

ADMINISTRACIÓN DE SEGUROS DE SALUD DE PUERTO RICO (ASES)

PUERTO RICO HEALTH INSURANCE ADMINISTRATION (PRHIA)



MANAGED CARE ORGANIZATIONS' REQUEST FOR PROPOSALS FOR PLAN VITAL RFP # MCO 2022

PUBLICATION DATE: MAY 20, 2022

PROPOSAL DUE DATE: JULY 15, 2022 1:00 PM (AST)

AMENDMENT #1 ISSUE DATE: JULY 7, 2022

AMENDMENTS TO THE RFP

This document constitutes an amendment to the request for competitive proposals (RFP) titled Managed Care Organization's RFP for Plan Vital (RFP #MCO 2022), issued by the Puerto Rico Health Insurance Administration (Administración de Seguros de Salud - ASES) (referred to herein as "Amendment #1"). Amendment #1 is being issued on July 7, 2022 and amends the RFP to modify the terms of the initial contract period, add new appendices to the RFP, modify certain mandatory requirements and technical questions, amend several sections of the Appendix L- Model Contract, update attachments to the Model Contract and correct a clerical error in the Data Book. Changes are included in track changes. Accordingly, deletions to the initial RFP language are noted in red and strikethrough and additions are noted in red and underline.

Amendment #1 will be available in the secure website by July 7, 2022. Also, the Procurement Contact will notify Amendment #1 via e-mail.

1. Amendment to Section 1.7.

Section 1.7 is amended to modify the dates of the initial contract term and two optional extensions of one year each.

1.7 Scope of Procurement

The scope of this procurement includes the implementation and operation of the Contract, including providing on a fully integrated basis, physical health and behavioral health services to Enrollees eligible for Plan Vital.

Following execution of the Contract, the successful Offerors shall work with ASES through a readiness review period, as set forth in 42 CFR 438.66(d), to demonstrate their readiness to carry out the provisions outlined in the Contract, including all Appendices. The Offerors will be responsible for the provision of all Covered Services described in the Contract beginning January 1, 2023; to the extent the Offeror has demonstrated readiness.

Following this procurement, ASES' preference is to contract with no more than four (4) qualified MCOs for the contract terms resulting from this RFP, pursuant to the evaluation procedures outlined below and the rules and regulations that govern ASES. Nonetheless, ASES retains the sole discretion to determine, in the best interest of the Program, the final number of qualified MCOs to which a contract will be awarded. The term of the initial Contract will be from January 1, 2023 through ~~December~~September 30, 2025, with the first contract period being of nine (9) months from January 1, 2023 to September 30, 2023, a second contract period from October 1, 2023 to September 30, 2024 and a third period from October 1, 2024 to September 30, 2025. ASES will also have the option to extend the contract for up to two (2) additional contract terms of one (1) year each from October 1, 2025, to September 30, 2026 and another extension from October 1, 2026 to September 30, 2027 ~~an option to extend for up to two additional years each from January 1, 2025 to December 30, 2026 and another from January 1, 2026 to December 30, 2027~~, at ASES' discretion. PMPM Payments made by ASES to the MCOs will be evaluated for each contract year in accordance with federal requirements for actuarially sound PMPM

Payments. See also Section 2.3.8 of this RFP. **The executed Contract and actuarially sound PMPM Payments are subject to CMS approval for each contract year~~term~~.**

2. Amendment to Section 2.3.8

Section 2.3.8 is amended to clarify the term of the first contract/rate period.

2.3.8 Acceptance of PMPM Payments

All costs associated with providing the required services under the RFP will be included in the firm, fixed PMPM Payments. By submitting a Proposal in response to this RFP, the Offeror accepts the PMPM Payments for the first 2023 contract year/rate period (January 1, 2023-September 30, 2023) that are provided with the RFP. See Data Book. The final PMPM Payments for the 2023-first contract/rate period-year -reflect policy decisions and enrollment projections that impact actuarially sound PMPM Payment development. See Section 5.2.4 of the Model Contract, App. L of this RFP for more information on the Auto Assignment process. A Supporting data book is also provided with the RFP to assist Potential Offerors with the decision to submit a Proposal. The Offeror is solely responsible for research, preparation, and documentation of the Offeror's Proposal and decision whether to submit a Proposal. PMPM Payments for future contract years will be revised pursuant to the terms of the Contract.

