transition period;

35.8.2.10.10 Maintain the financial requirements and insurance set forth in this Contract until ASES provides the Contractor written notice that all continuing obligations of this Contract have been fulfilled;

35.8.2.10.11 Submit reports to ASES as directed but no less frequently than every thirty (30) Calendar Days, detailing the Contractor's progress in completing its continuing obligations under this Contract, until completion; and

35.8.2.10.12 Meet with ASES personnel, as requested, to ensure satisfactory completion of all obligations under the Termination Plan.

35.8.3 This Termination Plan shall be subject to review and approval by CMS.

35.8.4 Upon completion of these continuing obligations, the Contractor shall submit a final report to ASES describing how the Contractor has completed its continuing obligations. ASES will advise, within twenty (20) Calendar Days of receipt of this report, if all of the Contractor's obligations are discharged. If ASES finds that the final report does not evidence that the Contractor has fulfilled its continuing obligations, then ASES will require the Contractor to submit a revised final report to ASES for approval, and take any other action necessary to discharge all of its duties under this Contract, as directed by ASES.

35.8.5 Except as provided in this Article 35, a notification that ASES intends to terminate this Contract shall not release the Contractor from its obligations to pay for Covered Services rendered or otherwise to perform under this Contract.

35.9 **Termination Claims**

35.9.1 After receipt of a notice of termination, the Contractor shall submit to ASES any termination claim in the form, and with the certification prescribed by, ASES. Such claim shall be submitted promptly but in no event later than ten

(10) months from the Termination Date of the Contract. Upon failure of the Contractor to submit its termination claim within the time allowed, ASES may determine, on the basis of information available, the amount, if any, due to the Contractor by reason of the termination and shall thereupon cause to be paid to the Contractor the amount so determined.

35.9.2 Upon receipt of notice of termination, the Contractor shall have no entitlement to receive any amount for lost revenues or anticipated profits or for expenditures associated with this Contract or any other contract. Upon termination the Contractor shall be paid in accordance with the following:

35.9.2.1 At the Contract price(s) for services delivered to and accepted by ASES; and/or

35.9.2.2 At a price mutually agreed upon by the Contractor and ASES for partially completed services.

35.9.3 In the event the Contractor and ASES fail to agree in whole or in part as to the amounts with respect to costs to be paid to the Contractor in connection with the total or partial termination of work pursuant to this article, ASES will determine, on the basis of information available, the amount, if any, due to the Contractor by reason of termination and shall pay to the Contractor the amount so determined.

35.10 **Limited Right of Termination by the Contractor**

35.10.1 Subject to compliance with the termination procedures set forth in Section 35.8, the Contractor may terminate this Contract under the following circumstances:

35.10.1.1 Termination Due to ASES's Financial Breach. Upon fifteen (15) Calendar Days written notice, in the event ASES defaults in making payment of three (3) consecutive monthly PMPM Payments and fails to cure such breach within the notice period. For purposes of this Section, a default in making payment does not include instances where ASES has made any Withhold payments pursuant to the terms of this Contract, provided that ASES has given the Contractor advance written notice of any such Withhold.

35.10.1.2 Termination Due to Insufficient Funding. Immediately, upon receipt from ASES of a written notice pursuant to Section 35.5 that appropriated federal and/or Puerto Rico funds become unavailable or that such funds will be insufficient for the payment of ASES's obligation under this Contract when due, unless both Parties agree, through a written amendment, to a modification of the obligations under this Contract.

35.10.1.3 If forty-five (45) Calendar Days before the last day of each fiscal year covered under the Contract, the Contractor and ASES have not

(as provided in Section 21.4 agreed to PMPM for the succeeding fiscal year, the Contractor may exercise an option to terminate the Contract by giving ASES written notice of the Contractor's intent not to continue to provide services under the Contract no later than forty-five (45) Calendar Days prior to the termination of the corresponding fiscal year. Once the Contractor has given ASES such written notice, the Contractor shall fully discharge the termination phase-out obligations listed in Section 35.8. At any time before the end of the fiscal year, the Contractor may rescind its notice of termination, if the Parties reach an agreement on rates for the following fiscal year.