3. Amendment to Section 5.3.2.1

Section 5.3.2.1 is amended to clarify language regarding the effect of failing to provide a current RUP Certification at time of contract signature.

5.3.2.1

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

- a. the Offeror must provide, before the signature of the Contract, a Current Certification of the Single Registry of Professional Service Providers (RUP Certification); and
- b. that failure to provide the RUP Certification will cause the disqualification of the Offeror, the forfeiture of the Proposal Bond in favor of ASES, the cancelation of the Award in favor of said Offeror, the issuance of a new Award in favor of the next best Offeror that complies with this requirement if determined by ASES to be in the best interest of Plan Vital and the Government, and the Offeror will have no legal recourse against ASES.

4. Amendment to Section 5.3.3

Section 5.3.3 is amended to include the information of the referenced document in the Procurement Library which also updates the prior document submitted in the Procurement Library (Boletín Informativo #2021-03).

5.3.3 If the Offeror is not registered in the RUP at the time of submission of the Proposal:

(1) the Offeror must submit with the Proposal all the certifications required by the RUP. See, [Article 3.3 of the Regulations on the Sole Registry of Bidders for the Government of Puerto Rico, #9301](#). Procurement Library.

(2) the Offeror will be given an automatic term of five (5) business days, from the date of the deadline for the submission of the Proposal, to submit the RUP Certification. If at the term of the five (5) business days, the Offeror does not have the certification, it must comply with the requirements of Section 5.3.2 of this RFP. **Failure to fully comply with Section 5.3.3 will cause the disqualification of the Offeror.**

NOTE: A RUL (“Registro Unico de Licitadores” Certification from ASG will not be accepted as a substitute for the RUP.

5. Amendment to Section 5.4.2

Section 5.4.2 D is amended to include an additional mandatory requirement under subsection D and corresponding Appendix.

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

A. General description of primary business of the organization and its client base;

B. Organization’s areas of specialization;

C. Describe the Offeror’s experience in providing services similar to those included in the scope of this RFP, with emphasis on clients of similar size as Plan Vital and details on the number of years of providing services. Do not include ASES as one of your clients;

D. Size of organization, including structure and ownership. The organizational chart or diagram should present information clearly and concisely and include, at a minimum, the lines of authority and reporting and roles and functions for each position. Include a narrative description to supplement the chart or diagram. [The Offeror must provide the functional area full-time equivalents \(FTEs\) using the template provided in Appendix N. In addition, the Offeror must provide the name and contact information for the individual\(s\) who will work directly with ASES to transition covered lives into the Offeror’s delivery system prior to and during program implementation. See also Appendix N.](#)

E. Length of time organization has been in business.

(NOTE: Appendix N v.2 is attached to this Amendment)

6. Amendment to Section 5.10.3.2

Section 5.10.3.2 is amended to clarify the cut-off date for each report required.

5.10.3.2 Must provide a current month-end detail of any significant outstanding account receivable and payable balances that represent, alone or when added to other accounts of the same category, more than seventy-five percent (75%) of account receivables and payables, respectively.

7. Amendment to Section 5.10.6

Section 5.10.6 is amended to clarify the cutoff date for the information requested and the scope of the financial plan required.

5.10.6 Provide Offeror's detailed financial plan and most recent proposed cash flow budget demonstrating the availability and source of sufficient funds to cover the Offeror's projected operational costs of providing the contractual services under the Contract period without risk of insolvency. The Financial Plan must demonstrate that the Offeror is financially stable and solvent, and has adequate cash reserves to meet all financial obligations during the time that it awaits reimbursement from ASES according to the contract terms. In general, the Financial Plan should include the means of achieving and maintaining a positive cash flow; provisions for retirement of existing or expected debt; an insolvency protection plan; provisions for an appropriate amount of working capital; Projection of Operating Results via Pro Forma Financial Statements and Budgets; and any other information which will assist in determining whether the Offeror is and will continue to be financially stable and solvent.

8. Amendment to Section 5.12

Section 5.12 is amended to clarify the effect of forfeiting the Proposal Bond

5.12. Proposal Bond

A Proposal Bond in the amount of **TWO MILLION DOLLARS (\$2,000,00.00)** is **REQUIRED**. The Proposal Bond must be accompanied with a pledge that the Offeror will enter into a contract with ASES on the terms stated in the Proposal, the RFP and the Model Contract, if awarded the RFP.

The Proposal Bond shall be issued by a surety company duly authorized to do business in Puerto Rico, duly certified by the Insurance Commissioner of Puerto Rico, and accepted by ASES. The Proposal Bond must be valid beginning on the Proposal due date for One Hundred and Eighty (180) Calendar Days. The name of the company to whom the Proposal Bond is issued as a Principal must be the Offeror. **No Letter of Credit and/or Annual Proposal Bond will be accepted.**

The Original Bond must be delivered either via hand delivery or courier service delivery no later than 1:00 pm (AST) July 15, 2022 to ASES' Finance Office, located at Urb. Caribe Sector El Cinco, #1549 Calle Alda, San Juan, PR. A true and exact copy of the Original Bond must be included with the Proposal on the due date for submission of the Proposal, that is, no later than 1:00 PM (AST) on July 15, 2022. IF THE COPY OF THE PROPOSAL BOND SUBMITTED WITH THE PROPOSAL IS NOT A TRUE AND EXACT COPY OF THE ORIGINAL BOND LATER SUBMITTED, IT WILL BE CONSIDERED THAT THE PROPOSAL BOND WAS NOT TIMELY SUBMITTED.

FAILURE TO COMPLY WITH THE TIMELY SUBMISSION OF A PROPOSAL BOND, ISSUED BY A QUALIFIED INSTITUTION AS STATED IN THIS SECTION, IN THE NAME OF ASES AS OBLIGEE, TO COVER THIS PROCUREMENT PROCESS AND IN THE AMOUNT SPECIFIED HEREIN, WILL DISQUALIFY THE OFFEROR.

If the Offeror chosen to receive a Contract withdraws its Proposal after ASES issues the Notice of Intent to Award, does not honor the terms offered in its Proposal, does not sign the Contract within a reasonable period before the implementation review, or fails to present a current valid RUP Certification at the time of signature of the Contract, the Proposal Bond shall be forfeited by the Offeror in favor of and kept by ASES and it shall be cause for the cancelation of the Award in favor of said Offeror. At ASES discretion it may issue a new Award in favor of the next best Offeror if it is in the best interest of the Program and the Government of Puerto Rico.

The Proposal Bond will be returned to the unsuccessful bidders after One Hundred and Eighty (180) Calendar Days of the submission of the Proposal, unless the Proposal Bond term herein established is otherwise extended per ASES request due to an extension of the schedule of events of this procurement.

9. Amendment to Section 6.3.1

Section 6.3.1 is amended to add a question regarding development of the proposed provider network and corresponding Appendix

6.3. Provider Network and Access

Possible points for Section 6.3: 160 points

6.3.1 Describe the Offeror's approach (including methodology, timeline, and description of various contracting methods) to developing and managing a qualified provider network that meets the requirements of the MCO Model Contract. If the Offeror is planning to use Subcontractors to ensure a Provider Network, clearly describe all subcontractual relationship(s) and explain how it contributes to ensuring the required network. Describe and document, using Appendix O* of this RFP, the efforts already made to establish a network in Puerto Rico. Include a narrative describing potential challenges, including network gaps, and how the Offeror will address those challenges.