ARTICLE 36 PHASE-OUT AND COOPERATION WITH OTHER CONTRACTORS

36.1 If, in the best interest of Enrollees of GHP, ASES terminates any GHP contract, the Contractor shall, upon the request of ASES, assume responsibility for Enrollees previously managed by any MCO or other Contractor whose contractual arrangement with ASES was terminated, in accordance with the contracted PMPM Payment, pursuant to the written amendment of the Contract, if required.

36.2 If in the best interest of Enrollees of GHP, ASES develops and implements new projects that impact the scope of services, the Contractor shall assist in the transition process, after receiving at least ninety (90) Calendar Days written notice from ASES of such change, and pursuant to written amendment of the Contract, if required. PMPM Payments shall be adjusted accordingly.

36.3 In the event that ASES has entered into, or enters into, agreements with other contractors for additional work related to the Benefits rendered hereunder, the Contractor agrees to cooperate fully with such other contractors. The Contractor shall not commit any act or omission that will interfere with the performance of work by any other contractor, or actions taken by ASES to facilitate the work.

36.4 If ASES chooses not to renew this Contract, pursuant to Article 21, the Contractor agrees that it will not engage in any behavior or inaction that prevents or hinders the work of another contractor or ASES, as the case may be, and to cooperate fully with ASES and its designees in any termination and transition procedure set forth in Section 35.8 or otherwise. Upon receiving ASES's notice that it does not intend to renew the Contract, the Contractor agrees to submit a written termination/transition plan to ASES within thirty (30) Calendar Days of receiving the notice. The termination/transition plan shall include all the elements listed in Section 35.8.2.9.1. The Parties agree that the Contractor has not successfully met this obligation until ASES accepts its termination/transition plan, required under this Article 36.

ARTICLE 37 INSURANCE

37.1 The Contractor shall prior to the commencement of work, procure the insurance policies identified below at the Contractor's own cost and expense and shall furnish ASES with proof of coverage in the amounts indicated. It shall be the responsibility of the Contractor to require any Subcontractor to secure the same insurance coverage as prescribed herein for the Contractor, and to obtain a certificate evidencing that such insurance is in effect. In the event that any such insurance is proposed to be reduced, terminated or cancelled for any reason, the Contractor shall provide to ASES at least thrity (30) Calendar Days prior written notice. Prior to the reduction, expiration and/or cancellation of any insurance policy required hereunder, the Contractor shall secure replacement coverage upon the same terms and provisions as required in this Contract, to ensure no lapse in coverage, and shall furnish, at the request of ASES, a certificate of insurance indicating the required coverage. The provisions of this Section shall survive the expiration or termination of this Contract for any reason. In addition, the Contractor shall indemnify and hold harmless ASES and the Government from any liability arising out of the Contractor's or its Subcontractor's untimely failure in securing insurance coverage as prescribed herein.

37.2 Workers' Compensation Insurance: The Contractor shall have the required policy(ies) to insure the statutory limits established by the law of Puerto Rico, which must also be extended to employees and contractors who are not considered their own employer due to the degree of control exercised over them by the Contractor in terms of supervision, provision of materials and work conditions. The Contractor must also have Employer's Liability Insurance with the following limits:

37.2.1 Bodily Injury by Accident. Five hundred thousand dollars ($500,000) each accident;

37.2.2 Bodily Injury by Disease. Five hundred thousand dollars ($500,000) each employee; and

37.2.3 One million dollars ($1,000,000) policy limits.

37.2.4 The Contractor shall require all Subcontractors performing work under this Contract to obtain an insurance certificate showing proof of Worker's Compensation Coverage

37.3 The Contractor shall have commercial general liability policy(ies) as follows:

37.3.1 Combined single limits of one million dollars ($1,000,000) per person and three million dollars ($3,000,000) per occurrence;

37.3.2 On an "occurrence" basis; and

37.3.3 Liability for property damage in the amount of three million dollars ($3,000,000) including contents coverage for all records maintained pursuant to this Contract.

37.4 The Contractor shall have commercial auto liability insurance with limits of one million dollars ($1,000,000) and the following forms: Non-Owned Autos and Hired Autos.