* Complete the attached Appendix O in Excel without restrictions or passwords and mark the document “Proprietary”.

Page limitation: Fifteen (15) pages, except for Appendix O, which will not count towards this limit.

(NOTE: Appendix O is attached to this Amendment)

10. Amendment to Appendix B

Appendix B, item 7 is amended to include the reference to the new Appendices of this RFP.

7. _____ I acknowledge receipt of a complete copy, beginning with the title page and table of contents, Appendices A-~~MO~~ of this RFP and its corresponding amendments, if any.

_____ I concur that submission of our Proposal constitutes acceptance of all the conditions governing this process including but not limited to the PMPM rates notified by ASES for the First Contract Year (2023) and the Evaluation Factors contained in Section 4 of this RFP.

_____ I certify the Offeror’s adherence to the requirements of this RFP and the expectations of ASES as stated in this RFP.

_____ On behalf of the submitting organization named in item #1, above, I understand that the Contract provided remains subject ONLY to revisions required by ASES, the Centers for Medicare & Medicaid Services, Financial Oversight and Management Board for Puerto Rico, Government of Puerto Rico and acknowledge that the submitting organization named in item #1 above, is prepared to and capable of complying with all of the terms in the Model Contract.

(NOTE: new Appendix B is attached to this Amendment)

11. Amendment to Appendix L – Model Contract

Appendix L is amended as follows, all other clauses remain unaltered.

1. Table of Contents – to add and renumerate a contract section, change the name of two attachments and eliminate another.

ARTICLE 61 ~~OFFICE OF THE COMPTROLLER PERFORMANCE BOND~~

ARTICLE 62 OFFICE OF THE COMPTROLLER

ATTACHMENT 17: ~~EHR ADOPTION PLAN HEALTH RISK ASSESSMENT~~

ATTACHMENT 24: ~~CARRIER PATIENT VOLUME CERTIFICATON FORM EP-02-2015
CMS' FINAL RULE ON INTEROPERABILITY AND PATIENT ACCESS~~

ATTACHMENT 31: ~~ENROLLEES QUALIFIED FOR THE GOVERNMENT HEALTH PLAN
UNDER TEMPORARY EXPANSIONS OF MEDICAID COVERAGE ELIGIBILITY—LEFT
BLANK INTENTIONALLY~~

2. Article 2 – to add a new definition

Definitions:

ANSI 834 EDI Enrollment Implementation Format: Standard file format for the electronic interchange of health plan enrollment data, which contains an order of data, that includes enrollee's name and date of enrollment, in a data segment. Is used to transfer enrollment information to a payer and is required by HIPAA.

3. Section 5.3.8 Enrollment Database – to add a new subsection to subsection 5.3.8.1 to include information on ANSI 834 EDI Enrollment Implementation format. The rest of Section 5.3.8 remains unaltered.

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.

5.3.8.1.1 The Contractor shall use the ANSI 834 EDI Enrollment Implementation format, in order to meet the specific needs for the initial enrollment and subsequent maintenance of enrollees. ASES may develop one or more separate flexible spending and retirement guidelines.

4. To amend several sections of the Model Contract where Normative Letter 15-1012 is cited to add the term "as amended".
5. Section 6.15.2.7 to correct a clerical error in the Implementation Date of the Contract as follows:

Marketing Contractor's Plan to Enrollees or Potential Enrollees prior to ~~October-January~~ 1, 2023.

6. Section 6.15.6.1.1 to correct a clerical error in the Implementation Date of the Contract as follows:

The Contractor may begin Marketing activities using the materials and marketing plan approved by ASES beginning on ~~October-January~~ 1, 2018~~2023~~.

7. Section 7.1.5 to clarify its content and include new Attachment 17, as follows:

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 newly assigned to the MCO, 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. The Contractor must use the tool provided by ASES in Attachment 17 of this Contract to conduct the evaluation.