37.5 The Contractor shall have professional liability insurance with limits not less than five million dollars ($5,000,000).

37.6 The Contractor shall have excess liability insurance respect to the commercial general liability policy described above, in an umbrella form and on an occurrence basis with limits of at least one million dollars ($1,000,000) per occurrence and in the aggregate;

37.7 The Contractor shall have Cyber Security Liability Insurance with limits of at least five million dollars ($5,000,000).

37.8 The Contractor shall have Error and Omissions Insurance with limits of at least five million dollars ($5,000,000) and a Miscellaneous Error & Omissions Insurance covering the Call Center with limits of at least five million dollars ($5,000,000);

37.9 The commercial general liability policies must have an endorsement naming the ASES and the Department of Health of Puerto Rico as additional insureds and a hold harmless agreement in favor of ASES and the Department of Health of Puerto Rico.

37.10 The excess liability, the commercial auto liability insurance policies must include the ASES and the Department of Health of Puerto Rico as an additional insured.

37.11 Policies cannot be cancelled or modified without providing sixty (60) Calendar Days prior written notice to ASES and the Department of Health, Office of Insurance and Risks ("Oficina de De Seguros y Riesgos"), P.O. Box 709184, San Juan, Puerto Rico 00936-8184.

37.12 Insurance companies affording coverage hereunder must be duly authorized to do business in Puerto Rico and duly certified by the Insurance Commissioner of Puerto Rico, excluding those offering excess liability, and have an A.M. Best's rating of A-VII or better.

37.13 Contractor shall be responsible for any damages and injuries caused by the negligent handling or the abandonment of the responsibilities under this Contract and will thus exempt ASES and the Department of Health from any obligation or responsibility from such actions.

ARTICLE 38 COMPLIANCE WITH ALL LAWS

38.1 **Nondiscrimination**

38.1.1 The Contractor shall comply with applicable Federal and Puerto Rico laws, rules, and regulations, and the Puerto Rico policy relative to nondiscrimination in employment practices because of political affiliation, religion, race, color, sex, physical handicap, age, or national origin. Applicable Federal nondiscrimination law includes, but is not limited to, Title VI of the Civil Rights

Act of 1964, as amended; Title IX of the Education Amendments of 1972, as amended; the Age Discrimination Act of 1975, as amended; Equal Employment Opportunity and its implementing regulations (45 CFR 74 Appendix A (1), Executive Order 11246 and 11375); the Rehabilitation Act of 1973; and the Americans with Disabilities Act of 1993 and its implementing regulations (including but not limited to 28 CFR § 35.100 et seq.). Nondiscrimination in employment practices is applicable to employees for employment, promotions, dismissal and other elements affecting employment.

38.1.2 The Contractor shall comply with all provisions of the Puerto Rico Patient's Bill of Rights and the implementing regulation, which prohibits discrimination against any patient.

38.2 **Compliance with All Laws in the Delivery of Service**

38.2.1 The Contractor agrees that all work done under this Contract will comply fully with and abide by all applicable Federal and Puerto Rico laws, rules, regulations, statutes, policies, or procedures that may govern the Contract, including but not limited to any anti-fraud and anti-kickback laws and regulations or other authorities listed in Attachment 1 to this Contract.

38.2.2 All applicable Puerto Rico and Federal laws, rules, and regulations, consent decrees, court orders, policy letters and normative letters, and policies and procedures, including but not limited to those described in Attachment 1 to this Contract, are hereby incorporated by reference into this Contract. Any change in those applicable laws and requirements, including any new law, regulations, policy guidance, or normative letter, shall be automatically incorporated into this Contract by reference as soon as it becomes effective.