8. Section 7.5.3.2.1.3 to update the reference number of the cited Normative Letter and eliminate the March 31, 2021 date, as follows:

ASES shall reimburse the Contractor the corresponding COVID-19 vaccine administration fee, administered by qualifying providers and according to Normative Letters 20-1214-0202 and 20-0202A with its attachments. For vaccines administered in pharmacies, ASES shall reimburse Contractor for administration at authorized pharmacies ~~until March 31, 2021~~.

9. Section 7.5.12.21.1.2 to update the reference number of the cited Normative Letter, as follows:

The Contractor must comply with the Normative Letters ~~18-0813-16-1129 and 17-0619~~.

10. Section 7.7.9.3 to eliminate the autism screening test at 30 months of age in accordance with Normative Letter #18-0705-A. It is also amended to allow the use the Survey of Well-being of Young Children (SWYC) as an alternative to the Ages and Stags Questionnaire.

The Contractor shall also require, through its Provider Contracts, that PCPs administer to the parents of child Enrollees the Ages and Stages Questionnaire ("ASQ"), or in the alternative, the Survey of Well-being of Young Children ("SWYC"), ~~to the parents of child Enrollees~~. This questionnaire (either the ASQ or SWYC) must be completed when the child is nine (9) ~~and~~ 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.

11. Section 7.7.11.11 to be eliminated for being duplicative to Section 7.7.11.10. In order to not affect the rest of Section 7.7.11, this subsection is left blank intentionally:

~~7.7.11.11 — The following procedures and diagnostic tests, when Medically Necessary (Prior Authorization required): LEFT BLANK INTENTIONALLY~~

~~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 Plethymography;~~
- ~~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;~~

12. Section 8.5.5 to conform the requirement to applicable regulations and consequently modify the title of the named attachment, as follows:

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 CMS’ Final Rule on Interoperability and Patient Access (CMS-9115-F) (85 FR 25510) and collaborate with ASES and the Department of Health towards compliance with said rule. See Attachment 24 to this Contract within seven (7) Business Days of ASES’s request of the certification.~~

13. Section 9.1.1.9 to modify the applicable term as follows:

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 five (45) Business~~ forty five (45) Calendar 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.

14. Section 10.3.1.55 to add the same survey included in Section 7.7.9.3

Require that PCPs administer the Ages and Stages Questionnaire (“ASQ”), or in the alternative the Survey of Well-being of Young Children (“SWYC”), to the parents of child Enrollees as required under Section 7.7.9.3 of this Contract, as applicable.

15. Section 12.7.2 to clarify the sample size as follows:

The sample size to be used by the Contractor for both surveys shall be at least 300 responses ~~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%) per survey, with a targeted response rate and shall not have a response rate less than of fifty forty percent (50/40%).~~

16. Section 15.5.1 to correct a clerical error in the Implementation Date of the Contract as follows:

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~~ January 1, 2023, which is the Implementation Date of this Contract. The Implementation Plan shall include coordination and cooperation with ASES and its representatives during all phases

17. Section 17.6.8 to correct a clerical error in the Implementation Date of the Contract as follows:

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~~ January 1, 2023, which is the Implementation Date of the Contract, and as subsequently required during the Contract Term.

18. Section 17.11.4 to eliminate it completely:

~~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.~~

19. Article 21 – Contract term: to modify the dates of the initial contract term and the two optional extensions of one year each.

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~~2025. 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, and 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 up to two (2)~~ additional terms of ~~up to one (1)~~ fiscal year each, which shall begin respectively from on October 1, ~~2026~~ 2025 ~~and end at to~~ midnight on September 30, ~~2027~~2026; and from October 1, 2026 to 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.

20. Section 22.1.1.2 – to eliminate it completely.

~~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.~~

21. Section 23.4.1.11 to add language pertaining to cost avoidance procedures.

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.

The Contractor understands that, with certain exceptions, the State will apply cost avoidance procedures to all services and claims, including claims for prenatal services, labor and delivery, and postpartum care services.

The Contractor acknowledges that cost avoidance procedures will not be applied to claims for preventive pediatric care, and so the State will make payments without regard to potential third-party liability for pediatric preventive services unless a determination has been made related to cost-effectiveness and access to care that warrants cost avoidance for ninety (90) days.

Additionally, the Contractor understands that when services covered under the plan are furnished to an individual on whose behalf child support enforcement is being carried out and third-party liability is derived from the parent whose obligation to pay

support is being enforced, the State will only apply cost avoidance procedures for the first one hundred (100) days after the date the claim has been submitted to the entity that has primary liability for payment. After the one hundred (100) days have elapsed, the State will make payments without regard to potential Third-Party Liability. As an exception, the State may make such payments within thirty (30) days after the date the claim has been submitted to the entity that has primary liability for payment if it determines doing so is cost effective and necessary to ensure access to care.

22. Section 23.4.5.2 to eliminate subsection 23.4.5.2.3 and renumber subsections and otherwise modify it as follows:

23.4.5.2.1 ~~The coverage is derived from a parent whose obligation to pay support is being enforced by a government agency.~~ The Claim is for pediatric preventive services that are covered by the Medicaid Program.

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~~ 23.4.5.2.3 The Claim is for a child who is in the custody of ADFAN.

~~23.4.5.2.5~~ 23.4.5.2.4 The Claim involves coverage or services mentioned in this Section in combination with another service.

23. Article 32 – Certifications: to comply with applicable regulations, as follows:

32.1 The Contractor shall provide to ASES ~~before the signature of the contract 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 By virtue of Act 73-2019 from the Puerto Rico General Services Administration (ASG by its Spanish acronym) the Contractor certifies the submission of the Certification

for the Sole Registry of Bidders for the Government of Puerto Rico (RUP for its Spanish acronym) issued by ASG. It is expressly acknowledged that this certification is an essential condition of this Agreement. With the RUP certification the Contractor:

- i. Certifies and guarantees that as of the date of execution of this Agreement and to the best of its knowledge, it has not been convicted and none of its shareholders, employees, officers, or agents have been convicted, have probable cause, and that it has no knowledge that any of the foregoing is subject of any investigation, in connection with a civil or criminal procedure in state or federal court for criminal charges related to the public treasury, the public trust, a public function, or a fault that involves public funds or property including the Contractor its subsidiaries and/or a parent company. If the previously submitted certification to ASG is not correct in its entirety or in any of its parts, it shall constitute sufficient cause for ASES to terminate this Agreement immediately, without prior notice. If the status of the Contractor with regards to the charges previously mentioned should change at any time during the term of the Agreement, it shall notify ASES promptly. The failure to comply with this responsibility constitutes a violation of this Section and shall result in the remedies mentioned previously.
- ii. Certifies that at the time of execution of this Agreement it is not engaged in or is a party to any lawsuit against the Government of Puerto Rico, or any of its instrumentalities, agencies or municipalities.
- iii. Certifies that as of the date of execution of this Agreement and during the past five (5) years, it has not been required to file Puerto Rico tax returns, and Social Security tax returns with the U.S. Government as required by applicable law. The Contractor has submitted a Negative Certification of Debt from the Treasury Department of the Government of Puerto Rico.
 1. It is expressly acknowledged that this is an essential condition of this Agreement, and if this certification is incorrect, ASES shall terminate this Agreement immediately and the Contractor will have to reimburse ASES.
 2. By the end of this Agreement, the Contractor will present an updated Certification of Debt. The Contractor acknowledges that the last payment owed under this Agreement will be disbursed if such Certification of Debt is negative and no money is owed to the Treasury Department of the Government of Puerto Rico. If by the end of this Agreement there is an outstanding balance owed that cannot be cleared by the Treasury Department, the Contractor agrees to cancel the amount through retention from last payment.
 3. For purposes of this Agreement, tax debt shall mean any debt that the Contractor or any of its officials or other parties which ASES authorizes the Contractor to subcontract, may have with the Government of Puerto Rico for income taxes, excise taxes, real or chattel property taxes, including any special taxes levied, license rights, tax withholdings for

payment of salaries and professional services, taxes for payment of interests, dividends and income to individuals, corporations and non-resident partnerships, for payment of interests, dividends, and other earnings shares to residents, and social security for chauffeurs.