38.2.3 ASES will evaluate any changes in Covered Services or benefits and newly enacted Federal, state or local legislative or regulatory changes applicable to the GHP that materially impact PMPM Payments and the payments to PMGs and Providers contracted under risk-sharing agreements. In addition, ASES will continually assess (i) new treatments, therapies, technologies, medical or surgical procedures, drugs and devices; (ii) the use of minimum fee schedules; and (iii) changes in DRG methodology to determine if they may materially impact the PMPM Payment or risk-based payments made to PMGs and Providers. If after a process of actuarial evaluation, using credible data, ASES determines that the enacted legislative, regulatory, or other changes materially impact the PMPM Payment, ASES will at its discretion adjust the PMPM Payments to reflect the above-referenced changes after the adjustments are approved by CMS. ASES may also require Contractor to perform its own assessment and/or actuarial evaluation of the above-referenced changes to determine if rate adjustments under risk-sharing arrangements with PMGs and Providers are warranted and, if applicable, make such rate adjustments. Any revisions to the PMPM Payments under this Section would be applicable from the effective date of any new law, regulation, or other change, and with the

review and approval from Puerto Rico's Financial Oversight and Management Board ("FOMB") in the event said review and approval is applicable. "Materially impact" shall mean that a recalculation of current PMPM Payments is required in order to remain actuarially sound.

In the event that the Commonwealth of Puerto Rico intends to expand the Medicaid-eligible population via an increase of the Puerto Rico Poverty Line ("PRPL"), such expansion will be considered a material amendment to the Contract, which shall require prior approval from the FOMB. Consequently, any amendments must be submitted to the FOMB for its review and approval prior to execution, even if it does not have an immediate budgetary impact on state funds in the current fiscal year.

38.2.4 To the extent that applicable laws, rules, regulations, statutes, policies, or procedures require the Contractor to take action or inaction, any costs, expenses, or fees associated with that action or inaction shall be borne and paid by the Contractor solely. Such compliance-associated costs include, but are not limited to, attorneys' fees, accounting fees, research costs, or consultant costs, where these costs are related to, arise from, or are caused by compliance with any and all laws. In the event of a disagreement on this matter, ASES's determination on this matter shall be conclusive and not subject to appeal.

38.2.5 The Contractor shall include notice of grantor agency requirements and regulations pertaining to reporting and patient rights under any contracts involving research, developmental, experimental or demonstration work with respect to any discovery or invention which arises or is developed in the course of or under such contract, and of grantor agency requirements and regulations pertaining to copyrights and rights in Data.

38.2.6 The Contractor certifies and warrants to ASES that at the time of execution of this Contract: (i) it is a corporation or entity duly authorized to conduct business in Puerto Rico, and has filed all the required income tax returns for the preceding five years; and (ii) it filed its report due with the Office of the Commissioner of Insurance during the five (5) years preceding the Execution Date of this Contract.

ARTICLE 39 CONFLICT OF INTEREST AND CONTRACTOR INDEPENDENCE

39.1 The duty to provide information about interests and conflicting relations is continuous and extends throughout the Contract Term.

39.2 The Contractor covenants that it presently has no interest and shall not acquire any interest, direct or indirect, that would conflict in any material manner or degree with, or have a material adverse effect on the performance of its services hereunder. The Contractor further covenants that in the performance of the Contract no person having any such interest shall be employed. The Contractor shall submit a conflict of interest

form, attesting to these same facts, by January 10 of each calendar year; and at any time, within fifteen (15) Calendar Days of request by ASES.

39.3 It shall be the responsibility of the Contractor to maintain independence and to establish necessary policies and procedures to assist the Contractor in determining if the actual individuals performing work under this Contract have any impairment to their independence.

39.4 The Contractor further agrees to take all necessary actions to eliminate threats to impartiality and independence, including but not limited to reassigning, removing, or terminating Providers or Subcontractors.

ARTICLE 40 CHOICE OF LAW OR VENUE

40.1 This Contract shall be governed in all respects by the laws of Puerto Rico. Any lawsuit or other action brought against ASES or the Government based upon or arising from this Contract shall be brought in a court of competent jurisdiction in Puerto Rico. Nothing in this Section shall be construed as a restriction on the ability of the Contractor to discuss matters relating to this Contract in ASES's administrative forum.

ARTICLE 41 ATTORNEY'S FEES

41.1 In the event that either Party deems it necessary to take legal action to enforce any provision of this Contract, and in the event ASES prevails, the Contractor agrees to pay all expenses of such an action including reasonable attorney's fees and costs at all stages of litigation as awarded by the court, a lawful tribunal, a hearing officer, or an administrative law judge. The term legal action shall be deemed to include administrative proceedings of all kinds, as well as all actions regarding the law or equity.