- iv. Has provided ASG with a certificate of existence issued by the Department of State of the Government of Puerto Rico and a corporate resolution where the Contractor expressly authorizes the undersigned to execute this Agreement on behalf of the corporation, if applicable. It is expressly acknowledged that these are essential conditions of this Agreement, and if these certifications previously submitted to ASG are incorrect, ASES shall terminate this Agreement immediately and the Contractor will have to reimburse ASES.
- v. That as of the execution of this Agreement, it is current on payment of workers' compensation premiums in accordance with applicable law. The Contractor has provided ASG with a negative certification of debt from the Workers Compensation Corporation of the Government of Puerto Rico, if applicable. It is expressly acknowledged that this is an essential condition of this Agreement, and if the certification previously submitted to ASG is incorrect, ASES shall terminate this Agreement immediately and the Contractor will have to reimburse ASES.
- vi. Agrees to pay all unemployment insurance premiums due in accordance with applicable law. The Contractor represents that as of the date of execution of this Agreement, it is current on payment of unemployment insurance premiums due in accordance with applicable law and has submitted to ASES a negative certification of debt from the Department of Labor and Human Service of the Government of Puerto Rico. It is expressly acknowledged that this is an essential condition of this Agreement, and if the certification previously submitted to ASG is incorrect, ASES shall terminate this Agreement immediately and the Contractor will have to reimburse ASES.
- vii. Warrants that at the time of execution of this Agreement it has no obligation to retain child support payments. The Contractor has provided ASES with a certificate of no debt from the "Administración de Sustento de Menores" ("ASUME"). It is expressly acknowledged that this is an essential condition of this Agreement, and if the certification previously submitted to ASG is incorrect, ASES shall terminate this Agreement immediately and the Contractor will have to reimburse ASES.
- viii. Represents that as of the date of execution of this Agreement, it is current on payment of property taxes in accordance with applicable law. The Contractor has provided ASES with a negative certification of debt from the "Centro de Ingresos y Recaudaciones Municipales" of the Government of Puerto Rico. It is expressly acknowledged that this is an essential condition of this Agreement, and if this certification previously submitted to ASG is incorrect, ASES shall terminate this Agreement immediately and the Contractor will have to reimburse ASES.

ix. Has provided, as a condition for the execution of this Agreement, the following certifications to ASG:

1. Certification of having filed income tax returns in the past five (5) years from the Treasury Department of Puerto Rico (Model SC-6088)
2. Certification from Puerto Rico's Treasury Department attesting that there is no outstanding debt or, if a debt exists, that it is subject to payment plan (or pending administrative review under applicable law or regulations) (Model SC-6096)
3. Certification from Puerto Rico's Center for the Collection of Municipal Revenues ("CRIM" for its Spanish acronym) certifying that there is no outstanding debt in the past five (5) years or, if a debt exists, that it is subject to payment plan (or pending administrative review under applicable law or regulations).
4. Certification from Puerto Rico's Department of Labor and Human Resources of compliance with unemployment insurance, temporary disability insurance and/or chauffeur's social security, if applicable.
5. Certification of incorporation from the State Department of Puerto Rico.
6. Certificate of Good Standing
7. Certifications of no outstanding alimony or child support debts, if applicable.
8. Merchant Registry Certification (Model SC 2918)
9. Certification of Sales Tax Return File (IVU for its Spanish acronym) (model SC 2927) and if apply, certification of No Debt of Sales Tax Return.

- x. It is expressly recognized that the foregoing are material conditions of this Agreement. In the event the above certifications and acknowledgments contained in this clause are not correct, in whole or in part, it shall be sufficient cause for ASES to terminate the Agreement and THE CONTRACTOR shall reimburse ASES any sum of monies received under the same.