ARTICLE 42 SURVIVABILITY

42.1 The terms, provisions, representations, and warranties contained in this Contract shall survive the delivery or provision of all services hereunder.

ARTICLE 43 PROHIBITED AFFILIATIONS WITH INDIVIDUALS DEBARRED AND SUSPENDED

43.1 The Contractor certifies that it is not presently debarred, suspended, proposed for debarment, or declared ineligible for award of contracts by any Federal or Puerto Rico agency, as provided in Section 13.4. In addition, the Contractor certifies that it does not employ or subcontract with any person or entity that could be excluded from participation in the Medicaid Program under 42 CFR 1001.1001 (exclusion of entities owned or controlled by a sanctioned person) or 1001.1051 (exclusion of individuals

with ownership or control interest in sanctioned entities), and that Contractor screens for such exclusions on a monthly basis. Any violation of this Article shall be grounds for termination of the Contract.

ARTICLE 44 WAIVER

44.1 No covenant, condition, duty, obligation, or undertaking contained in or made a part of the Contract shall be waived except by the written agreement of the Parties. Forbearance or indulgence in any form or manner by either Party in any regard whatsoever shall not constitute a waiver of the covenant, conditions, duties, obligations, and undertakings to be kept, performed, or discharged by the Party to which the same may apply. Notwithstanding any such forbearance or indulgence, the other Party shall have the right to invoke any Remedy available under law or equity until complete performance or satisfaction of all such covenants, conditions, duties, obligations, and undertakings.

44.2 The waiver by ASES of any breach of any provision contained in this Contract shall not be deemed to be a waiver of such provision or any subsequent breach of the same or any other provision contained in this Contract and shall not establish a course of performance between the Parties contradictory to the terms hereof. No term or condition of the Contract shall be held to be waived, modified, or deleted except by an instrument, in writing, signed by the Parties thereto.

ARTICLE 45 FORCE MAJEURE

45.1 Neither Party shall be held responsible for delays or failures in performance to the extent that such delay or failure results from a cause beyond the reasonable control of the Party claiming the delay or failure, including but not limited to acts of God and natural disasters, such as fires, floods or earthquakes, acts of war or terrorism, epidemics, labor disturbances, strikes, lockouts, riots, civil disorder, or rebellions (a "Force Majeure Event"), unless as otherwise set forth in Section 58.5.

ARTICLE 46 BINDING

46.1 This Contract and all of its terms, conditions, requirements, and amendments shall be binding on ASES and the Contractor and for their respective successors and permitted assigns.

ARTICLE 47 TIME IS OF THE ESSENCE

47.1 Time is of the essence in this Contract. Any reference to "days" shall be deemed Calendar Days unless otherwise specifically stated.

ARTICLE 48 AUTHORITY

48.1 ASES has full power and authority to enter into this Contract as does the person acting on behalf of and signing for the Contractor. Additionally, the person signing on behalf of the Contractor has been properly authorized and empowered to enter into this Contract on behalf of the Contractor and to bind the Contractor to the terms of this Contract. Each Party further acknowledges that it has had the opportunity to consult with and/or retain legal counsel of its choice and read this Contract. Each party acknowledges that it understands this Contract and agrees to be bound by it.

ARTICLE 49 ETHICS IN PUBLIC CONTRACTING

49.1 The Contractor understands, states, and certifies that it made its Proposal without collusion or Fraud and that it did not offer or receive any kickbacks or other inducements from any other Contractor, supplier, manufacturer, or Subcontractor in connection with its Proposal.

49.2 The Contractor understands, states, and certifies that it will comply with the requirements of the Code of Ethics for Contractors, Suppliers and Applicants of Economic Incentives of the Government of Puerto Rico, as described in Title III of Act 2 of January 4, 2018, known as the "Anticorruption Code for the New Puerto Rico."

ARTICLE 50 CONTRACT LANGUAGE INTERPRETATION

50.1 The Contractor and ASES agree that in the event of a disagreement regarding, arising out of, or related to, Contract language interpretation, ASES's interpretation of the Contract language in dispute shall control and govern.

50.2 For clarity, if Contractor or Provider submits a question or request to clarify an instruction or directive of ASES, whether set forth in this Contract or otherwise, any delay or failure to respond to Contractor's questions or request does not in any way invalidate ASES's original instruction or directive or waive Contractor's obligation to comply. Nevertheless, ASES will not issue any instruction or directive that would have an impact on Covered Services, pharmacy benefits, fees, drugs, technology or costs without providing an actuarial analysis, identification of source of funds, and adjustment of PMPM rates to Contractor. Contractor shall apply appropriate adjustment to subcapitation payments to PMGs and Providers at risk in accordance with the compensation model initially approved by ASES.

ARTICLE 51 ARTICLE AND SECTION TITLES NOT CONTROLLING

51.1 The Article and Section titles used in this Contract are for reference purposes only and shall not be deemed to be a part of this Contract.

ARTICLE 52 LIMITATION OF LIABILITY/EXCEPTIONS

52.1 Nothing in this Contract shall limit the Contractor's indemnification liability or civil liability arising from, based on, or related to claims brought by ASES or any Third Party or any claims brought against ASES or the Government by a Third Party or the Contractor.

ARTICLE 53 COOPERATION WITH AUDITS

53.1 The Contractor shall assist and cooperate with ASES in any and all matters and activities related to or arising out of any audit or review, whether Federal, private, or internal in nature, at no cost to ASES.

53.2 The Parties also agree that the Contractor shall be solely responsible for any costs it incurs for any audit related inquiries or matters. Moreover, the Contractor may not charge or collect any fees or compensation from ASES for any matter, activity, or inquiry related to, arising out of, or based on an audit or review.

53.3 ASES reserves the right to audit the Contractor and/or its Subcontractors at any time during the term of the Contract. The Contractor and/or its Subcontractors shall be solely responsible for the cost of such audits.

ARTICLE 54 OWNERSHIP AND FINANCIAL DISCLOSURE

54.1 The Contractor and Subcontractors shall disclose, and ASES shall review, financial statements for each person or corporation with an ownership or control interest of five percent (5%) or more of its entity. For the purposes of this Section, a person or corporation with an ownership or control interest shall mean a person or corporation:

54.1.1 That owns directly or indirectly five percent (5%) or more of the Contractor's/Subcontractor's capital or stock or received five percent (5%) or more of its profits;

54.1.2 That has an interest in any mortgage, deed of trust, note, or other obligation secured in whole or in part by the Contractor/Subcontractor or by its property or assets, and that interest is equal to or exceeds five percent (5%) of the total property and assets of the Contractor/Subcontractor; and

54.1.3 That is an officer or director of the Contractor/Subcontractor (if it is organized as a corporation) or is a partner in the Contractor's/Subcontractor's organization (if it is organized as a partnership).

54.2 As per 42 CFR 455.104, disclosure by the Contractor will include the following information on ownership and control:

54.2.1 The name and address of any person (individual or corporation) with an ownership or control interest in the disclosing entity, fiscal agent, or Contractor. The address for corporate entities must include as applicable primary business address, every business location, and P.O. Box address.

54.2.2 Date of birth and Social Security Number (in the case of an individual).

54.2.3 Other tax identification number (in the case of a corporation) with an ownership or control interest in the disclosing entity (or fiscal agent or managed care entity) or in any Subcontractor in which the disclosing entity (or fiscal agent or managed care entity) has a five percent (5%) or more interest.

54.2.4 Whether the person (individual or corporation) with an ownership or control interest in the disclosing entity (or fiscal agent or MCO) is related to another person with ownership or control interest in the disclosing entity as a spouse, parent, child, or sibling; or whether the person (individual or corporation) with an ownership or control interest in any Subcontractor in which the disclosing entity (or fiscal agent or managed care entity) has a five percent (5%) or more interest is related to another person with ownership or control interest in the disclosing entity as a spouse, parent, child, or sibling.

54.2.5 The name of any other disclosing entity (or fiscal agent or MCO) in which an owner of the disclosing entity (or fiscal agent or managed care entity) has an ownership or control interest.