~~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); System for award Management (SAM) evidence of active registration;~~

~~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; Sworn statement on Act Number 2 of 2018;~~

~~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;~~

~~32.2.732.2.4 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.~~ A sworn statement certifying that it has no debt with the Government, nor 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~~32.2.5 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; and

~~32.3.4 Evidence of compliance with the Compensation System for Work-Related Accidents Act ("Fondo del Seguro del Estado de Puerto Rico"); and~~A copy of the Insurance Coverage Certificates s as required in Article 37.

32.4 If the Contractor fails to meet the obligations of Sections 32.1, 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.

24. Article 61 is renumbered as new Article 62 and in its place, the new Article 61 incorporates language regarding Performance Bond, as follows:

ARTICLE 61 PERFORMANCE BOND

61.1 The Contractor shall procure and maintain a Performance Bond for the entire term of the Contract, and continue to maintain the bond for at least fifteen (15) months following the termination date of the Contract or until the termination/transition plan under Article 35 of the Contract is fully complied with and the Contractor has been discharged of all of its duties under the same, whichever is later, to guarantee: (1) payment of the Contractor's obligations to ASES and (2) performance by the Contractor of its obligations under the Contract.

61.2 The Bond must be issued by an insurance company duly authorized to do business in Puerto Rico, duly certified by the Office of the Insurance Commissioner of Puerto Rico with at least an A- rating in the latest printing of the A.M. Best's Key Rating Guide to write individual bonds up to ten percent (10%) of policyholders' surplus as shown in the A.M. Best's Key Rating Guide and approved by ASES. The bond shall be made payable to ASES. The Contract and dates of performance shall be specified in the bond.

61.3 The initial amount of the bond shall be equal to Forty Million dollars (\$40,000,000). The initial bond shall be submitted to ASES prior to signature of the Contract.

61.4 The bond amount shall be reevaluated and adjusted following the Enrollment process, which includes the period during which Enrollees can change MCOs without cause. The adjusted amount shall be equal to fifty percent (50%) of the total Capitation Payment, paid to the MCO for the month following the end of the process. The adjusted bond shall be submitted to ASES within sixty (60) Calendar Days of notification to the MCO of the adjusted amount.

61.5 All bonds newly submitted to ASES shall be original and have the raised embossed seal on the bond and on the Power of Attorney page. Continuation certificates may be submitted for renewed bonds.

ARTICLE ~~61~~ARTICLE 62 OFFICE OF THE COMPTROLLER

~~61.1~~ 62.1 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.

25. Attachments to the Model Contract – an updated table of the Model Contract's Attachments is included with this Amendment as Attachment 4.

12. Amendment to the Data Book –

The Actuarial Memorandum of the Data Book was modified on June 13, 2022 to correct a clerical error in the reference of the encounter data used to develop the capitation rates. See Attachment 5 of this Amendment. It is also amended to eliminate a sentence, as follows. Therefore, the final Actuarial Memorandum to be submitted to CMS will be updated in the terms specified in the Letter of July 3, 2022. See Attachment 6 to this Amendment.

Page 16: “Capitation rates were developed using encounter data from December 1, 2021 – November 30, 2022” will be replaced with “Capitation rates were developed using encounter data from December 1, 2020 – November 30, 2021”.

Page 37: Remove the following sentence “The morbidity adjustment analysis will utilize claims and encounter data from the base period and the projection period. We will provide full documentation of the results and methodology for the risk adjustment analysis when it is complete. This is anticipated for the first quarter of 2023.

Attachments to the Amendment:

1. Amended Appendix B
2. Appendix N v2 (previously published)
3. Appendix O (previously published)
4. Table of current status of Attachments to Appendix L- Model Contract
5. Amended Actuarial Memorandum of June 13, 2022 (previously published)
6. Letter of July 3, 2022 (previously published)