54.2.6 The name, address, date of birth, and Social Security Number of any managing employee of the disclosing entity (or fiscal agent or managed care entity).

54.2.7 Disclosures from Providers or Disclosing Entities. Providers or disclosing entities shall comply with the information disclosure required by Section 54.2. Disclosure from any provider or disclosing entity is due at any of the following times:

54.2.7.1 Upon the provider or disclosing entity submitting the provider application.

54.2.7.2 Upon the provider or disclosing entity executing the provider agreement.

54.2.7.3 Upon request of ASES during the re-validation of provider enrollment process under 42 CFR 455.414.

54.2.7.4 Within 35 Calendar Days after any change in ownership of the disclosing entity.

54.2.8 Disclosures from Fiscal Agents. Fiscal agents shall comply with the information disclosure required by Section 54.2. Disclosures from fiscal agents are due at any of the following times:

54.2.8.1 Upon the fiscal agent submitting the proposal in accordance with the Government's procurement process.

54.2.8.2 Upon the fiscal agent executing the contract with the Government.

54.2.8.3 Upon renewal or extension of the Contract.

54.2.8.4 Within thirty-five (35) Calendar Days after any change in ownership of the fiscal agent.

54.2.9 Disclosures from the Contractor. The Contractor shall comply with the information disclosure required by Section 54.2. Disclosures from Contractors are due at any of the following times:

54.2.9.1 Upon the managed care entity submitting the proposal in accordance with the Government's procurement process.

54.2.9.2 Upon the MCO executing the contract with the Government.

54.2.9.3 Upon renewal or extension of the Contract.

54.2.9.4 Within thirty-five (35) Calendar Days after any change in ownership of the Contractor.

ARTICLE 55 AMENDMENT IN WRITING

55.1 No amendment, waiver, termination, or discharge of this Contract, or any of the terms or provisions hereof, shall be binding upon either Party unless confirmed in writing by ASES and any other appropriate governmental agency. Additionally, CMS approval shall be required before any such amendment is effective. Any agreement of the Parties to amend, modify, eliminate, or otherwise change any part of this Contract shall not affect any other part of this Contract, and the remainder of this Contract shall continue to be in full force and effect as set out herein.

55.2 ASES reserves the authority to seek an amendment to this Contract at any time if such an amendment is necessary in order for the terms of this Contract to comply with Federal law, the laws of Puerto Rico or the Government of Puerto Rico Fiscal Plan as certified by the Financial Oversight and Management Board for Puerto Rico pursuant to the Puerto Rico Oversight, Management and Economic Stability Act of 2016. The Contractor shall consent to any such amendment.

55.3 Notwithstanding the above, in the event of a Force Majeure Event, ASES retains the right in its sole discretion to waive any specific obligations of the Contractor otherwise

set forth in this Contract without executing an amendment in writing, as long as such waiver is not disapproved by CMS.

55.4 Notwithstanding the above, before including any new treatment, technology, medical or surgical procedure, physical or behavioral therapy, drug therapy or other items or services as Covered Services, ASES will, at its discretion, conduct an actuarial evaluation of the impact of such Covered Services, identifying the source of funds available for such changes and notification of adjustment to the PMPM Payments to reflect any of the above-referenced changes. Any approved adjustment in Contractor's PMPM Payment must be transferred to the PMGs and other Providers contracted under risk-sharing agreements to ensure such agreements are actuarially sound.

ARTICLE 56 CONTRACT ASSIGNMENT

56.1 The Contractor shall not assign this Contract, in whole or in part, without the prior written consent of ASES, and any attempted assignment not in accordance herewith shall be null and void and of no force or effect.

ARTICLE 57 SEVERABILITY

57.1 If any Article, Section, paragraph, term, condition, provision, or other part of this Contract (including items incorporated by reference) is judged, held, declared, or found to be voidable, illegal, unenforceable, invalid or void, then both ASES and the Contractor shall be relieved of all obligations arising under such provision. However, if the remainder of the Contract is capable of being performed, it shall not be affected by such declaration or finding and those duties and tasks shall be fully performed. To this end, the provisions of the Contract are declared to be severable.

ARTICLE 58 ENTIRE AGREEMENT

58.1 This Contract constitutes the entire agreement between the Parties with respect to the subject matter herein and supersedes all prior negotiations, representations, or contracts. No written or oral agreements, representatives, statements, negotiations, understandings, or discussions that are not set out, referenced, or specifically incorporated in this Contract shall in any way be binding or of effect between the Parties.

58.2 The terms of the Request for Proposals and of the Contractor's Proposal are incorporated by reference, except as otherwise provided in this Contract. However, in the event of a conflict between the terms of this Contract and the terms of the Request

for Proposals or the terms of the Contractor's Proposal, the terms of this Contract shall prevail.

58.3 All applicable laws are incorporated by reference into this Contract, as provided in Article 38.

58.4 Subject to Section 55, the Contractor acknowledges that it may be necessary or convenient during the Contract Term to clarify or supplement certain terms and conditions of this Contract so that it conforms to the terms of the Request for Proposals or otherwise in order to incorporate CMS requirements. In any of these events, the Contractor agrees that ASES shall have the right to issue from time to time normative letters which shall be then incorporated into the Contract. Such normative letters are advisory in nature, and shall not, absent an amendment to the Contract, effect a change in the Contractor's substantive obligations under this Contract.

ARTICLE 59 INDEMNIFICATION

59.1 The Contractor hereby releases and agrees to indemnify and hold ASES, the Government, and its departments, agencies, and instrumentalities harmless from and against any and all claims, demands, liabilities, losses, costs or expenses, and attorneys' fees, caused by, growing out of, or arising from this Contract, due to any act or omission on the part of the Contractor, its Agents, employees, customers, invitees, licensees, or others working at the direction of the Contractor or on its behalf, or due to any breach of this Contract by the Contractor, or due to the application or violation of any pertinent Federal, Puerto Rico or local law, rule or regulation. This indemnification extends to the successors and assigns of the Contractor and survives the termination of the Contract and the dissolution or, to the extent allowed by the law, the bankruptcy of the Contractor.

ARTICLE 60 NOTICES

60.1 All notices, consents, approvals, and requests required or permitted shall be given in writing and shall be effective for all purposes if hand delivered or sent by (i) personal delivery, (ii) expedited prepaid delivery service, either commercial or US Postal Service, with proof of attempted delivery, (iii) telecopies, or (iv) electronic mail. In each case of (c) and (d), with answer back acknowledged, addressed as follows:

60.1.1 If to ASES at:

Mailing Address:

Administración de Seguros de Salud
P.O. Box 195661
San Juan, PR 00919-5661

Attention: Executive Director

Physical Address:

Administración de Seguros de Salud
Urb. Caribe 1549
Ave. Ponce de León, Sec. El Cinco
San Juan, PR 00926-2706

60.1.2 If to Contractor at:

Mailing Address:

Attention: President

Physical Address:

60.1.3 All notices, elections, requests, and demands under this Contract shall be effective and deemed received upon the earliest of (i) the actual receipt of the item by personal delivery or otherwise, (ii) two (2) Business Days after being deposited with a nationally recognized overnight courier service as required above, (iii) three (3) Business Days after being deposited in the US mail as required above or (iv) on the day sent if sent by facsimile with voice confirmation on or before 4:00 p.m. Atlantic Time on any Business Day or on the next Business Day if so delivered after 4:00 p.m. Atlantic Time or on any day other than a Business Day. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given as herein required shall be deemed to be receipt of the notice, election, request, or demand sent.

ARTICLE 61 OFFICE OF THE COMPTROLLER

61.1 ASES will file this Contract in the Office of the Comptroller of Puerto Rico within fifteen (15) Calendar Days from the Effective Date of the Contract.

(Signatures on following page)

SIGNATURE PAGE

IN WITNESS WHEREOF, the Parties state and affirm that they are duly authorized to bind the respected entities designated below as of the day and year indicated.

ADMINISTRACIÓN DE SEGUROS DE SALUD DE PUERTO RICO (ASES)

_____ _____

Executive Director Date

NOMBRE ASEGURADORA

_____ _____

President Date